



Cobre Limited

ACN 626 241 067

NOTICE OF EXTRAORDINARY GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

22 November 2022

Time of Meeting

10:30am (AEDT)

Place of Meeting

Baker McKenzie
Tower One - International Towers Sydney
Level 46, 100 Barangaroo Avenue
Sydney NSW 2000

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by BDO Corporate Finance Ltd (ABN 54 010 185 725) which accompanies this Notice. The Independent Expert's Report comments on the fairness and reasonableness of the Proposed Transaction and issue of the MTR Placement Shares to MTR (as defined in this Notice) to the Non-Associated Shareholders and contains an assessment of the potential advantages and disadvantages of the Proposed Transaction and issue of the MTR Placement Shares to MTR. The Independent Expert has determined that in the absence of any other information or a superior proposal, the Proposed Transaction is **not fair but reasonable** and the issue of the MTR Placement Shares to MTR is **fair and reasonable** to the Non-Associated Shareholders.

This Notice and the accompanying Explanatory Memorandum are important and should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stockbroker, investment advisor, accountant, solicitor, or other professional adviser prior to voting.

Recommendations

All of the Directors (other than Michael McNeilly) recommend that Shareholders vote in favour of Resolutions 1, 2 and 3. Each Director who makes a recommendation intends to vote any Shares he owns or controls in favour of Resolutions 1, 2 and 3. The Chair intends to exercise all available proxies in favour of Resolutions 1, 2 and 3.

AGENDA

ITEMS OF BUSINESS

Resolution 1:

Approval to purchase Sale Shares and Option Shares in KML from MTR

To consider and, if thought fit, pass the following Resolution as an **ordinary resolution** of the Company:

"That, for the purposes of Listing Rule 10.1 and for all other purposes, approval is given for the Company (or its wholly owned subsidiary) to acquire the Sale Shares in KML held by MTR for total cash consideration of GBP £750,000 and if applicable, the Option Shares in KML held by MTR for either cash consideration of GBP £750,000 or the equivalent in Consideration Shares on the terms and conditions set out in the Explanatory Memorandum."

Independent Expert's Report

Shareholders should carefully consider the Independent Expert's Report contained in Schedule 1 of the Explanatory Memorandum. The Independent Expert has concluded that in the absence of any other information or a superior proposal, the Proposed Transaction is not fair but reasonable to the Non-Associated Shareholders.

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- *MTR and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a Shareholder); or*
- *any associate of those persons.*

However, this does not apply to a vote cast in favour of Resolution 1 by:

- *a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- *the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - (a) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and*
 - (b) *the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

Resolution 2:

Approval for MTR to acquire a relevant interest in the Company under the Proposed Transaction

To consider and, if thought fit, pass the following Resolution as an **ordinary resolution** of the Company:

"That, for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes, approval is given for MTR to acquire a relevant interest in Shares such that MTR's voting power in the Company will increase to a maximum of 30% as a result of:

- (a) *the issue of 9,808,076 Shares (**MTR Placement Shares**);*

- (b) if applicable, the issue of Consideration Shares on exercise of the Call Option; and
- (c) if applicable, the issue of Exchange Shares under the Shareholders Loan Amendment Deed,

on the terms and conditions set out in the Explanatory Memorandum."

Independent Expert's Report

Shareholders should carefully consider the Independent Expert's Report contained in Schedule 1 of the Explanatory Memorandum. The Independent Expert has concluded that in the absence of any other information or a superior proposal, the Proposed Transaction is not fair but reasonable and the issue of MTR Placement Shares is fair and reasonable to the Non-Associated Shareholders.

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of MTR and its associates.

Resolution 3:

Approval of issue of MTR Placement Shares to MTR

To consider and, if thought fit, pass the following Resolution as an **ordinary resolution** of the Company:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue of 9,808,076 Shares to MTR, on the terms and conditions set out in the Explanatory Memorandum."

Independent Expert's Report

Shareholders should carefully consider the Independent Expert's Report contained in Schedule 1 of the Explanatory Memorandum. While an independent expert report is not required for a resolution under Listing Rule 10.11, the non-associated Directors have requested the Independent Expert to include the issue of MTR Placement Shares in the Independent Expert Report to assist the Non-Associated Shareholders in forming a view on whether to vote in favour of Resolution 3. The Independent Expert has concluded that in the absence of any other information or a superior proposal, the issue of the MTR Placement Shares to MTR is fair and reasonable to the Non-Associated Shareholders.

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- MTR and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a Shareholder); or
- any associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- (b) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4:

Approval of issue of Subscription Shares to Mitchell Drilling

To consider and, if thought fit, pass the following Resolution as an **ordinary resolution** of the Company:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue US\$300,000 worth of Shares (**Subscription Shares**) to Mitchell Drilling (or its nominee), on the terms and conditions set out in the Explanatory Memorandum.”*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- Mitchell Drilling and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- any associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (b) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5:

Approval of issue of Director Placement Shares to Andrew Sissian

To consider and, if thought fit, pass the following Resolution as an **ordinary resolution** of the Company:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 166,667 Shares (**Director Placement Shares**) to Andrew Sissian (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- Andrew Sissian and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- any associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (b) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6:

Ratification of prior issue of Tranche 1 Placement Shares issued under Listing Rules 7.1 and 7.1A

To consider and, if thought fit, pass the following Resolution as an **ordinary resolution** of the Company:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to ratify the allotment and prior issue by the Company of:

- 20,151,224 Shares issued on 12 August 2022 under Listing Rule 7.1; and
- 16,540,701 Shares issued on 12 August 2022 under Listing Rule 7.1A,

*(together, the **Tranche 1 Placement Shares**) on the terms and conditions set out in the Explanatory Memorandum.”*

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- a person who participated in the issue; or
- any associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (b) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further information in relation to these Resolutions is set out in the Explanatory Memorandum below.

Dated at Sydney, 17 October 2022

Important Note:

If Resolutions 1 and 2 are not passed, then the Proposed Transaction will not proceed.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report which accompanies this Notice. The Independent Expert's Report comments on the fairness and reasonableness of the Proposed Transaction and issue of the MTR Placement Shares to MTR, to the Non-Associated Shareholders and contains an assessment of the potential advantages and disadvantages of the Proposed Transaction and issue of the MTR Placement Shares to MTR. The Independent Expert has determined that in the absence of any other information or a superior proposal, the Proposed Transaction is **not fair but reasonable** and the issue of the MTR Placement Shares to MTR is **fair and reasonable** to the Non-Associated Shareholders.

BY ORDER OF THE BOARD

Justin Clyne
Company Secretary
Cobre Limited

NOTES

1. Explanatory Memorandum

An Explanatory Memorandum accompanies this Notice and provides additional information on the Resolutions to be considered at the Meeting. The Explanatory Memorandum forms part of this Notice and should be read in conjunction with it and in its entirety. We refer Shareholders to the Glossary in the Explanatory Memorandum which contains definitions of certain capitalised terms used in this Notice and the Explanatory Memorandum.

2. Record Date for eligibility to vote

For the purposes of regulation 7.11.37 and 7.11.38 of the *Corporations Regulations 2001 (Cth)*, the Board has determined that Shareholders recorded on the Company's register at 7.00 p.m. (AEDT) on 22 November 2022 (**Record Date**) will be entitled to attend and vote at the Meeting. If you are not the registered Shareholder in respect of a particular Share on the Record Date, you will not be entitled to vote in respect of that Share.

3. Appointment of Proxies

A Shareholder entitled to attend and vote at the Meeting may appoint an individual or a body corporate as a proxy to attend the meeting and, on a poll, vote on the Shareholder's behalf. A proxy need not be a Shareholder. The appointment of one or more proxies will not preclude a Shareholder from being present and voting.

A Shareholder entitled to cast two or more votes may appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportions or numbers are specified, each proxy may exercise half of the Shareholder's votes.

Shareholders are encouraged to direct their proxies how to vote on each Resolution by selecting the 'for', 'against' or 'abstain' box for each item on the proxy form. If a proxy chooses to vote, then he/she must vote in accordance with the directions set out in the proxy appointment form.

Unless under Power of Attorney (of which the Company should have previously been notified), a proxy form completed by a body corporate should be executed under its common seal or in accordance with the Corporations Act. The enclosed proxy form provides further details on proxies and lodging proxy forms.

If a Shareholder appoints the Chair of the Meeting as the Shareholder's proxy and does not specify how the Chair is to vote on an item of business, the Chair will vote, as proxy for that Shareholder, in favour of that item on a poll (subject to the other provisions of these notes, including any voting exclusions set out in the Notice).

For Shareholders registered on the Australian register, section 250B of the Corporations Act stipulates that proxies must be delivered at least 48 hours prior to the Meeting. For the purposes of section 250B, the Board has determined that all proxies must be received by no later than 10:30am (AEDT) on 20 November 2022 or in the event of the meeting being adjourned at least 48 hours prior to the adjourned meeting, to the Company's Share Registry Service Provider, Boardroom Pty Limited as follows:

By mail: Share Registry – Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001

By fax: +61 2 9290 9655

In person: Share Registry – Boardroom Pty Limited,
Level 12

225 George Street
Sydney NSW 2000

Lodge electronically: In accordance with the instructions on the proxy form.

4. Attorneys

A Shareholder may appoint an attorney to vote on his or her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or by the Share Registry by no later than 48 hours in advance of the Meeting.

5. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the Company's representative. The authority must be received by the Company at least 48 hours in advance of the Meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening the Extraordinary General Meeting of Shareholders to be held at Baker McKenzie, Tower One - International Towers Sydney, Level 46, 100 Barangaroo Avenue, Sydney NSW 2000 on 22 November 2022 commencing at 10:30am (AEDT).

The purpose of this Explanatory Memorandum is to assist Shareholders in determining how they wish to vote on the Resolutions. Specifically, the Explanatory Memorandum contains information to help Shareholders understand the background to, and the legal and other implications of, the Notice and the reasons for the Resolutions. The Notice and Explanatory Memorandum should be read in their entirety and in conjunction with each other.

BACKGROUND TO THE PROPOSED TRANSACTION

As announced on 16 June 2022, the Company has entered into a share purchase deed with Metal Tiger PLC (**MTR**) (**SPD**) to acquire the remaining 49% of the issued shares in Kalahari Metals Limited (**KML**) (**Proposed Transaction**) that it does not already own.

The Company currently holds a 51% ownership interest in KML, via its wholly owned subsidiary, Cobre Kalahari Pty Ltd (**Cobre Kalahari**). Under the terms of the Proposed Transaction:

- the Company (or its nominee) will initially acquire 24.5% of the shares in KML (**Sale Shares**) from MTR (increasing its interest to 75.5%) for total cash consideration of GBP £750,000 (**Initial Acquisition**); and
- MTR will grant the Company a call option for it (or its nominee) to acquire the remaining 24.5% of shares in KML (**Option Shares**), exercisable for either GBP £750,000 in cash or the equivalent in Shares, for a period of 12 months after completion of the Initial Acquisition (**Call Option**), providing the Company a pathway to 100% ownership of KML. Subject to the 30% limit in Resolution 2, the consideration in respect of the Call Option may be paid by a combination of cash and shares.

About Kalahari Metals Limited

KML is a private company, incorporated in England and Wales on 3 May 2017, and holds interests in 11 highly prospective exploration licences covering a total area of approximately 5,753 km² in the Kalahari Copper Belt (**KCB**) in Botswana (with 4,304 km² 100% owned and 1,449 km² in JVs), comprising:

- one 100% owned exploration licences;
- five exploration licences subject to a binding earn-in agreement with Triprop Holdings (Pty) Limited (**Triprop**) (KML currently owns a 51% interest in Triprop which includes the Ngami Copper Project); and
- five exploration licences held by a wholly owned subsidiary, Kitlanya Limited.

MTR holds a 2% net smelter royalty over all of KML's wholly owned licences, being six licences covering, in aggregate, 4,304 km². The five exploration licences owned by Triprop (in which KML has a 51% interest) do not form part of the royalties.

KML has entered into an earn-in agreement that will entitle it to increase its interest in Triprop to 80% once KML has incurred US \$800,000 of exploration expenditure on the Triprop licenses and issued £60,000 (valued at the midmarket closing price on the date prior to the issue) of Cobre shares to the non-KML shareholders of Triprop. Following completion of the earn-in agreement, KML then has the option to acquire the remaining 20% in Triprop.

KML owns the second largest tenure holding in the Botswana portion of the KCB after ASX listed company, Sandfire Resources Limited (ASX: SFR). The KCB is regarded as one of the world's most

prospective areas for copper exploration by the US Geological Survey, with a number of copper-silver deposits currently under development by both Sandfire Resources Limited and Cupric Canyon Capital.

The Proposed Transaction gives Cobre greater exposure to the second largest package of KCB tenements in Botswana, and represents a strategic step for Cobre to fully exploit the exploration potential of KML.

As at the date of this Notice, the Company and MTR respectively hold 51% and 49% of the shares in KML. MTR and the Company are parties to the SPD.

SHARE PURCHASE DEED AND ASSOCIATED DOCUMENTS

Under the terms of the SPD, the total consideration payable by the company to MTR for the Sale Shares under the Initial Acquisition is GBP £750,000.

On completion of the Initial Acquisition, MTR will grant the Company the Call Option for it (or its nominee) to acquire the Option Shares, representing the remaining 24.5% interest in KML. The Company will have a period of 12 months after completion of the Initial Acquisition to exercise the Call Option. Cobre can elect (in its absolute discretion) to exercise the Call Option by either paying cash consideration of GBP £750,000 or issuing Shares to MTR (**Consideration Shares**) or a combination of cash and shares subject to the limit in Resolution 2. Alternatively, the Company may elect not to exercise the Call Option, in which case, the Call Option will lapse and the Company will remain a 75.5% shareholder in KML, with MTR holding the remaining 24.5%.

If the Company elects to satisfy the exercise price of the Call Option by issuing Consideration Shares, the number of Consideration Shares will be calculated by dividing GBP £750,000 (converted into Australian dollars) by the 90-trading day VWAP of Shares up to the date on which the Company exercises the Call Option, provided however, if the issue of Consideration Shares will result in MTR acquiring a voting power in the Company in excess of 30%, then the Company will instead pay MTR the cash value of the excess Consideration Shares once the 30% cap has been reached.

Conditions

Completion of the Proposed Transaction is conditional on the following conditions:

- the Company passing at the Meeting resolutions to authorise the Company to complete the Proposed Transaction in compliance with the Corporations Act and the Listing Rules;
- an Independent Expert's Report being included in the Notice concluding that the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders;
- that there is no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or government agency and no other legal restraint preventing the Proposed Transaction; and
- that any approvals which may be required by any government agency in Botswana to the Proposed Transaction being obtained.

The parties have agreed that if all of the above conditions are satisfied (or waived), the parties may proceed to completion of the Initial Acquisition.

Funding of KML and financial impact of the Proposed Transaction

In connection with the Proposed Transaction, the Company, MTR, Cobre Kalahari and KML have agreed to temporarily amend the terms of the existing shareholders' deed entered into between the parties in respect of KML for a period of 12 months following completion of the Initial Acquisition, providing, among other things, Cobre Kalahari with sole control over KML's business plan and budget

and allowing it to be solely responsible for any capital and funding requirements for KML during that time.

Additionally, the Company, MTR, Cobre Kalahari and KML have also entered into a loan amendment deed (**Shareholders Loan Amendment Deed**), pursuant to which the Company has agreed to guarantee KML's obligation to repay the existing and outstanding shareholder loans made by MTR to KML (currently approximately US\$1,295,071) (**MTR Loan**), plus any interest accruing at a rate of 7% per annum.

The Company may, at its election and at any time repay all or any part of the MTR Loan in cash or by issuing Shares to MTR and Cobre Kalahari (**Exchange Shares**). If the Company elects to satisfy the repayment of the MTR Loan by issuing Exchange Shares, the number of Exchange Shares will be calculated by dividing the total outstanding amount of the MTR Loan by the 90-trading day VWAP of the Shares.

KML is obligated to repay any shareholder loan within five years (which may be extended by a further five years if a maiden JORC compliant mineral resource in respect of the Botswana projects has not been made by maturity of the loan) or on the occurrence of certain events, including:

- the disposal of all or substantially all of the assets of the Company or KML and its subsidiaries;
- an initial public offering of KML;
- commencement of mining and production of copper or silver at the tenements owned or operated by KML in Botswana;
- the Company disposing of 75% or more of its interest in KML;
- a change of control occurs in relation to the Company; or
- a JORC Resource Declaration occurs during the period of extension mentioned above.

OTHER TRANSACTIONS CONTEMPLATED BY THIS NOTICE

On 4 August 2022, the Company announced that it had successfully raised \$7 million (before costs) via a placement of new fully paid ordinary shares at an issue price of \$0.15 per share (**Placement Shares**) which would be completed in two tranches as follows:

- **Tranche 1:** \$5.5 million raised from institutional and other sophisticated investors utilising the Company's existing placement capacity under Listing Rules 7.1 and 7.1A; and
- **Tranche 2:** \$1.5 million to be raised from MTR and related parties, subject to Shareholder approval under Resolutions 3 and 5 of this Notice,

(together, the **Placement**).

Funds raised under the Placement will be applied towards fast tracking exploration on the tenement package held by KML in Botswana.

Tranche 1 of the Placement completed on 12 August 2022 which resulted in the issue of 36,691,925 Placement Shares, of which 20,151,224 Placement Shares and 16,540,701 Placement Shares were issued utilising the Company's existing placement capacity under Listing Rules 7.1 and 7.1A, respectively (**Tranche 1 Placement Shares**). Shareholder approval is being sought under Resolution 6 to ratify the issue of the Tranche 1 Placement Shares.

In addition, Shareholder approval is being sought under Resolutions 3 and 5 of this Notice to issue the Placement Shares under Tranche 2 of the Placement (**Tranche 2 Placement Shares**) consisting of:

- 9,808,076 Shares to MTR (**MTR Placement Shares**); and

- 166,667 Shares to Andrew Sissian (**Director Placement Shares**).

The Company also announced on 4 August 2022 that it had entered into a subscription deed with Mitchell Drilling (**Subscription Deed**). Under the terms of the Subscription Deed, the Company agreed to issue US\$300,000 worth of Shares at an issue price of \$0.15 per Share (**Subscription Shares**), in lieu of cash payment for 45% of any invoices (exclusive of VAT) that are rendered by Mitchell Drilling to KML for any drilling services delivered, up to a maximum of US\$300,000. Approval for the issue of the Subscription Shares is being sought under Resolution 4.

IMPACT OF THE PROPOSED TRANSACTION ON THE COMPANY

Capital Structure

The impact of the Proposed Transaction on the Company's capital structure will ultimately depend on a number of factors, including:

- whether the Company obtains Shareholder approval for the issue of the Tranche 2 Placement Shares;
- whether the Company exercises the Call Option and if it will pay the exercise price in cash or Consideration Shares;
- whether the Company elects to repay all or any part of the MTR Loan in cash or by issuing Exchange Shares; and
- the number of Shares and other Equity Securities on issue at the time the Company exercises the Call Option and/or repays the MTR Loan.

The table below shows the potential impact of the Proposed Transaction on the entire capital structure of the Company (both Shares and other convertible Equity Securities), assuming the Company elects to issue Consideration Shares and Exchange Shares in satisfaction of its obligation under the Call Option and MTR Loan, respectively, and the issue of the Tranche 2 Placement Shares is approved by Shareholders.

Table 1: Capital Structure as at 1 October 2022

	Shares	Options ¹	MTR Interest
Current issued capital	203,709,435	27,638,500	12.74%
Issue of MTR Placement Shares (subject of Resolution 3)	9,808,076	-	-
Issue of Subscription Shares (subject of Resolution 4) ²	2,857,143	-	-
Issue of Director Placement Shares (subject of Resolution 5)	166,667	-	-
Total issued capital at completion of the Initial Acquisition	216,541,321	27,638,500	16.51%
Shares to be issued on exercise of the Call Option (if applicable) ³	4,385,964	-	-
Total issued capital at completion of exercise of the Call Option	220,927,285	27,638,500	18.17%
Shares to be issued on repayment of the MTR Loan ⁴	6,167,004	-	-

	Shares	Options ¹	MTR Interest
Total issued capital on repayment of the MTR Loan	227,094,289	27,638,500	20.39%

Note:

1. Various unlisted options with various exercise prices and expiry dates.
2. Assumes an AUD:USD exchange rate of A\$1.00:US\$0.70.
3. Assumes an AUD:GBP exchange rate of A\$1.00:GBP0.57 and an A\$0.30 90-day VWAP of Shares.
4. Assumes an AUD:GBP exchange rate of A\$1.00:US\$0.70 and an A\$0.30 90-day VWAP of Shares and nil interest has accrued.

Voting Power

If the Proposed Transaction and the issue of the Tranche 2 Placement Shares is approved by Shareholders, existing Shareholders will have their interest in the Company diluted by the issue of (i) Tranche 2 Placement Shares, and (ii) if applicable, Consideration Shares in satisfaction of the exercise price of the Call Option and/or (ii) Exchange Shares to repay the MTR Loan.

The voting power in the Company MTR will acquire as a result of the issue of the Consideration Shares and Exchange Shares (assuming the issue of the MTR Placement Shares) will be limited to a maximum of 30%, as agreed under the SPD. In the event the issue of Consideration Shares and/or Exchange Shares (assuming the issue of the MTR Placement Shares) will result in MTR acquiring a voting power in the Company in excess of 30%, then the Company will instead pay MTR the cash value of the excess Consideration Shares and/or Exchange Shares once the 30% cap has been reached or seek further shareholder approval, which the Company is under no obligation to do.

The table below sets out the ownership in the Company by MTR assuming the Proposed Transaction completes and the dilution to existing Shareholders on the basis that:

- the issue of the MTR Placement Shares, Subscription Shares and Director Placement Shares is approved by Shareholders under Resolution 3, 4 and 5, respectively;
- the Company has issued Consideration Shares in satisfaction of the exercise price of the Call Options and Exchange Shares to repay the MTR Loan;
- no other convertible Equity Securities are exercised or converted;
- no further Shares are issued by the Company; and
- the Company has not undertaken any form of reorganisation which reduces the number of Shares on issue.

Table 2: Voting Power

	Current		Following issue of Tranche 2 Placement Shares ¹		Following issue of Consideration Shares ²		Following issue of Exchange Shares ³	
MTR	No. of Shares	Voting Power	No. of Shares	Voting Power	No. of Shares	Voting Power	No. of Shares	Voting Power
Undiluted	25,946,722	12.74%	35,754,798	16.51%	40,140,762	18.17%	46,307,766	20.39
Fully Diluted	25,946,722	11.22%	35,754,798	14.64%	40,140,762	16.15%	46,307,766	18.18%

Note:

1. Subject to the approval of Resolution 3, MTR will be issued 9,808,076 Shares under Tranche 2 of the Placement, as announced on 4 August 2022.
2. Assumes an AUD:GBP exchange rate of A\$1.00:GBP0.57 and an A\$0.30 90-day VWAP of Shares.
3. Assumes an AUD:GBP exchange rate of A\$1.00:US\$0.70 and an A\$0.30 90-day VWAP of Shares and nil interest has accrued.

CONSIDERATIONS RELEVANT TO YOUR VOTE

Advantages and disadvantages of the Proposed Transaction

The anticipated benefits to the Company of the Proposed Transaction include:

- (a) the Company will acquire up to a 100% interest in KML, increasing its exposure, providing it with full upside of any increase in value to its assets, and the autonomy to manage its day to day operations and enjoy all of the benefits of being a 100% shareholder of KML;
- (b) the Company will acquire up to a 100% interest in KML, increasing its exposure to the second largest package of KCB tenements in Botswana and full upside of any exploration success it achieves;
- (c) upon acquiring 100% interest in KML, the Company will have full autonomy to manage the strategic direction and operations of KML, including how it proposes to further explore and develop its projects;
- (d) geographic expansion and diversification of the Company's copper exploration activities; and
- (e) the consideration payable on exercise of the Call Option may be satisfied through the issue of scrip, providing the Company with the option to conserve cash reserves.

The potential disadvantages to the Company of the Proposed Transaction include:

- (a) to the extent that the Company will issue Shares under the Call Option or the Shareholders Loan Amendment Deed, existing Shareholders will have their holdings diluted following the issue of the Consideration Shares and/or Exchange Shares;
- (b) as a result of the Proposed Transaction, MTR may obtain up to a 30% shareholding in the Company, which may dissuade potential acquirers of the Company from making a takeover offer in the future. This may adversely affect the Share price and reduce the opportunity for Shareholders to receive a takeover premium in the future. As at the date of this Notice, the Company is not engaged in any discussions in relation to any potential takeover proposal; and
- (c) transaction costs of approximately A\$280,000 predominantly comprising advisory fees, are expected to be incurred in relation to the Proposed Transaction.

Following the Proposed Transaction, there will be no material change in the nature of the Company's business activities as the Company will continue to explore for copper in Botswana. Accordingly, the Company's risk profile will continue to be the same as its existing business (but with an increased exposure due to 100% ownership of KML) which has previously been disclosed to Shareholders. The relevant risks include: exploration and operational risks; risks associated with the legal environment in Botswana; risks associated with operating in Botswana; environmental regulations; changes in government policy; and commodity price and foreign currency volatility.

In addition, the Company will be exposed to the following contractual risks as a result of entering into the SPD and the Proposed Transaction:

- (a) completion of the Initial Acquisition is subject to the conditions summarised above. If Shareholders do not approve Resolutions 1 and 2, the Proposed Transaction will not proceed. If the Proposed Transaction does not proceed, the Company will not have the benefit of geographically diversified exploration and tenement holdings across two jurisdictions; and
- (b) the Company will have spent significant time, effort and funds in pursuing the Proposed Transaction without any benefit.

INDICATIVE TIMETABLE

Assuming Resolutions 1 and 2 are passed at the Meeting, the Company anticipates completion of the Initial Acquisition will occur in November 2022, which would mean that the Company will have until November 2023 to exercise the Call Option.

An indicative timetable to completing the Initial Acquisition and the Call Option (if exercised) is set out below:

Event	Date
Extraordinary General Meeting	22 November 2022
Completion of Initial Acquisition	29 November 2022
Expected Call Option Expiry Date	29 November 2023
Exercise of Call Option	By 29 November 2023
Completion of Call Option	Three business days after exercise of Call Option

REQUIREMENTS FOR SHAREHOLDER APPROVAL

The Listing Rules and the Corporations Act require that Shareholders approve the Proposed Transaction, including, if applicable, the issue of the Consideration Shares and Exchange Shares, before they can be made.

Shareholder approval is required for the acquisition of the Sale Shares and if applicable, the Option Shares from MTR because:

- (a) it is a transaction between the Company (or a wholly owned subsidiary) and a shareholder holding more than 10% of its Shares;
- (b) the aggregate value of the Sale Shares and if applicable, the Option Shares, relates to a "substantial asset" of the Company, being a value of more than five per cent of Shareholders' equity in the Company as at 31 December 2021; and
- (c) Listing Rule 10.1 requires shareholder approval be obtained before a listed entity acquires, or disposes of, a substantial asset from or to a substantial (10%+) shareholder.

Shareholder approval is required for the issue of the MTR Placement Shares, Consideration Shares and Exchange Shares to MTR because their issue will, in aggregate, result in MTR acquiring a relevant interest in Shares such that MTR's voting power in the Company will increase from 12.74% to a maximum of 30%, and section 606 of the Corporations Act prohibits a person acquiring a relevant interest in the issued voting shares of a company if, because of the acquisition, that person's or another person's voting power in the company increases from:

- (a) 20% or below to more than 20%; or
- (b) a starting point that is above 20% and below 90%.

Section 611 of the Corporations Act contains exceptions to the prohibition in section 606 of the Corporations Act. Item 7 of section 611 of the Corporations Act provides a mechanism by which shareholders of a company may approve an issue of shares to a person which results in that person's or another person's voting power in the company increasing from:

- (a) 20% or below to more than 20%; or
- (b) a starting point that is above 20% and below 90%.

Shareholder approval is also required for (and being sought for) the issue of the MTR Placement Shares because:

- (a) MTR is a person who is a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them the right or expectation to do so;
- (b) Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to such a person;
- (c) no exception in Listing Rule 10.12 applies to the issue of the MTR Placement Shares; and
- (d) the Company wants the ability to issue the MTR Placement Shares to MTR, even if Shareholders do not approve the Proposed Transaction.

In accordance with the Listing Rules and the Corporations Act, the Company is therefore seeking the following Shareholder approvals under this Notice:

- (a) Shareholder approval for the purposes of Listing Rule 10.1 to permit the Company (or a wholly owned subsidiary) to acquire the Sale Shares and, if applicable, the Option Shares from MTR, the value of which constitutes the acquisition of a substantial asset from a substantial (10%+) shareholder (**Resolution 1**); and
- (b) Shareholder approval for the purposes of item 7 of section 611 of the Corporations Act to permit MTR to acquire a relevant interest in Shares such that MTR's voting power in the Company will increase up to a maximum of 30% pursuant to the issue of the MTR Placement Shares and the Proposed Transaction (**Resolution 2**); and
- (c) Shareholder approval for the purposes of ASX Listing Rule 10. 11 to permit the Company to issue the MTR Placement Shares to MTR (**Resolution 3**).

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolutions 1 to 3 because the Proposed Transaction and issue of MTR Placement Shares was negotiated on an arm's length basis and therefore falls within the exception contained in section 210 of the Corporations Act. In this regard:

- (a) the Company already controls a 51% interest in KML and is therefore familiar with its assets and operations and accordingly, considers the negotiated terms represent fair value and are on arm's length terms; and
- (b) the Proposed Transaction was reviewed and recommended by the Company's independent directors; and
- (b) the MTR Placement Shares are being offered on the same terms as other investors under the Placement.

Completion of the Proposed Transaction is conditional upon the passing of Resolution 1 and 2 at the Meeting and may be passed by a majority of eligible Shareholders voting under an ordinary resolution (greater than 50 per cent of votes being cast in favour of the Resolution). Accordingly, if Resolutions 1 and 2 are not passed, the Proposed Transaction will not proceed. Resolution 3 is independent to Resolutions 1 and 2 and so the issue of the MTR Placement Shares will take place if Resolution 3 is passed by the requisite majority and Resolutions 1 and/or 2 are not passed.

Resolution 1

Approval to purchase Sale Shares and Option Shares in KML from MTR

Shareholder approval is sought under Listing Rule 10.1 for the Company (or its wholly owned subsidiary) to acquire MTR's Sale Shares for total cash consideration of GBP £750,000 and if the Company exercises the Call Option, MTR's Option Shares for either cash consideration of GBP £750,000 or the equivalent in Consideration Shares.

Reason for approval

Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of child entities, acquires a substantial asset from, or disposes of a financial asset to, amongst other persons:

- a substantial (10%+) holder of the entity; and
- an associate of the substantial (10%+) holder of the entity,

without the prior approval of the entity's ordinary shareholders.

The effect of Resolution 1 is to allow the Company to acquire from MTR the Sale Shares and if applicable, the Option Shares. If Resolution 1 is not passed, the Proposed Transaction will not proceed.

Substantial asset

As noted above, the Proposed Transaction will involve the Company (or its wholly owned subsidiary) acquiring from MTR the Sale Shares for total cash consideration of GBP £750,000, and if the Company exercises the Call Option, the Option Shares for either cash consideration of GBP £750,000 or the equivalent in Consideration Shares. The Board believes that the Sale Shares and Option Shares represent a "substantial asset" for the purposes of Listing Rule 10.1.

Based on the most recent accounts lodged with ASX on 16 March 2022, being the Company's financial statements for the half-year ended 31 December 2021, the Company has equity interests of approximately \$14.85 million. Accordingly, an asset will be considered substantial if the value of the asset is at least \$0.743 million.

The value of the Sale Shares being acquired is GBP £750,000 and the value of the Option Shares, if acquired, is GBP £750,000. As the value of the Sale Shares and Option Shares exceeds \$0.743 million, it is a "substantial asset" for the purposes of Listing Rule 10.1.

Substantial holder

For the purposes of Listing Rule 10.1, a substantial (10%+) holder is a person who has a relevant interest (either directly or through its associates) or had at any time in the past six months before the Proposed Transaction, in at least 10% of the total votes attaching to the voting securities of the Company.

MTR currently holds 17.07% of the total votes attaching to the voting securities in the Company, and is therefore a substantial (10%+) shareholder under Listing Rule 10.1.3.

As a result, the Proposed Transaction will result in the acquisition of a substantial asset from a substantial (10%+) holder of the Company. The Company is therefore required to seek the approval of its Shareholders under Listing Rule 10.1.

Independent Expert's Report

In accordance with Listing Rule 10.5.10, the Company commissioned BDO Corporate Finance, being the Independent Expert, to prepare an Independent Expert's Report on the acquisition from MTR of the Sale Shares and if applicable, the Option Shares, on the terms of the SPD. A copy of the Independent Expert's Report is set out in Schedule 1 of the Explanatory Memorandum.

Shareholders should read the Independent Expert's Report in full prior to deciding how to vote on Resolution 1.

The Independent Expert's Report has concluded that in the absence of any other information or a superior proposal, the Proposed Transaction is **not fair but reasonable** to the Non-Associated Shareholders.

Information for Shareholders under Listing Rule 10.5

Listing Rule 10.5 requires that the following information be provided to Shareholders:

- (a) the Sale Shares and if applicable, the Option Shares will be acquired from MTR;
- (b) MTR falls within Listing Rule 10.1.3 as it holds a 12.74% interest in the Company and so is a substantial (10%+) shareholder;
- (c) under the Initial Acquisition, the Company will acquire 54,017,408 Sale Shares, representing 24.5% of the shares in KML, from MTR which will increase the Company's interest in KML from 51% to 75.5%. If the Company exercises the Call Option, the Company will acquire the remaining 54,017,408 Option Shares, representing a further 24.5% of the shares in KML, from MTR, which will increase the Company's interest in KML from 75.5% to 100%;
- (d) the consideration for the acquisition of the Sale Shares from MTR is £750,000. If the Company exercises the Call Option, the consideration for the Option Shares will be either £750,000 in cash or the equivalent in Consideration Shares;
- (e) the Company proposes to fund the acquisition of the Sale Shares and, if the Company exercises the Call Option, the Option Shares, in cash from its existing cash reserves. Alternatively, the Company may fund the exercise price of the Call Option by issuing Consideration Shares;
- (f) the timetable for completion of the Initial Acquisition and the terms of the Call Option is set out in the "Indicative Timetable" section above;
- (g) a summary of the material terms of the SPD is set out in the "Share Purchase Deed and Associated Documents" section above;
- (h) a voting exclusion statement is included in the Notice; and
- (i) a copy of the Independent Expert's Report is included in Schedule 1 of the Explanatory Memorandum.

Recommendation

All of the Directors (other than Michael McNeilly) recommend that Shareholders vote in favour of Resolution 1. Each Director who makes a recommendation intends to vote any Shares he owns or controls in favour of Resolution 1.

The Chair intends to exercise all available proxies in favour of Resolution 1.

Resolutions 2 and 3

Approval for MTR to acquire a Relevant Interest in the Company pursuant to the Proposed Transaction and issue of MTR Placement Shares and for the issue of the MTR Placement Shares

Approval is sought under item 7 of section 611 of the Corporations Act for MTR to acquire a relevant interest in Shares such that MTR's voting power in the Company will increase to a maximum voting power of 30% as a result of:

- the issue of 9,808,076 MTR Placement Shares;
- if applicable, the issue of Consideration Shares on exercise of the Call Option; and/or
- if applicable, the issue of Exchange Shares under the Shareholders Loan Amendment Deed.

An exception to Listing Rules 7.1 and 10.11 is available where the issue of securities is approved for the purpose of item 7 of section 611 of the Corporations Act. Given that the approval for the issue of the MTR Placement Shares, Consideration Shares and Exchange Shares to MTR is sought under item 7 of section 611 of the Corporations Act, the Company does not separately need to seek approval under Listing Rules 7.1 or 10.11.

That said, the Company is separately seeking approval to the issue of the MTR Placement Shares under Listing Rule 10.11 so that it can still issue the MTR Placement Shares where Resolution 2 is not approved. Approval under item 7 of section 611 of the Corporations Act is not required for the issue of just the MTR Placement Shares.

An exception to Listing Rule 7.1 is available where the issue of securities is approved for the purpose of Listing Rule 10.11. Given that the approval for the issue of the MTR Placement Shares is sought under Listing Rule 10.11, the Company does not separately need to seek approval under Listing Rule 7.1.

Reason for approval

Section 606 of the Corporations Act prohibits a person from acquiring relevant interest in the issued voting securities of a listed company if the acquisition would result in that person's (or another person's) voting power in the company increasing from:

- 20% or below to more than 20%; or
- from a starting point that is above 20% and below 90%,

unless the acquisition is made under one of the permitted exceptions in the Corporations Act.

The voting power of a person in a company is determined by reference to section 610 of the Corporations Act. A person's voting power in a company is the total of the votes attaching to the shares in the company in which that person and that person's associates (within the meaning of the Corporations Act) have a relevant interest.

Under section 608 of the Corporations Act, a person will have a relevant interest in shares if:

- the person is the registered holder of the shares;
- the person has the power to exercise or control the exercise of votes or disposal of the shares; or
- the person has over 20% of the voting power in a company that has a relevant interest in the shares, then the person has a relevant interest in said shares.

An exception in item 7 of section 611 provides that section 606(1) of the Corporations Act does not prohibit an acquisition of a relevant interest in the voting shares of a company if the shareholders of the company approve the acquisition by resolution passed at a general meeting, at which no votes are cast in relation to the resolution by the person to whom the shares are to be issued or by an associate of that person.

If the Company issues the MTR Placement Shares to MTR, MTR will acquire a relevant interest in the Company's ordinary shares which remain less than 20% (i.e. 16.51%, assuming Resolutions 3 to 5 only are approved).

Thereafter, if the Company exercises the Call Option and satisfies the exercise price by issuing Consideration Shares to MTR and/or if the Company issues Exchange Shares to MTR in repayment of the MTR Loan under the Shareholders Loan Amendment Deed, MTR will acquire a relevant interest in the Company's Shares which will increase MTR's voting power from a starting point that is below 20% (i.e. 16.51%), and above 20% but below 90% (i.e. up to a maximum of 30%).

Resolutions 2 seeks Shareholder approval, for the purpose of item 7 of section 611 of the Corporations Act, to allow MTR to increase its voting power in the Company to a maximum of 30% as a result of, and to the extent applicable, of becoming the registered holder of the MTR Placement Shares, the Consideration Shares and/or the Exchange Shares.

The effect of this approval is that MTR could acquire a voting power in the Company of up to 30%, without the need to make a takeover bid, seek further Shareholder approval, or otherwise comply at that time with one of the other exceptions to section 606 of the Corporations Act.

Information for Shareholders under item 7 of section 611 of the Corporations Act and Listing Rule 10.13

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval under item 7 of section 611 of the Corporations Act and Listing Rule 10.11:

The identity of the person proposing to make the acquisition and their associates	The acquisition will be made by, and the MTR Placement Shares will be issued to, MTR. MTR's associates in relation to the Company are its subsidiaries, details of which are set out in MTR's annual report, a copy of which is available at www.metaltigerplc.com. MTR falls within the category in Listing Rule 10.11.3 as it is a person who is a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them the right or expectation to do so.
The maximum extent of the increase in that person's voting power in the Company that would result from the acquisition	MTR currently holds 25,946,722 Shares in the Company and has total voting power 12.74% as at the date of this Notice (noting MTR may acquire or sell Shares after the date of this Notice). <u>MTR Placement Shares</u> Under the Placement, the Company proposes to issue the MTR Placement Shares (being 9,808,076 fully paid ordinary shares) to MTR at an issue price of \$0.15 per Share, being the same terms as offered to non-related parties under Tranche 1 of the Placement. If only Resolutions 3 to 5 are approved by Shareholders, MTR's total voting power will increase from 12.74% to 16.51%. <u>Consideration Shares and Exchange Shares</u> Under the SPD, it is proposed that if the Company exercises the Call Option by issuing Consideration Shares to MTR, the number of Consideration Shares will be calculated by dividing GBP £750,000 (converted into Australian dollars) by the 90-trading day VWAP of Shares up to the date on which the Company exercises the Call Option, provided however, if the issue of Consideration Shares will result in MTR

	acquiring a voting power in the Company in excess of 30%, then the Company will instead pay MTR the cash value of the excess Consideration Shares once the 30% cap has been reached. Under the Shareholders Loan Amendment Deed, it is proposed that if the Company elects to repay the MTR Loan by issuing Exchange Shares to MTR, the number of Exchange Shares will be calculated by dividing the total outstanding amount of the loan by the 90-trading day VWAP of the Shares. It is proposed that the issue of the MTR Placement Shares, Consideration Shares and/or Exchange Shares will not result in MTR's maximum voting exceeding 30%.
The voting power that person would have as a result of the acquisition	To the extent that: - the MTR Placement Shares are issued, MTR's voting power will increase from 12.74% to 16.51% (assuming only Resolutions 3 to 5 are approved); and - any Consideration Shares and/or Exchange Shares are issued, MTR's voting power will increase up to a maximum of 30%.
The maximum extent of the increase in the voting power of each of that person's associates which would result from the acquisition	The maximum extent of the increase in MTR's associates' voting power will be equivalent to the increase in voting power of MTR, being approximately 17.26%.
The voting power that each of that person's associates would have as a result of the acquisition	The voting power that MTR associates would acquire will be equivalent to the voting power MTR would acquire.
Date on which the Company will issue the MTR Placement Shares	The Company proposes to issue the MTR Placement Shares to MTR as soon as possible following the Meeting but, in any event, within one month of the Meeting.
Purpose of the issue of the MTR Placement Shares	The Company proposes to issue the MTR Placement Shares to MTR to raise an additional \$1,471,211 (before costs) and apply such funds towards fast tracking exploration on the tenement package held by KML in Botswana.
Material terms of the issue of the MTR Placement Shares	The material terms of the proposed issue of MTR Placement Shares are summarised in the "Other Transactions Contemplated by this Notice" section above.

Information for Shareholders under required by ASIC Regulatory Guide 74

Further information required by *ASIC Regulatory Guide 74: Acquisitions approved by members* is set out below:

Reasons for the proposed acquisition	<u>MTR Placement Shares</u> The Company proposes to issue the MTR Placement Shares to MTR to raise an additional \$1,471,211 (before costs) and apply such funds towards fast tracking exploration on the tenement package held by KML in Botswana. <u>Consideration Shares and Exchange Shares</u> As noted above, if the Company elects to exercise the Call Option by issuing Consideration Shares, the Company will issue Consideration Shares in consideration for the Option Shares, representing 24.5% of the shares in KML. Additionally, if the Company elects to repay the MTR Loan by issuing Exchange Shares to MTR, the Company will issue Exchange Shares in satisfaction of its obligations as guarantor under the Shareholder Loan Amendment Deed. The rationale for the Proposed Transaction and the issue of Exchange Shares is summarised in the "Background to the Proposed Transaction" section above.
Timing for the Proposed Transaction	<u>MTR Placement Shares</u> The Company proposes to issue the MTR Placement Shares to MTR as soon as possible following the Meeting but, in any event, within one month of the Meeting. <u>Consideration Shares and Exchange Shares</u> The Company will have a period of 12 months after completion of the Initial Acquisition to exercise the Call Option. The Company anticipates Completion of the Initial Acquisition will occur in November 2022, which would mean that the Company will have until November 2023 to exercise the Call Option and if applicable, issue the Consideration Shares. Additionally, the Company has guaranteed KML's obligation to repay the MTR Loan, which must be repaid within five years (subject to a further five year extension if a maiden JORC compliant mineral resource in respect of the Botswana projects has not been made by maturity of the loan) or on the occurrence of certain events including (i) the disposal of all or substantially all of the assets of the Company or KML and its subsidiaries; (ii) an initial public offering of KML; (iii) commencement of mining and production of copper or silver at the tenements owned or operated by KML in Botswana; (iv) the Company disposing 75% or more of its interest in KML; (v) a change of control occurs in relation to the Company; or (vi) a JORC Resource Declaration occurs during the period of extension mentioned above. The Company may, at its election and at any time, issue Exchange Shares to MTR to repay all or any part of the outstanding MTR Loan. An indicative timetable to completion of the Initial Acquisition and the Call Option (if exercised) is set out in the "Indicative Timetable" section above.
Material terms of the Proposed Transaction	The material terms of the Proposed Transaction and the SPA are summarised in the "Background to the Proposed Transaction" and "Share Purchase Deed and Associated Documents" sections above.

	The material terms of the proposed issue of MTR Placement Shares are summarised in the "Other Transactions Contemplated by this Notice" section above.
Details of the terms of any other relevant agreement between the acquirer and the target entity or vendor (or their associates) that is conditional on (or directly or indirectly) Shareholders' approval of the Proposed Transaction	As announced on 16 June 2022, the Company, MTR, Cobre Kalahari and KML have agreed to temporarily amend the terms of the existing shareholders' deed entered into between the parties in respect of KML for a period of 12 months following completion of the Initial Acquisition, providing, among other things, Cobre Kalahari with sole control over KML's business plan and budget and allowing it to be solely responsible for any capital and funding requirements during that time. Additionally, as noted above, MTR, Cobre Kalahari and KML have also entered into the Shareholders Loan Amendment Deed pursuant to which the Company has agreed to guarantee KML's obligation to repay the MTR Loan (currently approximately US\$1,295,071), plus any interest accruing at a rate of 7% per annum.
Acquirers' intentions regarding the future of the Company	MTR does not: • have any intention to change the business of the Company; • have any intention to inject further capital into the Company; • intend to change the employment arrangements of the Company; • propose to transfer assets between the Company and MTR or any of its associates; or • have any intention to otherwise redeploy the fixed assets of the Company.
Acquirer's intentions regarding the dividend policy	MTR does not intend to change the financial or dividend distribution policies of the Company.
Directors interests	Michael McNeilly is a non-executive director of the Company and is also the Chief Executive Officer of MTR. As such, he has an interest in the Proposed Transaction. Other than Michael McNeilly's interests and the interest the Directors have in the Proposed Transaction by reason of their ownership of Shares, no Director has any personal interest in the outcome of the Resolution or the Proposed Transaction.
Persons who are intended to become directors of the Company	There will be no changes to the Directors of the Company as a result of the Proposed Transaction.

Independent Expert's Report

The Independent Expert's Report (prepared by BDO Corporate Finance Ltd, being the Independent Expert) assesses whether the Proposed Transaction and issue of the MTR Placement Shares is fair and reasonable to the Non-Associated Shareholders and also contains an assessment of the potential advantages and disadvantages of the Proposed Transaction and issue of the MTR Placement Shares.

The Independent Expert has concluded that, in the absence of any other information or a superior proposal:

- the Proposed Transaction is **not fair but reasonable**; and
- the issue of the MTR Placement Shares is **fair and reasonable** ,

to the Non-Associated Shareholders.

The Independent Expert is of the opinion that the potential advantages and disadvantages of the Proposed Transaction and issue of the MTR Placement Shares are as follows:

	Advantages	Disadvantages
Proposed Transaction	If the Proposed Transaction is approved and the Call Option is exercised with scrip, the Non-Associated Shareholders will collectively hold no less than a 70% interest in KML. The Non-Associated Shareholders will continue to collectively hold a controlling interest in Cobre if the Proposed Transaction is approved.	The Proposed Transaction is not fair for the reasons set out in section 3.3 of the Independent Expert's Report.
	Completion of the Proposed Transaction would result in Cobre having 100% ownership of KML and the full upside of any exploration success it achieves (assuming the Call Option is exercised). The acquisition of the remaining shares in KML will enable Cobre to benefit from full exposure to any value accretion that arises should mineral resources be declared.	If the Call Option is exercised with scrip, the issue of shares to MTR under the Proposed Transaction will have a dilutive effect on the current interest of the Non-Associated Shareholders
	Following issuance of the Call Option under the Proposed Transaction, Cobre will have a 12-month period during which they may elect to exercise the Call Option and either pay GBP 750,000 or the equivalent in Shares. Cobre is not obliged to exercise the Call Option, and so they retain the discretion to make the decision in the best interests of Cobre.	If the Proposed Transaction is approved and the Call Option is exercised with scrip, MTR will hold up to a 30% interest of Cobre's issued capital. In circumstances where Metal Tiger's interest exceeds 25%, they will be able to unilaterally block any special resolutions.
	Cobre can exercise the Call Option at any time during the 12-month period following issuance of the Call Option, and so will be able to exercise the Call Option at a time that is most beneficial to them. For example, at a time when their 90-trading-day VWAP is elevated, or when they have a sufficient cash balance to comfortably exercise with cash.	If the Proposed Transaction is approved and the Call Option is not exercised, MTR will continue to hold a 24.5% interest in KML and Cobre and Metal Tiger will still be subject to the KML Shareholders Deed currently in place. In particular, unless the Shareholders Deed is revised to reflect the new shareholdings, MTR will still be able to appoint half the directors of KML.
	The consideration for the Call Option under the Proposed Transaction can, at Cobre's option, consist of scrip, reducing the cash required to acquire	If the Proposed Transaction is approved and the Call Option is exercised with scrip, MTR's ownership interest in Cobre of up to

	KML. In addition, the repayment of the outstanding shareholder loans to MTR can also be settled with shares in Cobre, provided that MTR does not hold more than 30% of Cobre's outstanding share capital. Considering Cobre is not generating revenue, the ability to settle these transactions with scrip may be beneficial, as Cobre may otherwise need to raise the remaining cash through further capital raises.	30% may reduce the chance of Cobre's shareholders receiving a takeover offer for their shares without the support of MTR. In particular, MTR may have the ability to block the approval of a change of control via scheme of arrangement, which requires a special resolution of shareholders (75%).
	The Proposed Transaction will provide Cobre with full autonomy to manage the strategic director and operations of KML. MTR's current interest in KML means that they retain the ability to block various resolutions concerning KML regarding certain reserved matters outlined in the KML Shareholders Deed. In addition, as almost equal shareholders, MTR holds significant influence on the operational and strategic decisions of KML. This includes holding the ability to appoint two of the four directors of KML. Consolidating ownership will provide a streamlined decision-making process for both long term strategic decisions and short-term operational decisions.	If the Proposed Transaction is approved Cobre will be able to issue shares to MTR so that MTR will hold up to 30% of the shares outstanding in Cobre post completion of the Proposed Transaction. MTR may elect to sell some of the new Cobre shares received on the open market. This may place downward pressure on the share price of Cobre if the increased supply of Cobre shares sufficiently outweighs the demand.
	Under the current Shareholders Deed, there exists certain legal obligations and restrictions that may obstruct the financing or future sale of KML (such as pre-emption rights and restrictions concerning reserved matters requiring full board or shareholder approval, for example in relation to issuing any securities beyond a certain amount). If the Proposed Transaction is approved and the Call Option exercised, the existing rights and obligations, and the risk of any potential future legal obstructions arising in the future associated with the current Shareholders Deed, will be eliminated.	Cobre has agreed to guarantee KML's current debt obligations to MTR (currently approximately US\$1,295,071, plus any interest accruing at 7% per annum). KML is currently not cash flow positive and so any payments it makes must be completed by contributions from its shareholders. Following completion of the Proposed Transaction Cobre will be the only remaining shareholder, and so will effectively be repaying the loan via its subsidiary KML, until KML starts to generate revenue. Whether this repayment is made in cash or in Cobre scrip is at the discretion of Cobre. In circumstances that KML is unable to realise a value for its tenements in excess of the value of the shareholder loans owing to MTR and Cobre, the impact of the guarantee may be that MTR get some return of their shareholder loan at the expense of Cobre shareholders.

	The legal and other constraints associated with the existing Shareholders Deed may be a potential obstruction to developing the projects held by KML. If the Proposed Transaction is approved, Cobre will own 100% of KML, simplifying the development process of KML's projects.	Should Cobre be required to repay the MTR Loan and elect to complete this repayment in scrip, the shareholders of Cobre will face further dilution in addition to any dilution as part of paying scrip consideration under the Call Option.
	If the Proposed Transaction is approved, the Non-Associated Shareholders will continue to be exposed to Cobre's projects, including KML.	If the Proposed Transaction is approved, Cobre shareholders will increase their interest in assets in Botswana, leading to increased exposure to the risks of operating in a foreign country. These include currency risks and geopolitical climate risks.
Issue of the MTR Placement Shares	The issue of MTR Placement Shares is fair to the Non-Associated Shareholders.	The issue price of the MTR Placement Shares is lower than recent share trading prices. In the period of time following announcement of the Placement (4 August 2022) to 4 October 2022, Cobre has traded as high as \$0.730 on 22 August 2022 and as low as \$0.125 on 29 September 2022 with a VWAP over this period of \$0.3646.
	Provides funds for exploration activities to accelerate the exploration of the tenement packages held by KML in Botswana.	The issue price of the MTR Placement Shares will have a dilutive effect on the interest held by Non-Associated Shareholders.
	The issue price of the MTR Placement Shares (\$0.15) is higher than BDO's calculated SOP valuation for Cobre prior to the issue of the MTR Placement Shares which was within the range of \$0.0516 to \$0.0674 on a minority interest basis. This issue price of \$0.15 per share is the same price of the last material capital raising.	
	The issue of the MTR Placement Shares will result in a largely unchanged level of control in Cobre for MTR, being an increase from its existing level of 12.74% to 16.75% of undiluted share capital in Cobre. This level of interest is not sufficient to block a special resolution which requires a 25% dissenting vote.	

It is recommended that Shareholders read the Independent Expert's Report in full before deciding on how to vote on the Resolution.

Directors' Recommendation

All of the Directors (other than Michael McNeilly) recommend that Shareholders vote in favour of Resolutions 2 and 3. Each Director who makes a recommendation intends to vote any Shares he owns or controls in favour of Resolutions 2 and 3.

The Chair intends to exercise all available proxies in favour of Resolutions 2 and 3.

Resolution 4

Approval of issue of Subscription Shares to Mitchell Drilling

As announced on 4 August 2022, the Company entered into a subscription deed with Mitchell Drilling (**Subscription Deed**). Under the terms of the Subscription Deed, the Company agreed to issue US\$300,000 worth of Shares at an issue price of \$0.15 per Share (**Subscription Shares**), in lieu of cash payment for 45% of any invoices (exclusive of VAT) that are rendered by Mitchell Drilling to KML for any drilling services delivered, up to a maximum of US\$300,000.

This Resolution seeks Shareholder approval for the proposed issue of Subscription Shares for the purposes of Listing Rule 7.1. Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period of 15% of the fully paid ordinary shares it has on issue at the start of that period. The purpose of seeking Shareholder approval of the issue of the Subscription Shares in this Resolution is to ensure that the proposed issue of Subscription Shares does not reduce the Company's future placement capacity.

If Resolution 4 is passed, the Subscription Shares will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under Listing Rules 7.1 and 7.1A, effectively increasing the number of securities the Company can issue without Shareholder approval.

If Resolution 4 is not passed, the Subscription Shares will be included in calculating the Company's placement capacity under Listing Rules 7.1 or 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval for a period of 12 months from the date of issue of the Subscription Shares, unless an exemption applies.

Information for Shareholders under Listing Rule 7.3

The following information is required to be provided to Shareholders for the purposes of obtaining Shareholder approval under Listing Rule 7.1:

- (a) The Subscription Shares will be issued to Mitchell Drilling (or its nominee)
- (b) The Company will issue such number of Shares determined by US\$300,000 (converted into Australian dollars) divided by \$0.15. For example, assuming a AUD:USD exchange rate of:
 - (i) A\$1.00:US\$0.80, a total of 2,500,000 Subscription Shares will be issued;
 - (ii) A\$1.00:US\$0.70, a total of 2,857,143 Subscription Shares will be issued; and
 - (iii) A\$1.00:US\$0.60, a total of 3,333,333 Subscription Shares will be issued.
- (c) The Company proposes to issue the Subscription Shares to Mitchell Drilling as soon as possible following the Meeting but, in any event, within three months of the Meeting.
- (d) Each Subscription Share will be issued at a deemed issue price of \$0.15 per Subscription Share. However, as the Subscription Shares are being issued in lieu of cash payment for drilling services delivered by Mitchell Drilling, no funds will be raised from the issue.
- (e) A summary of the material terms of the Subscription Deed is set out above.
- (f) A voting exclusion statement is included in the Notice.

Recommendation

All of the Directors recommend that Shareholders vote in favour of Resolution 4. Each Director who makes a recommendation intends to vote any Shares he owns or controls in favour of Resolution 4.

The Chair intends to exercise all available proxies in favour of Resolution 4.

Resolution 5

Approval of issue of Director Placement Shares to Andrew Sissian

Shareholder approval is sought under Listing Rule 10.11 for the Company to issue the Director Placement Shares (being 166,667 Shares) to Andrew Sissian (or his nominee) to raise \$25,000 (before costs).

Reason for approval

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any 'related party' or their associates unless it obtains the approval of its shareholders or an exemption applies. A 'related party' includes any director of the company or an associate of a director.

As none of the exceptions under Listing Rule 10.12 are available to the Company in respect of the proposed issue of the Director Placement Shares to Andrew Sissian (or his nominee), the Company seeks approval for the issue of the Director Placement Shares under Listing Rule 10.11.

Effect of Shareholder Approval

If Resolution 5 is passed, the Company will be able to proceed with the proposed issue of the Director Placement Shares to Andrew Sissian and raise additional funds. Further, Shareholder approval will not be required under Listing Rule 7.1 (pursuant to Listing Rule 7.2, Exception 14), and the issue of the Director Placement Shares to Andrew Sissian will not count towards the Company's capacity to issue Equity Securities under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the proposed issue of the Director Placement Shares to Andrew Sissian and will not raise any additional funds.

The Company has determined that the proposed issue of the Director Placement Shares to Andrew Sissian, pursuant to Resolution 5, is on arm's length terms for the purposes of Chapter 2E of the Corporations Act as the issue is proposed to be made on the same terms as offered to non-related parties under Tranche 1 of the Placement.

Information for Shareholders under Listing Rule 10.13

The following information is required to be provided to Shareholders for the purposes of obtaining Shareholder approval under Listing Rule 10.11:

- (a) The Director Placement Shares are proposed to be issued to Andrew Sissian (or his nominee).
- (a) Andrew Sissian is a Director and falls within the category referred to in Listing Rule 10.11.1. Therefore the issue of the Director Placement Shares requires the approval of Shareholders under Listing Rule 10.11.
- (b) The Company proposes to issue 166,667 Shares to Andrew Sissian (or his nominee).
- (c) The Director Placement Shares will be fully paid ordinary shares in the Company and rank equally with the existing Shares on issue.
- (d) The Company proposes to issue the Director Placement Shares to Andrew Sissian as soon as possible following the Meeting but, in any event, within one month of the Meeting.
- (e) The Director Placement Shares will be issued at an issue price of \$0.15 per Share, raising \$25,000.

- (f) Funds raised from the issue of the Director Placement Shares will be applied towards fast-tracking exploration on the tenement package held by KML in Botswana.
- (g) A voting exclusion statement is included in the Notice.

Recommendation

All of the Directors (excluding Andrew Sissian) recommend that Shareholders vote in favour of Resolution 5. Each Director who makes a recommendation intends to vote any Shares he owns or controls in favour of Resolution 5.

The Chair intends to exercise all available proxies in favour of Resolution 5.

Resolution 6

Ratification of prior issue of Tranche 1 Placement Shares issued under Listing Rules 7.1 and 7.1A

Shareholder approval is sought under Listing Rule 7.4 to ratify the prior issue of 36,691,925 Tranche 1 Placement Shares issued on 12 August 2022.

The Tranche 1 Placement Shares were issued on 12 August 2022, of which 20,151,224 Tranche 1 Placement Shares were issued under Listing Rule 7.1 and 16,540,701 Tranche 1 Placement Shares were issued under Listing Rule 7.1A.

Funds raised under the Placement will be applied towards fast tracking exploration on the tenement package held by KML in Botswana.

Reason for approval

Listing Rule 7.1 provides that, subject to specified exceptions set out in Listing Rule 7.2, a company must not, without the approval of its holders of ordinary securities, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. At the Company's last annual general meeting held on 30 November 2021, the Company sought and obtained approval of its Shareholders under Listing Rule 7.1A to increase this 15% by an extra 10% to 25%.

The issue of Tranche 1 Placement Shares did not fall within any of the specified exceptions set out in Listing Rule 7.2 and as it has not yet been approved by Shareholders, it effectively uses up the expanded 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the issue date of the Tranche 1 Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under Listing Rules 7.1 and 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and/or 7.1A.

To this end, Resolution 6 seeks Shareholder approval to ratify the issue of Tranche 1 Placement Shares under and for the purposes of Listing Rule 7.4.

Effect of Shareholder Approval

If Resolution 6 is passed, then the issue of the Tranche 1 Placement Shares will be excluded when calculating the Company's expanded 25% limit under Listing Rules 7.1 and 7.1A, which will effectively increase the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period starting from the date of issue of the Tranche 1 Placement Shares.

If Resolution 6 is not passed, then the issue of Tranche 1 Placement Shares will be included when calculating the Company's expanded 25% limit under Listing Rule 7.1 and 7.1A, which will effectively decrease the number of Equity Securities the Company can issue without Shareholder approval, over the 12 month period starting from the date of issue of the Tranche 1 Placement Shares (and assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

Information for Shareholders under Listing Rule 7.5

The following information is required to be provided to Shareholders for the purposes of obtaining Shareholder approval under Listing Rule 7.4:

- (a) The Tranche 1 Placement Shares were issued to sophisticated and institutional investors who are clients of Canaccord Genuity (Australia) Limited, lead manager to the Placement. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that, no participant under the first tranche of the Placement was:
 - (i) a related party of the Company, a member of the Company's key management personnel, a substantial holder of the Company, an adviser to the Company or an Associate of any those persons; and
 - (ii) issued more than 1% of the issued capital of the Company.
- (b) A total of 36,691,925 Tranche 1 Placement Shares were issued as follows:
 - (i) 20,151,224 Tranche 1 Placement Shares were issued under Listing Rule 7.1; and
 - (ii) 16,540,701 Tranche 1 Placement Shares were issued under Listing Rule 7.1A.
- (c) The Tranche 1 Placement Shares are fully paid ordinary shares in the Company and rank equally with the existing Shares on issue.
- (d) The Tranche 1 Placement Shares were issued on 12 August 2022.
- (e) The Tranche 1 Placement Shares were issued at an issue price of \$0.15 per Tranche 1 Placement Share, raising \$5.5 million (before costs).
- (f) Funds raised from the Placement will be applied towards fast-tracking exploration on the tenement package held by KML in Botswana.
- (g) A voting exclusion statement is included in the Notice.

Recommendation

All of the Directors recommend that Shareholders vote in favour of Resolution 6. Each Director who makes a recommendation intends to vote any Shares he owns or controls in favour of Resolution 6.

The Chair intends to exercise all available proxies in favour of Resolution 6.

GLOSSARY

In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

A\$ and \$ means a dollar in the currency of the Commonwealth of Australia.

AEDT means Australian Eastern Daylight Time.

Board means the board of directors of the Company.

ASIC means the Australian Securities & Investments Commission.

ASX means the Australian Securities Exchange.

Call Option has the meaning given to that term in the section of the Explanatory Memorandum entitled "Background to the Proposed Transaction".

Chair means the chair of the Meeting.

Cobre Kalahari means Cobre Kalahari Pty Ltd (ACN 646 462 375).

Company means Cobre Limited (ACN 626 241 067).

Consideration Share has the meaning given to that term in the section of the Explanatory Memorandum entitled "Share Purchase Deed and Associated Documents".

Corporations Act means the *Corporations Act 2001* (Cth).

Director Placement Shares means the 166,667 Shares to be issued, each at an issue price of \$0.15 per Share, to Andrew Sissian pursuant to Resolution 5.

Equity Securities includes a Share, a right to a Share or Option, a convertible security and any other security that ASX decides to classify as an Equity Security.

Exchange Shares has the meaning given to that term in the section of the Explanatory Memorandum entitled "Share Purchase Deed and Associated Documents".

Independent Expert means BDO Corporate Finance Ltd (ABN 54 010 185 725).

Independent Expert's Report means the report prepared by the Independent Expert in relation to the Proposed Transaction, a copy of which is attached as Schedule 1 to the Explanatory Memorandum.

Initial Acquisition has the meaning given to that term in the section of the Explanatory Memorandum entitled "Background to the Proposed Transaction".

KCB has the meaning given to that term in the section of the Explanatory Memorandum entitled "Background to the Proposed Transaction".

KML means Kalahari Metals Limited (UK company number 10751423).

KMP means those persons described as Key Management Personnel in the latest remuneration report of the Company and includes all Directors (whether executive or otherwise).

Listing Rules means the official listing rules of ASX.

Meeting means the general meeting of the Company convened by this Notice.

Mitchell Drilling means Mitchell Drilling Botswana Proprietary Limited (registration number 02009-6121).

MTR means Metal Tiger PLC (UK company number 04196004).

MTR Loan means the outstanding shareholder loan made by MTR to KML (currently approximately US\$1,295,071).

MTR Placement Shares means the 9,808,076 Shares to be issued, each at an issue price of \$0.15 per Share, to MTR pursuant to Resolution 3.

Non-Associated Shareholders means Shareholders whose votes are not to be disregarded on Resolutions 1, 2 and 3.

Notice means this document, including the Explanatory Memorandum.

Option Shares means shares in the capital of KML, representing a 24.5% interest in KML, which may be acquired by the Company under the Call Option, on the terms of the SPD.

Placement means the two tranche placement to raise \$7 million (before costs) announced by the Company to the ASX on 4 August 2022.

Placement Shares means the Tranche 1 Placement Shares and the Tranche 2 Placement Shares.

Proposed Transaction has the meaning given to that term in the section of the Explanatory Memorandum entitled "Background to the Proposed Transaction".

Resolution means a resolution proposed pursuant to the Notice.

Sale Shares means shares in the capital of KML, representing a 24.5% interest in KML, to be sold to the Company (or its wholly owned subsidiary) under the Initial Acquisition on the terms of the SPD.

Share means a fully paid ordinary share in the issued share capital of the Company.

Shareholder means a holder of Shares in the capital of the Company.

Shareholders Loan Amendment Deed means the shareholders loan amendment deed between the Company, MTR, Cobre Kalahari and KML dated 15 June 2022.

SPD means the share purchase deed between the Company and MTR dated 15 June 2022.

Subscription Deed means the subscription deed between the Company, KML and Mitchell Drilling dated 4 August 2022.

Subscription Shares means the US\$300,000 worth of Shares, each at a deemed issue price of \$0.15 per Share, to be issued by the Company pursuant to the Subscription Deed.

Tranche 1 Placement Shares means the 36,691,925 Shares issued by the Company on 12 August 2022 at an issue price of \$0.15 per Share under the Placement.

Tranche 2 Placement Shares means the 9,974,743 Shares proposed to be issued by the Company at an issue price of \$0.15 per Share under the Placement, and for which Shareholder Approval is being sought under Resolutions 3 and 5.

VWAP means volume weighted average price, as that term is defined in Listing Rule 19.12.

SCHEDULE 1
INDEPENDENT EXPERT'S REPORT

COBRE LIMITED

INDEPENDENT EXPERT'S REPORT AND FINANCIAL SERVICES GUIDE

Opinion:

The Metal Tiger Placement is Fair and Reasonable

The Proposed Transaction is Not Fair but Reasonable

5 OCTOBER 2022

FINANCIAL SERVICES GUIDE

Dated: 5 October 2022

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 ('BDOCF' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution processes.

BDOCF holds an Australian Financial Services Licence to provide the following services:

- a) Financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, and interests in managed investment schemes excluding investor directed portfolio services;
- b) Arranging to deal in financial products in relation to securities; and
- c) Applying for, acquiring, varying or disposing of a financial product in relation to interests in managed investment schemes excluding investor directed portfolio services, and securities.

General Financial Product Advice

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently, any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

The Assignment

BDOCF has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDOCF has been engaged to provide an independent expert's report to the non-associated shareholders of Cobre Limited ('Cobre' or 'the Company') ('Non-Associated Shareholders') in relation to:

- ▶ Metal Tiger PLC ('Metal Tiger') increasing their interest in Cobre through the placement of approximately 9,808,076 new Cobre shares to Metal Tiger ('the Metal Tiger Placement'); and
- ▶ The share purchase deed Cobre has entered into with Metal Tiger to acquire the interest it does not currently own in Kalahari Metals Limited ('KML') ('the Proposed Transaction').

Further details of the Metal Tiger Placement and the Proposed Transaction are set out in Section 5. The scope of this Report is set out in detail in Section 4.3. This Report provides an opinion on whether or not the Metal Tiger Placement, and whether or not the Proposed Transaction, are 'fair and reasonable' to the Non-Associated Shareholders and has been prepared to provide information to the Non-Associated Shareholders to assist them to make an informed decision on whether to vote in favour of or against the Metal Tiger Placement and the Proposed Transaction. Other important information relating to this Report is set out in more detail in Section 4.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to vote in favour of or against the Metal Tiger Placement and the Proposed Transaction is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

Fees, Commissions and Other Benefits we may Receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately \$110,000 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Proposed Transaction.

Except for the fees referred to above, neither BDOCF, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDOCF may receive a share in the profits of BDO Group Holdings Limited, a parent entity of BDOCF. All directors and employees of BDO Group Holdings Limited and its subsidiaries (including BDOCF) are entitled to receive a salary. Where a director of BDOCF is a shareholder of BDO Group Holdings Limited, the person is entitled to share in the profits of BDO Group Holdings Limited.

Associations and relationships

From time to time BDOCF or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. The only professional services provided by BDOCF in the last two years to Cobre comprise an IER dated 1 March 2021 prepared in relation to the proposed acquisition of a stake of up to 51% in KML and an IER dated 8 October 2021 prepared in relation to the proposed issue of 8.3 million Cobre ordinary shares to Metal Tiger at an issue price of \$0.17 to raise an amount of \$1.4 million. An affiliated BDO entity in the United Kingdom provides tax advice to Metal Tiger. No one from that office is involved in the preparation of this Report, nor do they have an interest in the outcome of the Proposed Transaction.

The signatories to this Report do not hold any shares in Cobre and no such shares have ever been held by the signatories.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which are publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

Complaints Resolution

Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance Ltd, GPO Box 457, Brisbane QLD 4001 or by telephone or email, using the details at the end of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 24 hours (or one business day) or, if that timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority Limited ('AFCA'). AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of AFCA (Member Number 10236).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1800 931 678
Email: info@afca.org

Compensation Arrangements

BDOCF and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDOCF or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDOCF satisfy the requirements of section 912B of the Corporations Act 2001.

Contact Details

BDO Corporate Finance Ltd

Location Address:	Postal Address:
Level 10 12 Creek Street BRISBANE QLD 4000	GPO Box 457 BRISBANE QLD 4001
Phone: (07) 3237 5999	Email: cf.brisbane@bdo.com.au
Fax: (07) 3221 9227	

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GLOSSARY

Reference	Definition
A\$ or \$	Australian dollars
ABV	Asset-based valuation
AFCA	The Australian Financial Complaints Authority Limited
AIM	Alternative Investment Market
APES 225	Accounting Professional and Ethical Standards Board professional standard APES 225 <i>Valuation Services</i>
Armada	Armada Metals Limited
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
BDO Persons	The partners, directors, agents or associates of BDO
BDOCF	BDO Corporate Finance Ltd
Board, the	The board of directors of the Company
Call Option, the	The option granted to Cobre by Metal Tiger to acquire the last 24.5% interest in KML, exercisable for either £750,000 or the equivalent in Cobre shares
CME	Capitalisation of Maintainable Earnings
Cobre	Cobre Limited
Cobre Kalahari	Cobre Kalahari Pty Ltd
COMEX	Commodity Exchange
Company, the	Cobre Limited
Corporations Act, Act, the	The Corporations Act 2001
CSA	CSA Global Pty Ltd
CSA Report, the	The independent technical specialist report prepared by CSA dated 22 August 2022
DCF	Discounted cash flow
Directors, the	The Directors of the Company
Director Placement	The issuance of 166,667 shares to Mr Andrew Sissian under Tranche 2 of the Placement
FSG	Financial Services Guide
FY	The financial year or 12-month period ended on 30 June
ICSG	International Copper Study Group
Initial Acquisition, the	The 24.5% of KML shares Cobre will acquire from Metal Tiger for a total cash consideration of £750,000
Kitlanya	Kitlanya Pty Ltd
KML	Kalahari Metals Limited
Management	The executive leadership team of Cobre
MBV	Market-based valuation
Meeting, the	Extraordinary general meeting to be held on or around 22 November 2022
Metal Tiger	Metal Tiger PLC

Reference	Definition
Mitchell	Mitchell Services Limited
Mitchell Drilling Subscription, the	The subscription deed to Mitchell. Under the terms of the subscription deed, Cobre has agreed to issue US\$300,000 worth of shares at an issue price of AUD\$0.15 per share, in lieu of cash payment for 45% of any invoices that are rendered by Mitchell to KML for any drilling services delivered, up to a maximum of US\$300,000
Metal Tiger Loan, the	KML's outstanding loan to Metal Tiger
Metal Tiger Placement, the	The issuance of 9,808,076 shares to Metal Tiger under Tranche 2 of the Placement
Non-Associated Shareholders, the	The holders of fully paid ordinary shares in the Company excluding Metal Tiger
Notice of Meeting, the	The Notice of Extraordinary General Meeting and Explanatory Memorandum dated 17 October 2022 prepared by Cobre
OCP	The Okavango Copper Project
OECD	Organisation for Economic Co-operation and Development
Placement, the	The \$7 million placement Cobre is undertaking to sophisticated and institutional investors. The placement involves the issuance of 46,666,668 shares at a price of \$0.15 per share and is completed under two tranches (the first of which has already been undertaken)
Proposed Transaction, the	The share purchase deed Cobre has entered into with Metal Tiger to acquire the 49% interest it does not currently own in KML
Regulations, the	The Corporation Regulations 2001
Report, this	This independent expert's report prepared by BDOCF and dated 5 October 2022
RG 111	Regulatory Guide 111: <i>Content of Expert Report</i> , issued by ASIC
RGs	Regulatory guides published by ASIC
Scenario 1	Calculating the shares to be issued to Metal Tiger if the Call Option is exercised with scrip and the Metal Tiger Loan is repaid using scrip, assuming a VWAP of \$0.06
Scenario 2	Calculating the shares to be issued to Metal Tiger if the Call Option is exercised with scrip and the Metal Tiger Loan is repaid using scrip, assuming a VWAP of \$0.15
Scenario 3	Calculating the shares to be issued to Metal Tiger if the Call Option is exercised with scrip and the Metal Tiger Loan is repaid using scrip, assuming a VWAP of \$0.30
SOP	Sum-of-the-parts
SPD	Share purchase deed
Substantial Asset	An asset if its value or the consideration for it is, or in ASX's opinion is, 5% or more of the value of the equity interests of the entity
Substantial holder	A person who has a relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company
TGP	Toucan Gold Pty Ltd
Tranche 1	The first tranche of Cobre's \$7 million Placement. Under this tranche, Cobre raised approximately \$5.5 million (before costs) from the issuance of 36,691,925 new shares utilising the Company's existing placement capacity under Listing Rules 7.1 and 7.1A
Tranche 2	The second tranche of Cobre's \$7 million Placement. Under the second tranche, Cobre will raise approximately \$1.5 million from the issuance of 9,808,076 new shares under the Metal Tiger Placement and 166,667 new shares to Mr Andrew Sissian (a director of Cobre)
Transactions, the	The Metal Tiger Placement and the Proposed Transaction
Triprop	Triprop Holdings Pty Limited
VALMIN Code, the	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets

Reference	Definition
VHMS	High-grade volcanogenic massive sulphide
VWAP	Volume weighted average price
We, us, our	BDO Corporate Finance Ltd

PART I: ASSESSMENT OF THE TRANSACTIONS

The Non-Associated Shareholders
C/- The Non-Associated Directors
Cobre Limited
7/151 Macquarie Street
Sydney NSW 2000

5 October 2022

Dear Non-Associated Shareholders,

1.0 Introduction

BDO Corporate Finance Ltd ('BDOCF', 'we', 'us' or 'our') has been engaged to provide an independent expert's report ('this Report') to the non-associated shareholders ('the Non-Associated Shareholders') of Cobre Limited ('Cobre' or 'the Company') in relation to:

- ▶ Metal Tiger PLC ('Metal Tiger') increasing their interest in Cobre through the placement of approximately 9,808,076 new Cobre shares to Metal Tiger, increasing their shareholding from 12.74% to 16.75% of total Cobre shares outstanding ('the Metal Tiger Placement'); and
- ▶ Cobre acquiring the interests it does not currently own in Kalahari Metals Limited ('KML'), in accordance with the share purchase deed ('SPD') Cobre entered into with Metal Tiger, as announced on 16 June 2022 ('the Proposed Transaction').

Our assessments of the Metal Tiger Placement and the Proposed Transaction (together, 'the Transactions') are detailed in Sections 2 and 3 respectively.

The Metal Tiger Placement

Cobre is undertaking a \$7 million placement ('the Placement') to sophisticated and institutional investors. The purpose of the funds is to fast track the exploration of the tenement packages held by KML in Botswana. A total of 46,666,668 shares will be issued under the Placement at a share price equal to \$0.15. The Placement is being completed in two tranches as follows:

- ▶ Under the first tranche (which completed on 12 August 2022), Cobre raised approximately \$5.5 million (before costs) from the issuance of 36,691,925 new shares utilising the Company's existing placement capacity under Listing Rules 7.1 and 7.1A ('Tranche 1'); and
- ▶ Under the second tranche, Cobre will raise approximately \$1.5 million from the issuance of 9,808,076 new shares under the Metal Tiger Placement and 166,667 new shares to Andrew Sissian (a director of Cobre) ('the Director Placement') (together referred to as 'Tranche 2'). Both the Metal Tiger Placement and the Director Placement are subject to shareholder approval, however we are assessing only the Metal Tiger Placement in this Report.

The Metal Tiger Placement requires shareholder approval under ASX Listing Rule 10.11. While a notice of meeting under ASX Listing Rule 10.11 is not required to include an independent expert report, the non-associated Cobre directors have requested us to include the Metal Tiger Placement in this Report to accompany the Notice of Meeting and assist the Non-Associated Shareholders in forming a view on whether to vote in favour or against the Metal Tiger Placement.

The Proposed Transaction

Cobre, via its wholly owned subsidiary Cobre Kalahari Pty Ltd ('Cobre Kalahari') currently holds a 51% interest in KML. Broadly speaking, under the Proposed Transaction:

- ▶ Cobre (or its nominee) will acquire 24.5% of the outstanding shares in KML from Metal Tiger for consideration of £750,000 and the granting of the Call Option (see below), resulting in Cobre increasing its interest in KML to 75.5% ('Initial Acquisition');
- ▶ Metal Tiger will grant Cobre (or its nominee) a call option to acquire the remaining 24.5% of shares in KML, exercisable for either £750,000 or the equivalent in Cobre shares ('Call Option'); and
- ▶ Cobre will guarantee KML's repayment of KML's outstanding loans to Metal Tiger ('Metal Tiger Loan'), which Cobre may repay with cash or through the issuance of Cobre shares to Metal Tiger.

Under the Proposed Transaction, Cobre will be limited to issuing shares to Metal Tiger so that Metal Tiger cannot own more than 30% of the total shares outstanding in Cobre.

This Report is prepared pursuant to ASX Listing Rule 10.1 and item 7 of section 611 of the Corporations Act 2001 Cth ('the Act') and is to be included in the Notice of Meeting and Explanatory Memorandum dated 17 October 2022 ('Notice of Meeting') prepared by Cobre to assist the Non-Associated Shareholders to form a view on whether to vote in favour of or against the Proposed Transaction and the Metal Tiger Placement.

In this Report, BDOCF has expressed an opinion as to:

- ▶ whether or not the Metal Tiger Placement is 'fair and reasonable' to the Non-Associated Shareholders (refer Section 2); and
- ▶ whether or not the Proposed Transaction is 'fair and reasonable' to the Non-Associated Shareholders (refer Section 3).

This Report has been prepared solely for use by the Non-Associated Shareholders to provide them with information relating to these matters. The scope and purpose of this Report are detailed in Sections 4.3 and 4.4 respectively.

This Report, including Part I, Part II and the appendices, should be read in full along with all other documentation provided to the Non-Associated Shareholders, including the Notice of Meeting prepared in relation to the general meeting to be held on 22 November 2022 ('the Meeting').

2.0 Assessment of the Metal Tiger Placement

This section is set out as follows:

- ▶ Section 2.1 sets out the methodology for our assessment of the Metal Tiger Placement;
- ▶ Section 2.2 sets out our assessment of the fairness of the Metal Tiger Placement;
- ▶ Section 2.3 sets out our assessment of the reasonableness of the Metal Tiger Placement; and
- ▶ Section 2.4 provides our assessment of whether the Metal Tiger Placement is fair and reasonable to the Non-Associated Shareholders.

2.1 Basis of Evaluation

ASIC have issued Regulatory Guide 111: *Content of Expert Reports* ('RG 111'), which provides guidance in relation to independent expert's reports. RG 111 relates to the provision of independent expert's reports in a range of circumstances, including those where the expert is required to provide an opinion in relation to a takeover transaction. RG 111 states that the independent expert's report should explain the particulars of how the transaction was examined and evaluated as well as the results of the examination and evaluation.

The Metal Tiger Placement involves the proposed issue of 9,808,076 ordinary Cobre shares to Metal Tiger and will result in Metal Tiger's interest in Cobre increasing from approximately 12.74% to 16.75% of undiluted share capital in Cobre. RG 111 specifically differentiates between control and non-control transactions in providing guidance on the type of analysis to complete. In our opinion the Metal Tiger Placement is not a control transaction as defined by RG 111. We have assessed the Metal Tiger Placement by considering whether, in our opinion, it is fair and reasonable to the Non-Associated Shareholders.

Under RG 111, a transaction will be considered 'fair' if the value of the consideration to be received by shareholders is equal to or greater than the value of the shares that are the subject of the transaction. To assess whether a transaction is 'reasonable', an expert should examine other significant factors to which shareholders may give consideration prior to accepting or approving the transaction. This includes comparing the likely advantages and disadvantages if the transaction is approved with the position of shareholders if the transaction is not approved.

RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept an offer in the absence of a higher bid. Our assessment concludes by providing our opinion as to whether or not the Metal Tiger Placement is 'fair and reasonable'. While all relevant issues need to be considered before drawing an overall conclusion, we assess the fairness and reasonableness issues separately for clarity.

We have assessed the fairness and reasonableness of the Metal Tiger Placement in Sections 2.2 and 2.3 below. We provide an opinion on whether the Metal Tiger Placement is 'fair and reasonable' to the Non-Associated Shareholders in Section 2.4.

2.2 Assessment of Fairness

2.2.1 Basis of Assessment

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject to the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

Having regard to RG 111, in our view, it is appropriate to assess whether the Metal Tiger Placement is 'fair' by:

- a) Determining the value of a Cobre share on a minority interest basis prior to the Metal Tiger Placement;
- b) Determining the value of a Cobre share on a minority interest basis after the Metal Tiger Placement; and
- c) Comparing the value determined in a) above with the value of b) to determine if the Metal Tiger Placement is fair.

In accordance with the requirements of RG 111, the Metal Tiger Placement can be considered 'fair' to the Non-Associated Shareholders if the value determined in b) above is equal to or greater than the value determined in a) above.

2.2.2 Value of a Cobre Share Prior to the Metal Tiger Placement on a Minority Interest Basis

In our view, for the purposes of the analysis set out in this Report, it is appropriate to consider the valuation range derived from our Sum-of-the-Parts ('SOP') methodology of \$0.0516 to \$0.0674 per Cobre share on a minority interest basis.

In completing our SOP valuation, we have relied on the work of CSA Global Pty Ltd ('CSA') who we engaged to value Cobre's and KML's mineral rights and assets. The CSA Technical Expert's Report dated 22 August 2022 ('the CSA Report') is attached as Appendix A to this Report. While CSA have provided us with information which indicates they have the requisite experience to complete a technical valuation of Cobre's mineral assets and we have critically analysed their work, we are not responsible for the CSA Report.

Our valuation of Cobre prior to the Metal Tiger Placement is set out in Section 9.

For our valuation work, we have also considered the use of a market-based valuation ('MBV') methodology. However, in our view it is difficult to adopt an MBV in the current circumstances as a result of difficulties isolating share price movements from announcements unrelated to the Transactions (i.e. drilling results) that were made after the announcement of the Transactions (refer to Section 9.5 for additional discussion).

In relation to our valuation, we note that Cobre is a company focused on exploration for copper targets. In our view, the value of such companies may increase or decrease materially over short time periods depending on the results from exploration activities and prevailing copper prices, among other matters. The fluctuations in value are further exacerbated at the current time because of the market volatility and economic uncertainty caused by factors associated with the broader macro-economic environment (e.g. COVID-19, Russia/Ukraine conflict).

2.2.3 Value of a Cobre Share after the Metal Tiger Placement on a Minority Interest Basis

The value we have calculated for a Cobre share following the Metal Tiger Placement, using a SOP methodology and on a minority interest basis, is in the range of \$0.0543 to \$0.0698 per share. This valuation range is directly comparable with our SOP valuation referred to in Section 2.2.2 of \$0.0516 to \$0.0674 and relies on CSA's valuation of Cobre's and KML's mineral rights and assets.

The primary factors driving the change in our calculated valuation range pre and post the Metal Tiger Placement are:

- ▶ **Additional equity instruments:** under the Metal Tiger Placement, Cobre will issue 9,808,076 ordinary shares to Metal Tiger; and
- ▶ **Additional cash:** under the Metal Tiger Placement, Cobre will receive \$1,471,211 in consideration for issuing the shares to Metal Tiger.

Our valuation of Cobre following the Metal Tiger Placement is set out in Section 10.

2.2.4 Assessment of the Fairness of the Metal Tiger Placement

In order to assess the fairness of the Metal Tiger Placement, in accordance with RG 111, it is appropriate to compare the value of a Cobre share prior to the Metal Tiger Placement on a minority interest basis with the value of a share in Cobre on a minority basis assuming the Metal Tiger Placement is completed.

Table 2.1 below summarises our assessment of the fairness of the Metal Tiger Placement.

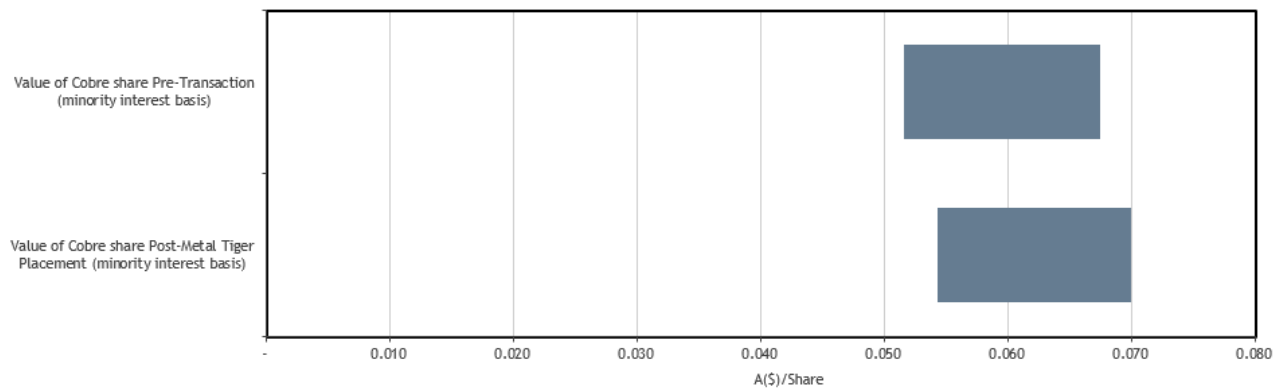
Table 2.1: Assessment of the Fairness of the Metal Tiger Placement

	Low (\$/share)	High (\$/share)
Value of a Cobre share prior to the Metal Tiger Placement (minority interest)	0.0516	0.0674
Value of a Cobre share post the Metal Tiger Placement (minority interest)	0.0543	0.0698

Source: BDOCF analysis

Figure 2.1 summarises our assessment of the fairness of the Metal Tiger Placement, setting out a graphical comparison of our valuation of a Cobre share prior to the Metal Tiger Placement on a minority interest basis and our valuation of a share in Cobre on a minority basis following the Metal Tiger Placement.

Figure 2.1: Fairness of the Metal Tiger Placement



Source: BDOCF Analysis

With reference to Table 2.1 and Figure 2.1, we note:

- ▶ There is an upward shift in the valuation range;
- ▶ The high end of the value range following the Metal Tiger Placement (on a minority interest basis) is higher than the high end of the value range (on a minority interest basis) prior to the Metal Tiger Placement; and
- ▶ The low end of the value range following the Metal Tiger Placement (on a minority interest basis) is higher than the low end of the value range (on a minority interest basis) prior to the Metal Tiger Placement.

After considering the information summarised above and set out in detail in the balance of this Report, it is our view that, in the absence of any other information or a superior proposal, the Metal Tiger Placement is **Fair** to the Non-Associated Shareholders as at the date of this Report.

2.3 Assessment of Reasonableness

2.3.1 Basis of Assessment

Under RG 111, a transaction is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 2.2 above, to assess whether the Metal Tiger Placement is 'reasonable' we consider it appropriate to examine other significant factors to which the Non-Associated Shareholders may give consideration prior to forming a view on whether to vote in favour of or against the Metal Tiger Placement. This includes comparing the likely advantages and disadvantages of approving the Metal Tiger Placement with the position of a Non-Associated Shareholder if the Metal Tiger Placement is not approved, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Metal Tiger Placement is set out as follows:

- ▶ Section 2.3.2 sets out the advantages of the Metal Tiger Placement to the Non-Associated Shareholders;
- ▶ Section 2.3.3 sets out the disadvantages of the Metal Tiger Placement to the Non-Associated Shareholders;
- ▶ Section 2.3.4 sets out the position of the Non-Associated Shareholders if the Metal Tiger Placement is not approved;
- ▶ Section 2.3.5 sets out discussion of other considerations relevant to the Metal Tiger Placement; and
- ▶ Section 2.3.6 provides our opinion on the reasonableness of the Metal Tiger Placement to the Non-Associated Shareholders.

2.3.2 Advantages of the Metal Tiger Placement

Table 2.2 below outlines the potential advantages to the Non-Associated Shareholders of approving the Metal Tiger Placement.

Table 2.2: Potential Advantages of the Metal Tiger Placement

Advantage	Explanation
The Metal Tiger Placement is Fair	As set out in Section 2.2 above, the Metal Tiger Placement is fair to the Non-Associated Shareholders as at the date of this Report.
Provides funds for exploration activities	The purpose of the funds is primarily to accelerate the exploration of the tenement packages held by KML in Botswana.
Capital raising price higher than our calculated SOP valuation and equal to the last material capital raising price	The Metal Tiger Placement involves issuing shares at \$0.15. This is greater than our SOP valuation for Cobre prior to the Metal Tiger Placement which was within the range of \$0.0516 to \$0.0674 on a minority interest basis. We note the price of \$0.15 per share at which the Metal Tiger Placement will complete is the same price of the last material capital raising.
A largely unchanged level of control in Cobre for Metal Tiger	If the Metal Tiger Placement is approved, Metal Tiger's relevant interest in Cobre will increase from its existing level of 12.74% to 16.75% of undiluted share capital in Cobre. We note this level of interest is not sufficient to block a special resolution which requires a 25% dissenting vote.

Source: BDOCF Analysis

2.3.3 Disadvantages of the Metal Tiger Placement

Table 2.3 below outlines the potential disadvantages to the Non-Associated Shareholders of approving the Metal Tiger Placement.

Table 2.3: Potential Disadvantages of the Metal Tiger Placement

Disadvantage	Explanation
Capital raising price lower than recent share trading prices	In the period of time following announcement of the Metal Tiger Placement (4 August 2022) to 4 October 2022, Cobre has traded as high as \$0.730 on 22 August 2022 and as low as \$0.125 on 29 September 2022 with a VWAP over this period of \$0.3646. The \$0.15 capital raising price under the Metal Tiger Placement is generally lower than Cobre's trading range over this period (and particularly in the period prior to 26 September 2022). Refer to Section 2.3.5 below for additional discussion of Cobre's recent share price. For completeness, we also note that capital raisings are often undertaken at a discount to recent share trading prices. For example, the placement announced by Cobre on 15 April 2021 was at a discount of 12.8% to the previous day's VWAP of \$0.1950 and a discount of 19.6% to the previous month's average VWAP of \$0.2114.
Dilution of existing shareholders' interests	The issuance of shares in relation to the Metal Tiger Placement will have a dilutive effect on the interest held by Non-Associated Shareholders in Cobre's assets.

Source: BDOCF Analysis

2.3.4 Position of the Shareholders if the Metal Tiger Placement is Not Approved

Table 2.4 below outlines the potential position of individual Cobre Non-Associated Shareholders if the Metal Tiger Placement is not approved.

Table 2.4: Position of Non-Associated Shareholders if the Metal Tiger Placement is not Approved

Position of Non-Associated Shareholders	Explanation
No change to Cobre shareholding	If the Metal Tiger Placement is not approved, Metal Tiger will not be issued with any additional shares and the Non-Associated Shareholders will not be diluted.
Requirement to raise capital	If the Metal Tiger Placement is not approved, Cobre may be required to raise additional capital in order to accelerate the exploration of the KML assets. However, there is no guarantee that the price of future capital raisings will be in excess of the \$0.15 under the Metal Tiger Placement (albeit recent share price trading has at times been at levels in excess of this, particularly in the period prior to 26 September 2022).
If the Proposed Transaction is approved Metal Tiger may own up to 30% of Cobre regardless of the Metal Tiger Placement	Non-Associated Shareholders have been asked to approve Metal Tiger acquiring up to 30% of the total shares outstanding in Cobre under the Proposed Transaction. Should the Metal Tiger Placement not be approved and the Proposed Transaction be approved, Metal Tiger will still increase its relevant interest in Cobre (assuming Cobre elects to exercise the Call Option in scrip), and will be able to acquire up to 30% of Cobre's shares (although we note the final shareholding amount will ultimately depend on Cobre's 90-day VWAP at the time of exercising the Call Option).
Non-recoverable costs	Cobre has incurred costs in relation to the Metal Tiger Placement. Cobre will not be able to recover the costs that it has incurred in relation to the Metal Tiger Placement irrespective of whether or not the Metal Tiger Placement is approved.

Source: BDOCF Analysis

2.3.5 Other Considerations

Recent Volatility of Cobre Share Price

Following Australian Securities Exchange ('ASX') announcements published by Cobre from 27 July 2022 regarding drilling results, Cobre's share price has increased from approximately \$0.05 on 26 July 2022 to as high as \$0.73 on 22 August 2022 and closed on 4 October 2022 at \$0.195. The value of a Cobre share, based on share trading data over this period, is in excess of our SOP valuation.

One explanation for the difference between our SOP and market trading data is possible market speculation that Cobre is close to declaring a mineral resource on the KML tenements.

CSA have noted in their report that early results from Cobre's current drilling program have confirmed comparatively thick copper mineralisation over a strike length of several kilometres. The recently announced infill drilling program is aimed at confirming the continuity of mineralisation at a drill spacing appropriate to declare mineral resources, should the mineralisation prove to be continuous at the closer spacings that will be drilled. Until this is proven, CSA consider that the tenements remain prospective and that there is limited ability to incorporate any future upside from resource declaration in an Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets ('the VALMIN Code') compliant valuation. For completeness, we note that we have subtracted expenditure of approximately AU\$1.1 million incurred on the ongoing diamond drilling program by KML since 1 July 2022 from the value of KML. However, CSA have not attributed any value to this expenditure on the basis that the drilling program is part way through and the full results of the drilling program are not yet available for CSA to interpret and analyse. If the drilling does result in a mineral resource being declared, this would likely result in a material increase in the value of the licences, as they could then be valued on the basis of the declared mineral resource.

The values that the Cobre share price has been trading at may be due to expectations by investors and the broader market of future results arising from these preliminary drilling results, and not necessarily reflective of the value of Cobre based on an assessment conducted in accordance with the valuation procedures outlined in this Report. In this circumstance, it is more difficult to predict any future share price movements or the level that Cobre may be able to raise capital at in the future. In our view, in considering the reasonableness of the Metal Tiger Placement, it is appropriate to place more weight on our SOP valuation relative to the share trading data of Cobre.

2.3.6 *Assessment of the Reasonableness of the Metal Tiger Placement*

In our opinion, after considering all of the issues set out in this Report, it is our view that, in the absence of any other information or a superior proposal, the Metal Tiger Placement is **Reasonable** to the Non-Associated Shareholders as at the date of this Report.

2.4 **Our Opinion**

After considering the above assessments, it is our view that, in the absence of any other information, the Metal Tiger Placement is **Fair and Reasonable** as at the date of this Report.

For completeness, we note that following provision of this Report to Cobre on 28 September 2022, Cobre subsequently announced a change in substantial holding from Metal Tiger on 29 September 2022. Specifically, Metal Tiger's relevant interest in Cobre decreased from 17.07% to 12.74%. This decrease in relevant interest means that Cobre shareholder approval is no longer required under section 611 of the Act.

As Metal Tiger's relevant interest was previously expected to reach 20.88% in circumstances that the Metal Tiger Placement was approved, we were required under RG 111 to assess the transaction as a control transaction and determine fairness by:

- a) Determining the value of a Cobre share on a controlling interest basis prior to the Metal Tiger Placement;
- b) Determining the value of a Cobre share on a minority interest basis after the Metal Tiger Placement; and
- c) Comparing the value determined in a) above with the value of b) to determine if the Metal Tiger Placement is fair.

In accordance with the requirements of RG 111, the Metal Tiger Placement can be considered 'fair' to the Non-Associated Shareholders if the value determined in b) above is equal to or greater than the value determined in a) above. This assessment resulted in an opinion of Not Fair but Reasonable.

As Metal Tiger's relevant interest is no longer expected to exceed 20% as a result of the Metal Tiger Placement, we no longer consider the transaction to be a control transaction and have compared a minority interest in Cobre prior to the Metal Tiger Placement to a minority interest in Cobre post the Metal Tiger Placement. This change in assessment methodology resulted in our opinion on the Metal Tiger Placement changing from 'Not Fair but Reasonable' to 'Fair and Reasonable'.

Before forming a view on whether to vote in favour of or against the Metal Tiger Placement, Non-Associated Shareholders must:

- ▶ Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 4;
- ▶ Consult their own professional advisers; and
- ▶ Consider their specific circumstances.

3.0 Assessment of the Proposed Transaction

This section is set out as follows:

- ▶ Section 3.1 sets out the methodology for our assessment of the Proposed Transaction;
- ▶ Section 3.2 sets out our assessment of the fairness of the Proposed Transaction;
- ▶ Section 3.3 sets out our assessment of the reasonableness of the Proposed Transaction; and
- ▶ Section 3.4 provides our assessment of whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders.

3.1 Basis of Evaluation

In preparing the assessment of the reasonableness and fairness of the Proposed Transaction we have had regard to the regulatory requirements published by ASIC and the procedures to be followed under Regulatory Guide 111. These requirements and procedures are outlined in Section 2 of this Report in relation to the assessment of the Metal Tiger Placement. We have followed the same procedure to complete the assessment of the Proposed Transaction.

The Proposed Transaction involves Cobre potentially increasing their interest in KML from 51% to 100%. Under the Proposed Transaction, 24.5% of this additional interest will be acquired with cash and the other 24.5% can be acquired by exercising a call option using either cash or scrip. If scrip is used, the maximum increase in Metal Tiger's relevant interest in Cobre is capped at 30%. Therefore, if the shares issued as consideration will result in Metal Tiger acquiring voting power in Cobre in excess of 30%, Cobre will pay the balance of the consideration with cash once the cap has been reached.

RG 111 specifically differentiates between control and non-control transactions in providing guidance on the type of analysis to complete. RG 111 suggests that where the transaction is a control transaction the expert should focus on the substance of the control transaction rather than the legal mechanism to effect it. In our opinion the Proposed Transaction is a control transaction as defined by RG 111 and we have assessed the Proposed Transaction by considering whether, in our opinion, it is fair and reasonable to the Non-Associated Shareholders.

We have assessed the fairness and reasonableness of the Proposed Transaction in Sections 3.2 and 3.3 below and provide an opinion on whether the Proposed Transaction is 'fair and reasonable' to the Non-Associated Shareholders in Section 3.4 below.

3.2 Assessment of Fairness

3.2.1 Basis of Assessment

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject to the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject to an offer in a control transaction the expert should consider this value inclusive of a control premium and assume a 100% ownership interest.

In our view, it is appropriate to assess the fairness of the Proposed Transaction to the Non-Associated Shareholders as follows:

- a) Determine the value of a Cobre share on a controlling interest basis prior to the Proposed Transaction;
- b) Determine the value of a Cobre share on a minority interest basis after the Proposed Transaction. As shareholder approval is required under item 7 of section 611 of the Act to enable Metal Tiger to increase its interest in Cobre up to 30% (refer Section 4.4.1 for additional discussion), for the purposes of our assessment of the Proposed Transaction, we consider it appropriate to assume that Cobre has elected to exercise its option and use scrip consideration; and
- c) Compare the value determined in a) above with the value of b) to determine if the Proposed Transaction is fair.

In accordance with the requirements of RG 111, the Proposed Transaction can be considered 'fair' to the Non-Associated Shareholders if the value determined in b) above is equal to or greater than the value determined in a) above.

3.2.2 Value of a Cobre Share Prior to the Proposed Transaction on a Controlling Interest Basis

In our view, for the purposes of the analysis set out in this Report, it is appropriate to adopt a valuation range for a Cobre share prior to the Proposed Transaction on a controlling interest basis that is broadly consistent with the values adopted prior to and following the Metal Tiger Placement, to account for the scenarios where the Metal Tiger Placement is both approved and not approved (refer Section 2.2.2). In relation to our valuation range prior to the Proposed Transaction, we note:

- ▶ We have adopted a value of \$0.0670 at the low end. This is consistent with the low end of the value range adopted for the Metal Tiger Placement (after allowing for a control premium) and assumes that the Metal Tiger Placement is not approved; and

- ▶ We have adopted a value of \$0.0838 at the high end. This is consistent with the high end of the value range adopted post the Metal Tiger Placement (after allowing for a control premium), and assumes that the Metal Tiger Placement is approved. As it is not currently known whether the Non-Associated Shareholders will vote in favour of or against the Metal Tiger Placement, we consider it appropriate to adopt a slightly wider range that assumes the Metal Tiger Placement is not approved at the low end but is approved at the high end.

3.2.3 Value of a Cobre Share After the Proposed Transaction on a Minority Interest Basis

Our SOP valuation, which we have calculated following the Metal Tiger Placement on a minority interest basis, is directly comparable with our SOP valuation referred to in Section 3.2.2 and relies on CSA's valuation of Cobre's and KML's mineral rights and assets.

The primary factors driving the change in our calculated valuation range pre and post the Proposed Transaction are:

- ▶ **Additional Cobre shares on issue:** for the purposes of our fairness assessment, we have assumed that Cobre has elected to exercise the option and pay the consideration in scrip. We have also assumed that Cobre has elected to repay the KML shareholder loan in scrip. As the number of shares to be issued will ultimately depend on the prevailing 90-day VWAP at the time Cobre advises its intention to issue scrip, we have assumed three alternative 90-day VWAP scenarios as follows:
 - **Scenario 1:** we have assumed a VWAP of \$0.06. In selecting this VWAP, we had regard to Cobre's lowest 90 trading day VWAP over the past 12 months (to 23 August 2022). However, we note this scenario may be less likely to occur as it would require Cobre's share price to revert to a level approximate to \$0.06 for a period of 90 days. Cobre's share price hasn't traded at these levels since 27 July 2022 when the Company commenced announcing the results of its most recent drilling program;
 - **Scenario 2:** we have assumed a VWAP of \$0.15. In selecting this VWAP, we had regard to the price of the shares issued under the Placement;
 - **Scenario 3:** we have assumed a VWAP of \$0.30. In selecting this VWAP, we had regard to Cobre's recent 90 trading day VWAP (as at 23 August 2022);
- ▶ **The addition of 49% ownership of KML:** as we have assumed Cobre has exercised its option and issued scrip consideration, we have also assumed that Cobre holds 100% of the issued share capital of KML; and
- ▶ **Minority interest:** we have calculated the value of Cobre on a minority interest basis following the Proposed Transaction.

The value ranges calculated for each scenario are set out in Table 3.1 below.

3.2.4 Assessment of the Fairness of the Proposed Transaction

To assess the fairness of the Proposed Transaction, in accordance with RG 111, it is appropriate to compare the value of a Cobre share prior to the Proposed Transaction on a controlling interest basis with the value of a share in Cobre on a minority basis assuming the Proposed Transaction is implemented.

Table 3.1 below summarises our assessment of the fairness of the Proposed Transaction.

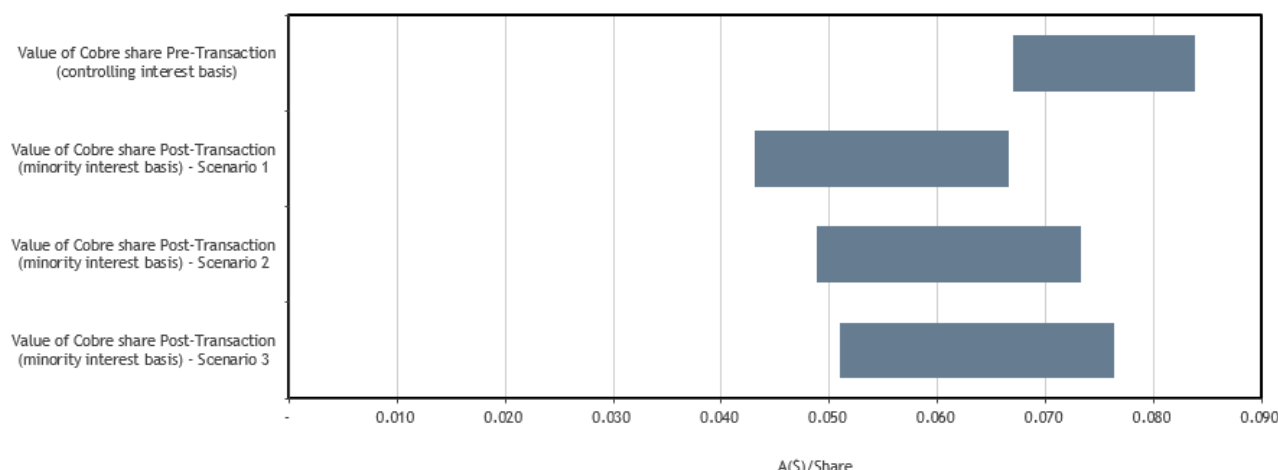
Table 3.1: Assessment of the Fairness of the Proposed Transaction

	Low (\$/share)	High (\$/share)
Value of a Cobre share prior to the Proposed Transaction (controlling interest)	0.0670	0.0838
Value of a Cobre share post the Proposed Transaction (minority interest) if the Call Option is exercised with scrip - Scenario 1	0.0432	0.0663
Value of a Cobre share post the Proposed Transaction (minority interest) if the Call Option is exercised with scrip - Scenario 2	0.0489	0.0732
Value of a Cobre share post the Proposed Transaction (minority interest) if the Call Option is exercised with scrip - Scenario 3	0.0510	0.0763

Source: BDOCF Analysis

Figure 3.1 summarises our assessment of the fairness of the Proposed Transaction, setting out a graphical comparison of our valuation of a Cobre share prior to the Proposed Transaction on a controlling interest basis and our valuation of a share in Cobre on a minority basis.

Figure 3.1: Fairness of the Proposed Transaction



Source: BDOCF analysis

With reference to Table 3.1 and Figure 3.1, we note:

- ▶ Regardless of which of the three scenarios regarding the 90-trading-day VWAP is assumed at the time the Call Option is exercised, there is a widening in the valuation range post the Proposed Transaction;
- ▶ Regardless of whether the Call Option is exercised under Scenario 1 (assumed VWAP of \$0.06), Scenario 2 (assumed VWAP \$0.15) or Scenario 3 (assumed VWAP of \$0.30) there is a downward shift in the valuation range, albeit the valuation range continues to overlap with the pre-transaction valuation range under Scenario 2 and Scenario 3; and
- ▶ One of the drivers of the downward shift from the pre-transaction values to the post-transaction values is the pre-transaction values are on a controlling interest basis and the post-transaction values are on a minority interest basis. To provide information to shareholders, we have set out a comparison of minority values pre and post the Proposed Transaction in Section 3.3.5 below.

After considering the information summarised above and set out in detail in the balance of this Report, it is our view that, in the absence of any other information, the Proposed Transaction is **Not Fair** to the Non-Associated Shareholders as at the date of this Report.

3.3 Assessment of Reasonableness

3.3.1 Basis of Assessment

Under RG 111, a transaction is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 3.2 above, to assess whether the Proposed Transaction is 'reasonable' we consider it appropriate to examine other significant factors to which the Non-Associated Shareholders may give consideration prior to forming a view on whether to vote in favour of or against the Proposed Transaction. This includes comparing the likely advantages and disadvantages of approving the Proposed Transaction with the position of a Non-Associated Shareholder if the Proposed Transaction is not approved, as well as consideration of other significant factors.

Our assessment of the reasonableness of the Proposed Transaction is set out as follows:

- ▶ Section 3.3.2 sets out the advantages of the Proposed Transaction to the Non-Associated Shareholders;
- ▶ Section 3.3.3 sets out the disadvantages of the Proposed Transaction to the Non-Associated Shareholders;
- ▶ Section 3.3.4 sets out the position of the Non-Associated Shareholders if the Proposed Transaction is not approved;
- ▶ Section 3.3.5 sets out discussion of other considerations relevant to the Proposed Transaction; and
- ▶ Section 3.3.6 provides our opinion on the reasonableness of the Proposed Transaction to the Non-Associated Shareholders.

3.3.2 Advantages of the Proposed Transaction

Table 3.2 below outlines the potential advantages to the Non-Associated Shareholders of approving the Proposed Transaction.

Table 3.2: Potential Advantages of the Proposed Transaction

Advantage	Explanation
Non-Associated Shareholders collectively retain control	If the Proposed Transaction is approved and the Call Option is exercised with scrip, the Non-Associated Shareholders will collectively hold no less than a 70% interest in KML. The Non-Associated Shareholders will continue to collectively hold a controlling interest in Cobre if the Proposed Transaction is approved.
Increases proportionate exposure to KML project, providing shareholders with full upside of any increase in value	Completion of the Proposed Transaction would result in Cobre having 100% ownership of KML and the full upside of any exploration success it achieves (assuming the Call Option is exercised). We note the Cobre share price has recently experienced a substantial increase post following the release of recent drilling results for KML. Cobre are undertaking further drilling with an objective to confirm continuity of mineralisation in order to declare mineral resources within the KML tenements. The acquisition of the remaining shares in KML will enable Cobre to benefit from full exposure to any value accretion that arises should mineral resources be declared.
Cobre retains discretion whether to exercise option	Following the issuance of the Call Option under the Proposed Transaction Cobre will have a 12-month period during which they may elect to exercise the Call Option and either pay GBP 750,000 or the equivalent in Cobre shares. Cobre are not obliged to exercise the Call Option, and so they retain the discretion to make the decision in the best interests of Cobre.
Cobre retains discretion when to exercise option	Cobre can exercise the Call Option at any time during the 12-month period following issuance of the Call Option, and so will be able to exercise the Call Option at a time that is most beneficial to them. For example, at a time when their 90-trading-day VWAP is elevated, or when they have a sufficient cash balance to comfortably exercise with cash.
Cobre have the ability to control whether consideration is cash or scrip	The consideration for the Call Option under the Proposed Transaction can, at Cobre's option, consist of scrip, reducing the cash required to acquire KML. In addition, the repayment of the outstanding shareholder loans to Metal Tiger can also be settled with shares in Cobre, although we note between the Transactions and loan repayment, Cobre will not be able to grant an amount of shares so that Metal Tiger holds more than 30% of Cobre's outstanding share capital. Considering Cobre is not generating revenue, the ability to settle these transactions with scrip may be beneficial, as Cobre may otherwise need to raise the remaining cash through further capital raises.
Provides Cobre with full autonomy to manage the strategic direction and operations of KML	Metal Tiger's current interest in KML means that they retain the ability to block various resolutions concerning KML regarding certain reserved matters outlined in the KML Shareholders Deed (see Table 5.2 of this Report). In addition, as almost equal shareholders, Metal Tiger hold significant influence on the operational and strategic decisions of KML. This includes holding the ability to appoint two of the four directors of KML. Consolidating ownership will provide a streamlined decision-making process for both long term strategic decisions and short-term operational decisions.
The Proposed Transaction reduces counterparty risk and potential legal obstructions from development and sale of KML associated with current Shareholders Deed	Under the current Shareholders Deed, there exists certain legal obligations and restrictions that may obstruct the financing or future sale of KML (such as pre-emption rights and restrictions concerning reserved matters requiring full board or shareholder approval, for example in relation to issuing any securities beyond a certain amount). If the Proposed Transaction is approved and the Call Option exercised, the existing rights and obligations, and the risk of any potential future legal obstructions arising in the future associated with the current Shareholders Deed, will be eliminated.
KML ownership may be favourable by potential investors and financiers	The legal and other constraints associated with the existing Shareholders Deed may be a potential obstruction to developing the projects held by KML. If the Proposed Transaction is approved, Cobre will own 100% of KML, simplifying the development process of KML's projects.
Non-Associated Shareholders will retain exposure to the Company's projects, including KML	If the Proposed Transaction is approved, the Non-Associated Shareholders will continue to be exposed to Cobre's projects, including KML.

Source: BDOCF analysis

3.3.3 Disadvantages of the Proposed Transaction

Table 3.3 below outlines the potential disadvantages to the Non-Associated Shareholders of approving the Proposed Transaction.

Table 3.3: Potential Disadvantages of the Proposed Transaction

Disadvantage	Explanation
The Proposed Transaction is Not Fair	As set out in Section 3.2 above, the Proposed Transaction is not fair to the Non-Associated Shareholders as at the date of this Report.
Dilution of existing Shareholders' interests	If the Call Option is exercised with scrip, the issue of shares to Metal Tiger under the Proposed Transaction will have a dilutive effect on the current interest of the Non-Associated Shareholders.

Disadvantage	Explanation
Metal Tiger can block special resolutions	If the Proposed Transaction is approved and the Call Option is exercised with scrip, Metal Tiger will hold up to a 30% interest of Cobre's issued capital. In circumstances where Metal Tiger's interest exceeds 25%, they will be able to unilaterally block any special resolutions.
Potential for Shareholders Deed to remain in place	If the Proposed Transaction is approved and the Call Option is not exercised, Metal Tiger will continue to hold a 24.5% interest in KML and Cobre and Metal Tiger will still be subject to the KML Shareholders Deed currently in place (see Table 5.2). In particular, unless the Shareholders Deed is revised to reflect the new shareholdings, Metal Tiger will still be able to appoint half the directors of KML.
Potentially reduced chance of receiving future takeover offer of Cobre without Metal Tiger's support	If the Proposed Transaction is approved and the Call Option is exercised with scrip, Metal Tiger's ownership interest in Cobre of up to 30% may reduce the chance of Cobre's shareholders receiving a takeover offer for their shares without the support of Metal Tiger. In particular, Metal Tiger may have the ability to block the approval of a change of control via scheme of arrangement, which requires a special resolution of shareholders (75%).
If the Proposed Transaction is approved there is potential for additional shares to be sold on the open market	If the Proposed Transaction is approved Cobre will be able to issue shares to Metal Tiger so that Metal Tiger will hold up to 30% of the shares outstanding in Cobre post completion of the Proposed Transaction. Metal Tiger may elect to sell some of the new Cobre shares received on the open market. This may place downward pressure on the share price of Cobre if the increased supply of Cobre shares sufficiently outweighs the demand.
Cobre will guarantee the Metal Tiger Loan	Cobre has agreed to guarantee KML's current debt obligations to Metal Tiger (currently approximately US\$1,295,071, plus any interest accruing at 7% per annum). KML is currently not cash flow positive and so any payments it makes must be completed by contributions from its shareholders. Following completion of the Proposed Transaction Cobre will be the only remaining shareholder, and so will effectively be repaying the loan via its subsidiary KML, until KML starts to generate revenue. Whether this repayment is made in cash or in Cobre scrip is at the discretion of Cobre. In circumstances that KML is unable to realise a value for its tenements in excess of the value of the shareholder loans owing to Metal Tiger and Cobre, the impact of the guarantee may be that Metal Tiger get some return of their shareholder loan at the expense of Cobre shareholders.
Guarantee of KML debt may lead to further dilution	Should Cobre be required to repay the Metal Tiger Loan and elect to complete this repayment in scrip, the shareholders of Cobre will face further dilution in addition to any dilution as part of paying scrip consideration under the Call Option.
Increased foreign jurisdiction risks	If the Proposed Transaction is approved, Cobre shareholders will increase their interest in assets in Botswana, leading to increased exposure to the risks of operating in a foreign country. These include: ▶ Currency risk: operational expenditures on Botswana projects will be incurred in a range of currencies including US Dollars, British Pound, and Botswana Pula, and therefore any fluctuations in the corresponding Australian Dollar exchange rates will impact the results of Cobre¹; and ▶ Geopolitical climate risks: the political climate in Botswana is considered relatively stable and is generally held to offer a favourable outlook for foreign investments. There is no guarantee this will remain the case in the future and any change in the political or economic climate or governing legislation may negatively impact the results of Cobre.

Source: BDOCF analysis

¹ Cobre targets copper discoveries. Copper is typically priced in United States dollars so there is an inherent exchange rate risk in existing assets. However, Cobre currently incurs costs and receives no copper revenues. We note that while Cobre costs its Australian operations generally in Australian dollars, KML incurs costs predominantly in currencies which are not in Australian dollars.

3.3.4 Position of Non-Associated Shareholders if the Proposed Transaction is Not Approved

Table 3.4 below outlines the potential position of Non-Associated Shareholders if the Proposed Transaction is not approved.

Table 3.4: Position of Non-Associated Shareholders if the Proposed Transaction is Not Approved

Position of Non-Associated Shareholders	Explanation
Continued shareholding in Cobre with a 51% interest in KML	If the Proposed Transaction does not proceed Metal Tiger will not be issued with shares in Cobre. As such, the Non-Associated Shareholders will not be diluted and Cobre will continue to hold a 51% interest in KML.
Metal Tiger may seek to sell their interest in KML to a third party	Should the Proposed Transaction not proceed Metal Tiger may seek to divest its interests in KML through a third party. While Cobre has pre-emption rights under the current Shareholders Deed, Cobre is unable to ultimately block the sale to a third party.
Rights and obligations under current Shareholders Deed will remain	Cobre and Metal Tiger are subject to various rights and conditions under their current Shareholders Deed (discussed below in Table 5.2). Should the Proposed Transaction not proceed, the parties will remain subject to the terms of the Shareholders Deed.
Metal Tiger will not be able to block special resolutions	If the Proposed Transaction is not approved, Metal Tiger's interest in Cobre will remain below 25% and they will not be able to unilaterally block special resolutions.

Position of Non-Associated Shareholders	Explanation
Share price may be materially different from recent prices	Following announcement of the results from KML's most recent drilling program on 27 July 2022, Cobre experienced a substantial increase in its share price. If the Proposed Transaction does not proceed, the price of Cobre shares may decrease relative to recent trading prices and the decrease may be material. By way of example, if the Proposed Transaction is not approved, Cobre would only be entitled to the upside from the drilling results through its 51% interest rather than benefiting from a 100% ownership of KML.
Non-recoverable costs	Cobre has incurred costs in relation to the Proposed Transaction. Cobre will not be able to recover the costs it has incurred in relation to the Proposed Transaction irrespective of whether or not the Proposed Transaction is approved.
No guarantee there will be another opportunity to consolidate KML	If the Proposed Transaction is not approved, there is no guarantee there will be another opportunity to consolidate the ownership of KML on similar or better terms than the Proposed Transaction.

Source: BDOCF analysis

3.3.5 Other Considerations

Recent share price volatility

Following ASX announcements published by Cobre from 27 July 2022 regarding drilling results, there has been significant volatility in Cobre's share price.

The Non-Associated Shareholders should refer to our discussion in Section 2.3.5 for additional information in relation to this volatility and our ability to incorporate the recent drilling announcements into our valuation work.

Call Option May Lapse

While the valuation analysis in this Report considers the Initial Acquisition and the Call Option together as the Proposed Transaction, whether to exercise the Call Option will be at Cobre's discretion. Accordingly, there exists a scenario where only the Initial Acquisition completes and Cobre lets the Call Option lapse. In this circumstance Cobre will hold a 75.5% interest in KML, Metal Tiger will retain a 24.5% interest, and the parties will remain subject to the terms of the Shareholders Deed. Ultimately, Cobre will have partially achieved its goal of increasing its exposure to the upside of KML but will not have achieved the ability to freely govern KML. KML will also resume the rights under the current Shareholder Deed that have been temporarily waived (see temporary alterations below). Should this scenario occur, Metal Tiger may seek to sell its remaining shareholding in KML to a third party.

Temporary Alteration to Shareholders Deed

Cobre and Metal Tiger have agreed to alter the rights and obligations of the parties under the KML Shareholders Deed following the Proposed Transaction and until either the Call Option expires or is exercised. The result of these alterations includes that Cobre will have control over the operations of KML, but also means that Metal Tiger will no longer have to provide capital contributions in accordance with KML's budget. Further details of the temporary changes to the Shareholders Deed is provided in Section 5.3.2.

Comparison Assuming a Minority Interest Prior to and Following the Proposed Transaction

Prior to the Proposed Transaction, individual Non-Associated Shareholders could reasonably be considered to be minority shareholders of Cobre. If the Proposed Transaction is approved, individual Non-Associated Shareholders will remain minority shareholders in the Company. Metal Tiger is the largest Cobre shareholder and its interest in Cobre may increase (if the Call Option is exercised with scrip) from 12.74% or 16.75% (depending on whether the Metal Tiger Placement completes) up to a maximum of 30% of undiluted share capital in Cobre under the Proposed Transaction.

For the purpose of the analysis set out in this Report, we have also compared the value of a Cobre share following the Proposed Transaction on a minority interest basis with the value of a Cobre share prior to the Proposed Transaction on a minority interest basis in Table 3.5 below.

Non-Associated Shareholders should note that this comparison does not form part of our fairness assessment.

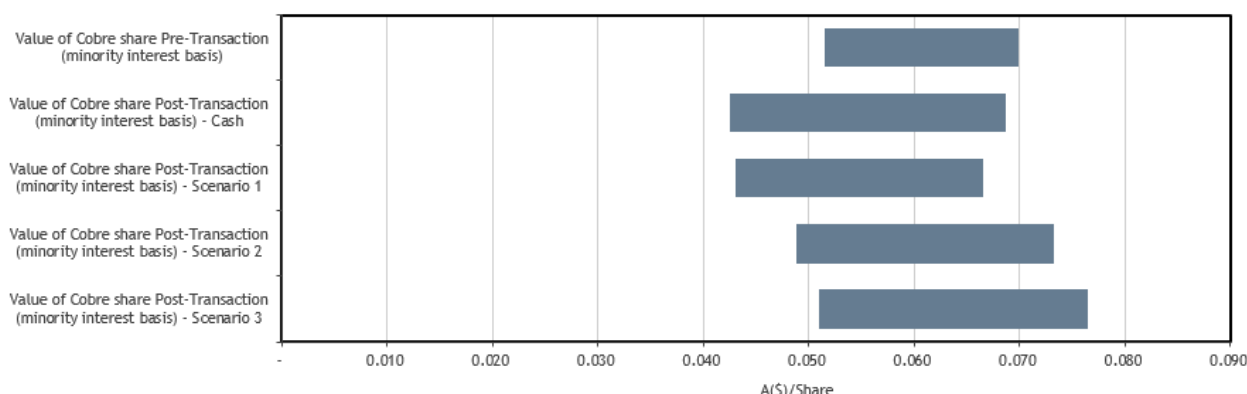
Table 3.5: Comparison of the Value of a Cobre Share on a Minority Interest Basis Prior to and Following the Proposed Transaction

\$	Low (\$/share)	High (\$/share)
Value of a Cobre share prior to the Proposed Transaction (minority interest)	0.0516	0.0698
Value of a Cobre share post to the Proposed Transaction (minority interest) if the Call Option is exercised with cash	0.0426	0.0686
Value of a Cobre share post to the Proposed Transaction (minority interest) if the Call Option is exercised with scrip - Scenario 1	0.0432	0.0663
Value of a Cobre share post to the Proposed Transaction (minority interest) if the Call Option is exercised with scrip - Scenario 2	0.0489	0.0732
Value of a Cobre share post to the Proposed Transaction (minority interest) if the Call Option is exercised with scrip - Scenario 3	0.0510	0.0763

Source: BDOCF Analysis

Figure 3.2 below sets out a graphical comparison of our valuation of a Cobre share prior to the Proposed Transaction on a minority interest basis and our valuation of a share in Cobre on a minority interest basis following the Proposed Transaction.

Figure 3.2: Comparison of the Value of a Cobre Share on a Minority Interest Basis Prior to and Post the Proposed Transaction



Source: BDOCF Analysis

With reference to Table 3.5 and Figure 3.2, we note that when a comparison of the value of a Cobre share is completed on a minority interest basis, both prior to and post the Proposed Transaction, there is an upward shift in the overall value range under the assumed \$0.15 VWAP of Scenario 2 and the assumed \$0.30 VWAP under Scenario 3. We note, in situations where the Call Option is exercised with cash or exercised with an assumed \$0.06 VWAP under Scenario 1, there is a downward shift in the overall value range, albeit there is significant overlap with the pre-transaction value range. We note, in situations where the Call Option is exercised with scrip at the assumed VWAP of \$0.15 under Scenario 2 or at the assumed VWAP of \$0.30 under Scenario 3, the valuation range of each case fully encompasses the pre-transaction valuation range.

Prior to the Proposed Transaction, we applied a 12.5% discount to Cobre's proportionate interest in KML, having regard to the interest in KML held by Metal Tiger. Post the Proposed Transaction, we have reduced this discount to 0%, noting that Metal Tiger will no longer hold an interest in KML. We note, this reduction in discount is one of the factors driving the upward shift in value.

Comparison of the Value of the Asset Acquired to the Value of the Consideration

If the Proposed Transaction is approved, Cobre will:

- ▶ Acquire a 24.5% interest in KML to take its interest in KML to 75.5%. In Section 11.2, we have valued the 24.5% interest being acquired under the Initial Acquisition in the range of \$0 to \$1,242,170. As Cobre is also receiving the Call Option to increase its total interest in KML to 100%, we have removed the impact of the discount for shared control from this valuation range; and
- ▶ Receive the Call Option which entitles Cobre to acquire the remaining 24.5% of KML to take its total interest in KML to 100%. In Section 14.2, we have valued this option in the range of \$0 to \$308,159.

The total value to be received by Cobre for the interest in KML and the Call Option is in the range of \$0 to \$1,550,329. In return for receiving this value, Cobre will pay Metal Tiger £750,000 which is \$1,282,380 when converting the GBP denominated consideration to AUD using a GBP:AUD exchange rate average over the period 9 August 2022 to 9 September 2022 of 0.5849.

The value to be paid by Cobre is towards the upper end of our valuation range.

For reasons which may include those set out in Section 2.3.5, our valuation of Cobre does not consider any additional value for the KML tenements that may be getting attributed by the market following the announcement of the drillings results that commenced on 27 July 2022. To provide shareholders of an idea of the magnitude of the value being attributed by the market, if you assume approximately 203.7 million and 20 cents of additional value per share is attributable to the drilling results at KML, that equates to approximately \$40.6 million of additional value and significantly exceeds the consideration to be paid by Cobre. For completeness, we note that Metal Tiger has been an investor in KML since June 2018 and also holds direct interests in a number of resource companies in addition to its current 12.74% interest in Cobre. We would consider Metal Tiger to be an informed investor in relation to KML and are not aware of a reason why Metal Tiger would seek to divest its interest in KML at the levels far below those implied by the market speculation following the announcements of the drilling results, although access to liquidity for the investment may explain part of the difference.

3.3.6 *Assessment of the Reasonableness of the Proposed Transaction*

In our opinion, after considering all of the issues set out in this Report, it is our view that, in the absence of any other information or a superior proposal, the Proposed Transaction is **Reasonable** to the Non-Associated Shareholders as at the date of this Report.

3.4 **Our Opinion**

After considering the above assessments, it is our view that, in the absence of any other information, the Proposed Transaction is **Not Fair but Reasonable** as at the date of this Report.

Before forming a view on whether to vote in favour of or against the Proposed Transaction, Non-Associated Shareholders must:

- ▶ Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 4;
- ▶ Consult their own professional advisers; and
- ▶ Consider their specific circumstances.

4.0 Important Information

4.1 Read this Report, and Other Documentation, in Full

This Report, including Part I, Part II and the appendices, should be read in full to obtain a comprehensive understanding of the purpose, scope, basis of evaluation, limitations, information relied upon, analysis, and assumptions underpinning our work and our findings.

Other information provided to the Non-Associated Shareholders in conjunction with this Report should also be read in full, including the Notice of Meeting prepared by Cobre and dated on or about 17 October 2022.

4.2 Shareholders' Individual Circumstances

Our analysis has been completed and our conclusions expressed at an aggregate level having regard to the Non-Associated Shareholders as a whole. BDOCF has not considered the impact of the Transactions on the particular circumstances of individual Non-Associated Shareholders. Individual Non-Associated Shareholders may place a different emphasis on certain elements of the Transactions relative to the emphasis placed in this Report. Accordingly, individual Non-Associated Shareholders may reach different conclusions as to whether or not the Transactions are fair and reasonable in their individual circumstances.

The decision of an individual Non-Associated Shareholder to vote in favour of or against the Transactions is likely to be influenced by their particular circumstances and accordingly, the Non-Associated Shareholders are advised to consider their own circumstances and seek their own independent advice.

Voting in favour of or against the Transactions is a matter for individual Non-Associated Shareholders based on their expectations as to the expected value, future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Non-Associated Shareholders should carefully consider the Notice of Meeting. Non-Associated Shareholders who are in doubt as to the action they should take in relation to the Transactions should consult their professional adviser.

With respect to the taxation implications of the Transactions, it is strongly recommended that the Non-Associated Shareholders obtain their own taxation advice, tailored to their own particular circumstances.

4.3 Scope

In this Report we provide our opinion on whether each of the Transactions are fair and reasonable to the Non-Associated Shareholders.

This Report has been prepared at the request of the Non-Associated Directors for the sole benefit of the Non-Associated Shareholders entitled to vote, to assist them in their decision to vote in favour of or against each of the Transactions. This Report is to accompany the Notice of Meeting to be sent to the Non-Associated Shareholders to consider the Transactions and was not prepared for any other purpose. Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the Non-Associated Directors and the Non-Associated Shareholders without our written consent. We accept no responsibility to any person other than the Non-Associated Directors and the Non-Associated Shareholders in relation to this Report.

This Report should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of this Report, in whole or in part, should be reproduced without our written consent as to the form and context in which it may appear.

We have consented to the inclusion of this Report with the Notice of Meeting. Apart from this Report, we are not responsible for the contents of the Notice of Meeting or any other document associated with the Transactions. We acknowledge that this Report may be lodged with regulatory authorities to obtain the relevant approvals prior to it being made available to the Non-Associated Shareholders.

The scope of procedures we have undertaken has been limited to those procedures required to form our opinion. Our procedures did not include verification work nor did they constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards. In preparing this Report we considered a range of matters, including the necessary legal requirements and guidance of the Corporations Act 2001 (Cth) ('the Corporations Act'), the Corporation Regulations 2001 ('the Regulations'), the regulatory guides ('RGs') published by the Australian Securities and Investments Commission ('ASIC'), the listing requirements of the relevant exchanges (where relevant) and commercial practice.

In forming our opinion we have made certain assumptions and outline these in this Report, including:

- ▶ The conditions precedent to the Transactions are satisfied, and have performed our analysis on this basis;
- ▶ Matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- ▶ All information which is material to the Non-Associated Shareholders' decision on the Transactions has been provided and is complete, accurate and fairly presented in all material respects;
- ▶ ASX announcements and other publicly available information relied on by us are accurate, complete and not misleading;

- ▶ If the Transactions are approved, that they will be implemented in accordance with the stated terms;
- ▶ The legal mechanism to implement the Transactions is correct and effective;
- ▶ There are no undue changes to the terms and conditions of the Transactions or complex issues unknown to us; and
- ▶ Other assumptions, as outlined in this Report.

In this Report we have not provided any taxation, legal or other advice of a similar nature in relation to the Transactions. Cobre has engaged other advisors in relation to those matters.

Cobre has acknowledged that the Company's engagement of BDOCF is as an independent contractor and not in any other capacity, including a fiduciary capacity.

The statements and opinions contained in this Report are given in good faith and are based upon our consideration and assessment of the information provided by the Board, executives and management of all the entities.

4.4 Purpose of this Report

An independent expert, in certain circumstances, must be appointed to meet the requirements set out in the Corporations Act, the Regulations, RGs and in some cases the listing requirements of the relevant exchanges. These requirements have been set out in Sections 4.4.1 and 4.4.2 below.

4.4.1 Requirements of the Corporations Act

Section 606 of the Corporations Act states that, subject to the exceptions set out in section 611, a 'relevant interest' in issued voting shares in a listed company cannot be increased from 20% or below to more than 20%, or increasing from a starting point that is above 20% and below 90%. A 'relevant interest' is broadly defined as an interest giving the holder the power to control the right to vote or dispose of shares.

If the Proposed Transaction is approved and Cobre elects to exercise the Call Option with scrip, Metal Tiger will be compensated in fully paid ordinary Cobre shares. We note the interest Metal Tiger can acquire in Cobre is capped at 30%. In these circumstances an exemption from section 606 must be sought under item 7 of section 611 of the Corporations Act.

Item 7 of section 611 allows a party to gain a relevant interest in shares of a public company that would otherwise be prohibited under subsection 606(2) of the Corporations Act if the transaction is approved in advance by a resolution passed at a general meeting of the company, and:

- ▶ No votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares; and
- ▶ There was full disclosure of all information known by both the party proposing to make the acquisition, their associates and the company in relation to the transaction which was material to a decision on how to vote on the resolution.

ASIC RG 74: *Acquisitions Approved by Members* states that the obligation to supply shareholders with all material information can be satisfied by the non-associated directors of Cobre by either:

- ▶ Undertaking a detailed examination of the transactions themselves, if they consider that they have sufficient expertise; or
- ▶ Commissioning an independent expert's report.

We have been requested to prepare this independent expert's report to provide additional information to the Non-Associated Shareholders to assist them to form a view on whether to vote in favour of or against the Transactions and to satisfy the Company's obligations in accordance with ASIC RG 74.

4.4.2 Listing Requirements

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, a substantial holder or a related party without the approval of non-associated shareholders.

ASX Listing Rule 10.2 defines an asset as substantial if its value or the consideration paid for it is, or in the ASX's opinion is, 5% or more of the value of the equity interests of the entity, as set out in the latest accounts given to the ASX in accordance with the ASX listing rules ('Substantial Asset'). Based on ASX Listing Rule 10.1.3, a substantial holder is a person who has a relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company ('Substantial Holder'). In relation to this Report, we understand:

- ▶ Metal Tiger currently holds a 12.74% interest in Cobre and is therefore a substantial shareholder of the Company (10%+) under Listing Rule 10.1.3; and
- ▶ Based off the most recent audited accounts lodged with the ASX, being the Company's financial statements for the half-year ended 31 December 2021, Cobre has equity interests of \$14.85 million. Therefore, an asset would be considered substantial if it has a value of at least \$0.743 million. As the consideration for both the Initial

Acquisition and the Call Option will have a value of £750,000, the interests being acquired in KML represent Substantial Assets for the purposes of Listing Rule 10.1.

As the Proposed Transaction involve the acquisition of a Substantial Asset from a Substantial Holder, pursuant to ASX Listing Rule 10.1, the Proposed Transaction requires the approval of Non-Associated Shareholders.

Under ASX Listing Rule 10.5, where shareholder approval is sought for the purpose of complying with ASX Listing Rule 10.1, the notice of meeting distributed to shareholders in relation to the transaction must include a report prepared by an independent expert, which states the expert's opinion as to whether the transaction is fair and reasonable to the non-associated shareholders.

Cobre are seeking shareholder approval under ASX Listing Rule 10.1 and this Report has been prepared to comply with the requirements of ASX Listing Rules 10.1, 10.2 and 10.5.

In addition to the above, we note the Metal Tiger Placement requires shareholder approval under ASX Listing Rule 10.11. While a notice of meeting under ASX Listing Rule 10.11 is not required to include an independent expert report, the non-associated Cobre directors have requested us to include the Metal Tiger Placement in this Report to accompany the Notice of Meeting and assist the Non-Associated Shareholders in forming a view on whether to vote in favour or against the Metal Tiger Placement.

4.5 Current Market Conditions

Our opinion and the analysis set out in this Report is based on economic, commodity, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time and may have a material impact on the results presented in this Report and result in any valuation or other opinion becoming quickly outdated and in need of revision.

In circumstances where we become aware of and believe that a change in these conditions, prior to the Meeting, results in a material statement in this Report becoming misleading, deceptive or resulting in a material change in valuation, we will provide supplementary disclosure to Cobre. BDOCF is not responsible for updating this Report following the Meeting or in the event that a change in prevailing circumstance does not meet the above conditions.

4.6 Reliance on Information

Cobre recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDOCF, BDO Services Pty Ltd or any of the partners, directors, agents or associates (together 'BDO Persons'), will be using and relying on publicly available information and on data, material and other information furnished to BDO Persons by the executive leadership team of Cobre ('Management'), and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Unless the information we are provided suggests the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis and inquiry for the purpose of forming an opinion as to whether or not the Transactions are fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or due diligence investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of Management, the information was evaluated through analysis and inquiry to the extent practical. Where we have relied on publicly available information, we have considered the source of the information and completed our own analysis to assist us to determine the accuracy of the information we have relied on. However, in many cases the information we have relied on is often not capable of external verification or validation and on that basis we provide no opinion or assurance on the information.

The Non-Associated Directors represent and warrant to us for the purpose of this Report, that all information and documents furnished by Cobre (either by Management directly or through its advisors) in connection or for use in the preparation of this Report do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein. We have received representations from the Non-Associated Directors in relation to the completeness and accuracy of the information provided to us for the purpose of this Report.

Under the terms of our engagement, Cobre has agreed to indemnify BDO Persons against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

4.7 Glossary

Capitalised terms used in this Report have the meanings set out in the glossary. A glossary of terms used throughout this Report is set out immediately following the Table of Contents at the start of this Report.

All dollar ('\$') references in this Report are in Australian dollars unless otherwise stated.

4.8 Sources of Information

This Report has been prepared using information obtained from sources including the following:

- ▶ Cobre annual reports for the year ended 30 June 2019, 2020, and 2021;
- ▶ Cobre financial statements for the period ended 31 December 2021;
- ▶ KML financial statements for the periods ended 31 December 2019, 2020, 2021 and the period ended 30 June 2022;
- ▶ Cobre's management accounts for the period ended 30 June 2022;
- ▶ Cobre ASX announcements;
- ▶ Cobre's board minutes;
- ▶ The Notice of Meeting dated 17 October 2022;
- ▶ The share purchase deed;
- ▶ The loan agreement;
- ▶ The amendment agreement;
- ▶ The shareholders deed dated 15 December 2020;
- ▶ The side letter - shareholders deed;
- ▶ The independent technical specialist report prepared by CSA dated 22 August 2022
- ▶ Capital IQ;
- ▶ IBISWorld;
- ▶ Consensus Economics;
- ▶ MergerMarket;
- ▶ The Reserve Bank of Australia;
- ▶ Other research publications and publicly available data as sourced throughout this Report;
- ▶ Various transaction documents provided by the Management of Cobre and their advisors; and
- ▶ Discussions and other correspondence with the Management of Cobre and their advisers.

4.9 APES 225 Valuation Services

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 *Valuation Services* ('APES 225'). A Valuation Engagement is defined by APES 225 as 'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4.10 Forecast Information

Any forecast financial information referred to in this Report has originated from the Company's Management and is adopted by the Non-Associated Directors in order to provide us with a guide to the potential financial performance of Cobre. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the forecast financial information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation between actual results and those forecasts may be material.

The Non-Associated Directors' best-estimate assumptions on which the forecast is based relate to future event(s) and/or transaction(s) that Management expect to occur and actions that Management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Cobre. Evidence may be available to support the Non-Associated Directors' best-estimate assumptions on which the forecast is based, however, such evidence is generally future-oriented and therefore speculative in nature. In certain circumstances, we may adjust the forecast assumptions provided by Management to complete our valuation work. In this instance, the forecasts we have adopted for our valuation work will not be the same as the forecasts provided by Management.

BDOCF cannot and does not provide any assurance that any forecast is representative of results or outcomes that will actually be achieved. While we have considered the forecast information to the extent we considered necessary to complete the analysis set out in this Report, we have not been engaged to provide any form of assurance conclusion on any forecast information set out in this Report. We disclaim any assumption of responsibility for any reliance on this Report, or on any forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of Management, that all material information concerning the prospects and proposed operations of Cobre has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

4.11 Qualifications

BDOCF has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDOCF holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

BDOCF and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Mark Whittaker and Scott Birkett have prepared this Report with the assistance of staff members. Mr Whittaker, BCom (Hons), CA, CFA, and Mr Birkett, BBusMan/BCom, CFA, are directors of BDOCF. Both Mr Whittaker and Mr Birkett have extensive experience in corporate advice and the provision of valuation and professional services to a diverse range of clients, including large private, public and listed companies, financial institutions, and professional organisations. Mr Whittaker and Mr Birkett are considered to have the appropriate experience and professional qualifications to provide the advice offered within this Report.

BDO Corporate Finance Ltd



Mark Whittaker
Director



Scott Birkett
Director

PART II: INFORMATION SUPPORTING OUR OPINION ON THE TRANSACTIONS

5.0 Overview of the Transactions

This section sets out an overview of the Transactions and is structured as follows:

- ▶ Section 5.1 provides a brief overview of the Placement;
- ▶ Section 5.2 provides a brief overview of the Proposed Transaction;
- ▶ Section 5.3 describes the key parties involved in the Proposed Transaction;
- ▶ Section 5.4 provides an overview of the KML Shareholders Deed;
- ▶ Section 5.5 summarises the conditions precedent to the Proposed Transaction; and
- ▶ Section 5.6 details the rationale for the Transactions.

This section is a summary only and should not be treated as a complete description of the Transactions. The Non-Associated Shareholders should refer to the Notice of Meeting and any subsequent disclosures for additional information relating to the Transactions and the key parties involved.

5.1 Summary of the Metal Tiger Placement

On 4 August 2022 Cobre announced it had successfully completed a placement of \$7 million, at \$0.15 per share, to sophisticated and institutional investors ('the Placement'). The Placement was undertaken in preparation for the Proposed Transaction with the purpose being to fast track the exploration of the tenement packages held by KML in Botswana.

The Placement is being undertaken in two tranches:

- ▶ Under the first tranche (which completed on 12 August 2022), Cobre raised approximately \$5.5 million (before costs) from the issuance of 36,691,925 new shares ('Tranche 1'); and
- ▶ Under the second tranche, Cobre will raise approximately \$1.5 million (before costs) from the issuance of 9,808,076 new shares to Metal Tiger ('the Metal Tiger Placement') and 166,667 new shares to Andrew Sissian (a Director of Cobre) ('the Director Placement'). Both the Metal Tiger Placement and the Director Placement remain subject to shareholder approval ('Tranche 2').

The indicative capital structure of Cobre following the Metal Tiger Placement is outlined in Table 5.1 below. Table 5.1 also assumes that no additional shares are issued, or options exercised, prior to completion of the Metal Tiger Placement.

Table 5.1: Indicative Capital Structure Following Metal Tiger Placement

	Prior to the Metal Tiger Placement		Post the Metal Tiger Placement	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Cobre Non-Associated Shareholders	177,762,713	87.26%	177,762,713	83.25%
Metal Tiger	25,946,722	12.74%	35,754,798	16.75%
Total	203,709,435	100.0%	213,517,511	100.0%

Source: BDOCF Analysis

¹ In addition to the capital structure outlined in Table 5.1, there are 27,638,500 options outstanding as of 1 October 2022 with exercise prices in the range of \$0.20 to \$0.335.

5.2 Summary of the Proposed Transaction

On 16 June 2022, Cobre announced that the Company had entered a share purchase deed with Metal Tiger to acquire Metal Tiger's interest in KML. Cobre, via its wholly owned subsidiary Cobre Kalahari, currently holds a 51% interest in KML which they are seeking to increase to 100%. Cobre intends to acquire this additional 49% from Metal Tiger under the following terms:

- ▶ Cobre (or its nominee) will acquire 24.5% of the shares in KML from Metal Tiger for total cash consideration of £750,000, increasing its interest in KML to 75.5% ('Initial Acquisition'); and
- ▶ Metal Tiger will grant Cobre (or its nominee) a call option to acquire the remaining 24.5% of shares in KML, exercisable for a 12-month period following the issuance of the option, for either £750,000 or the equivalent in Cobre shares ('Call Option').

With regard to the Call Option, we note:

- ▶ Metal Tiger will grant Cobre the Call Option following completion of the Initial Acquisition. Cobre will have a period of 12 months after completion of the Initial Acquisition to exercise the Call Option;
- ▶ If Cobre elects to exercise the Call Option by way of scrip, the number of shares issued will be calculated by dividing £750,000 (converted to AUD using the prevailing GBP:AUD spot exchange rate) by the 90-trading day VWAP up to the date on which Cobre exercises the Call Option. If the issue of shares resulting from exercising the Call Option will result in Metal Tiger acquiring a voting power in excess of 30% of Cobre, then Cobre will pay Metal Tiger the cash value of the outstanding consideration once the 30% cap has been reached; and
- ▶ If Cobre elects not to exercise the Call Option, the option will lapse, leaving Cobre and Metal Tiger with a 75.5% and 24.5% interest in KML, respectively.

In addition to the above consideration, Cobre will guarantee the repayment of Metal Tiger's outstanding loans to KML. These loans total £1,064,950 per KML's balance sheet as at 30 June 2022 and accrue interest at a rate of 7% per annum. KML has five years to repay the loan, with an automatic five-year extension if a maiden JORC compliant mineral resource in respect of the Botswana projects had not been made by maturity of the initial loan period, or on the occurrence of certain events. Cobre may, at its election, repay all or any part of the outstanding loan in cash or Cobre shares. If Cobre elects to satisfy the repayment of the loan in shares, the number of shares will be calculated by dividing the total outstanding amount of the loan by the 90-trading day VWAP of Cobre's shares.

Table 5.2 below sets out the indicative capital structure of Cobre following the Proposed Transaction assuming an amount of \$3,130,921¹ required to be paid by Cobre and three alternative scenarios for the 90-day VWAP². We note the table also assumes that the Metal Tiger Placement is completed beforehand, the Call Option is exercised with scrip and the Metal Tiger Loan repayment is made using scrip.

Table 5.2: Indicative Capital Structure Following the Proposed Transaction

	Assumed VWAP of \$0.06	Assumed VWAP of \$0.15	Assumed VWAP of \$0.30
Cobre Non-Associated Shareholders	177,762,713	177,762,713	177,762,713
Metal Tiger (post Placement)	35,754,798	35,754,798	35,754,798
Shares issued if Call Option is exercised with scrip	21,373,002	8,549,201	4,274,600
Shares issued to repay the loan with scrip	30,348,227	12,139,291	6,069,645
Total¹ - undiluted	265,238,740	234,206,003	223,861,757
Metal Tiger Interest - undiluted	32.98% (Capped at 30%)	24.10%	20.59%
Total assumed shares - diluted	268,299,519	237,266,781	226,922,536
Metal Tiger interest - diluted	32.60% (Capped at 30%)	23.79%	20.31%

Source: Capital IQ, BDOCF Analysis

¹ In addition to the capital structure outlined in Table 5.2, there are 27,638,500 options outstanding as of 1 October 2022 with exercise prices in the range of \$0.20 to \$0.355.

With regard to Table 5.2 above, we note the following:

- ▶ If the loan repayment is made when Cobre is trading at the low VWAP of \$0.06, Metal Tiger's diluted and undiluted interest will reach the 30% interest before the entire loan is repaid. As a result, Cobre will need to pay the balance in cash which will be approximately \$1.13 million; and
- ▶ The diluted share total assumes the following:
 - The Director Placement completes; and
 - The subscription deed to Mitchell Services Limited ('Mitchell') completes. Under the terms of the subscription deed, Cobre has agreed to issue US\$300,000 worth of shares at an issue price of AU\$0.15 per share, in lieu of cash payment for 45% of any invoices that are rendered by Mitchell to KML for any drilling services delivered, up to a maximum of US\$300,000 ('the Mitchell Drilling Subscription'). The amount in AUD will be calculated by applying the USD:AUD exchange rate published by Bloomberg at 9am on the completion date, being the date five business days after the date of Cobre's Extraordinary General Meeting.

¹ Includes both the consideration to exercise the Call Option (£750,000) and the balance of KML's loan to Metal Tiger (£1,064,950 as at 30 June 2022) converted to AUD using a GBP:AUD exchange rate average over the period 9 August 2022 to 9 September 2022 of 0.5849.

² If Cobre exercises the Call Option with scrip and repays KML's loan to Metal Tiger with scrip, the number of shares issued is calculated using Cobre's 90 trading day VWAP at the date the Call Option is exercised, or loan is repaid. Due to the recent volatility of Cobre's share price, we have assumed three 90-day VWAP scenarios for share issuances if Cobre ultimately elects to make payment in scrip. The assumed VWAP of \$0.06 has regard to Cobre's lowest 90-day VWAP over the past 12 months (to 23 August 2022). The assumed VWAP of \$0.15 has regard to the price of shares issued under the Placement. The assumed VWAP of \$0.30 has regard to Cobre's current 90 trading day VWAP (as at 23 August 2022) and reflects recent higher share price.

5.3 Description of KML and Metal Tiger

5.3.1 Overview of KML

KML is a private company which was incorporated in England and Wales on 3 May 2017. KML holds interests in 11 exploration licences which from 1 October 2022 will cover a total area of approximately 5,027 km² in the Kalahari Copper Belt in Botswana comprising:

- ▶ One 100% owned exploration licenses;
- ▶ Five exploration licences subject to a binding earn-in agreement with Triprop Holdings Pty Limited ('Triprop') (KML currently owns a 51% interest in Triprop which includes the Ngami Copper Project); and
- ▶ Five exploration licences held by a wholly owned subsidiary, Kitlanya Limited.

Metal Tiger holds a 2% net smelter royalty over all of KML's wholly owned licences, being six licences covering, in aggregate, 4,304 km². The five exploration licences owned by Triprop (in which KML has a 51% interest) are not subject to this royalty.

5.3.2 Overview of Metal Tiger

Metal Tiger is Cobre's largest shareholder with a 12.74% interest in Cobre prior to the Transactions. They were incorporated in 2001 and are headquartered in London, United Kingdom.

Metal Tiger holds direct equity investments in various United Kingdom alternative investment market ('AIM') resource companies. The metal projects are primarily engaged in by way of joint venture arrangements and include exploration interests in gold, copper, tungsten, silver, lead, and zinc resources, as well as base and precious metals. The company holds core deposits in Botswana, Spain and Thailand. Metal Tiger's Asset Trading division encompasses the company's equity, warrant and royalty trading.

5.3.3 Background of Metal Tiger and Cobre Investments in KML

On 6 June 2018, Metal Tiger announced that it had entered into an investment agreement to acquire up to 50% of the Botswanan focused explorer, KML. On 14 February 2020, Metal Tiger announced that it had invested an additional US\$1.5 million in KML, increasing its ownership to 62.17%, with six other vendors holding the remaining 37.83%.

On 12 April 2021, Cobre issued 20,999,214 fully paid ordinary shares to Metal Tiger, and the other six vendors with an interest in KML, to acquire a 49.99% holding in KML. Following regulatory approval in Botswana for a change of control of KML, on 14 December 2021 Cobre issued another 445,368 fully paid ordinary shares, valued at 7.8 cents per share, to increase its stake in KML to 51%. This represents the current ownership structure of KML in which Cobre holds a 51% interest and Metal Tiger holds the remaining 49% interest.

Metal Tiger's decision to divest its interests in KML aligns with Metal Tiger's broader strategic decision to close their project investment division and to no longer consider joint ventures as part of their corporate strategy. Metal Tiger has undertaken this change so that its resources will no longer be committed to projects requiring monthly cash calls, and instead Metal Tiger can use its resources to implement operational improvements to optimise the assessment and management of potential and existing investments.

5.4 KML Shareholders Deed

5.4.1 Overview

Cobre and Metal Tiger are currently subject to a Shareholders Deed that sets out various matters concerning the governance of KML. Table 4.2 below summarises some of the key provisions within the Shareholders Deed.

Table 5.2 Rights and Obligations Under the KML Shareholders Deed

Matter	Description
Matters concerning the board	▶ Currently Metal Tiger and Cobre can appoint, remove, or substitute two directors of KML. Cobre can appoint the Chair, who holds the casting vote in the case of equal votes for matters that are not Board Reserved Matters (as defined in the Shareholders Deed); and ▶ All board matters, except Board Reserved Matters, must be approved by a simple majority.

Matter	Description
Board reserved matters	▶ Certain matters require unanimous board approval, including: • Disposing of or acquiring any subsidiary of KML; • Issuing or granting any security in KML (not requiring shareholder approval in accordance with the Shareholders Deed); • Engaging, varying, or terminating any engagement with a person who reports directly to the board and whose remuneration is greater than US\$100,000/year; ▶ Certain matters require approval from at least 75% of directors, including: • Adopting, varying, or replacing any business plan or any operating, capital, or cash budget of KML; • Entering into, varying, or terminating any agreement, or arrangement outside the ordinary course of business; and ▶ The total matters requiring board approval is extensive and is detailed in full in the Shareholders Deed.
Shareholder reserved matters	▶ Certain matters require unanimous shareholder approval, including: • Issuing or granting securities beyond a certain amount (specified in the Shareholders Deed); • Varying the rights attaching to any securities; ▶ Certain matters require approval from at least 75% of shareholders, including: • Taking any step to proceed with the development of a mine; • Varying the share capital of a group company of KML; and ▶ The total matters requiring shareholder approval is extensive and is detailed in full in the Shareholders Deed.
Business plans & funding	▶ During the first two years following completion of the share purchase agreement entered into between, among others, Cobre and Metal Tiger, each quarter Cobre and Metal Tiger must agree on a quarterly budget. The aggregate of these budgets must not exceed \$3.5 million, and Cobre and Metal Tiger must each pay to KML an amount to fund the budgets equal to their portion of ownership of KML; ▶ Certain restrictions apply to the creation and approval of business plans and budgets for KML. These restrictions include that plans must be approved unanimously by the board on a yearly basis, and any additional funding that is required by Cobre and Metal Tiger must be drawn down on a monthly basis; and ▶ If a shareholder fails to meet their funding obligations their shareholding may be diluted.
Matters concerning securities	▶ Disposal: a shareholder is restricted from selling their securities in KML to entities not related to the seller, unless certain processes outlined in the Shareholders Deed have been followed, particularly relating to the pre-emption rights of existing shareholders; ▶ First right of refusal: if a shareholder attempts to sell to a third party, or if KML seeks to issue new securities, the shares must first be offered to the other existing shareholders of KML. Existing shareholders will be entitled to subscribe to a portion of securities equal to an amount that would maintain their existing portion of ownership of the total securities outstanding in KML; ▶ Drag along: where a shareholder is seeking to sell their shares, and those shares make up at least 75% of the outstanding securities in KML, then the selling shareholder may force the remaining shareholder to also sell their shares; and ▶ Tag along: where a shareholder is seeking to sell their shares, and those shares make up at least 75% of the outstanding securities in KML, then the remaining shareholder may cause the selling shareholder to use their reasonable endeavours to force the purchaser to also purchase the securities of the tag-along shareholder.
Deadlocks	▶ A deadlock may occur where a shareholder has consecutively failed to consent to any matter that requires their consent, or where there is no quorum at three consecutive board meetings. ▶ Where a deadlock occurs, the shareholders must negotiate in good faith through nominated representatives; and ▶ Where resolution to a deadlock cannot be agreed, there is generally no definitive method of obtaining a resolution.

Source: Shareholders Agreement; BDOCF analysis.

5.4.2 *Changes to rights and obligations under the Shareholders Deed*

Following completion of the Initial Acquisition, Cobre will own 75.5% of the total shares outstanding of KML. Resultantly, the following key changes will occur:

- ▶ Cobre will be able to pass resolutions in respect of any matters requiring approval of at least 75% of shareholders (see shareholder reserved matters in Table 5.2 above); and
- ▶ Any sale of Cobre's entire interest in KML to a third party will entitle Metal Tiger to 'tag-along'. Similarly, Cobre will be able to 'drag-along' Metal Tiger should it seek to sell the entirety of the securities outstanding in KML.

We note that, unless a new Shareholders Deed is entered into to reflect the shareholdings following completion of the Initial Acquisition, Cobre and Metal Tiger will still be able to appoint two directors each. Therefore, the change in ownership will not affect any board reserved matters.

Should the Proposed Transaction complete by exercising the Call Option, Metal Tiger will cease to be a shareholder of KML. Resultantly, the Shareholders Deed will no longer be in place and Cobre will have complete control of KML.

5.4.3 *Governance and Management of KML*

The parties have agreed to alter the rights and obligations under the Shareholders Deed for the period until the earlier of termination of the Proposed Transaction or 12 months following completion of the Initial acquisition. The changes include:

- ▶ Cobre will have sole control regarding the adoption, approval, and variation of KML's business plan and budget, and KML's activities will be conducted in accordance with that business plan and budget;
- ▶ Metal Tiger waives its rights and is released from its obligations to the business plan and budget;
- ▶ Cobre will be solely responsible for contributing any capital and funding requirements for KML pursuant to the business plan and budget, and any such funding during the 12-month period following completion of the Initial Acquisition will be provided in a manner that is non-dilutive to Metal Tiger's interests and will not otherwise impact the Shareholders Deed;
- ▶ Metal Tiger's two nominee directors will resign from the board of KML, effective immediately, and Metal Tiger will waive the right to appoint directors;
- ▶ Certain KML board matters will continue to require approval by Metal Tiger on the basis that Metal Tiger will have voting power equivalent to two directors (with Cobre representatives constituting the remaining two directors) in considering such matters;
- ▶ In the event that the Call Option is not exercised before its expiry, the parties will promptly amend the Shareholders Deed and restore Metal Tiger's rights (including board representation rights), protections and obligations to the equivalent of those which it held as a 49% shareholder in KML prior to completion of the Initial Acquisition;
- ▶ Cobre undertakes not to change, or seek to change in any way the Group's accounting policy or practice during the 2022 and 2023 Financial Years; and
- ▶ In the event that Metal Tiger receives shares by way of consideration, these will be managed alongside its existing investment in the Company.

In the event Cobre exercises the Call Option and acquires 100% of the outstanding shares in KML, Metal Tiger will no longer hold any rights or obligations under the Shareholders Deed. Metal Tiger will be unable to appoint board directors or participate in the management of KML except in its role as a shareholder of Cobre.

5.5 **Key Conditions of the Proposed Transaction**

Completion of the Proposed Transaction is subject to certain conditions that are set out in full in the SPD. In summary these include:

- ▶ Cobre passing resolutions to authorise the Company to complete the Proposed Transaction in compliance with the Corporations Act and the Listing Rules;
- ▶ That an independent expert's report is included in the Notice of Meeting concluding that the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders;
- ▶ There is no temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction or government agency and no other legal restraint preventing the Proposed Transaction; and
- ▶ That any approvals which may be required by any government agency in Botswana to the Proposed Transaction are obtained.

The parties have agreed that if all of the above conditions are satisfied (or waived), the parties may proceed to completion of the Initial Acquisition and the granting of the Call Option.

Under the loan amendment deed the following material changes will be in place:

- ▶ Cobre have agreed to guarantee KML's obligation to repay the existing and outstanding shareholder loans made by Metal Tiger to KML (£1,064,950 as at 30 June 2022) plus any interest, accruing at 7% per annum;
- ▶ Cobre may, at its own discretion, elect to repay all or part of the outstanding loan with either cash or Cobre shares. If Cobre elects to pay with shares, the number of shares issued will also be calculated using the 90-trading-day VWAP. However, like the shares which may be issued under the Call Option, shares issued to payback the Metal Tiger Loan will be capped at 30%. As a result, regardless of whether shares are issued in respect of the Call Option or the Metal Tiger Loan repayment, the increase in interest and voting power of Metal Tiger will be capped at 30%; and
- ▶ KML is obligated to repay any shareholder loan within five years (which may be extended by a further five years if a maiden JORC compliant mineral resource in respect of the Botswana projects has not been made by maturity of the loan) or on the occurrence of certain events, including:
 - The disposal of all or substantially all of the assets of Cobre or KML and its subsidiaries;
 - An initial public offering of KML;
 - Commencement of mining and production of copper or silver at the tenements owned or operated by KML in Botswana;
 - Cobre disposing 75% or more of its interest in KML;
 - A change of control occurs in relation to Cobre; or
 - A JORC resource declaration occurs during the period of extension mentioned above.

5.6 Strategic Rationale for the Transactions

The Non-Associated Directors of Cobre are of the view that the Proposed Transaction represents a strategic step for Cobre in order to fully exploit the exploration potential of KML, which they believe will unlock considerable shareholder value. Specifically, they believe that the Company acquiring up to a 100% interest in KML will provide the following benefits:

- ▶ Full upside to any increase in the value of KML's assets with the ability to manage the day-to-day operations of KML;
- ▶ Full autonomy to manage the strategic direction and operations of KML, including how it proposes to further explore and develop its projects;
- ▶ Allows Cobre to continue its geographical expansion and diversification of the Company's copper exploration activities; and
- ▶ Provides Cobre shareholders with increased exposure to a diversified portfolio of exploration assets with full upside to any exploration success it achieves.

In relation to the Metal Tiger Placement, the Non-Associated Directors are of the view that the funds are required to continue to rapidly progress exploration on KML's tenement package in the Kalahari Copper Belt in Botswana following successful results of the first three diamond holes in the recently announced drilling activities.

6.0 Background of Cobre

This section is set out as follows:

- ▶ Section 6.1 provides an overview and background information on Cobre;
- ▶ Section 6.2 outlines Cobre's key projects;
- ▶ Section 6.3 summarises the equity structure of Cobre;
- ▶ Section 6.4 summarises the share market trading data of Cobre; and
- ▶ Section 6.5 summarises the historical financial information of Cobre.

6.1 Background

Cobre is a mineral exploration company headquartered in Sydney, New South Wales, seeking to create shareholder value through the successful exploration of base metals. Founded in 2018 as a small private company, it listed on the Australian Securities Exchange in January of 2020 (ticker ASX:CBE) raising \$10 million before costs from the issue of 50 million fully paid ordinary shares at an issue price of \$0.20.

Cobre's principal mining exploration targets are base and precious metals, particularly copper, in the Kalahari Copper Belt and Western Australia.

Further details about Cobre's key exploration assets are set out below in Section 6.2.

6.2 Key Projects

This section sets out a summary of Cobre's key projects. For further detail in relation to Cobre's projects, refer to CSA's Independent Technical Specialist's Report, dated 22 August 2022, attached in Appendix A.

6.2.1 Kalahari Metals Limited

Cobre currently holds a 51% ownership in KML with Metal Tiger owning the remaining 49%. KML is a private company which was incorporated in England and Wales on 3 May 2017. KML holds interests in 11 exploration licences which from 1 October 2022 will cover a total area of approximately 5,027km² in the Kalahari Copper Belt in Botswana comprising:

- ▶ One 100% owned exploration licenses;
- ▶ Five exploration licences subject to a binding earn-in agreement with Triprop Holdings Pty Limited ('Triprop') (KML currently owns a 51% interest in Triprop which includes the Ngami Copper Project); and
- ▶ Five exploration licences held by a wholly owned subsidiary, Kitlanya Limited.

Metal Tiger holds a 2% net smelter royalty over all of KML's wholly owned licences, being six licences covering, in aggregate, 4,304km². The five exploration licences owned by Triprop (in which KML has a 51% interest) are not subject to this royalty.

The below outlines the key exploration projects of KML.

Okavango Copper Project

The Okavango Copper Project ('OCP') is located in the Central portion of the Kalahari Copper Belt. The OCP consists of the 100% owned KML prospecting licences in addition to the Triprop prospecting licenses in which KML owns a controlling 51% stake. Historical samples have confirmed extensive copper mineralisation in the project area and recently completed airborne magnetic and electromagnetic surveys mapped out marker conductors above prospective mineralised contact and defined fold-hinge targets.

Ngami Copper Project

The Ngami Copper Project is composed of two prospecting licenses owned by Triprop Holding Pty Ltd. The primary target of this project is structurally modified stratabound copper and silver deposits with historical drilling within the area having demonstrated the presence of copper and silver mineralisation. Imaging and airborne electromagnetic surveys have mapped targets analogous to other locations within the belt with mine sites under development. Recent drilling results at the project (announced July and August 2022) saw the first, second and third intersection of significant copper mineralisation from the projects ongoing drill program. The drill programme was initially designed to test the first of 57 ranked targets across KML's extensive license holding on the relatively unexplored northern margin of the KCB.

Kitlanya West Project

Located on the northern margin of the Kalahari Copper Belt, immediately adjacent to the Ngami Copper Project, the Kitlanya West Project is a fully owned project through a KML subsidiary, Kitlanya Pty Ltd ('Kitlanya'). Airborne electromagnetic surveys have identified three prominent conductors in the project area. Drilling of these targets is planned after the completion of target drilling on OCP and will provide important stratigraphic information for the project.

Kitlanya East Project

The Kitlanya East Project is fully owned by KML's subsidiary company, Kitlanya, and is located on the Southern margin of the Kalahari Copper Belt in close proximity to T3 and Banana Zone deposits. Four priority areas have been identified through historical and recent sampling, in addition to water borehole data where copper and silver mineralisation may be upgraded. Recent drill results (April 2022) provided several intersections displaying signs of encouraging alteration and intense veining. Based on these results, an expanded programme testing multiple targets of the project has been designed as the next step for the project.

6.2.2 Western Australia Projects

The Perrinvale Project

Cobre, through its wholly owned subsidiary Toucan Gold Pty Ltd ('TGP'), has 100% ownership of the Perrinvale Project. It covers 345km² of the Panhandle and Illaara Greenstone Belts in Western Australia and is located approximately 260 km north-west of Kalgoorlie.

The results from the completed drilling program to date confirm the presence of high-grade volcanogenic massive sulphide ('VHMS') mineralisation in the tenement specifically in two key VHMS targets: Schwabe and Zinco Lago & Zinco Rame. Drilling work completed in 2020 at the Schwabe prospect has found significant intercepts in two drilling holes with the presence of high-grade base metal (copper-zinc) and gold mineralisation. Early exploration work at the Zinco prospect identified anomalous copper-zinc mineralisation at shallow depths.

The Sandiman Project

The Sandiman Project is a 202km² tenement located approximately 200km east of Carnarvon in Western Australia's Upper Gascoyne region. The area contains extensive barite veining and has the potential for sediment-hosted base metal mineralisation. Sandiman is an underexplored area in a favourable location with significant early indicators of base metals.

Sandiman is a farm-in joint-venture with private company GTTS Generations Pty Ltd, in which Cobre holds a 51% equity interest under the first farm-in agreement.

6.2.3 The Armada Investment

Cobre holds 15 million shares in ASX-listed Armada Metals Limited ('Armada'), representing 14.43% of shares on issue, in addition to 3.3 million options exercisable at \$0.334 per share.

Armada was incorporated in 2014 and is based in Grand Baie, Mauritius. They are a Mauritian holding company that owns 100% of Armada Exploration Gabon SARL, who subsequently own two exploration licences prospective for magmatic Ni-Cu sulphide located in the southwest Gabon between the Archaean to Paleoproterozoic Lambarene Horst Block and the Nyango Basin.

6.3 Equity Structure of Cobre

6.3.1 Ordinary Shares

As at 1 October 2022, Cobre had 203,709,435 ordinary shares on issue. The substantial shareholders are set out in Table 6.1. The table reflects the substantial shareholders of Cobre following completion of Tranche 1 of the Placement, but does not consider the impact of any changes in shareholding as a result of the Transactions.

Table 6.1: Substantial Shareholders

Shareholders	Number of Shares	Percentage Holding
1 Metal Tiger PLC	25,946,722	12.74%
2 Holland International Pty Ltd	11,024,384	5.41%
3 Other Shareholders	166,738,329	81.85%
Total shares on issue	203,709,435	100%

Source: Cobre ASX Announcements

6.3.2 Options on Issue

Cobre issued unlisted options to the directors, the company secretary and lead manager as part of their remuneration for services provided. Table 6.2 below summarises the options outstanding in Cobre as at 1 October 2022.

Table 6.2: Cobre's Outstanding Options

Expiration Date	Number Outstanding	Exercise Price (AUD)
31-Jan-2023	1,025,000	\$0.300
24-Sep-2024	12,613,500	\$0.200
30-Nov-2024	2,500,000	\$0.335
6-Apr-2026	11,500,000	\$0.355
Total	27,638,500	-

Source: Cobre Management

6.4 Share Trading of Cobre

6.4.1 Share Trading Data

Figure 6.1 displays the daily volume weighted average price ('VWAP') and daily volume of Cobre shares traded on the ASX over the period 1 July 2021 to 4 October 2022.

Figure 6.1: Daily VWAP and Volume of Cobre Shares Traded from 1 July 2021 to 4 October 2022



Source: Capital IQ as at 5 October 2022

Over the period graphed in Figure 6.1 above, Cobre's daily VWAP displays a period low of \$0.0200 on 27 June 2022 and a period high of \$0.5815 on 22 August 2022.

In addition to the share price and volume data of Cobre shown above, we have also provided additional information in Table 6.3 below to assist readers to understand the possible reasons for the movement in Cobre's share price over the period analysed.

Table 6.3: Selected Cobre ASX Announcements from 1 July 2021 to 4 October 2022

Date	Announcement
14/07/2021	Cobre announces completion of airborne magnetic and gravity surveys on KML's wholly owned Kitlanya West project in Botswana. The Company also announced that diamond drilling has commenced on the first airborne electromagnetic target with initial results corroborating the conceptual target model with mineralisation expected on or above the Ngwako Pan Formation and D'Kar Formation contact.
27/07/2021	Cobre announces that they have agreed to invest \$1 million dollars into the capital raising of Metal Tiger who are undertaking a two-tranche conditional capital raising of \$5 million (before costs) at a placement price of \$0.37 per CHESS Depositary Interest.
27/09/2021	Cobre announces the completion of their investment in Metal Tiger. In exchange for their \$1 million subscription payment they have been issued 2,702,703 shares in Metal Tiger, representing approximately 1.6% of the company's shares outstanding.
13/10/2021	Cobre announces their results from the recently completed reverse circulation and diamond core drilling at the Endurance Prospect on its Kitlanya East project in Botswana. Highlights of which include drilling of folded conductors modelled from airborne electromagnetic survey proved to be an effective targeting tool. Several holes demonstrated the existence of an active mineralised hydrothermal system and further work will focus on testing for Cu-Ag mineralisation in trap-sites targets.
18/10/2021	Cobre announces the commencement of the next phase of drilling at the Endurance prospect on Kalahari Metals Limited's wholly owned Kitlanya East project in Botswana.
07/12/2021	Cobre announces that they have been able to increase their interest in KML from its current level of 49.9% to a controlling interest of 51% following regulatory approval from authorities in Botswana. Cobre have issued the balance of the consideration shares to Metal Tiger approved by shareholders pursuant to resolution 2 at the Extraordinary General Meeting of Cobre Shareholders held on 6 April 2021.
08/12/2021	Cobre announces the provisional results from ongoing diamond drilling at Kalahari Metals Limited's Endurance Prospect on its Kitlanya East Project in Botswana.
17/12/2021	Cobre announces the receipt of placement funds from Metal Tiger. Specifically, advising that it has cleared funds of \$1,413,000 from shares they issued at \$0.17 per share.

Date	Announcement
28/01/2022	Cobre provides an update on the Perrinvale VHMS project. Specifically, the Company announces the successful outcomes of the 2021 field exploration programme. Highlights of which include a systematic soil and rock chip sampling approach that identified 29 new areas of interest, of which 17 of those areas and 5 original prospects are considered prospective and warrant further exploration.
12/04/2022	Cobre announces new high-priority targets have been identified at their Kalahari Metals Limited Endurance prospect. Highlights include positive drill results, base metal assays from priority holds corroborate geological logging results and validate the targeting method employed. A total of 34 drill holes have been designed by KML's technical team to test new high-priority targets.
16/06/2022	Cobre announces that they have entered into a share purchase deed with Metal Tiger to acquire the remaining 49% interest they do not currently own in KML.
06/07/2022	Cobre announces the commencement of the next stage of drilling at KML's Ngami Copper Project. This initial phase of drilling is designed to test the first of several prospective areas identified on KML's extensive licences holding on the northern margin of the Kalahari Copper Belt. The programme comprises four diamond holes, planned to test for extensions to encouraging copper and silver mineralisation previously intersected at two separate historical drill targets.
27/07/2022	Cobre announces its first intersection of significant copper mineralisation from its ongoing drill programme at the Ngami copper project.
01/08/2022	Cobre announces the second intersection of significant copper mineralisation from its ongoing drill programme at the Ngami copper project.
03/08/2022	Cobre announces the third diamond drill hole intersects further copper mineralisation.
04/08/2022	Cobre announces the Metal Tiger Placement, advising that it has successfully completed a two-tranche placement of \$7 million (before costs) at \$0.15 per share to sophisticated and institutional investors with the funds be used to fast-track exploration on the tenement package held by KML in Botswana.
09/08/2022	Cobre announces that infill diamond drilling will be undertaken on the rapidly developing copper target at the Ngami copper project and that a large 7,000 sample soil programme covering the Kitlanya West licences has been commissioned and is scheduled to commence in late August.
12/08/2022	Cobre announces that the Company has issued a total of 36,691,925 shares at an issue price of \$0.15 per share, pursuant to the first tranche of the equity placement that was announced to the market on 4 August 2022.
16/08/2022	Cobre announces a fourth intersection of copper mineralisation from its ongoing drill programme on KML's Ngami Copper Project.
18/08/2022	Cobre announces that Triprop has received notification of the renewal of the five exploration licences which are held by Triprop, subject to a binding earn-in agreement with KML. The five exploration licences have been renewed for an additional two years until 30 September 2024.
30/08/2022	Cobre announces the fifth intersection of copper mineralisation from its ongoing drill programme on KML's Ngami Copper Project.
09/09/2022	Cobre announces the sixth intersection of copper mineralisation from its ongoing drill programme on KML's Ngami Copper Project.
21/09/2022	Cobre announces the assay results from the first three drill holes at the Ngami Copper Project in the Kalahari Copper Belt, Botswana.

Source: Capital IQ as at 5 October 2022

In Table 6.4 below we have set out Cobre's VWP for the 1 week, 1 month, 3 months, 6 months, 9 months and 12 months prior to 15 June 2022, being the last day Cobre traded prior to announcing the Proposed Transaction.

Table 6.4: Cobre's VWP for Specified Periods Prior to 15 June 2022

Length of Relevant VWP Period	VWP up to 15 June 2022
1 Week	\$0.0350
1 Month	\$0.0408
3 Months	\$0.0657
6 Months	\$0.0686
9 Months	\$0.0824
12 Months	\$0.1043

Source: Capital IQ as at 29 June 2022

6.4.2 Liquidity of Cobre Shares on the ASX

The rate at which equity instruments are traded is generally referred to as the 'liquidity' of the equity instruments. Changes in liquidity may impact the trading price of equity instruments. This is particularly dependent on the number of equity instruments required to be bought and/or sold and the time period over which the equity instrument holder needs to buy and/or sell those equity instruments. Depending on the circumstances, a movement in market price may or may not represent a shift in value of either the equity instruments or a shift in value of the company to which the equity instruments relate as a whole.

Table 6.5 summarises the monthly liquidity of Cobre shares from 1 June 2022 to 4 October 2022. Liquidity has been summarised by considering the following:

- ▶ Volume of Cobre share trades per month;
- ▶ Value of total trades in Cobre shares per month;
- ▶ Number of Cobre shares traded per month as a percentage of total Cobre shares outstanding at the end of the month;
- ▶ Volume weighted average price per month; and
- ▶ The monthly low and high share price of Cobre.

Table 6.5: Liquidity of Cobre shares on the ASX

Month	Volume	Shares Outstanding	Volume / Shares Outstanding	Monthly Low Share Price	Monthly VWAP	Monthly High Share Price
October 2022 (up to and including 4th)	11,864,380	203,709,440	5.82%	\$0.125	\$0.1625	\$0.200
September 2022	129,265,140	203,709,440	63.46%	\$0.125	\$0.2868	\$0.475
August 2022	380,650,950	188,197,750	202.26%	\$0.130	\$0.3660	\$0.730
July 2022	34,427,890	165,407,010	20.81%	\$0.026	\$0.0855	\$0.110
June 2022 (from 16th)	2,488,990	165,407,010	1.50%	\$0.020	\$0.0271	\$0.031
Total Post-Transaction Announcement	561,186,340	185,110,800	303.16%	\$0.020	\$0.3235	\$0.730
June 2022 (up to and including 15th)	1,804,870	165,407,010	1.09%	\$0.030	\$0.0373	\$0.048
May 2022	3,401,670	165,407,010	2.06%	\$0.040	\$0.0480	\$0.060
April 2022	10,470,470	165,407,010	6.33%	\$0.055	\$0.0763	\$0.100
March 2022	823,550	165,407,010	0.50%	\$0.060	\$0.0646	\$0.079
February 2022	4,424,350	165,407,010	2.67%	\$0.057	\$0.0721	\$0.090
January 2022	1,563,100	165,407,010	0.95%	\$0.075	\$0.0853	\$0.095
December 2021	997,880	159,119,160	0.63%	\$0.077	\$0.0843	\$0.097
November 2021	3,544,010	156,649,880	2.26%	\$0.082	\$0.0876	\$0.095
October 2021	9,757,770	156,649,880	6.23%	\$0.094	\$0.1039	\$0.145
September 2021	2,601,410	156,649,880	1.66%	\$0.125	\$0.1510	\$0.170
August 2021	4,837,300	156,649,880	3.09%	\$0.140	\$0.1513	\$0.170
July 2021	5,193,810	156,649,880	3.32%	\$0.150	\$0.1604	\$0.185
June 2021	9,080,210	141,826,080	6.40%	\$0.155	\$0.1952	\$0.245
Total Pre-Transaction Announcement	58,500,400	158,779,410	36.84%	\$0.030	\$0.1141	\$0.240

Source: Capital IQ as at 5 October 2022

Assuming a weighted average number of 158,779,410 Cobre shares on issue over the period, approximately 36.84% of the total shares on issue were traded over the period 1 June 2021 to 15 June 2022. In our view, this indicates that Cobre shares displayed a low to moderate level of liquidity during this period (albeit substantially increasing post the announcement of the Transactions).

6.5 Historical Financial Information of Cobre

This section sets out the historical financial information of Cobre. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in Cobre's annual reports, including the full Statements of Profit or Loss and Other Comprehensive Income, Statements of Financial Position and Statements of Cash Flows.

Cobre's financial statements have been audited and reviewed by Ernst & Young. BDOCF has not performed any audit or review of any type on the historical financial information of Cobre and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

6.5.1 Statements of Profit or Loss and Other Comprehensive Income

Table 6.6 summarises the Consolidated Statement of Profit or Loss and Other Comprehensive Income of Cobre for the period from 18 May 2018 to 30 June 2019 (As Cobre was incorporated on 18 May 2018 and this is when their financials begin), the 12 month periods ended 30 June 2020 and 2021 and the 6 months ended 31 December 2021.

Table 6.6: Cobre Consolidated Statement of Profit or Loss and Other Comprehensive Income

Items	13 1/2 Months Ended 30 June 2019 Audited (A\$'000)	12 Months Ended 30 June 2020 Audited (\$'000)	12 Months Ended 30 June 2021 Audited (A\$'000)	6 Months Ended 31 December 2021 Reviewed (A\$'000)
Revenue				62
Other revenue	-	43	26	96
Interest revenue	-	19	5	1
Total Revenue	-	62	31	159
Corporate and administration expenses	(150)	(946)	(979)	(612)
Tenement expenses	-	(38)	-	-
Employee benefits expense	-	(110)	(315)	(158)
Share based payment expense	-	(632)	(1,394)	-
Depreciation and amortisation	-	-	(2)	(1)
Initial public offering expenses	-	(325)	-	-
Fair value loss on derivative financial asset	-	-	-	(72)
Share of equity accounted losses	-	-	-	(1,297)
Fair value loss on loan with joint venture	-	-	-	(1,621)
Other expenses	-	-	(100)	(60)
Total Expenses	(150)	(2,051)	(2,790)	(3,821)
Profit (Loss) Before Income Tax	(150)	(1,988)	(2,759)	(3,662)
Income tax benefit (expense)	-	-	11	3
Profit (Loss)	(150)	(1,988)	(2,748)	(3,659)

Source: Cobre FY2019, FY2020, FY2021 and HY22 Financial Reports

With reference to Table 6.6 above, we note the following:

- ▶ Cobre has not generated material revenue from its operations over the FY19 to FY21 period. The revenue generated in HY22 relates to management fees;
- ▶ The share based payments expense relates to payments made to the directors, company secretary, and lead manager as part of remuneration packages;
- ▶ As part of the Company's investment in Armada Exploration Limited on 29 April 2021, Cobre received 3,333,333 options which are required to be measured at fair value each reporting period. The fair value loss on derivative financial asset seen in HY22 represents a decrease in the fair value of the options; and
- ▶ The share of equity accounted losses and fair value loss on loan with joint venture seen in HY22 relate to the losses incurred due to the investment in Armada Metals Limited and Kalahari Metals Limited, and the KML joint venture respectively.

6.5.2 Statements of Financial Position

Table 6.7 summarises Cobre's statements of financial position as at 30 June 2019, 2020 and 2021 and 31 December 2021.

Table 6.7: Cobre's Summarised Consolidated Statements of Financial Position

Items	As at 30 June 2019 Audited (A\$'000)	As at 30 June 2020 Audited (A\$'000)	As at 30 June 2021 Audited (A\$'000)	As at 31 December 2021 Reviewed (A\$'000)
Current Assets				
Cash and cash equivalents	178	7,172	8,147	3,853
Trade and other receivables	62	163	77	137
Other current assets	-	-	28	94
Total current assets	241	7,334	8,252	4,083

Items	As at 30 June 2019 Audited (A\$'000)	As at 30 June 2020 Audited (A\$'000)	As at 30 June 2021 Audited (A\$'000)	As at 31 December 2021 Reviewed (A\$'000)
Non-current assets				
Financial assets at fair value through other comprehensive income	-	74	81	1,093
Property, plant and equipment	-	4	5	5
Exploration and evaluation	710	2,505	4,230	4,951
Investments accounted for using the equity method	-	-	5,388	5,126
Financial assets	-	20	305	171
Total Non-Current Assets	710	2,604	10,008	11,346
Total Assets	951	9,938	18,260	15,429
Current Liabilities				
Trade and other payables	200	831	1,206	584
Total Liabilities	200	831	1,206	584
Net Assets	751	9,107	17,054	14,845
Equity				
Issued capital	816	11,933	21,238	22,354
Reserves	-	(703)	686	1,020
Accumulated losses	(150)	(2,122)	(4,870)	(8,529)
Equity attributable to the owners of Cobre Limited	665	9,107	17,054	14,845
Non-controlling interest	85	-	-	-
Total Equity	751	9,107	17,054	14,845

Source: Cobre FY2019, FY2020, FY2021 and HY22 Financial Reports

With reference to Table 6.7 above, we note the following:

- ▶ Cash and cash equivalents increased significantly as at 30 June 2020 compared to 30 June 2019, primarily driven by the completion of an initial public offering on 31 January 2020, raising \$10 million before costs. Cash and cash equivalents further increased as at 30 June 2021 in comparison to the prior year, mainly attributable to capital raised in relation to the acquisition of KML and capital requirements for exploration under the Company's joint venture with Metal Tiger PLC through KML;
- ▶ The increase in financial assets at fair value through other comprehensive income are due to an additional 2,703,702 Metal Tiger shares, valued at \$0.37 per share that the Company purchased on 24 September 2021;
- ▶ Exploration and evaluation under non-current assets increased in FY21 and HY22, reflecting capitalised exploration expenditures on projects, including TGP, the Sandiman Project, KML, and Armada Exploration Gabon SARL;
- ▶ The investments accounted for using the equity method totalling \$5.39 million as at 30 June 2021 and \$5.13 million as at 31 December 2021 comprise the carrying values of investments in Armada and KML;
- ▶ The total liabilities as at 30 June 2021 increased in comparison to 30 June 2020, which consists of trade payables, Directors' fee accrual, a promissory note, funds held on behalf of joint venture, and other payables. The increase in total liabilities during FY21 was largely due to funds held on behalf of KML, a joint venture with Metal Tiger, totalling \$218,663 which is restricted for use by the consolidated entity and promissory note of \$532,056, relating to Cobre's investment in Armada for total consideration of US\$750,000, via a promissory note; and
- ▶ The main driver of movements in issued capital is capital raisings completed.

6.5.3 Statements of Cash Flows

Table 6.8 summarises the Consolidated Statement of Profit or Loss and Other Comprehensive Income of Cobre for the period from 18 May 2018 to 30 June, the 12 month periods ended 30 June 2020 and 2021 and the 6 months ended 31 December 2021.

Table 6.8: Cobre's Summarised Consolidated Statements of Cash Flows

Items	13 1/2 Months Ended 30 June 2019 Audited (A\$'000)	12 Months Ended 30 June 2020 Audited (\$'000)	12 Months Ended 30 June 2021 Audited (A\$'000)	6 Months Ended 31 December 2021 Reviewed (A\$'000)
Cash flows from operating activities				
Interest received	-	19	5	1
Payments to suppliers and employees	-	(1,477)	(1,173)	(943)
Payments for security deposits	-	(20)	-	-
Management fees received	-	-	-	56
Other income	-	-	-	96
Net Cash Provided by Operating Activities	-	(1,478)	(1,168)	(790)
Cash Flow from Investing Activities				
Payments for property, plant and equipment	-	(4)	(3)	-
Payments for exploration and evaluation	(296)	(1,181)	(2,296)	(700)
Payments for acquisitions	22	(528)	(1,060)	-
Research & development	-	-	133	23
Contribution paid to joint venture/ Payments to fund activities of joint venture	-	-	(61)	(1,701)
Payments for investments in listed entities	-	-	-	(1,000)
Payments for investments in associates	-	-	-	(1,532)
Cash received on behalf of joint venture	-	-	219	-
Net Cash Provided by Investing Activities	(274)	(1,714)	(3,068)	(4,910)
Cash Flow from Financing Activities				
Proceeds from the issue of shares	475	10,875	5,602	1,413
Proceeds from borrowings	5	-	-	-
Payments for share issue costs	(27)	(690)	(392)	(6)
Net Cash Provided by Financing Activities	452	10,185	5,210	1,407
Increase/decrease in cash and cash equivalents	178	6,994	975	(4,294)
Cash at the beginning of the financial year	-	178	7,172	8,147
Cash and Cash Equivalents at the End of Financial Year	178	7,172	8,147	3,853

Source: Cobre FY2019, FY2020, FY2021 and HY22 Financial Reports

With reference to Table 6.8 above, we note the following:

- ▶ Cobre increased its exploration activities during the 2021 and 2022 financial years;
- ▶ During the 2021 financial year, Cobre made payments of \$437,237 for investment in Armada and \$622,415 in relation to investment in KML;
- ▶ During the 2020 financial year, Cobre acquired the remaining 20% of the issued capital of TGP not already held. The consideration was a cash payment of \$528,000 and 6.16 million fully paid ordinary shares valued at \$0.17 with an aggregate value of \$1,047,200;
- ▶ On 17 December 2021, Cobre issued 8,311,765 shares valued at \$0.17 per share, representing the proceeds from the issue of shares during HY22; and
- ▶ Cobre has funded its outgoing operating and investing cash flows with capital raisings.

7.0 Industry Overview

Cobre operates in the diversified metal and mining industry, which is a subset of the GICS materials sector. Specifically, Cobre focuses on the exploration and evaluation of copper.

The information presented in this section has been compiled from a range of publicly available sources, together with information taken from various databases to which we subscribe. BDOCF has not independently verified any of the information and we recommend that users of this Report refer to the original source of any information listed in this section. This section should be referred to as a guide only.

7.1 Copper

7.1.1 Overview

Copper is a soft, malleable, ductile metal used primarily for its electrical and thermal conductive properties and corrosion resistance. After iron and aluminium, it is the third most consumed industrial metal worldwide.³ Similar to other metals, primary production is the output from ores, and secondary production is produced from recycled scrap. Copper is one of the most recycled metals because recycling extends the efficiency of use, resulting in energy savings and contributing to a sustainable source of metal for future generations.⁴ Further, the metal is one of the few raw materials which can be recycled repeatedly without any loss of performance; primary and secondary copper can be used interchangeably.⁵

Copper is highly versatile with various applications across many industries, including construction, communication, equipment, transport and infrastructure. Due to its ability to conduct heat and electricity, it is widely used in electronic devices and electrical wiring. For example, renewable energy sources such as solar, wind, geothermal, fuel cells and other technologies are all heavily reliant on copper due to its excellent conductivity.⁶ Another use of copper is in the semiconductor industry where they are used for circuitry in silicon chips. Not only are copper wires more durable and reliable, but they also conduct electricity with about 40% less resistance than aluminium wires - resulting in an additional 15% burst in microprocessor speed.⁷

7.1.2 Global Demand for Copper

According to statistics from the International Copper Study Group ('ICSG'), global usage of refined copper grew from approximately 18.6 million tonnes in 2009 to 25.0 million tonnes in 2020. The ICSG forecasted refined copper usage to grow in 2021 and 2022 to 25.1 million tonnes and 25.8 million tonnes, respectively.⁴ This growth in demand is expected to be supported by existing uses for its transmission of electricity such as in industries involving construction and electronics. Other factors that will drive demand are population growth, product innovation and economic development.

Table 7.1 shows global usage of refined copper in 2020 and trends in demand from 2016. Asia has the highest refined copper usage, with demand from China accounting for over half of the copper demand from the Asia region. Other major importers of refined copper include the United States, Germany, Italy and Taiwan.⁴

Table 7.1: Global Refined Copper Usage (000's tonnes)

Region	2016	2017	2018	2019	2020	CAGR (%)
Asia	16,349	16,595	17,322	17,518	18,638	3.3%
Europe	4,128	4,140	4,164	3,925	3,568	-3.6%
America	2,804	2,771	2,804	2,822	2,661	-1.3%
Africa	201	195	190	180	169	-4.2%
Oceania	10	10	10	10	5	-15.9%
World total (rounded)	23,492	23,711	24,490	24,455	25,041	1.6%

Source: International Copper Study Group 2020, 2021

7.1.3 Global Supply of Copper

According to the US Geological Survey, the global production of copper has increased from 15.9 million tonnes in 2010 to 20.6 million tonnes in 2020. The ratio between production and capacity is called the capacity utilisation rate and in 2020, the global copper mining capacity utilisation rate was around 83%. This implies a total copper mining capacity of 24.8 million tonnes, which is estimated to increase by 22% in 2024 to 29.4 million tonnes in 2024.⁴

The oceans represent around 70% of the world's surface, and the ocean floor is believed to contain important mineral resources, including copper.⁸ In order to meet increasing copper demand, seafloor deposits could represent an important opportunity for additional supply. However, the challenge is to be able to extract these ores while respecting all environmental standards and turning them into sustainable operations.

³ Copper, U.S. Geological Survey

⁴ International Copper Study Group 2021

⁵ International Copper Association 2017

⁶ International Energy Agency

⁷ The Evolution of Microprocessors, IBM

⁸ An Overview of Seabed Mining, K. Miller et.al

Table 7.2 below shows the breakdown of global mined copper production by the top six countries in 2020 and recent trends in their production from 2016. In 2020, Chile was the largest producer, accounting for 28% of all mined copper production worldwide, followed by Peru, which accounted for 11%. Copper production in Congo has ramped up because the country is home to the highest quality copper reserves globally.⁹

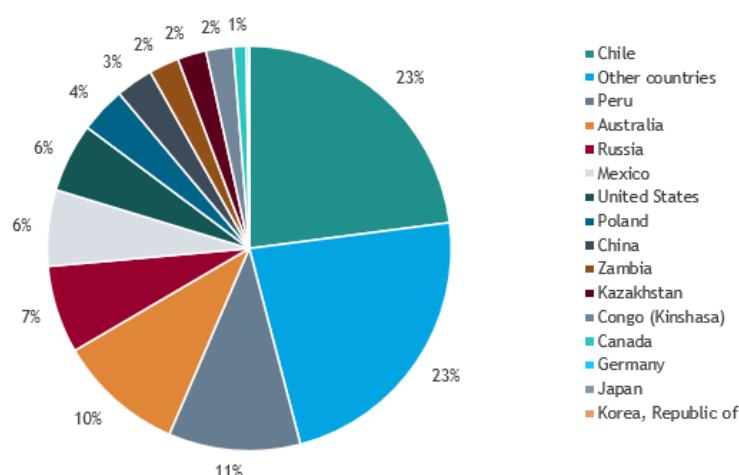
Table 7.2: Global Mined Production

'000 tonnes	2016	2017	2018	2019	2020	CAGR (%)
Chile	5,550	5,500	5,830	5,790	5,730	0.8%
Peru	2,350	2,450	2,440	2,460	2,150	-2.2%
China	1,900	1,710	1,590	1,680	1,720	-2.46%
Congo (Kinshasa)	846	1,090	1,230	1,290	1,600	17.27%
United States	1,430	1,260	1,220	1,260	1,200	-4.29%
Australia	948	860	920	934	885	-1.7%
Other countries	7,248	7,113	7,150	6,947	7,271	0.08%
World total (rounded)	20,100	20,000	20,400	20,400	20,600	0.62%

Source: US Geological Survey

In the 2021 Copper Mineral Commodity Summary by the Geological Survey, global copper reserves are estimated to total 870,000,000 metric tonnes. A 2014 survey estimated that undiscovered resources contained an estimated 3.5 billion tons. Collectively, Chile, Australia and Peru account for 44% of the global reserves. The distribution of known reserves is depicted graphically in Figure 7.1 below.

Figure 7.1: Distribution of Known Copper Reserves



Source: US Geological Survey, Mineral Commodity Summaries 2021

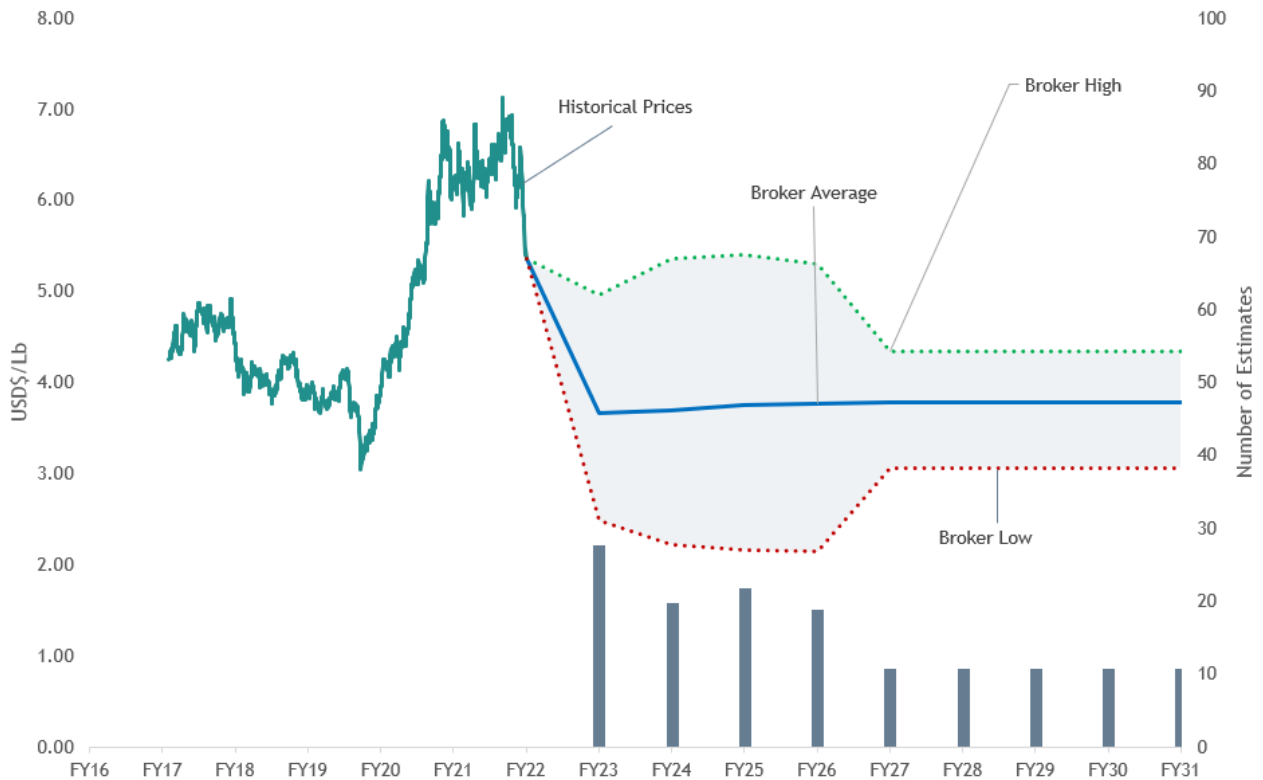
7.1.4 Copper Prices

Copper prices reached a high in 2011 as the global industrial production recovery led to a steady increase in demand for base metals. Between 2011 and 2017, copper prices steadily decreased before a spike in Mid-February 2017 due to a strike action at the world's largest copper mine in Escondida, Chile. A COVID-19 induced economic slowdown decreased the global copper price to a 3-year low in late March 2020. Since then, prices have recovered quickly, supported by improving economic conditions and the current Russia Ukraine conflict.

Figure 7.2 below shows the historical trading price for copper in the last 5 years based on the quoted price on the Commodity Exchange ('COMEX') in USD per pound, as well as the forecasted spot price of copper to 2031 (in nominal terms, free on board).

⁹ Democratic Republic of the Congo - Country Commercial Guide, International Trade Administration

Figure 7.2: Historical Copper Prices and Consensus Economics Forecast Prices (in Nominal terms)



Source: Capital IQ - High Grade Copper (COMEX) (1 August 2017 to 30 June 2022), Consensus Economics July 2022 (Survey Date: 18 July 2022), BDOCF Analysis

7.1.5 Copper Outlook

Global demand for copper is expected to increase due to economic growth in countries that are part of the Organisation for Economic Co-operation and Development ('OECD'). Copper ore mining in Australia is anticipated to grow at an annualised 1.4% over the next five years.¹⁰ The ICSG also expects sustained growth in copper demand as it remains an essential commodity to economic activity, particularly in today's technological society. This is because copper is the most widely used metal in energy generation, transmission infrastructure, and energy storage.¹⁰

Along with the trend towards cleaner energy, infrastructure development in China, India and Japan is expected to support demand for the metal. Collectively, these three countries account for 78.6% of Australian copper exports.¹⁰

¹⁰ Copper Ore Mining in Australia, IBIS World

8.0 Common Valuation Methodologies

A 'fair market value' is often defined as the price that reflects a sales price negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing, but not anxious seller, with both parties at arm's length. The valuation work set out in this Report assumes this relationship.

RG 111 outlines a number of methodologies that a valuer should consider when valuing securities or assets for the purposes of, among other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. The valuation methodologies we have considered in this Report include the discounted cash flow ('DCF'), capitalisation of maintainable earnings ('CME'), asset-based valuation ('ABV') and market-based valuation ('MBV') methodologies.

RG 111 does not prescribe which methodology should be used by the expert, but rather notes that the decision lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the securities or assets being valued.

8.1 Discounted Cash Flows

The DCF approach calculates the value of an entity by adding all of its future net cash flows discounted to their present value at an appropriate discount rate. The discount rate is usually calculated to represent the rate of return that investors might expect from their capital contribution, given the riskiness of the future cash flows and the cost of financing using debt instruments.

In addition to the periodic cash flows, a terminal value is included in the cash flow to represent the value of the entity at the end of the cash flow period. This amount is also discounted to its present value. The DCF approach is usually appropriate when:

- ▶ An entity does not have consistent historical earnings but is identified as being of value because of its capacity to generate future earnings; and
- ▶ Future cash flow forecasts can be made with a reasonable degree of certainty over a sufficiently long period of time.

Any surplus assets, along with other necessary valuation adjustments, are added to the DCF calculation to calculate the total entity value.

8.2 Capitalisation of Maintainable Earnings

The CME approach involves identifying a maintainable earnings stream for an entity and multiplying this earnings stream by an appropriate capitalisation multiple. Any surplus assets, along with other necessary valuation adjustments, are added to the CME calculation to calculate the total entity value.

The maintainable earnings estimate may require normalisation adjustments for non-commercial, abnormal or extraordinary events.

The capitalisation multiple typically reflects issues such as business outlook, investor expectations, prevailing interest rates, quality of management, business risk and any forecast growth not already included in the maintainable earnings calculation. While this approach also relies to some degree on the availability of market data, the multiple is an alternative way of stating the expected return on an asset.

The CME approach is generally most appropriate where an entity has historical earnings and/or a defined forecast or budget. Further, a CME is usually considered appropriate when relevant comparable information is available.

8.3 Asset Based Valuation

An ABV is used to estimate the fair market value of an entity based on the book value of its identifiable net assets. The ABV approach using a statement of financial position alone may ignore the possibility that an entity's value could exceed the book value of its net assets. However, when used in conjunction with other methods which determine the value of an entity to be greater than the book value of its net assets, it is also possible to arrive at a reliable estimate of the value of intangible assets including goodwill.

Alternatively, adjustments can be made to the book value recorded in the statement of financial position in circumstances where a valuation methodology exists to readily value the identifiable net assets separately and book value is not reflective of the true underlying value. Examples of circumstances where this type of adjustment may be appropriate include when valuing certain types of identifiable intangible assets and/or property, plant and equipment.

The ABV approach is most appropriate where the assets of an entity can be identified and it is possible, with a reasonable degree of accuracy, to determine the fair value of those identifiable assets.

8.4 Market Based Valuation

An MBV methodology determines a value for an entity by having regard to the value at which securities in the entity have recently been purchased. This approach is particularly relevant to:

- ▶ Entities whose shares are traded on an exchange. The range of share prices observed may constitute the market value of the shares where a sufficient volume of shares is traded and the shares are traded over a sufficiently long period of time; and/or
- ▶ Entities for which it is possible to observe recent transactions relating to the transfer of relatively large parcels of shares (e.g. recent capital raisings).

For listed entities, the range of share prices observed may constitute the market value of the shares in circumstances where sufficient volumes of shares are traded and the shares are traded over a sufficiently long period of time. Share market prices usually reflect the prices paid for parcels of shares not offering control to the purchaser.

8.5 Industry Based Metrics (Comparable Analysis)

It is often appropriate to have regard to industry specific valuation metrics in addition to the traditional valuation approaches outlined above. These metrics are particularly relevant in circumstances where it is reasonably common for market participants to have regard to alternative measures of value.

For resource companies, it is common for market analysts to have regard to multiples related to resources and tenement size where appropriate comparable information exists.

9.0 Valuation of Cobre Prior to the Transactions

This section sets out our valuation of the shares in Cobre and is structured as follows:

- ▶ Section 9.1 sets out our view of the most appropriate methodology to value Cobre;
- ▶ Section 9.2 sets out an overview of the CSA Independent Technical Specialist Report;
- ▶ Section 9.3 sets out our valuation of Cobre having regard to a SOP approach;
- ▶ Section 9.4 sets out our minority interest discount and control premium rationale;
- ▶ Section 9.5 sets out our valuation of Cobre having regard to a MBV approach; and
- ▶ Section 9.6 sets out our conclusion on the value of Cobre for the purposes of this Report.

9.1 Our Valuation Approach for Cobre

We have considered each of the valuation methodologies outlined in Section 8 above and determined, in our view, the most appropriate methodology for calculating the value of Cobre. Having regard to the assessment of the nature of Cobre's assets, we have chosen to adopt a SOP approach. Broadly, our SOP valuation utilises the following valuation methodologies:

- ▶ We have relied on the valuation of the mineral assets held by Cobre as set out in the CSA Report dated 22 August 2022. The CSA report sets out CSA's view of the fair value of tenements held by Cobre, and is attached as Appendix A to this Report; and
- ▶ We have considered the surplus assets and liabilities of Cobre and KML through the use of the statement of financial position of both companies as at 30 June 2022.

We have also considered an MBV approach for Cobre (refer Section 9.5). In relation to the MBV approach, we note:

- ▶ It is generally possible to complete an MBV of a company when there is a readily observable market for the trading of the company's shares. The shares of Cobre are traded on the ASX and CHIA. It is possible to consider the valuation of Cobre using the MBV methodology as there is a readily observable market for the trading of shares in Cobre; and
- ▶ Notwithstanding that Cobre shares are listed on a readily observable market, the use of the MBV for the purposes of the analysis set out in this Report has been made difficult because of significant volatility that has occurred in Cobre share trading data in the period leading up to the date of this Report and following the announcement of the Transactions. Specifically, this volatility has coincided with drilling results announced by Cobre on the KML tenements following the announcement of the Transactions. This makes it difficult to compare the Cobre share price pre and post the announcement of each of the Transactions as there has been material changes caused by factors other than the Transactions (i.e. the drilling results).

9.2 Overview of CSA's Independent Technical Expert Report

In completing our work, we have had regard to the CSA Report which sets out the market valuation of the following projects:

- ▶ Perrinvale;
- ▶ Sandiman; and
- ▶ KML's mineral assets.

The CSA Report was coordinated by Mr Trivindren Naidoo, who was assisted in completing the CSA Report by other individuals as set out in the CSA Report.

Based on our enquiries and the information provided to us, we regard CSA and the authors of the Report to be Independent Specialists as referred to in the VALMIN Code.

Regarding the CSA Report we note:

- ▶ CSA has prepared the Report in accordance with:
 - The VALMIN Code;
 - The JORC Code;
 - ASIC Regulatory Guidelines (in particular RG 111 *Content of expert reports and ASIC RG 112 Independence of experts*); and
 - The ASX Listing Rules;

- ▶ CSA is independent with respect to Cobre and Metal Tiger, and confirms that there is no conflict of interest with any party involved in the Transactions and neither CSA nor any of its personnel involved in the preparation of the CSA Report have any material interest in Cobre, Metal Tiger or the associated mineral assets;
- ▶ Neither CSA nor the authors of the CSA Report have (or have had previously) any material interest in Cobre, Metal Tiger or the associated mineral assets. No member or employee of CSA has (or has had) any material shareholding in Cobre or Metal Tiger; and
- ▶ The statements and opinions contained in the CSA Report are given in good faith and in the belief that they are not false or misleading.

Based on our enquiries and the information provided to us, we regard CSA to be an independent specialist and in our view, it is appropriate for us to consider the work of CSA in completing this valuation work. CSA understand the purpose of the valuation work set out in this Report.

We confirm that we have been provided with express written consent by CSA to refer to and rely on the CSA Report for the purposes of our valuation work in this Report. We have made reasonable enquiries of CSA and are satisfied that the work and valuations in the CSA Report are suitable for use in this Report. Notwithstanding this, we do not take responsibility for the work of CSA.

Any references to CSA's work set out in this Report are in a summary form only and does not substitute for a complete reading of the CSA Report. Our summary does not include all of the information that may be of interest to Shareholders. The CSA Report is attached to this Report as Appendix A. We recommend that Shareholders read the CSA Report in full and in conjunction to this Report and related statements.

9.3 SOP Valuation of Cobre

Our SOP valuation of Cobre is set out as follows:

- ▶ Section 9.3.1 sets the value CSA's value for Cobre's mineral assets on a 100% basis;
- ▶ Section 9.3.2 sets out the value of Cobre's interest in the Western Australian mineral assets;
- ▶ Section 9.3.3 sets out the adjustment we have made to allow for Cobre's surplus assets and liabilities that have not been considered as part of the value of Cobre's mineral assets;
- ▶ Section 9.3.4 sets out the value of Cobre's interest in the KML tenements; and
- ▶ Section 9.3.5 sets out our SOP valuation of Cobre's shares prior to the Transactions on a controlling interest basis.

9.3.1 Technical Specialist's Valuation of Cobre's Mineral Assets

CSA has primarily relied on market-based methods in forming their opinion on the market value of the mineral assets held by Cobre and KML. This predominantly involved using a comparative transaction method which was based on the tenement area. For further detail on the valuation methodologies, refer to CSA's Report in Appendix A.

Table 9.1 below sets out a summary of the values we have adopted for Cobre's mineral assets, on a 100% basis and having relied on the CSA Report. We note:

- ▶ For the purposes of our valuation, we have converted the KML tenement values (and any other USD denominated amounts) from USD to AUD, based on the USD:AUD exchange rate average over the period 9 August 2022 to 9 September 2022 of 0.6911. We have also converted any GBP denominated amounts from GBP to AUD, based on the GBP:AUD exchange rate average over the period 9 August 2022 to 9 September 2022 of 0.5849; and
- ▶ CSA have valued the tenements as at 22 August 2022, however, they state that in their opinion, nothing material has occurred since the valuation date up to the date of this Report that would affect their technical review and valuation opinion.

Table 9.1: Values Adopted for Cobre's Mineral Assets from the CSA Report

	Low Value (AUD)	CSA Preferred Value ¹ (AUD)	High Value (AUD)
CSA's valuation of the Western Australian mineral assets			
Value of Perrinvale Tenements (100% basis) - Australia	500,000	1,000,000	1,500,000
Value of Sandiman Tenement (100% basis) - Australia	250,000	500,000	750,000
Total value of the WA mineral assets	750,000	1,500,000	2,250,000
CSA's Valuation of the KML Mineral Assets			
Value of KML Tenement (100% basis) - Botswana	1,012,939	2,025,878	3,038,817
Value of Triprop Tenement (100% basis) - Botswana	723,528	1,302,350	2,025,878
Value of Kitlanya Tenement (100% basis) - Botswana	1,591,761	3,183,523	4,196,462
Total value of the KML tenements	3,328,228	6,511,751	9,261,157

Source: The CSA Report, BDOCF analysis

¹ CSA Preferred Value refers to the value we have calculated by adopting CSA's preferred value for Cobre's mineral assets.

Given the uncertainties inherent in valuing early-stage and advanced-exploration projects, CSA consider the wide range of values adopted for Cobre's mineral assets to be a reasonable representation of possible valuation outcomes.

Cobre's shareholders should refer to the full CSA Report attached in Appendix A for further information on the values calculated for Cobre's mineral assets.

9.3.2 Value of Cobre's interest in Western Australian Mineral Assets

The value of Cobre's interest in the Western Australian mineral assets is set out in Table 9.2 below.

Table 9.2: Cobre's Interest in Western Australian Mineral Assets

	Low Value (AUD)	CSA Preferred Value ¹ (AUD)	High Value (AUD)
Value of Perrinvale Tenement (100% interest)	500,000	1,000,000	1,500,000
Value of Sandiman Tenement (51% interest)	127,500	255,000	382,500
Value of Cobre's interest in WA mineral assets	627,500	1,255,000	1,882,500

Source: BDOCF Analysis

¹ CSA Preferred Value refers to the value we have calculated by adopting CSA's preferred value for Cobre's mineral assets.

With regard to Table 9.2 above, we note that:

- ▶ We have adjusted the value of the mineral assets determined by CSA for Cobre's interest in each tenement; and
- ▶ Cobre has a 100% interest in the Perrinvale Tenement and only a 51% in the Sandiman Tenement.

9.3.3 Adjustments for Cobre's Surplus Assets and Liabilities

The value of Cobre's mineral assets excludes, amongst other issues, the impact of any surplus assets or liabilities held by the Company. In our view, it is appropriate to add the Company's cash and cash equivalents and add/subtract the value of any other surplus assets/liabilities.

We have considered the carrying values recorded in Cobre's balance sheet as at 30 June 2022 and have made enquiries of the directors and Management through their advisors. Based on our enquiries, we have summarised the value we have adopted for Cobre's surplus assets and liabilities in Table 9.3 below.

Table 9.3: Values Adopted for the Surplus Assets and Liabilities

	Value (AUD)
Cash and cash equivalents	7,608,892
Offset against drilling services to be provided	434,117
Metal Tiger shares	1,220,143
Armada shares and options	1,854,775
Other surplus assets	3,049,606
Other surplus liabilities	(369,977)
Value of Cobre's surplus assets and liabilities	13,797,556

Source: Management accounts as at 30 June 2022, BDOCF Analysis

In relation to Table 9.3 above, we note the following:

- ▶ Cash and cash equivalents: we have included:
 - The cash and cash equivalents on Cobre's balance sheet as at 30 June 2022;
 - The \$5,503,789 worth of cash received under Tranche 1 of the Placement;
 - The \$419,600 worth of cash from options exercised in August 2022, comprising 975,000 options exercised with an exercise price \$0.30 and 635,500 options exercised at an exercise price of \$0.20;
 - For the purposes of the analysis set out in this Report, we have assumed that the 166,667 shares under the Director Placement are approved, and an additional \$25,000 cash is received. In circumstances that shareholders don't approve these shares, we would not expect the analysis set out in this Report to change materially; and
 - We have reduced the cash balance by \$1,069,400 to reflect cash payments made by Cobre since 1 July 2022 in relation to KML's tenements;
- ▶ An allowance has been made for the \$434,117 (US\$300,000 converted to AUD using a USD: AUD average exchange rate over the period 9 August 2022 to 9 September 2022) that Cobre is able to offset against drilling services delivered. Cobre obtained the right to do this under the Mitchell Drilling Subscription in return for issuing 2,894,112 new Cobre shares at an issue price of \$0.15. Whilst the Mitchell Drilling Subscription is subject to shareholder approval in the NOM, we have included it as Management have advised they have the capacity to conduct this placement and will do so regardless of shareholder approval;
- ▶ Metal Tiger Shares: Cobre holds 2,869,575 shares in Metal Tiger, for which we have valued by adopting the one-month VWAP of Metal Tiger shares as at 9 September 2022 of \$0.4252;

- ▶ Armada Shares and Options: Cobre holds 15 million shares in Armada, for which we have adopted the one-month VWAP as at 9 September 2022 of \$0.1173. Cobre were also granted 3,333,333 options in Armada, with an exercise price of US\$0.225 and a 3-year expiry term. We have adopted a Black Scholes option pricing model to calculate the value of these Armada options, using a volatility of 100% and a risk free rate of 3%. For the share price, we have adopted the one month VWAP of Armada shares as at 29 August 2022;
- ▶ Other surplus assets: includes the shareholder loan made by Cobre to KML to fund KML's operations (the balance as at 30 June 2022 in addition to cash payments made post 1 July 2022), GST receivable, other receivables, prepayments and term deposits as at 30 June 2022. In relation to the shareholder loan, we note:
 - KML is obligated to repay any shareholder loan within five years (which may be extended by a further five years if a maiden JORC compliant mineral resource in respect of the Botswana projects has not been made by maturity of the loan) or on the occurrence of certain events, including (i) the disposal of all or substantially all of the assets of Cobre or KML and its subsidiaries, (ii) an initial public offering of KML, (iii) Cobre disposing 75% or more of its interest in KML or (iv) a change of control occurs in relation to Cobre;
 - Under the low value scenario in Table 9.4 below, the value of KML's liabilities exceeds the value of its assets and we have adopted a nil value. The material liability leading to this position is the shareholder loan and may indicate that Cobre's shareholder loan to KML is impaired, particularly at the low end of CSA's valuation of the KML assets. For the purposes of the analysis set out in this Report, we have not applied any discount to the shareholder loan for potential impairment under the low scenario. In forming this view we considered the extended terms for KML to repay the loan, the recent increase in the shareholder loan as a result of Cobre funding recent drilling (approximately \$1.1 million since 1 July 2022) and the market's reaction to the announced results of this drilling program, albeit not yet sufficient to declare a JORC resource; and
- ▶ Other surplus liabilities: includes operating trade payables, other payables and directors' fee accruals as at 30 June 2022.

All the other assets and liabilities on Cobre's balance sheet that have been excluded from Table 9.2 have either been factored in as working capital or have been accounted for in CSA's valuation of the mineral assets.

We have also been informed by the Directors that there are no other material assets, liabilities or off-balance sheet assets and liabilities or unrecognised liabilities as at the date of this Report that have not been included in the above adjustments.

9.3.4 Value of Cobre's Interest in KML

The value of KML's mineral assets excludes, amongst other issues, the impact of any surplus assets or liabilities held by KML. In our view, it is appropriate to add/subtract the value of any other surplus assets/liabilities. We have considered the carrying values recorded in KML's balance sheet as at 30 June 2022 and have made enquiries of the directors and management through their advisors.

Table 9.4 below sets out the value of KML and Cobre's proportionate interest in KML.

Table 9.4: Value of Cobre's Interest in KML

	Low Value (AUD)	CSA Preferred Value ¹ (AUD)	High Value (AUD)
Value of KML Tenement (100% basis) - Botswana	1,012,939	2,025,878	3,038,817
Value of Triprop Tenement (51% basis) - Botswana	368,999	664,199	1,033,198
Value of Kitlanya Tenement (100% basis) - Botswana	1,591,761	3,183,523	4,196,462
Total value of the KML tenements	2,973,700	5,873,600	8,268,477
Add: Value of Triprop earn-in agreement	118,958	262,082	454,868
Add: Surplus assets of KML	85,687	85,687	85,687
Less: Surplus liabilities of KML	(4,785,809)	(4,785,809)	(4,785,809)
Value of KML (100% Basis)²	-	1,435,560	4,023,223
Less: Adjustment for 49% interest held by Metal Tiger	-	(703,424)	(1,971,379)
Cobre's proportionate interest in KML	-	732,136	2,051,844
Subtract: Adjustment for shared control discount	12.5%	12.5%	12.5%
Adopted value of Cobre's interest in KML	-	640,619	1,795,363

Source: BDOCF Analysis

1 CSA preferred value refers to the value we have calculated by adopting CSA's preferred value for Cobre's mineral assets.

2 At the low end of our valuation range, the value calculated for a 100% interest in KML is negative \$1,607,464. For the purposes of the analysis set out in this Report, we have assumed a floor value of nil.

With regard to Table 9.4 above, we note the following:

- ▶ KML currently has a 100% interest in the KML Tenement, a 51% interest in the Triprop Tenement and a 100% interest in the Kitlanya Tenements, we have adjusted the value of each of the mineral assets determined by CSA for KML's interest in each tenement accordingly;
- ▶ KML has entered into an earn-in agreement that will entitle it to increase its interest in Triprop to 80% once KML has incurred US\$800,000 of exploration expenditure on the Triprop licenses and issued £60,000 (valued at the mid-market closing price on the date prior to the issue) of Cobre shares to the non-KML shareholders of Triprop. In our view, it is appropriate to adopt an option pricing model to determine the value of the earn-in agreement with inputs as follows:
 - Asset value equal to 29% of CSA's valuation of the Triprop tenements (i.e. representing the proportionate interest KML is entitled to under the earn-out);
 - Exercise price equal to \$190,835 having regard to the US\$800,000 of exploration expenditure to be incurred (of which approximately US\$740,000 has already been incurred) and £60,000 of Cobre shares to be issued. We have converted the balance of the USD denominated (approximately US\$60,000) amount to AUD using a USD:AUD exchange rate average over the period 9 August 2022 to 9 September 2022 of 0.6911 and converted the GBP denominated amount to AUD using a GBP:AUD exchange rate average over the period 9 August 2022 to 9 September 2022 of 0.5849;
 - Volatility of 100% based on our estimate of the volatility that may be applied to a market participant in relation to this option. In forming this view, we have normalised for current elevated volatility levels in the Cobre share price by also considering the volatility of broadly comparable companies;
 - Time to maturity of 30 September 2024 based on the total earn-in period¹¹; and
 - Risk-free rate of 3%;
- ▶ Following completion of the earn-in agreement, KML then has the option to acquire the remaining 20% in Triprop. As this option involves KML acquiring the remaining interest in Triprop at fair value (as determined by a firm of accountants acting as experts and not as arbitrators), we have not allowed any additional value for it¹²;
- ▶ KML's surplus assets include a loan KML has provided to Cobre Kalahari and other receivables. Surplus liabilities include accounts payable, a loan to KML from Metal Tiger and a loan to KML from Cobre. We have adopted the values on KML's balance sheet as at 30 June 2022 and converted to AUD using a GBP:AUD exchange rate average over the period 9 August 2022 to 9 September 2022 of 0.5849;
- ▶ In calculating Cobre's proportionate interest in KML, we have adjusted for the 49% interest currently held by Metal Tiger;
- ▶ Cobre's current 51% interest in KML is not large enough to unanimously cause certain corporate actions (refer Section 5.5 for additional information). In our view, Cobre's interest in KML falls between a control value and a minor minority value and it is appropriate to apply a discount to allow for this. While there are limited empirical studies available to quantify the magnitude of this discount, we consider it appropriate to apply a discount in the range of 10% to 15%. For the purpose of the analysis set out in this Report, we have applied a discount equal to the midpoint of this range of 12.5%; and
- ▶ The value of KML becomes negative at the low end of our valuation range. For the purposes of the analysis set out in this Report, we have assumed a nil value rather than a negative amount.

9.3.5 Value of a Cobre Share

Our SOP valuation of Cobre is set out in Table 9.5 below.

Table 9.5: SOP Valuation of Cobre Prior to the Transactions

	Low Value (AUD)	CSA Preferred Value ¹ (AUD)	High Value (AUD)
Cobre's interest in the WA mineral assets	627,500	1,255,000	1,882,500
Cobre's interest in KML	-	640,619	1,795,363
Surplus assets & liabilities of Cobre	13,797,556	13,797,556	13,797,556
Equity value of Cobre to all security holders	14,425,056	15,693,175	17,475,420
Less: Value of the options on issue ²	(564,444)	(644,253)	(761,295)
Equity value attributable to ordinary shareholders	13,860,613	15,048,922	16,714,125

¹¹ As expenditure can be incurred over a period of time, and results potentially observed over this period can inform decisions as to whether further expenditure is worthwhile, the option value of the earn-in may be greater than the value implied by our calculations (i.e. it is in effect a series of options as expenditure is incurred). However, we do not view this potential variance in value as material in the context of this Report.

¹² This is not to say that this has no value, however, we do not believe the value would be material in the context of this Report.

	Low Value (AUD)	CSA Preferred Value ¹ (AUD)	High Value (AUD)
Shares outstanding prior to the Transactions (# shares)	203,709,435	203,709,435	203,709,435
Shares issued as part of the Director Placement (# shares)	166,667	166,667	166,667
Shares issued as part of Mitchell Drilling Subscription (# shares)	2,894,112	2,894,112	2,894,112
Total assumed shares outstanding	206,770,214	206,770,214	206,770,214
Equity value per share on a control interest basis	0.067	0.073	0.081
Subtract: Minority interest discount ³	23.1%	20.0%	16.7%
Value of Cobre share (minority interest basis)	0.052	0.058	0.067

Source: BDOCF analysis

- 1 CSA preferred value refers to the value we have calculated by adopting CSA's preferred value for Cobre's mineral assets.
- 2 In addition to the ordinary shares on issue Cobre has 27.639 million options outstanding with exercise prices ranging from \$0.20 to \$0.335 (see Section 6.3.2). We have adopted a Black Scholes option pricing model to calculate the value of the outstanding options. Other key inputs in the options pricing model include volatility of 100% and a risk-free rate of 3%. The share price was calculated using the iterative process.
- 3 Adjustment to remove control premium calculated as $1/(1+0.3)$, with the 0.3 input referring to the 30% control premium, $1/(1+0.25)$ with the 0.25 referring to a 25% control premium and $1/(1+0.2)$, with the 0.2 input referring to the 20% control premium set out in Section 9.4 below.

In relation to Table 9.5 above, we note the following:

- ▶ Cobre's interest in the Western Australian mineral assets reflects those calculated in Table 9.2;
- ▶ Cobre's interest in KML reflects that calculated in Table 9.4;
- ▶ The surplus assets and liabilities of Cobre reflect those calculated in Table 9.3; and
- ▶ As set out in Section 9.3.3, we've allowed for shares to be issued in relation to both the Director Placement and the Mitchell Drilling Subscription.

9.4 Minority Interest Discount and Control Premium Rationale

In considering a comparison of the MBV and SOP approach, in our view it is not unusual to expect the MBV value range to be at a discount to the SOP valuation range. The reason for this is that share prices from market trading typically do not reflect the market value for control of a company while the SOP valuation is on a controlling interest basis.

A controlling interest in a company is generally regarded as being more valuable than that of a minority interest as it may provide the owner with:

- ▶ Control over the operating and financial decisions of the company;
- ▶ The right to set the strategic direction of the company;
- ▶ Control over the buying, selling and use of the company's assets; and
- ▶ Control over the appointment of staff and setting of financial policies.

The increase in value for a controlling interest is often observed where an acquirer launches a takeover bid, or some other mechanism for control, for another company. Generally, control premiums may be impacted by a range of factors including the following:

- ▶ Specific acquirer premium and/or special value that may be applicable to the acquirer;
- ▶ Level of ownership in the target company already held by the acquirer;
- ▶ Market speculation about any impending transactions involving the target and/or the sector that the target belongs to;
- ▶ The presence of competing bids; and
- ▶ General market sentiment and economic factors.

To form our view of an appropriate control premium applicable to Cobre for the purposes of this Report, we have considered information which includes:

- ▶ Recent independent expert's reports which apply control premiums in the range of 20% to 40%;
- ▶ Various industry and academic research, which suggests that control premiums are typically within the range of 20% to 40%;
- ▶ Our own research on control premiums implied by the trading data of ASX listed companies within the mining industry that have been subject to control transactions (we have defined a controlling interest to be an interest where the acquirer has acquired a shareholding of greater than 50% in the target company). The average and median control premium found in our research are approximately within the range of 20% and 40%, based on one-day, one-week, and one-month prior trading prices;

- ▶ Various valuation textbooks; and
- ▶ Industry practice.

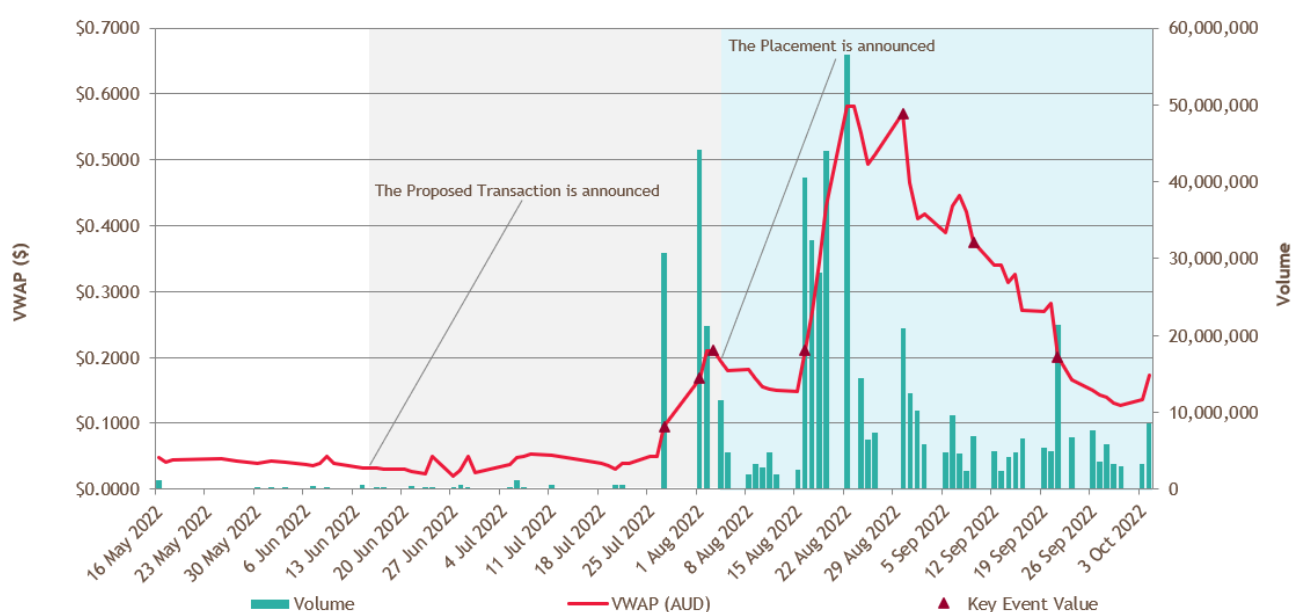
Having regard to the above, and issues specific to Cobre, including the nature of its interest in KML, in our view, it is appropriate to consider control premiums within the range of 20% to 30% for the purposes of assessing the Transactions within the context of this Report.

To adjust our SOP control value to a minority interest value, we have applied a discount having regard to the inverse of this range of 16.7% to 23.1%. Specifically, we have applied the 23.1% discount to the low end of our valuation range and the 16.7% discount at the high end of our valuation range.

9.5 Market Based Valuation of Cobre Prior to the Transactions on a Controlling Basis

Cobre announced the Proposed Transaction on 16 June 2022 and the Metal Tiger Placement on 4 August 2022. To assist in understanding share price movements over this period, we have set out in Figure 9.1 below the share price from 16 May 2022 (being a month prior to announcement of the Proposed Transaction) to 4 October 2022.

Figure 9.1: Graph of Cobre Share Price from 16 May 2022 to 4 October 2022



Source: Capital IQ, BDOCF Analysis

In relation to Figure 9.1 above, we note:

- ▶ The Cobre share price has increased substantially following the announcement of drilling results. For example, we note the below headlines from Cobre ASX announcements over the period set out in Figure 9.1:
 - 27 July 2022: Significant new copper discovery at the Ngami Copper Project;
 - 1 August 2022: Significant new copper intersection at Ngami Copper Project;
 - 3 August 2022: Third drill hole intersects further copper mineralisation;
 - 16 August 2022: Additional significant copper intersection at Ngami Copper Project;
 - 30 August 2022: Vertical continuity of Cu Mineralisation confirmed at Ngami;
 - 9 September 2022: Significant further copper mineralisation intersected; and
 - 21 September 2022: Assay results confirm significant Cu Mineralisation at Ngami;
- ▶ We note the area shaded in grey denotes the period from the announcement of the Proposed Transaction up to the announcement of the Placement. The area shaded in blue denotes the period from the announcement of the Placement to 4 October 2022;
- ▶ As set out in Table 6.5, in July 2022 approximately 20.8% of Cobre shares on issue traded at a VWAP of \$0.090. In August 2022, approximately 202.26% of Cobre shares on issue traded at a VWAP of \$0.366. In September 2022, approximately 63.46% of Cobre shares on issue traded at a VWAP of \$0.287. In October 2022 (up to and including the 4th), approximately 5.82% of Cobre shares traded at a VWAP of \$0.163. In the 12 months prior to June 2022, 41.81% of shares traded at a VWAP of \$0.1246; and
- ▶ The Cobre share price has been much more responsive (in terms of both price and volume) to the announcement of the drilling results than it has been to the announcement of either of the Transactions.

In our view and noting the materiality of the drilling results that have been announced subsequent to the announcement of the Transactions, there is limited use in considering an MBV for Cobre prior to the Transactions.

9.6 Value of Cobre's Shares Prior to the Transactions on a Controlling Interest Basis

Having regard to our valuation of Cobre's shares, in our view, for the purpose of our assessment of the Proposed Transaction, it is appropriate to consider the value derived from the SOP valuation methodology.

Noting the materiality of the drilling results that have been announced subsequent to the announcement of the Transactions, we believe there is limited use in considering an MBV for Cobre prior to the Transactions.

As noted above in Section 2.1 and within the CSA Report, despite Cobre's current drilling program confirming comparatively thick copper mineralisation over a strike length of several kilometres, the property remains undefined and no new resources have yet been declared. The recent material change in Cobre's market price may incorporate the market's expectations of further definition of promising structures and mineral resources being declared. We note that the declaration of a mineral resource may lead to a re-rating of Cobre shares by the market. It will also enable a technical valuer to consider additional valuation methodologies (e.g. multiple of \$/resource) relative to the \$/km² that is currently applied. While the market anticipates a re-rating that is difficult for the technical valuer to incorporate in a VALMIN Code compliant valuation, differences in a SOP relative to a MBV are more likely to occur.

For completeness we note that Cobre is a company focused on progressing its exploration assets. The value of such companies may increase or decrease materially over short time periods depending on the ability to meet certain milestones (e.g. continuing to report positive drilling results), among other matters. The fluctuations in value are further exacerbated at the current time because of the market volatility and economic uncertainty caused by factors associated with the broader macro-economic environment (e.g. COVID-19, Russia/Ukraine conflict).

10.0 Valuation of Cobre Post the Metal Tiger Placement

This section sets out our valuation of Cobre following completion of the Metal Tiger Placement as follows:

- ▶ Section 10.1 sets out our view of the most appropriate valuation methodologies to adopt for the purpose of valuing Cobre post the Metal Tiger Placement; and
- ▶ Section 10.2 sets out our valuation of Cobre having regard to the SOP approach.

10.1 Our Valuation Approach of Cobre Post the Metal Tiger Placement

In our view, it is appropriate to adopt a valuation methodology for Cobre post the Proposed Transaction that is consistent with the valuation methodology set out in Section 9.1 for the valuation of Cobre prior to the Transactions.

10.2 Valuation of Cobre Post the Metal Tiger Placement on a Minority Interest Basis - SOP

The Metal Tiger Placement involves the issue of 9,808,076 fully paid ordinary shares in Cobre to Metal Tiger. To calculate the value of an ordinary share in Cobre on a minority interest basis post the Proposed Transaction we have:

- ▶ Adopted the equity value of Cobre on a controlling interest basis as set out in Table 9.5;
- ▶ Increased the number of shares on issue by 9,808,076;
- ▶ Increased the cash balance of Cobre by \$1,471,211 to reflect the cash to be paid by Metal Tiger under the Placement (calculated as the shares issued multiplied by the issue price of \$0.15);
- ▶ Calculated the equity value per share on a control basis by dividing the equity value attributable to ordinary shareholders by the number of shares outstanding post the Metal Tiger Placement; and
- ▶ Calculated the equity value held by all equity holders on a minority interest basis by applying a minority interest discount. Our assumed control premium of 20% to 30% is based on the results of our research and analysis into control premiums in Australia (refer to Section 9.4 for additional discussion).

Our valuation of Cobre following the Metal Tiger Placement is set out in Table 10.1 below.

Table 10.1: Equity Value of Cobre Post the Metal Tiger Placement

	Low Value (AUD)	High Value (AUD)
Equity value of Cobre prior to the Metal Tiger Placement	14,425,056	17,475,420
Plus: Cash received under Metal Tiger Placement	1,471,211	1,471,211
Equity value of Cobre to all security holders	15,896,268	18,946,631
Less: Value of the options on issue ¹	(613,169)	(805,211)
Equity value attributable to ordinary shareholders	15,283,098	18,141,420
Shares outstanding prior to the Metal Tiger Placement (# shares)	206,770,214	206,770,214
Shares issued as part of Metal Tiger Placement (# shares)	9,808,076	9,808,076
Total shares outstanding post the Proposed Transaction (# shares)	216,578,290	216,578,290
Equity value per share on a control interest basis after the Metal Tiger Placement (\$ per share)	0.071	0.084
Subtract: Minority interest discount ²	23.1%	16.7%
Equity value per share on a minority interest basis after the Metal Tiger Placement (\$ per share)	0.054	0.070

Source: BDOCF Analysis

1 Approach consistent with Table 9.5

2 Approach consistent with Section 9.3.5

With regard to Table 10.1 above, we note the following:

- ▶ The adopted equity value for Cobre prior to the Metal Tiger Placement reflects the equity value calculated in Table 9.5; and
- ▶ Having regard to the SOP methodology, our valuation of a Cobre share following the Metal Tiger Placement is between \$0.054 and \$0.070 on a minority interest basis.

11.0 Valuation of Cobre Post the Proposed Transaction (Completion of the Initial Acquisition)

This section sets out our valuation of Cobre's equity value on a controlling interest basis to all security holders following completion of the Initial Acquisition as follows:

- ▶ Section 11.1 sets out our view of the most appropriate valuation methodologies to adopt for valuing Cobre post the Proposed Transaction; and
- ▶ Section 11.2 sets out our valuation of Cobre's equity value on a controlling interest basis to all security holders.

11.1 Our Valuation of Cobre Post the Proposed Transaction

In our view, it is appropriate to adopt a valuation methodology for Cobre post the Proposed Transaction that is consistent with the valuation methodology set out in Section 9.1 for the valuation of Cobre prior to the Transactions.

The Proposed Transaction comprises two components being the Initial Acquisition and the Call Option. Due to the uncertainty as to whether the Call Option is exercised with scrip or cash, we have valued Cobre considering both cases (see Section 12 and Section 13 respectively). However, as the equity value of Cobre following completion of the Initial Acquisition will be used as an input in the SOP valuation for both cases, we have separately valued it in this section.

11.2 Equity Value of Cobre Following Completion of the Initial Acquisition

Table 11.1 below depicts the equity value of Cobre on a controlling interest basis after completion of the Initial Acquisition.

Table 11.1: Equity Value of Cobre Post the Initial Acquisition

	Low Value (AUD)	High Value (AUD)
Equity value on a controlling interest basis to all security holders prior to the Initial Acquisition	14,425,056	18,946,631
Plus: Adjustment to reflect Cobre's increased holdings in KML to 75.5% from 51%	-	1,242,170
Less: Adjustment to Cobre's cash balance to acquire the additional interest	(1,282,380)	(1,282,380)
Equity value after the Initial Acquisition on a controlling interest basis to all security holders following the Initial Acquisition	13,142,676	18,906,421

Source: BDOCF Analysis

With regard to Table 11.1 above, we note the following:

- ▶ In adopting an equity value of Cobre prior to the Initial Acquisition, we note the Metal Tiger Placement creates an uplift in equity but is subject to shareholder approval and may not complete. Therefore, we have adopted a low and high equity value for Cobre as follows:
 - Low equity value: taken from Table 9.5 and includes Cobre's equity value if the Metal Tiger Placement does not complete; and
 - High equity value: taken from Table 10.1 and includes Cobre's equity value if the Metal Tiger Placement does complete;
- ▶ For ease of analysis and as we assume the Call Option is exercised (the reasons for this assumption are set out in Section 3.2.1), we attributed the increase in value from removal of the shared control discount to the initial 24.5% acquired. Noting this, the adjustment to reflect Cobre's increased interest in KML includes both the value of an additional 24.5% and the removal of the shared control discount. In circumstances that the Call Option is not exercised, we would expect some level of shared control discount to apply;
- ▶ As set out in Section 9.3.4 of this Report, the value of KML becomes negative at the low end of our valuation range. For the purposes of the analysis set out in this Report, we have assumed a nil value rather than a negative amount; and
- ▶ The adjustment to Cobre's cash balance is £750,000 converted to AUD using a GBP:AUD exchange rate average over the period 9 August 2022 to 9 September 2022 of 0.5849.

12.0 Valuation of Cobre Post Transactions - the Call Option is Exercised with Scrip

This section sets out our valuation of the shares in Cobre post the Proposed Transaction as follows:

- ▶ Section 12.1 sets out our view of the most appropriate valuation methodologies to adopt for the purpose of valuing Cobre post the Proposed Transaction and provides an overview of how this approach has been completed;
- ▶ Section 12.2 sets out our valuation of Cobre having regard to the SOP approach; and
- ▶ Section 12.3 sets out our conclusion of the value of Cobre, post the Proposed Transaction on a minority interest basis.

12.1 Our Valuation Approach for Cobre Post the Proposed Transaction - Assuming Exercised with Scrip

In our view, it is appropriate to adopt a valuation methodology for Cobre post the Proposed Transaction that is consistent with the valuation methodology set out in Section 9.1 for the valuation of Cobre prior to the Transactions.

In completing the analysis set out in this section, we have assumed the Call Option is exercised with scrip and the loan repayment is made using scrip.¹³ The reasons for this assumption are set out in Section 3.2.1.

In determining the value of Cobre post the Proposed Transaction if the Call Option is exercised with scrip, we have completed the following:

- ▶ Calculated the number of shares issued to Metal Tiger in respect of the Call Option and to repay the Metal Tiger Loan of £1,064,950 (converted to AUD using a GBP:AUD exchange rate average over the period 9 August 2022 to 9 September 2022 of 0.5849) under three VWAP scenarios;
- ▶ Increased the equity value of Cobre to reflect the 24.5% increase of Cobre's interest in KML. We note that for ease of analysis and as we assume the Call Option is exercised, we attributed the increase in value from removal of the shared control discount to the initial 24.5% acquired. As a result, the additional 24.5% assumed to be acquired is at a lower value and reflective of 24.5% of a 100% interest. In circumstances that the Call Option is not exercised, we would expect some level of shared control discount to apply due to the provisions still in place under the Shareholders Agreement;
- ▶ Adjusted Cobre's cash balance to subtract the required cash payment to Metal Tiger (in addition to scrip) where the 30% cap makes this necessary;
- ▶ Subtracted the value of Cobre's options outstanding;
- ▶ Increased the number of Cobre's shares outstanding by the amount issued to Metal Tiger; and
- ▶ Divided the resulting value of Cobre by the new total number of Cobre shares outstanding.

We note that we have adopted the value for the KML assets as that outlined in the CSA Report, being the most recent valuation available, despite the potential for the Call Option to be exercised in 12 months' time.

In determining the value of Cobre post the Proposed Transaction where the Call Option is exercised with scrip, we note there is inherent uncertainty concerning how many shares will be issued. This results from the terms of the Call Option which specifies that the quantity of shares to be issued is based on a future 90-trading-day VWAP (i.e. the prevailing 90-trading-day VWAP at the time of exercise). Should Cobre decide to exercise the Call Option with scrip, the total number of shares issued will depend on:

- ▶ Cobre's 90-trading day VWAP, calculated as the 90-trading days prior to the date the option is exercised; and
- ▶ The GBP:AUD exchange rate (we note the specific rate used will be the prevailing GBP:AUD spot exchange rate published by Bloomberg at 4pm (Sydney Time) of the last business day for which that rate is published before the date of the Call Option notice).

As the number of shares to be issued will ultimately depend on the prevailing 90-trading-day VWAP at the time Cobre advises its intention to issue scrip, we have assumed three alternative 90-trading-day VWAP scenarios as follows:

- ▶ Assumed VWAP of \$0.06: This assumed VWAP has regard to Cobre's lowest 90-day VWAP over the past 12 months (to 23 August 2022) ('Scenario 1');
- ▶ Assumed VWAP of \$0.15: This assumed VWAP has regard to the price of shares issued under the Placement ('Scenario 2'); and
- ▶ Assumed VWAP of \$0.30: This assumed VWAP has regard to Cobre's current 90-trading day VWAP (as at 23 August 2022) and reflects the recent higher share price ('Scenario 3').

¹³ While the analysis set out in this Report assumes that Cobre will repay KML's loan at the same time the Call Option is exercised, we note for completeness that KML has five years to repay their loan from Metal Tiger, with an automatic five-year extension if a maiden JORC compliant mineral resource in respect of the Botswana projects has not been made by maturity of the initial loan period, or on the occurrence of certain events.

12.2 Valuation of Cobre Post the Proposed Transaction on a Minority Interest Basis (SOP)

12.2.1 Scenario 1

In Table 12.1 below, we have calculated the equity value per share on a minority interest basis after the Proposed Transaction assuming a VWAP of \$0.06 for the shares issued under the Call Option and to repay the loan.

Table 12.1: Equity Value of Cobre after the Proposed Transaction on a Minority Interest Basis - Scenario 1

	Low Value (AUD)	High Value (AUD)
Equity value on a controlling interest basis post the Initial Acquisition ¹	13,142,676	18,906,421
Plus: Adjustment to reflect Cobre's increased holdings in KML to 100% from 75.5%	-	985,690
Plus: Adjustment to remove KML's loan obligation to Metal Tiger	1,820,894	1,820,894
Less: Cash required to repay the loan (in addition to scrip) ²	(539,367)	(1,127,851)
Equity value after the Proposed Transaction on a controlling interest basis to all security holders	14,424,203	20,585,153
Less: Value of the options on issue ³	(420,998)	(746,213)
Equity value after the Proposed Transaction on a controlling interest basis to ordinary shareholders	14,003,205	19,838,940
Shares outstanding prior to the Proposed Transaction (# shares)	206,770,214	206,770,214
New shares issued under the Metal Tiger Placement (# shares)	-	9,808,076
New shares issued as part of the Proposed Transaction (# shares) ²	21,373,002	21,373,002
New shares issued to repay KML's loan to Metal Tiger ²	21,358,784	11,550,708
Total shares outstanding post the Proposed Transaction (# shares)	249,501,999	249,501,999
Equity value per share on a control interest basis after the Proposed Transaction (\$ per share)	0.056	0.080
Subtract: Minority interest discount ⁴	23.1%	16.7%
Equity value per share on a minority interest basis after the Proposed Transaction (\$ per share)	0.043	0.066

Source: BDOCF Analysis

1 Calculated in Table 11.1

2 We have calculated the total number of shares to be issued to Metal Tiger by dividing the consideration to exercise the Call Option and repay the Metal Tiger Loan by the low VWAP of \$0.06. As the 30% interest cap is reached prior to the Metal Tiger Loan being fully repaid, cash is required. We note, as the high value assumes the Metal Tiger Placement completes, there is less capacity for shares to be issued before the 30% cap is reached, resulting in more cash required to repay the Metal Tiger Loan in comparison with the low value.

3 Approach consistent with Table 9.5

4 Approach consistent with Section 9.3.5.

12.2.2 Scenario 2

In Table 12.2 below, we have calculated the equity value per share on a minority interest basis after the Proposed Transaction assuming a VWAP of \$0.15 for the shares issued under the Call Option and to repay the loan.

Table 12.2: Equity Value of Cobre after the Proposed Transaction on a Minority Interest Basis - Scenario 2

	Low Value (AUD)	High Value (AUD)
Equity value on a controlling interest basis post the Initial Acquisition ¹	13,142,676	18,906,421
Plus: Adjustment to reflect Cobre's increased holdings in KML to 100% from 75.5%	-	985,690
Plus: Adjustment to remove KML's loan obligation to Metal Tiger	1,820,894	1,820,894
Less: Cash required to repay the loan (in addition to scrip)	-	-
Equity value after the Proposed Transaction on a controlling interest basis to all security holders	14,963,570	21,713,004
Less: Value of the options on issue ²	(516,936)	(867,757)
Equity value after the Proposed Transaction on a controlling interest basis to ordinary shareholders	14,446,634	20,845,248
Shares outstanding prior to the Proposed Transaction (# shares)	206,770,214	206,770,214
New shares issued under the Metal Tiger Placement (# shares)	-	9,808,076
New shares issued as part of the Proposed Transaction (# shares) ³	8,549,201	8,549,201
New shares issued to repay KML's loan to Metal Tiger ³	12,139,291	12,139,291
Total shares outstanding post the Proposed Transaction (# shares)	227,458,705	237,266,781
Equity value per share on a control interest basis after the Proposed Transaction (\$ per share)	0.064	0.088

	Low Value (AUD)	High Value (AUD)
Subtract: Minority interest discount ⁴	23.1%	16.7%
Equity value per share on a minority interest basis after the Proposed Transaction (\$ per share)	0.049	0.073

Source: BDOCF Analysis

1 Calculated in Table 11.1.

2 Approach consistent with Table 9.5

3 We have calculated the total number of shares to be issued to Metal Tiger by dividing the consideration to exercise the Call Option and repay the Metal Tiger Loan by the low VWAP of \$0.15. We note, under this scenario, Metal Tiger do not reach the 30% interest cap.

4 Approach consistent with Section 9.3.5.

12.2.3 Scenario 3

In Table 12.3 below, we have calculated the equity value per share on a minority interest basis after the Proposed Transaction assuming a VWAP of \$0.30 for the shares issued under the Call Option and to repay the loan.

Table 12.3: Equity Value of Cobre after the Proposed Transaction on a Minority Interest Basis - Scenario 3

	Low Value (AUD)	High Value (AUD)
Equity value on a controlling interest basis post the Initial Acquisition¹	13,142,676	18,906,421
Plus: Adjustment to reflect Cobre's increased holdings in KML to 100% from 75.5%	-	985,690
Plus: Adjustment to remove KML's loan obligation to Metal Tiger	1,820,894	1,820,894
Less: Cash required to repay the loan (in addition to scrip)	-	-
Equity value after the Proposed Transaction on a controlling interest basis to all security holders	14,963,570	21,713,004
Less: Value of the options on issue ²	(555,815)	(926,953)
Equity value after the Proposed Transaction on a controlling interest basis to ordinary shareholders	14,407,755	20,786,051
Shares outstanding prior to the Proposed Transaction (# shares)	206,770,214	206,770,214
New shares issued under the Metal Tiger Placement (# shares)	-	9,808,076
New shares issued as part of the Proposed Transaction (# shares) ³	4,274,600	4,274,600
New shares issued to repay KML's loan to Metal Tiger ³	6,069,645	6,069,645
Total shares outstanding post the Proposed Transaction (# shares)	217,114,460	226,922,536
Equity value per share on a control interest basis after the Proposed Transaction (\$ per share)	0.066	0.092
Subtract: Minority interest discount ⁴	23.1%	16.7%
Equity value per share on a minority interest basis after the Proposed Transaction (\$ per share)	0.051	0.076

Source: BDOCF Analysis

1 Calculated in Table 11.1.

2 Approach consistent with Table 9.5

3 We have calculated the total number of shares to be issued to Metal Tiger by dividing the consideration to exercise the Call Option and repay the Metal Tiger Loan by the low VWAP of \$0.30. We note, under this scenario, Metal Tiger do not reach the 30% interest cap.

4 Approach consistent with Section 9.3.5.

12.3 Conclusion on the Value of Cobre Post the Proposed Transaction on a Minority Interest Basis

In our view, for the purpose of our assessment of the Proposed Transaction, it is appropriate to separately consider the value determined under each of the three scenarios set out in Tables 12.1 to 12.3 above.

13.0 Valuation of Cobre Post Transactions - the Call Option is Exercised with Cash

This section sets out our valuation of the shares in Cobre post the Proposed Transaction, assuming the Call Option is exercised with cash.

13.1 Our Valuation Approach for Cobre Post the Proposed Transaction - Assuming Exercised with Cash

The general valuation approach we have adopted for Cobre post the Proposed Transaction, assuming the Call Option is exercised with cash, is broadly consistent with the methodology set out in Section 12.1.

In our view, it is appropriate to adopt a valuation methodology for Cobre post the Proposed Transaction that is consistent with the valuation methodology set out in Section 9.1 for the valuation of Cobre prior to the Transactions.

In determining the value of Cobre post the Proposed Transaction if the Call Option is exercised with cash, we have completed the following:

- ▶ Increased the equity value to reflect the 24.5% increase of Cobre's interest in KML. We note that for ease of analysis and as we assume the Call Option exercised, we attributed the increase in value from removal of the shared control discount to the initial 24.5% acquired. As a result, the additional 24.5% assumed to be acquired is at a lower value and reflective of 24.5% of a 100% interest. In circumstances that the Call Option is not exercised, we would expect some level of shared control discount to apply;
- ▶ Adjusted Cobre's cash balance to reflect the cash payment required to exercise the Call Option. As the cash payment will depend on the future exchange rate, we have adopted a GBP:AUD exchange rate of 0.5849 being the average exchange rate over the period 9 August 2022 to 9 September 2022 which we believe is a reasonable proxy for the future exchange rate for the analysis set out in this Report;
- ▶ Assumed that the Metal Tiger Loan will remain at its current value;
- ▶ Subtracted the value of Cobre's options outstanding;
- ▶ Adjusted for a minority interest discount; and
- ▶ Divided the resulting value of Cobre by the total shares outstanding.

We note that we have adopted the value for the KML assets as that outlined in the CSA Report, being the most recent valuation available, despite the potential for the Call Option to be exercised in 12 months time.

13.2 Valuation of Cobre Post the Proposed Transaction on a Minority Interest Basis (SOP)

In Table 13.1 below, we calculate the equity value per share on a minority interest basis after the Proposed Transaction if the Call Option is exercised with cash.

Table 13.1: Equity Value of Cobre after the Proposed Transaction on a Minority Interest Basis

	Low Value (AUD)	High Value (AUD)
Equity value on a controlling interest basis post the Initial Acquisition ¹	13,142,676	18,906,421
Plus: Adjustment to reflect Cobre's increased holdings in KML to 100% from 75.5%	-	985,690
Less: Adjustment to Cobre's cash balance to acquire the additional interest	(1,282,380)	(1,282,380)
Equity value after the Proposed Transaction on a controlling interest basis to all security holders	11,860,296	18,609,731
Less: Value of the options on issue ²	(412,359)	(783,416)
Equity value after the Proposed Transaction on a minority interest basis to ordinary shareholders	11,447,937	17,826,315
Shares outstanding prior to the Proposed Transaction (# shares)	206,770,214	206,770,214
New shares issued under Tranche 2 of the Placement		9,808,076
New shares issued as part of the Proposed Transaction (# shares)	-	-
Total shares outstanding post the Proposed Transaction (# shares)	206,770,214	216,578,290
Equity value per share on a control interest basis after the Proposed Transaction (\$ per share)	0.055	0.082
Subtract: Minority interest discount ³	23.1%	16.7%
Equity value per share on a minority interest basis after the Proposed Transaction (\$ per share)	0.043	0.069

Source: BDOCF Analysis

1 Calculated in Table 11.1.

2 Approach consistent with Table 9.5

3 Approach consistent with Section 9.3.5.

14.0 Comparison of the Purchase Consideration to the Value of Assets

This section sets out a comparison of the consideration to be paid under the Proposed Transaction with the value of the assets being acquired (i.e. 24.5% interest in KML and the Call Option).

14.1 Value of the Interest Acquired in KML

For the purposes of the analysis set out in this Report, we have assumed that the value of the interest in KML being acquired by Cobre under the Initial Acquisition is in the range of \$nil to AU\$1,242,170. This value is calculated as:

- ▶ The value of Cobre's 75.5% interest post the Initial Acquisition calculated as 75.5% of the total value of KML on a 100% basis (refer Table 9.4); less
- ▶ Our adopted value of Cobre's existing 51% interest in KML (refer Table 9.4) which includes a discount for shared control.

For ease of analysis and as we assume the Call Option is exercised (the reasons for this assumption are set out in Section 3.2.1), we attributed the increase in value from removal of the shared control discount to the initial 24.5% acquired. Noting this, the adjustment to reflect Cobre's increased interest in KML includes both the value of an additional 24.5% and the removal of the shared control discount. In circumstances that the Call Option is not exercised, we would expect some level of shared control discount to apply.

14.2 Value of the Call Option

In calculating the value of the Call Option, we adopted the following inputs:

- ▶ A grant date of 31 August 2022;
- ▶ An expiry date of 31 August 2023, as Cobre only has one year to exercise the option;
- ▶ An exercise price of \$1,282,380, which is £750,000 converted to AUD using an average for the exchange rate over the period 9 August 2022 to 9 September 2022 of AUD: GBP 0.5849;
- ▶ The value of the asset adopted represents 24.5% of the total value of KML (on a 100% basis). Refer Table 9.4 for this calculation;
- ▶ Volatility of 100% based on our estimate of the volatility that may be applied by a market participant in relation to the Call Option. In forming this view, we have normalised for current elevated volatility levels in the Cobre share price by also considering the volatility of broadly comparable companies; and
- ▶ A risk free rate of 3%, adopting a 2 year Australian Government bond as a proxy for 1 year.

Table 14.1 below sets out our calculation of the value of the Call Option.

Table 14.1: Value of the Call Option

	Low Value (AUD)	CSA Preferred Value ¹ (AUD)	High Value (AUD)
Value of the Call Option	-	29,865	308,159

Source: BDOCF Analysis

¹ CSA preferred value refers to the value we have calculated by adopting CSA's preferred value for KML

14.3 Comparison of Purchase Consideration to Assets Acquired

Under the Initial Acquisition, Cobre will pay £750,000 to acquire an additional 24.5% interest in KML and the Call Option. Table 14.2 below sets out a comparison of these values.

Table 14.2: Comparison of Consideration Required under the Initial Acquisition with Value of Assets Acquired

	Low Value (AUD)	CSA Preferred Value ¹ (AUD)	High Value (AUD)
Value of 24.5% Interest in KML Acquired under the Initial Acquisition	-	443,229	1,242,170
Value of Call Option	-	29,865	308,159
Total value acquired under the Initial Acquisition	-	473,094	1,550,329
Consideration²	1,282,380	1,282,380	1,282,380

Source: BDOCF Analysis

¹ CSA preferred value refers to the value we have calculated by adopting CSA's preferred value for KML

² The cash consideration under the Initial Acquisition of £750,000 was converted to AUD using an average for the exchange rate over the period 9 August 2022 to 9 September 2022 of GBP:AUD 0.5849.

APPENDIX A: INDEPENDENT TECHNICAL EXPERT'S REPORT - CSA REPORT



CSA Global
Mining Industry Consultants
an ERM Group company

COBRE LIMITED'S MINERAL ASSETS

Independent Technical Specialist's Report

REPORT Nº R281.2022
22 August 2022



Report prepared for

Client Name	BDO Corporate Finance Ltd
Project Name/Job Code	CBEITV01
Contact Name	Mark Whittaker
Contact Title	Partner
Office Address	Level 10, 12 Creek Street, Brisbane, QLD 4000

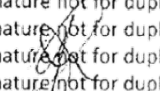
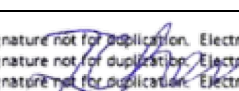
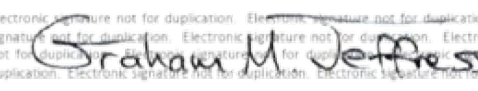
Report issued by

CSA Global Office	CSA Global Pty Ltd Level 2, 3 Ord Street West Perth WA 6005 AUSTRALIA T +61 8 9355 1677 F +61 8 9355 1977 E info@csaglobal.com
Division	Corporate

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Coordinating Author	Trivindren Naidoo MSc, MAusIMM, FGSSA	Electronic signature not for duplication.  Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.
Contributing Author	Michael Cronwright MSc, PrSciNat, FGSSA	Electronic signature not for duplication.  Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.
Peer Reviewer	Ivy Chen BAppSc (Geology), Postgrad Dip. Nat Res., FAusIMM, GAICD	Electronic signature not for duplication.  Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.
CSA Global Authorisation	Graham Jeffress BSc(Hons), RPGeo (Mineral Exploration), FAIG, FAusIMM, FSEG, MGSA	Electronic signature not for duplication.  Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.

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Executive Summary

CSA Global Pty Ltd (“CSA Global”), an ERM Group company, was commissioned by BDO Corporate Finance Ltd (“BDO”) to prepare an Independent Technical Assessment Report and Valuation of the Cobre Limited (“Cobre” or the “Company”) Mineral Assets comprising a 49.99% interest in the Kalahari Copper Project in Botswana, and the Sandiman and Perrinvale Projects in Western Australia.

This Independent Technical Assessment and Valuation Report (“the Report”) was prepared for BDO. The Report provides an opinion to support an Independent Expert’s Report to be prepared by BDO, and has been prepared as a public document, in the format of an independent technical specialist’s report and has been prepared in accordance with the JORC and VALMIN codes.

Cobre owns 51% of Kalahari Metals Limited (KML), a private UK company that controls approximately 5,753 km² of tenements within the Kalahari Copper Belt in Botswana. CSA Global understands that Cobre has entered into a Share Purchase Deed with Metal Tiger PLC to acquire the remaining 49% interest in KML.

This will require shareholder approval, and Cobre has engaged BDO Corporate Finance (BDO) to prepare an Independent Expert Report (IER) to inform Cobre’s shareholders.

BDO has in turn commissioned CSA Global to update the Independent Technical Specialist Report (ITSR) prepared by CSA Global on these assets in 2020, and updated in February 2021 and October 2021.

The Report provides a review of the Kalahari, Perrinvale, and Sandiman Projects and provides a technical valuation of these Mineral Assets. CSA Global has used a range of valuation methodologies to reach a conclusion on the value of the Mineral Assets. Note that the valuation is of the Kalahari, Sandiman, and Perrinvale Mineral Assets and not the value of Cobre as a company.

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 22 August 2022 and could alter over time depending on exploration results, mineral prices, and other relevant market factors. In CSA Global’s opinion, nothing material has occurred up to the date of this Report, since the valuation date to affect CSA Global’s technical review and valuation opinion.

CSA Global’s valuations are based on information provided by Cobre, KML and public domain information. CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which this Report is based. No audit of any financial data has been conducted. The valuations discussed in this Report have been prepared at a valuation date of 22 August 2022. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

Kalahari Copper Project

The Kalahari Copper Project (“KCP”) comprises a licence holding over a portion of the Kalahari Copper Belt in the northwest of Botswana and comprises four projects namely the Okavango Copper Project (“OCP”), the Ngami Copper Project (“NCP”), Kitlanya East and Kitlanya West. The region contains a number of advanced exploration projects, the most significant being Sandfire Resources Limited’s (“Sandfire”) T3 Copper-Silver Project (“T3”).

The licence holding comprises 12 prospecting licences of which seven are held by KML and five held by Triprop Holdings (Pty) Ltd (“Triprop”), with whom KML holds a 51% contractual right. The projects are located around the developed centres of Maun and Ghanzi and are readily accessible by road. Collectively, the tenure of the KCP is 5,753 km² (dropping to 5,025km² on 1 October 2022) in 11 exploration permits, which has been confirmed as being valid and in good standing by the Department of Mines, Botswana.

The projects are all considered early-stage exploration projects targeting stratabound copper-silver mineralisation hosted in the D’kar Formation at or above the redox front with the Ngwako Pan Formation (part of the Ghanzi Group). Most of the mineralisation in the region is hosted in steep structural zones along

or above this contact, particularly in steep F1 fold limbs, but also includes substantial shear- and vein- hosted mineralisation. There is also mineralisation associated with domal axial closures as is the case for the MOD Resources T3 deposit. The targeting has relied heavily on airborne magnetic and airborne electromagnetic (“AEM”) survey data due to the variable Kalahari cover thickness over the licences. This data has been used to identify potentially prospective targets by mapping the stratigraphy and complex structures. Soil geochemistry has been used with limited success. Scout drilling on a number of the targets has confirmed the presence of copper-silver mineralisation at the OCP and the NCP. Scout drilling on the other projects has confirmed the presence of the prospective contact of the D’Kar and Ngwako Pan formations that required KML to modify the exploration targeting model. There remain numerous untested geophysical targets within the KCP.

At the OCP and NCP, the exploration by Triprop and more recently by KML has confirmed the presence of copper-silver stratabound mineralisation. KML has further developed its understanding of the geology of the property, and the complexity introduced by palaeotopography into the AEM targeting can be mitigated via the high-resolution aeromagnetic data. Both projects are considered prospective, especially in areas where the Kalahari cover sequence is less well developed. Recent diamond drilling (July and August 2022) by KML at NCP has resulted in confirmation of relatively thick copper mineralisation over several kilometres of strike, and an infill diamond drilling program has been announced.

The Kitlanya East Project is considered prospective for stratabound copper-silver mineralisation based on the proximity to the T3 deposit and presence of prospective geology within the project area. To date, two target areas have been explored by KML with encouraging results and several targets still remain untested. Recent (2021) exploration programmes by KML focussing on the Endurance prospect includes diamond drill results including several intersections displaying signs of alteration and intense veining with accompanying visible trace Cu, Pb and Zn mineralisation, all considered important vectors to mineralisation.

The Kitlanya West Project is considered prospective for stratabound copper-silver mineralisation based on the location of the area along strike from the NCP, as well as the interpreted prospective basement geology, host lithologies, and structural setting of the project area. Recent exploration by KML in the east of the project area supports the conceptual exploration model and further exploration is planned.

West Australian Projects

Cobre currently has an interest in two early-stage copper exploration projects in Western Australia – Perrinvale (held by Cobre) and Sandiman (in which Cobre has earned a 51% interest).

The Perrinvale Project is located approximately 260 km northwest of Kalgoorlie in the central part of the Yilgarn Craton of Western Australia and comprises a contiguous group of nine granted exploration licences covering a total of 345 km² held by Toucan Gold Pty Ltd, a wholly-owned subsidiary of Cobre.

The licences cover a substantial portion of two discrete, Archaean age, greenstone belts within the Southern Cross Domain, the Panhandle Greenstone Belt and the Illaara Greenstone Belt to the east. The Panhandle Greenstone Belt within the Perrinvale Project is host to several prospective volcanogenic massive sulphide (VMS) targets.

Exploration in the area started in the mid-1970s and a combination of soil geochemistry, geophysics and drilling has identified a number of VMS and gold targets. Recent exploration by Cobre has largely focused on developing certain targets in the Panhandle Greenstone Belt and has confirmed the historical results. CSA Global is of the opinion the Perrinvale Project is prospective for VMS-style polymetallic base metal and gold mineralisation, as well as mesothermal gold mineralisation.

The Sandiman Project is located in the Upper Gascoyne Shire, straddling the south-eastern corner of the Mount Sandiman 1:100,000 sheet no. 1949, and the north-eastern corner of the Lyons River 100,000 sheet no. 1948. The Sandiman Project comprises a single tenement (E09/2316) totalling 202 km² in size. The licence held by GTTS Generations Pty Ltd is subject to a farm-in agreement whereby Cobre has earned a 50% interest in the tenement.

The Sandiman Project is conceptually prospective for Mississippi Valley Type (“MVT”) and possibly also VMS base metal deposits. This is based on the cluster of barite veins in sedimentary basin rocks in a craton-margin geological setting along with recent exploration results reporting traces of lead-zinc-silver mineralisation. Exploration activity has been limited to remote sensing interpretation of ASTER imagery and limited field work. No drilling has been conducted on the property.

Valuation Opinion

CSA Global's opinion as to the likely Market Value of the KCP as of 22 August 2022, on a 100% basis, is summarised in Table 1 and CSA Global's opinion as to the likely Market Value of Cobre's West Australian exploration tenure as at 22 August 2022, on a 100% basis, is summarised in Table 2.

It is stressed that the valuation is an opinion as to likely values, not absolute values, which can only be tested by going to the market.

Table 1: Market value of the Botswanan copper tenements as of 22 August 2022 (100% basis)

Licence grouping	Area (km ²)	Low (US\$ million)	Preferred (US\$ million)	High (US\$ million)
KML	1,000	0.7	1.4	2.1
Tripop	#720	0.5	0.9	1.4
Kitlanya	3,305	1.1	2.2	2.9
Total	5,025	2.3	4.5	6.3

The Tripop licences are valued on the basis of the reduced areas as of 1 October 2022 (Table 4).

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Table 2: Market value of Cobre's West Australian exploration tenure as of 22 August 2022 (100% basis)

Project	Area (km ²)	Low (A\$ million)	Preferred (A\$ million)	High (A\$ million)
Perrinvale	345	0.50	1.00	1.50
Sandiman	202	0.25	0.50	0.75
Total	547	0.75	1.50	2.25

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

CSA Global considers that its opinion must be considered in its entirety and that selecting portions of the analysis, or factors considered by it, without considering all factors and analyses together could create a misleading view of the process underlying the opinions presented in this Report. The timing and context of an independent valuation report are complex and do not lend themselves to partial analysis or selective interpretations without consideration of the entire report.

In CSA Global's opinion, nothing material has occurred up to the date of this Report and since the Valuation Date, to affect CSA Global's technical review and valuation opinion.

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1 Introduction

1.1 Context, Scope and Terms of Reference

CSA Global Pty Ltd (CSA Global), an ERM Group company, was commissioned, by BDO Corporate Finance Limited ("BDO") to prepare an Independent Technical Specialist's Report (ITSR or the "Report") on the Mineral Assets associated with Cobre Limited ("Cobre" or the "Company").

Cobre is an ASX-listed resources exploration company with prospective projects in Botswana and Western Australia. Its mineral assets include the Kalahari Copper Project in Botswana and the Perrinvale and Sandiman gold projects in Western Australia.

Cobre owns 51% of Kalahari Metals Limited (KML), a private UK company that controls approximately 5,753 km² of tenements within the Kalahari Copper Belt in Botswana, which will drop to 5,025 km² on 1 October 2022.

CSA Global understands that Cobre has entered into a Share Purchase Deed with Metal Tiger PLC to acquire the remaining 49% interest in KML.

This will require shareholder approval, and Cobre has engaged BDO Corporate Finance (BDO) to prepare an Independent Expert Report (IER) to inform Cobre's shareholders.

BDO has in turn commissioned CSA Global to update the Independent Technical Specialist Report (ITSR) prepared by CSA Global on these assets in 2020, and updated in February 2021 and October 2021. CSA Global will work under instructions from BDO. The Company will be liable for payment for CSA Global's work. The Report, or a summary of it, is to be appended to the IER, and as such, will become a public document.

1.2 Compliance with the VALMIN and JORC Codes

The Report has been prepared in accordance with the VALMIN Code 2015¹, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC Code² and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and Australian Securities Exchange (ASX) that pertain to Independent Experts' Reports.

The authors have taken due note of the rules and guidelines issued by such bodies as ASIC and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

1.3 Principal Sources of Information

The Report has been based on information available up to and including 22 August 2022. The information was provided to CSA Global by Cobre and KML, or has been sourced from the public domain, and includes both published and unpublished technical reports prepared by consultants, and any other data relevant to the Cobre Projects and the KML Projects. Consent was obtained where necessary.

The authors have endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which the Report is based.

¹ Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets. The VALMIN Code, 2015 Edition. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

² Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

A site visit was made to the KML Projects from 15 to 18 September 2020 in preparation of this Report. These projects are at a relatively early stage and no Mineral Resource estimates have been prepared for any of the projects.

No site visit was made to the Cobre Projects in preparation of this Report. The projects are at a relatively early stage and no Mineral Resource estimates have been stated. CSA Global concluded that it has sufficient knowledge of the project area and that the project stage is such that no material information would be gained by completing a site visit in this particular instance.

CSA Global relies on the independent solicitor's report on tenure prepared by Armstrongs (Armstrongs, 2020), and the letters of good standing issued by the Botswanan Department of Mines dated 16 August 2022 with regards to the validity, ownership, and good standing of KML's granted project tenements in Botswana.

Tenement information on Cobre's West Australian Projects was provided by Cobre and independently confirmed by CSA Global via the Mineral Titles Online portal provided by the Government of Western Australia Department of Mines, Industry Regulation and Safety (DMIRS).

CSA Global makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so.

1.4 Authors of the Report – Qualifications, Experience and Competence

The Report has been prepared by CSA Global, an ERM Group company, with its headquarters located in West Perth, Western Australia.

CSA Global provides multi-disciplinary services to a broad spectrum of clients across the global mining industry. Services are provided across all stages of the mining cycle from project generation, to exploration, resource estimation, project evaluation, development studies, operations assistance, and corporate advice, such as valuations and independent technical documentation.

The geological aspects of the KML Projects have been compiled and documented by Mr Michael Cronwright, Principal Consultant at CSA Global (South Africa). Mr Cronwright has also relied on feedback from Ian McGeorge, Associate Consultant to CSA Global (South Africa) who undertook the site visit to the KML Projects in 2017. Dr Brendan Clarke, Director – Africa for CSA Global, has also contributed to the documentation of the geology of the KML Projects. The geological aspects of the Cobre Projects have been compiled and documented by Mr Michael Cronwright and Mr Trivindren Naidoo. Mr Naidoo also supervised and finalised the valuation work on both sets of projects, with research inputs from Mr Cronwright.

Trivindren Naidoo is an exploration geologist with over 20 years' experience in the minerals industry, including 14 years as a consultant, specialising in project evaluations and technical reviews as well as code-compliant reporting (JORC, VALMIN, NI 43-101 and CIMVAL) and valuation. His knowledge is broad-based, and he has wide-ranging experience in the field of mineral exploration, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation, including the assessment of operating mines. Trivindren has the relevant qualifications, experience, competence, and independence to be considered a "Specialist" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

Michael Cronwright is a geologist with 21 years of relevant industry experience gained in early-stage exploration and resource definition throughout Africa and the Middle East. Michael is a Principal Consultant at CSA Global and is based in the Johannesburg office. By virtue of his education, experience and professional affiliation, Michael is a Competent Person for the reporting of Exploration Results relevant to the styles of mineralisation documented in this Report. Michael has an M.Sc. (Exploration Geology), is a registered Pr.Sci.Nat., a fellow of the Geological Society of South Africa and a member of AusIMM.

Peer review was completed by CSA Global Manager Corporate and Principal Geologist Ivy Chen, BAppSc (Geology), Postgrad Dip. Nat Res., FAusIMM, GAICD. Ivy is a corporate governance specialist, with over 30 years' experience in mining and resource estimation. She served as the national geology and mining adviser for the Australian Securities and Investments Commission (ASIC) from 2009–2015. Ivy's experience in the

mining industry in Australia and China, as an operations and consulting geologist, includes open pit and underground mines for gold, manganese and chromite, and as a consulting geologist she has conducted mineral project evaluation, strategy development and implementation, through to senior corporate management roles. Recent projects completed include listings and other commercial transactions on the Australian, Singapore, Hong Kong and UK stock exchanges. Ivy has the relevant qualifications, experience, competence, and independence to be considered a “Specialist” under the definitions provided in the VALMIN Code and a “Competent Person” as defined in the JORC Code.

The global authorisation of this Report has been undertaken by CSA Global Manager Corporate, Principal Geologist, Mr Graham Jeffress, BSc (Hons) Applied Geology, FAIG, RPGeo (Mineral Exploration), FAusIMM, FSEG. Mr Jeffress is a geologist with over 27 years’ experience in exploration geology and management in Australia, Papua New Guinea, and Indonesia. Graham has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine and resource definition), project evaluation and mining in a variety of geological terrains, commodities and mineralisation styles within Australia and internationally. He is competent in multi-disciplinary exploration, and proficient at undertaking prospect evaluation and all phases of exploration – sampling, mapping, prospecting and drilling through to resource definition; as well as project management including planning, budgeting, logistics, safety, people management, landowner liaison and project presentation. Additionally, Graham has completed numerous Independent Geologist Reports, Competent Person Reports, and Independent Valuation Reports. He was a Federal Councillor of the AIG for 11 years and joined the Joint Ore Reserves Committee in 2014.

1.5 Prior Association and Independence

CSA Global has previously undertaken a valuation on the KML Projects, prior to the acquisition of the Kitlanya projects as part of a Competent Persons Report (CPR) prepared for Draganfly Investments Ltd (“Draganfly”). The valuation work carried out in that report (CSA Global, 2017) was undertaken by Trivindren Naidoo, who has supervised the valuation work documented in the current report. The CPR and valuation were undertaken independently of both KML and Draganfly, and CSA Global was paid a consulting fee in exchange for the work completed.

CSA Global was commissioned by BDO to prepare an Independent Technical Specialist Report (ITSR) and valuation of Cobre’s assets, including the KML Projects and the Sandiman and Perriman Projects, in 2020, with this work updated in February 2021 and October 2021. The ITSR and valuation were undertaken independently of both KML and Cobre, and CSA Global was paid a consulting fee in exchange for the work completed.

As such, neither CSA Global, nor the authors of this Report, have or have had previously, any other material interest in KML or the mineral properties in which KML has an interest.

Neither CSA Global, nor the authors of this Report, have or have had previously, any material interest in Cobre or the mineral properties in which Cobre has an interest. CSA Global’s relationship with Cobre is solely one of professional association between client and independent consultant.

CSA Global is an independent consultancy. This Report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report. The fee for the preparation of this Report is approximately A\$30,700.

No member or employee of CSA Global is, or is intended to be, a director, officer, or other direct employee of Cobre. No member or employee of CSA Global has, or has had, any material shareholding in Cobre. There is no formal agreement between CSA Global and Cobre in relation to CSA Global conducting further work for Cobre.

1.6 Declarations

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The Report has been compiled based on information available up to and including the date of the Report.

The statements and opinions are based on the reference date of 22 August 2022, and could alter over time depending on exploration results, mineral prices, and other relevant market factors. In CSA Global's opinion, nothing material has occurred up to the date of this Report, since the valuation date to affect CSA Global's technical review and valuation opinion.

The Valuation Basis employed by CSA Global is Market Value, as defined by the VALMIN Code (2015) and explained in Appendix A. The Valuation Date is 22 August 2022.

The opinions expressed in the Report have been based on the information supplied to CSA Global by Cobre. The opinions in the Report are provided in response to a specific request from BDO to do so. CSA Global has exercised all due care in reviewing the supplied information. Whilst CSA Global has compared key supplied data with expected values, the accuracy of the results and conclusions from the review is entirely reliant on the accuracy and completeness of the supplied data. CSA Global does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in the Report apply to the site conditions and features, as they existed at the time of CSA Global's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of the Report, about which CSA Global had no prior knowledge nor had the opportunity to evaluate.

CSA Global's valuations are based on information provided by Cobre and public domain information. This information has been supplemented by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data.

CSA Global considers that its opinion must be considered as a whole and that selecting portions of the analysis, or factors considered by it, without considering all factors and analyses together could create a misleading view of the process underlying the opinions presented in this Report. The timing and context of an independent valuation report are complex and do not lend themselves to partial analysis or selective interpretations without consideration of the entire Report.

CSA Global has no obligation or undertaking to advise any person of any development in relation to the mineral assets which come to its attention after the date of this Report. CSA Global will not review, revise or update the Report, or provide an opinion in respect of any such development occurring after the date of this Report.

No audit of any financial data has been conducted.

The valuations discussed in the Report have been prepared at a valuation date of 22 August 2022. It is again emphasised that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

2 Kalahari Copper Project

2.1 Location and Access

The Kalahari Copper Project ("KCP") comprises a licence holding over a portion of the Kalahari Copper Belt in the northwest of Botswana. The KCP is divided into four projects – namely, the Okavango Copper Project (OCP), the Ngami Copper Project ("NCP"), Kitlanya East, and Kitlanya West (Figure 1).

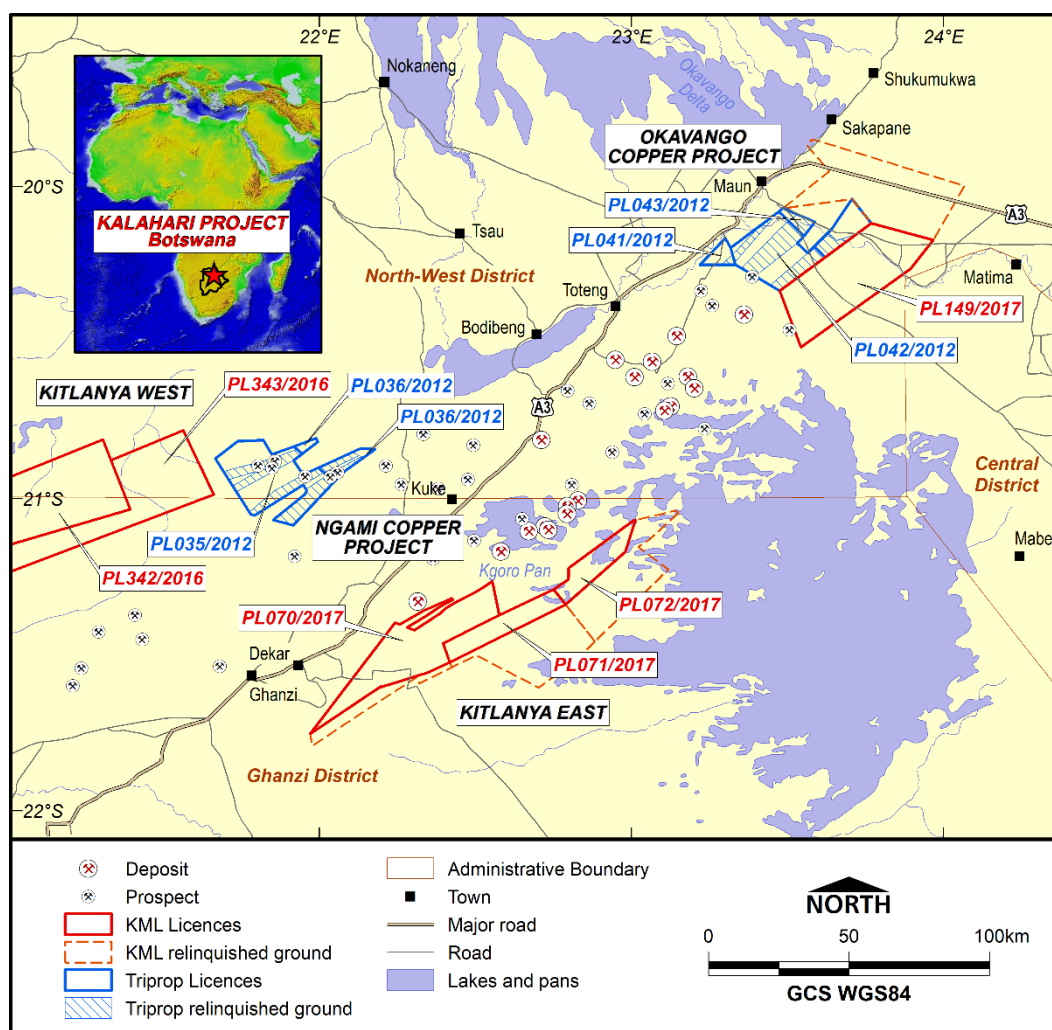


Figure 1: Location of the KCP licence areas showing local infrastructure
Triprop relinquished ground indicates portion to be relinquished as of 1 October 2022.

The OCP is located to the east of the town of Maun and is accessed via the bitumen A3 highway and various dirt tracks.

The NCP and Kitlanya West Project are located approximately 85 km north of Ghanzi and 200 km southwest of Maun. Access is via a dirt track that heads west from the A3 along the border with the northwest and Ghanzi districts. The western edge of the Kitlanya West licences is along the Botswana-Namibia border.

The Kitlanya East Project is located about 40 km east of Ghanzi and stretches for approximately 140 km to the northeast. Access is via roads and tracks heading east from D'Kar.

The KCP landholding is in the same belt as several advanced and exploration-stage copper projects owned by ASX-listed Sandfire Resources Limited (previously owned by MOD Resources (MOD) in joint venture with AIM-listed Metal Tiger PLC), and Cupric Canyon Capital LLC ("Cupric Canyon"), a private US company.

The Neoproterozoic Kalahari Copper Belt hosts multiple known copper deposits, prospects and occurrences in Namibia and Botswana. There are some 16 named copper projects in Botswana ranging from very early grassroots stage to mine stage. There are five copper projects along strike of the licences under review, with stated Mineral Resources and Ore Reserves reported in accordance with international reporting codes (JORC and CIM), which include:

- Cupric Canyon:
 - Boseto project – 177 Mt at 1.3% Cu (Mineral Resources)
 - Khoemacau project – 93.5 Mt at 1.9% Cu and 33 g/t Ag (Mineral Resources)
 - Zone 5 deposit – Ore Reserves of 30 Mt at 2.03% Cu and 19.5 g/t Ag and Mineral Resource of 91.7 Mt at 2.13% Cu + 21.9 g/t Ag
 - Banana Zone – 191 Mt at 0.6% Cu (Mineral Resources)
- Sandfire/MOD:
 - T3 open pit project – Mineral Resource comprising 53.3 Mt at 0.90% Cu and 12.7 g/t Ag (including a Probable Ore Reserve of 39.9Mt at 0.9% Cu and 12.2g/t Ag).
 - A4 deposit – Indicated Mineral Resource of 8.9 Mt at 1.4% Cu and 22 g/t Ag and Inferred at 0.9 Mt at 1.0 % Cu and 15 g/t Ag.

The north-eastern licences lie along strike of Cupric Canyon's Zone 5, Boseto and Zeta deposits within the central basin high referred to by MOD as the "Mahumo Structural Corridor" (Figure 2) or Ghanzi Ridge, and the NCP and Kitlanya East and Kitlanya West projects along the flanks of this trend.

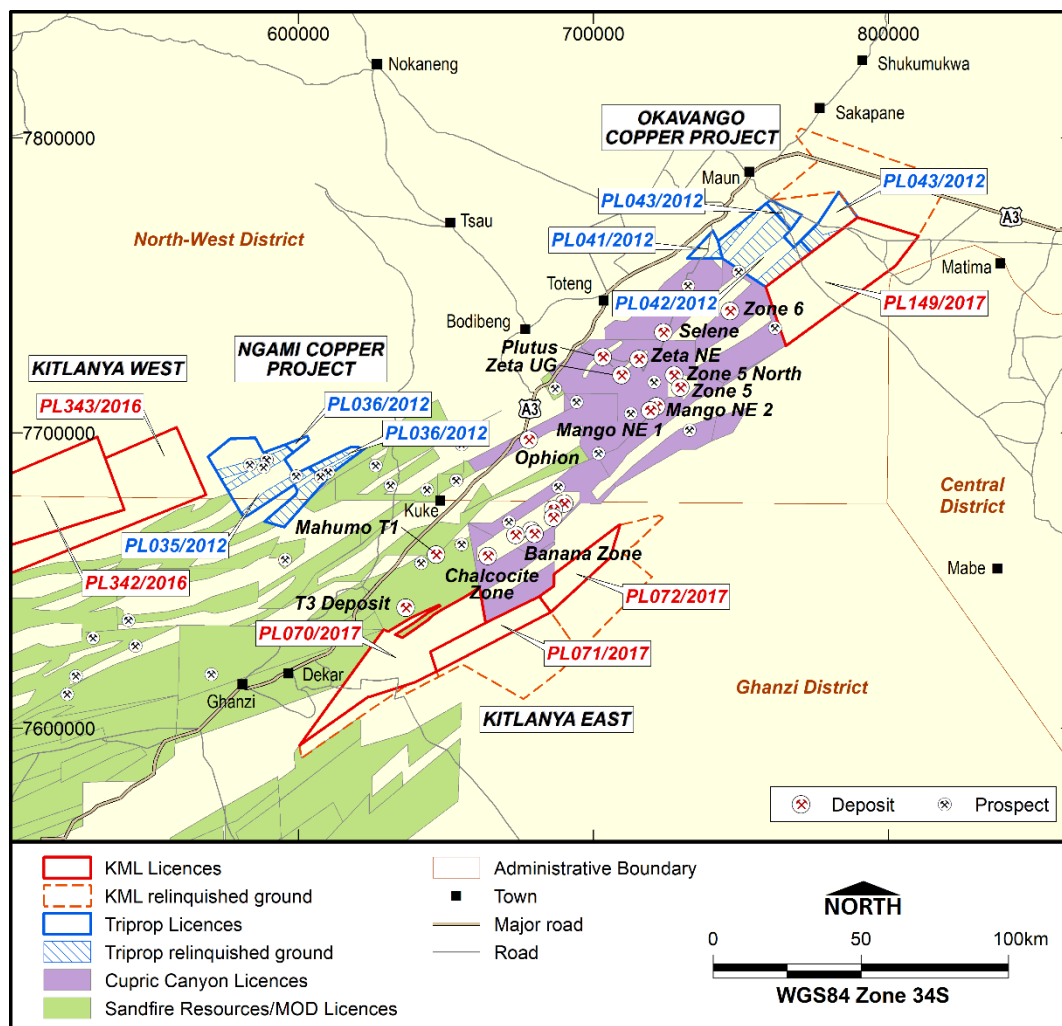


Figure 2: Location of the KCP licence areas in relation to other licence holders and deposits

2.2 Ownership and Tenure

The licence holding comprises 11 prospecting licences, of which six are held by KML (including its 100% owned subsidiary Kitlanya (Pty) Ltd) and five held by Triprop Holdings (Pty) Ltd (Triprop), with whom KML hold contractual rights to a 51% interest. Table 3 provides a summary of the licence holdings that comprise the individual projects within the KCP.

Table 3: List of prospecting licences that constitute KML's KCP

Asset	Holder	Project name	KML interest (%)	Status	Licence expiry date	Licence area (km²)	Comments	
PL149/2017	Kalahari Metals (Pty) Ltd	Okavango Copper Project	100%	Exploration	30/06/2024	999.5	-	
PL041/2012	Triprop Holdings (Pty) Ltd		100%	Exploration	30/09/2022	58.9	Note 1	
PL042/2012	Triprop Holdings (Pty) Ltd		51%	Exploration	30/09/2022	467.4	Note 1	
PL043/2012	Triprop Holdings (Pty) Ltd		51%	Exploration	30/09/2022	197.8	Note 1	
			Subtotal				1,723.6	
PL035/2012	Triprop Holdings (Pty) Ltd	Ngami Copper Project	51%	Exploration	30/09/2022	628.4	Note 1	
PL036/2012	Triprop Holdings (Pty) Ltd		51%	Exploration	30/09/2022	96.4	Note 1	
			Subtotal				724.8	
PL343/2016	Kitlanya (Pty) Ltd	Kitlanya West	100%	Exploration	31/03/2024	995	-	
PL342/2016	Kitlanya (Pty) Ltd		100%	Exploration	31/03/2024	950	-	
			Subtotal				1,945	
PL072/2017	Kitlanya (Pty) Ltd	Kitlanya East	100%	Exploration	30/06/2024	238	Within Central Kalahari Reserve	
PL070/2017	Kitlanya (Pty) Ltd		100%	Exploration	30/06/2024	827	-	
PL071/2017	Kitlanya (Pty) Ltd		100%	Exploration	30/06/2024	295	Overlaps with Central Kalahari Reserve	
			Subtotal				1,360	
TOTAL						5,753.4		

Note 1: The five licences held by Triprop Holdings (Pty) Ltd have been extended, as detailed in Table 4.

KML has indicated their intention to apply for the relinquished portion of the NCP area.

Table 4: Extension of term of Triprop licences from 1 October 2022

Licence	Valid From	Valid Until	Area (km ²)
PL035/2012	01/10/2022	30/09/2024	308.9
PL036/2012	01/10/2022	30/09/2024	50.2
PL041/2012	01/10/2022	30/09/2024	8.5
PL042/2012	01/10/2022	30/09/2024	271.1
PL043/2012	01/10/2022	30/09/2024	81.6

CSA Global relies on the legal opinion of the legal firm Armstrongs of Gaborone (Armstrongs, 2020), provided to Cobre in the report titled *Legal Due Diligence Report concerning the proposed acquisition of Kalahari Metals Limited* dated 13 November 2020, as well as the letters of good standing issued by the Botswanan Department of Mines dated 16 August 2022. CSA Global makes no other assessment or assertion as to the legal title of tenements, permits, approvals, etc. and is not qualified to do so.

Armstrongs (2020) states *“From our review of the documents contained in the VDR, we confirm the Target Entities are in possession of valid Prospecting Licences issued in terms of the MMA, respectively. The Prospecting Licences are valid and still extant, and we have not identified any red flags in that regard.”*

The letters from the Botswanan Department of Mines dated 16 August 2022 states *“The above listed prospecting licences are active and in goodstanding”*.

2.3 Geology and Mineralisation

This summary of the Geology and Mineralisation of the KML Projects is extracted from the “Competent Persons’ Report, The Kalahari Copper Project” by CSA Global (UK) Limited is included and dated 20 November 2017.

2.3.1 Regional Tectonic Context

The Kalahari Copperbelt extends over a distance of 1,000 km from Klein Aub in Namibia to the Shinamba Hills in northern Botswana and forms part of the Neoproterozoic (Pan African) Damara orogen (Figure 3). The Damara belt records rifting between the Kalahari and the Congo cratons between 770 million years ago (“Ma”) and 600 Ma, during the breakup of the Rodinia supercontinent, and deformation during the Pan African Orogeny, between 550 Ma and 490 Ma. This was accompanied by folding, faulting, metamorphism (generally to greenschist facies) and granitic rock emplacement.

The Damara belt can be broadly tectonically correlated to the northeast with the Neoproterozoic Lufilian and Zambezi belts, also developed between the Kalahari and Congo cratons.

Damara sedimentation occurred from at least 770 Ma to 600 Ma, initiating rift sedimentation and bimodal alkaline volcanism. Subsequent sedimentation is dominated by thick turbiditic sequences as well as shelf carbonates interpreted to rim deeper basins. Calciturbidites also occur in the basins. The extensive Otavi Mountain Land shelf carbonates in Namibia were deposited on the northern margin of the Congo block. The Damara records the same Sturtian and Marinoan glaciation events as the Lufilian at c. 750 Ma and c. 625 Ma respectively. The Damara orogeny spans the same time period as the Lufilian orogeny from c. 550 Ma to 490 Ma and resulted in folding, faulting, and metamorphism generally at greenschist facies, and granite emplacement. The degree of deformation and metamorphism is variable along and across the belt.

2.3.2 Regional Mineralisation

The Kalahari Copperbelt has long been known as a sedimentary copper district with several small historical mines in Namibia, notably the Klein Aub mine. Mineralisation at Klein Aub has been interpreted to be syn-deformational and related to the Klein Aub fault (Maiden and Borg, 2012).

The Neoproterozoic Central African Copperbelt forms an arc-shaped belt that extends from northern Zambia into the south-eastern Democratic Republic of Congo. The Copperbelt occurs within the Lufilian Arc, a northward-directed fold-and-thrust belt that records a history of early Neoproterozoic intra-cratonic rift development followed by late Neoproterozoic collisional deformation and metamorphism.

2.3.3 Ghanzi-Chobe Belt

The lithostratigraphy of the Ghanzi-Chobe Belt can be broadly summarised as follows (from oldest to youngest):

- Kgwebe Formation – Neoproterozoic rhyolites and sub-alkaline basalts, overlain by the Ghanzi Group;
- Ghanzi Group – Neoproterozoic sediments of the Kuke, Ngwako Pan, D’Kar and Mamuno formations;
- Karoo Supergroup – Carboniferous-Jurassic cover sequences which include terrestrial and marine sediments and basaltic flood basalts and associated dykes;
- Kalahari Group Cainozoic cover sequences – typically 50–150 m thick, including terrestrial lithified sands and sediments.

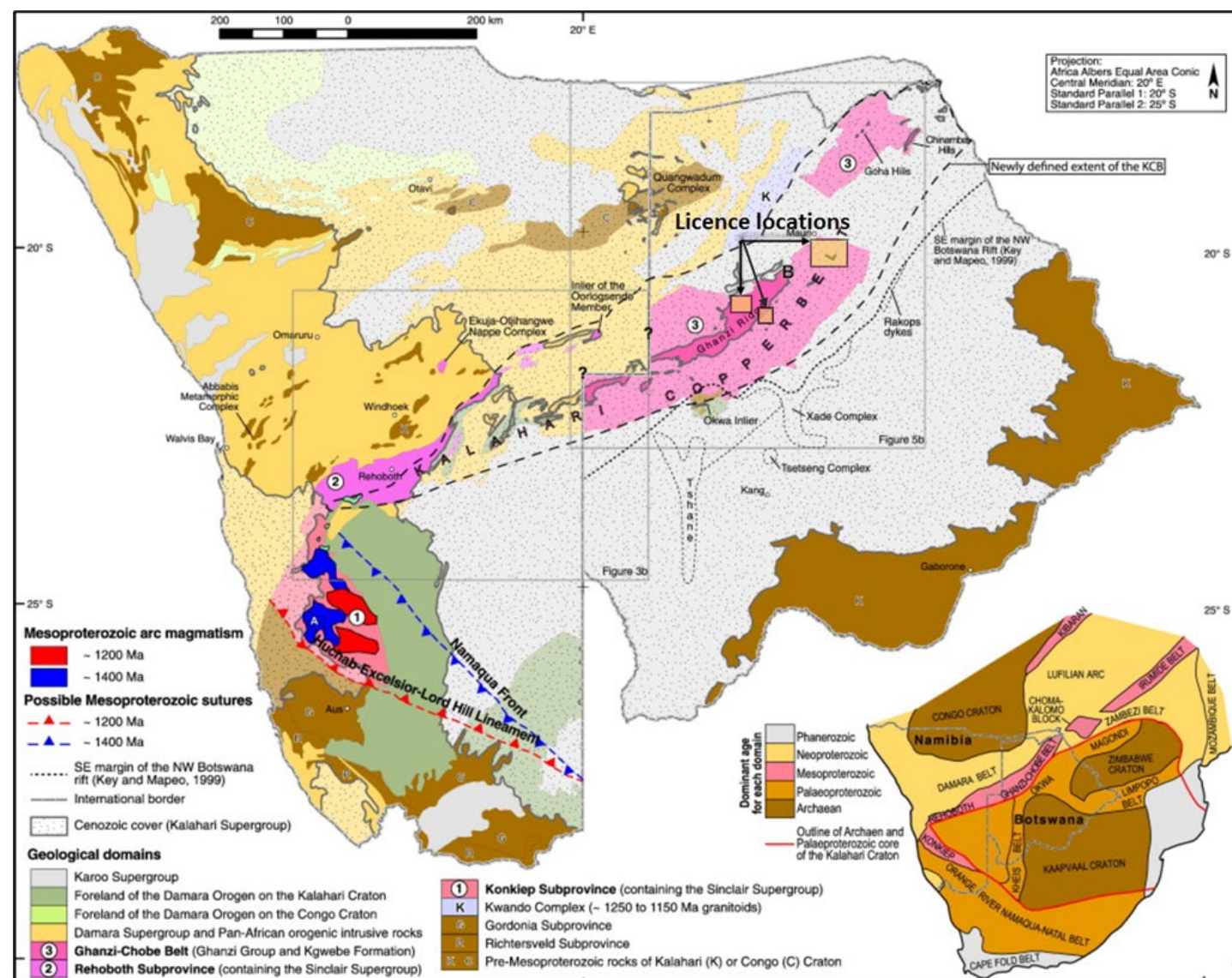


Figure 3: Distribution of Kalahari Copperbelt from Namibia through Botswana (locations of licences under review are annotated)
Source: Leymann et al., 2015

Basement exposure within the Botswanan portion of the Kalahari Copperbelt is restricted to the northeast-trending “Ghanzi Ridge” which extends from the Namibian border towards Lake Ngami. Off the Ghanzi Ridge (and within the licence areas), outcrop is very limited, and as a result, most of the geology has been inferred largely from regional magnetic datasets verified by limited drillhole data.

Kgwebe Formation

The Kgwebe Formation includes volcanics of acid to basic composition with minor intrusives and metasediments (Schwarz et al., 1995). The bulk of the outcrop is a massive to flow banded feldspar-porphyry and occasionally quartz porphyry of acid to intermediate composition. More basic volcanics and metasediments occur near the top of the formation. The metasediments include medium to fine-grained, occasionally tuffaceous, sub-arkoses with andesitic tuffs. Dates cluster around 1104–1107 Ma (Johnson et al., 2005).

Ghanzi Group

The Ghanzi Group comprises a succession of clastic and carbonate sediments deposited in fluvial to shallow marine to deep marine environments in an evolving rift-sag basin. The basal Kuke Formation is a 500 m thick sequence of cross-bedded, medium-grained quartz arenites with mudstone intraclasts. A basal conglomerate rests on the unconformable contact and contains fragments of the underlying Kgwebe Formation (Van der Heever and Arengi, 2010).

The Ngwako Pan Formation comprises a thick sequence (c. 2,500–7,300 m) of reddish and grey sandstones and subordinate siltstone and argillite with minor amygdaloidal basalt. The lower part is dominated by immature wackes deposited in a lower shoreface environment, and the upper part contains well-sorted sandstones interpreted to have been deposited in the middle to upper shoreface environments. This upper part is characterised by parallel-laminated plane-bedded sandstones together with centimetre to decimetre-scale ripple cross-laminated facies containing rip-up clasts of shale and associated graded beds. The sediments are dominated by arenite, sub-arkose and sub-litharenite interpreted to be deposited from a fluvial to tidal environment.

The overlying D’Kar Formation (c. 1,500 m) is dominated by mainly parallel-laminated grey-green siltstones and mudstones with interbedded fine-grained sandstones (Modie, 1996a, 1996b, 2000). The contact with the Ngwako Pan Formation is usually sharp and conformable but demonstrates topographic variation on a major regional transgressive flooding surface. Minor thin (1–3 m thick) discontinuous limestone beds and marls occur near the base of the formation and include shallow water oolitic limestone. More strongly reduced organic-rich black shale horizons with pyrite also occur near the base of the formation.

Copper mineralisation is focused at the redox boundary at the base of the D’Kar Formation.

The overlying Mamuno Formation (c. 1,500 m) consists of red-beds composed of well-sorted, fine to medium-grained arkosic sandstone, interbedded with siltstone, mudstone and limestone (Litherland, 1982; Modie, 1996a, 1996b). The interpreted depositional environment is a high-energy, near-shore environment deposited over the shelf sediments of the D’Kar Formation.

2.3.4 Age and Depositional Setting

The Ghanzi Group represents a transgressive sequence, with basal immature oxidised red-beds of the Kuke and Ngwako Pan Formations overlain by reduced shallow to deep marine sequences of the D’kar Formation. Substantial thickness variation of the rift-stage Ngwako Pan Formation from 1 to 3.5km thick (Schwarz et al., 2005) suggests fault-controlled rift-stage deposition. Strong lateral continuity in lithology and thickness is illustrated in aeromagnetic patterns of the reduced D’Kar Formation, supporting deposition in a relatively quiescent sag-stage tectonic setting without active faulting or rifting. The Mamuno Formation may represent late sag phase basin filling and regression.

There is no definitive age for the Ghanzi Group, but correlation has been suggested with the Kamtsas Formation of the Nosib Group in Namibia, below the c. 750 Ma Sturtian diamictite which occurs at the top of

the Nosib Group (Schwarz et al., 1995). This would imply a similar setting and age to the Roan Group of the Katangan System of Zambia and the Democratic Republic of the Congo (DRC) which occurs beneath the Sturtian diamictites. This is compatible with the correlation of the D'Kar Formation basal limestones with the Bitter Springs carbon isotope excursion at c. 800 Ma reported by Scott (2011).

2.3.5 *Structure and Metamorphism*

Aeromagnetic data is strongly dominated by northeast-trending rift-parallel structure but orthogonal basin-normal northwest-oriented faults are also evident. The most prominent northwest orientation is the Karoo dyke swarms which represent the stress field during Permian magmatism but may also follow pre-existing structural trends.

The sedimentary sequences were deformed during the Damaran Orogeny (c. 530–495 Ma) resulting in folding, faulting and lower greenschist facies metamorphism, mainly during the predominant D1 deformation event.

D1 deformation is characterised by regional, northwest-oriented sub-horizontal shortening, leading to regional northeast-trending F1 open to recumbent folding and reverse faults. The large-scale folds verge to the northwest, with steep northwest limbs that may be partly thrust out and shallower-dipping southwest limbs.

Aeromagnetic data highlight fold geometry with parasitic F1 folds on first-order closures and an overall elongate dome-and-basin pattern. These fold patterns could represent non-coaxial folding in a single event, partly controlled by basin and basement architecture, rather than a later open D2 re-folding.

Folding is associated with an S1 fabric of variable intensity or a bedding-parallel S0/1 shear fabric in fold limbs reflecting flexural slip during folding. Pelitic sediments are characterised by phyllosilicate growth during fabric formation defined by chlorite and muscovite but without biotite. Fabric varies from penetrative to crenulation cleavage.

Strain partitioning reflects ductility contrasts, with deformation concentrated in the basal D'Kar Formation against the more competent Ngwako Pan Formation and Kgwebe Group. D1 deformation has folded a mechanically heterogeneous stratigraphic sequence with alternating competent (sandstones and limestones) and less competent units (carbonaceous and partly calcareous siltstones, and mudstones). This resulted in cleavage refraction and flexural slip shearing along less competent horizons. S1 fabric in rock units of higher competency has a steeper dip to bedding.

2.3.6 *Mineralisation*

Copper (and associated silver) mineralisation within the Kalahari Copperbelt in Botswana is hosted by the Ghanzi Group. The majority of mineralisation is hosted in the D'Kar Formation at or above the redox front with the Ngwako Pan Formation. Mineralisation occurs over hundreds of linear kilometres of this stratigraphic position, wrapping around the large-scale F1 closures.

While stratabound, mineralisation is commonly hosted in steep structural zones along or above the contact, especially in the steep limbs of F1 folds, and includes substantial shear and vein-hosted mineralisation.

Copper mineralisation commonly shows hypogene zonation from chalcocite to bornite to chalcopyrite and pyrite, typical of sedimentary copper systems. There is also lateral and vertical zonation to low-grade zinc and lead mineralisation. Where disseminated and stratabound, sulphides are often oriented in the S1 fabric.

Key features of mineralisation include:

1. Mineralisation is stratabound on a regional scale close to the Ngwako Pan–D'Kar redox front, largely within 30 m above the Ngwako Pan contact.
2. The basinal and stratigraphic setting is typical for sediment-hosted copper, though without clear evidence for evaporites.

3. Mineralisation, albeit often low grade, is very extensive over hundreds of linear kilometres in this stratigraphic interval and wraps around the complex F1 regional and parasitic folds.
4. All known economic mineralisation to date occurs along the Ghanzi Ridge, characterised by outcrop of Kgwebe Group basement in a regional antiform core, or its southwest extension under cover.
5. Mineralisation ranging from low grade to economic grade occurs in shallow less deformed and steep highly deformed fold limbs and fold crests.
6. Mineralisation occurs in a range of styles including disseminated, within early permeability, within early folded veins, aligned in S1, within D1 shear/vein zones sub-parallel to bedding, and within later brittle veins and faults. All styles are stratabound in basal D'Kar Formation.
7. Although much mineralisation is hosted in veins within shear zones, the grade and thickness of mineralisation are not directly related to the intensity of deformation.
8. Mineralisation commonly occurs in calcareous lithologies (calcareous mudstone to argillaceous limestone) beneath carbonaceous mudstone.
9. Mineralisation shows vertical decametre-scale zonation and lateral kilometre-scale zonation, chemically and mineralogically, as is typical of sedimentary copper systems. The zonation of disseminated mineralisation is directly mimicked by the zonation of vein mineralisation.

Possible models for mineralisation include:

- Early diagenetic mineralisation before major compaction was completed (Schwarz et al., 1995).
- Late diagenetic mineralisation accompanying basin inversion but prior to penetrative D1 deformation and associated lower greenschist-facies metamorphism; there are two alternative subsequent scenarios for D1 modification of mineralisation:
 - Substantial textural modification during D1 with local remobilisation into veins, but no large-scale remobilisation and reconcentration or introduction of metal.
 - Large-scale remobilisation and re-concentration of mineralisation during D1, amounting to the introduction of metal at a deposit scale.
- An entirely syn-D1 event with no earlier mineralisation.

Determining the correct model has implications for targeting based on lithostratigraphy and basin structure as opposed to being based largely on D1 structure.

Geerds and Reynolds (2012) proposed a targeting model incorporating early D1 deformation and lithostratigraphic controls (Figure 4). The Ngwako Pan Formation provides a source for oxidised brines and copper, with additional potential to derive copper from the Kgwebe Group volcanic basement. The host lower D'Kar Formation is characterised by moderately reduced shallow water mixed carbonate and clastic sediments which provide a redox contrast. The contact with the Ngwako Pan is often structural, but locally conformable or slightly disconformable.

The inherent permeability contrast between a coarse sandstone aquifer and a muddy and silty sediment sequence provides an aquiclude at this contact, while the concentration of deformation on this contact due to ductility contrasts provides a structural focus for fluid flow. This geological framework has provided an environment where regional scale sedimentary copper mineralisation has formed. The key question concerns control of high-grade and thick mineralisation of economic significance within the system.

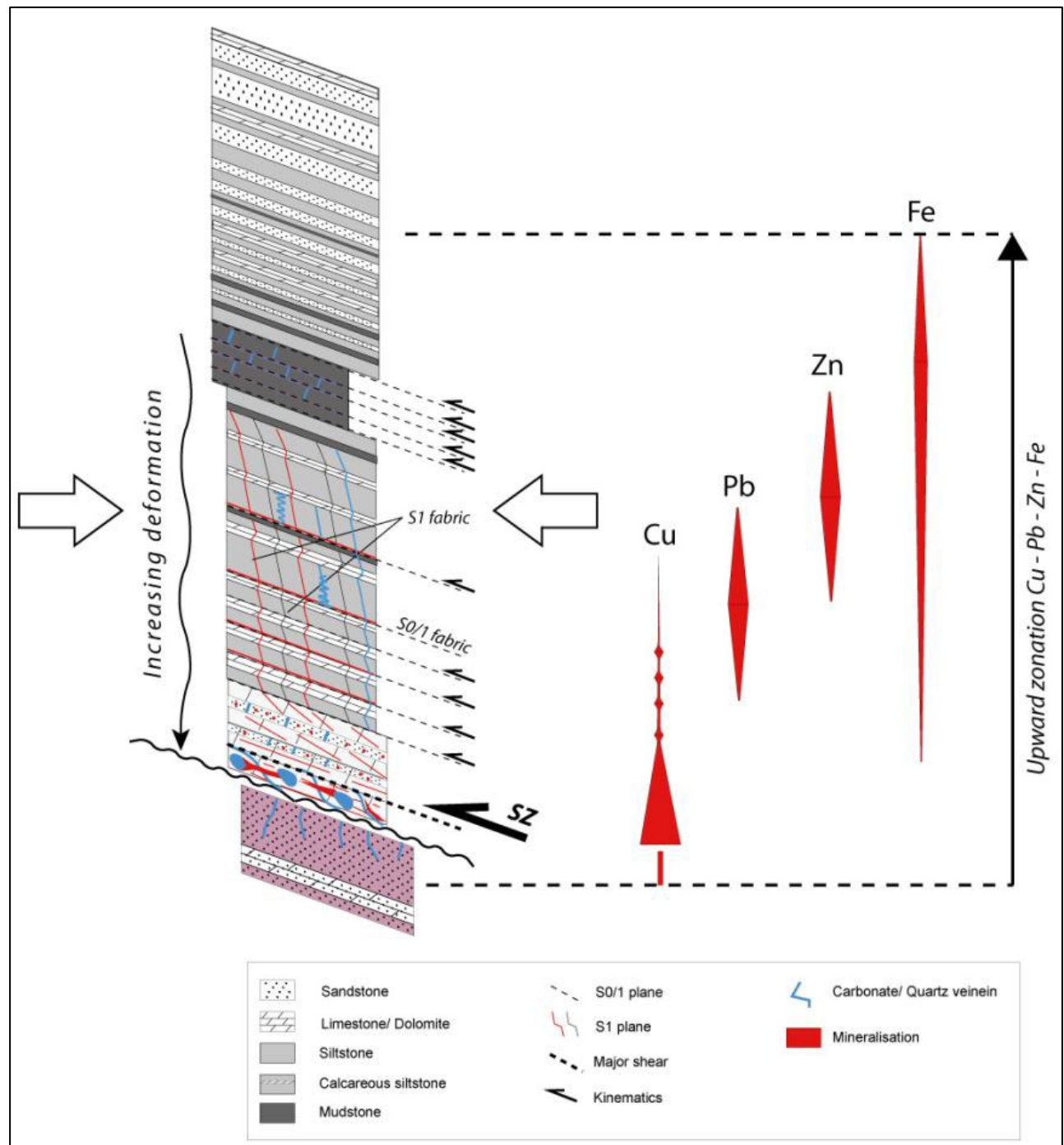


Figure 4: Cartoon summarising features of mineralisation in the Calcareous Unit in the lower part of the D'Kar Formation (from Geerdts and Reynolds, 2012)

The metal and mineral zoning indicates that fluids flowed both laterally and vertically. The stratabound mineralisation indicates lateral fluid flow in favourable horizons, the stratabound veining indicates structural focus and seismic pumping forming ribbon veins. This event was probably triggered by the onset of D1 with at least some mineralisation occurring prior to large-scale F1 folding, considering the lateral extent of mineralisation in different structural settings around regional folds. Empirically, the association of mineralisation with the Ghanzi Ridge suggests fluid focus towards a basin palaeo-high as is common in all kinds of basin-hosted mineralising systems.

2.4 Karoo Supergroup

The Permian Karoo Supergroup comprises undeformed sediments and coal-bearing formations, culminating with the Stormberg basaltic lavas. In northwest Botswana, the Karoo consists of sandstones and conglomerates, carbonaceous shales, basalts and dolerite dykes. The basal sediments contain boulders and pebbles of the Kgwebe Formation and Ghanzi Group. Overlying this is a succession of interbedded siltstones (generally pinkish-cream) and red to purple mudstones.

In the Ghanzi-Chobe Belt, the Karoo Supergroup occurs in late-stage grabens situated towards the northwest of the licence area and is not believed to be present on the licences under review, though intrusive dolerites are extensive in the northeast licence block.

2.5 Kalahari Group

The Kalahari Formation refers to a complex lithological unit of sands, calcrete, silcrete and river, or pan sediment of post-Cretaceous age. These beds obscure much of the outcrop in the area and can vary in thickness up from a few metres to 60 m. Haddon and McCarthy (2005) estimate thickness to be <50 m for the western licences and potentially 50–150 m in the northeast licence block (Figure 5).

Scout drilling results on the western licences indicate the significant lateral variability of the thickness of the Kalahari sequences (Figure 5).

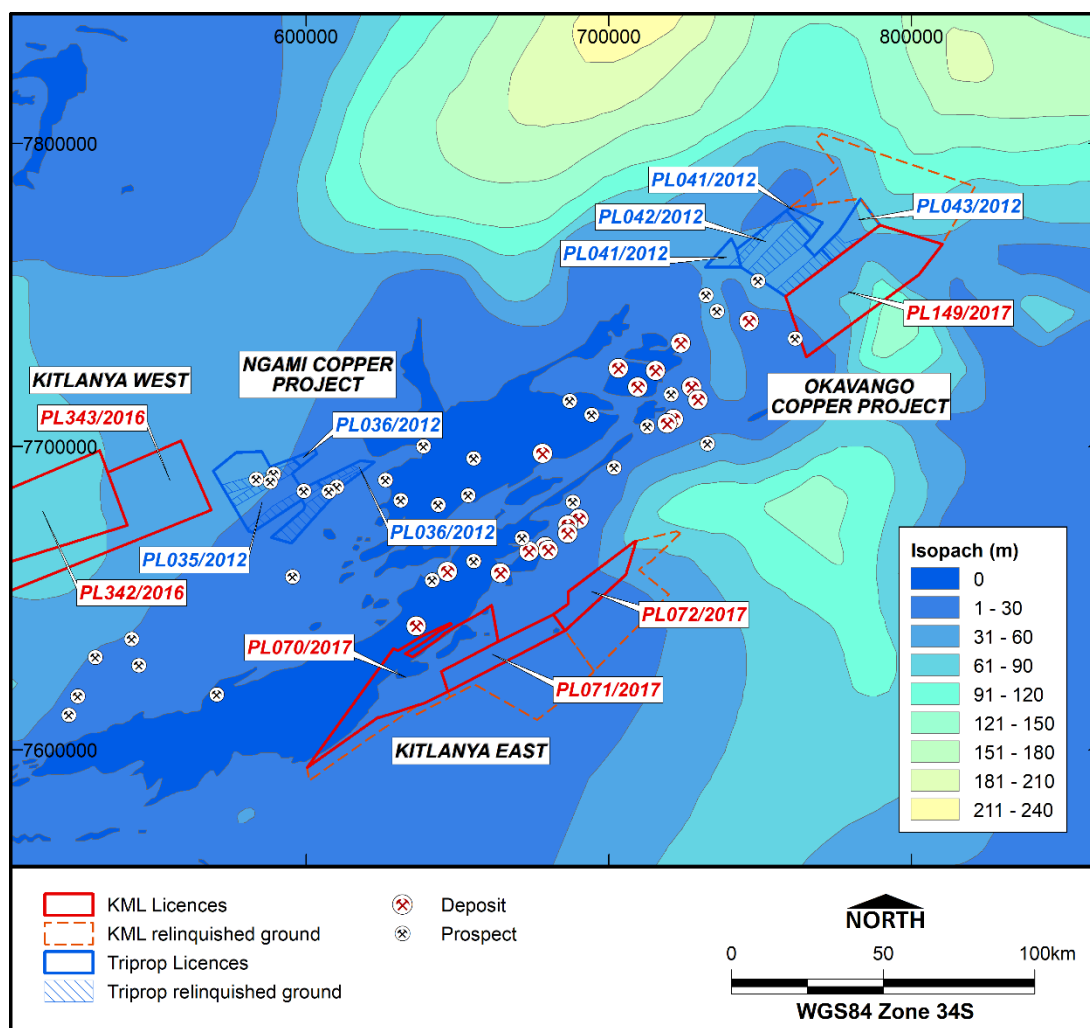


Figure 5: Interpreted Kalahari cover thickness showing the licences under review showing known copper occurrences in areas of shallow or absent cover (from Haddon & McCarthy, 2005)

2.6 Project Geology

The licences under review are located along a portion of the Ghanzi-Chobe Belt that is obscured by Quaternary sands and Kalahari Group cover. The project geology has been inferred from magnetic lineament studies, limited scout drilling, and public-domain data from exploration completed along strike by MOD and Cupric Canyon. The inferred basement geology consists of D'Kar and Ngwako formations (Figure 6).

A prominent swarm of intrusive dolerite dykes strikes west-northwest across the northeast licence block. These dykes are very prominent in magnetic data.

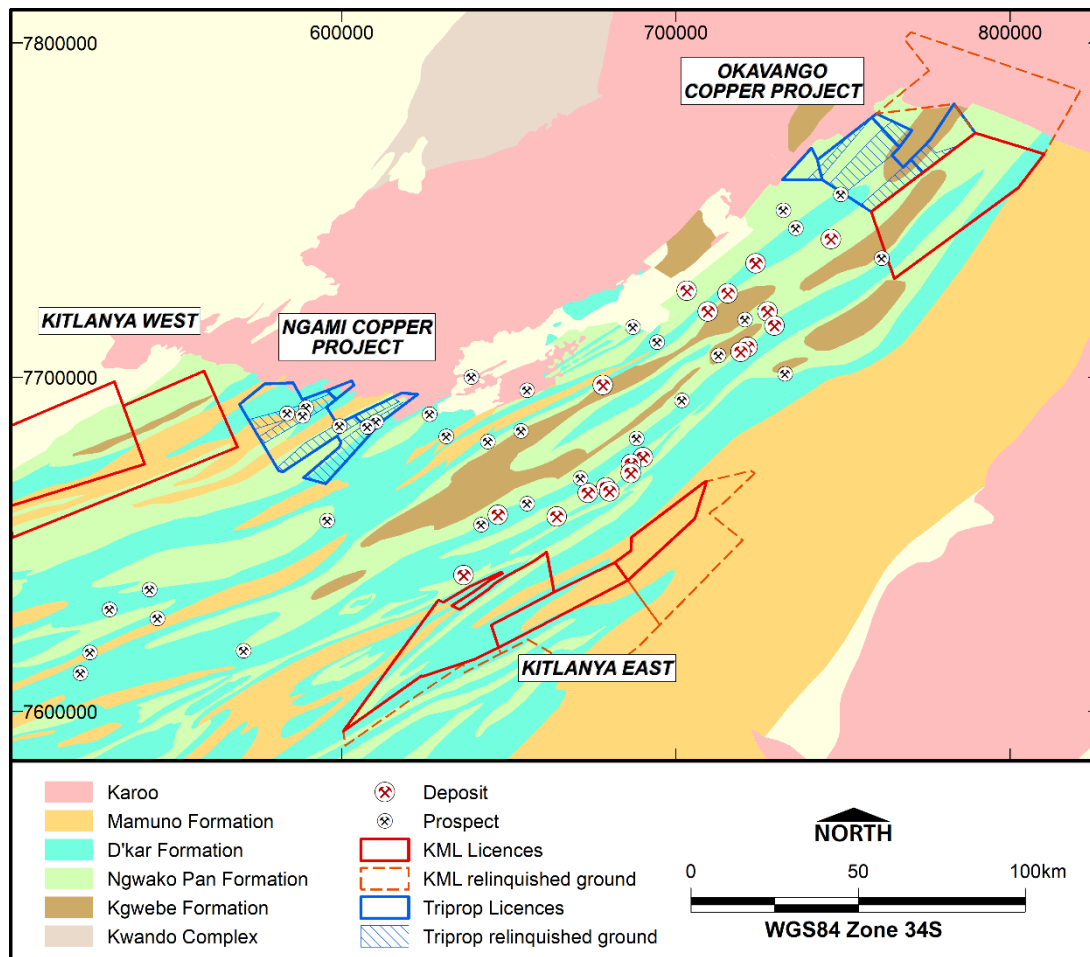


Figure 6: Project-scale geology interpreted by KML from aeromagnetic data showing the licences under review, also showing known copper deposits and occurrences

2.7 Work Completed on the Licence Areas

2.7.1 Context

Exploration in the Kalahari Copperbelt has largely been under cover and has been typically driven by a combination of geochemistry and geophysics. Geochemistry has been effective where cover is thin and can also be effective under deeper regolith cover, for example the T3 discovery by MOD underneath a 28 ppm Cu anomaly. Airborne and ground magnetics and electromagnetics ("EM") can support detailed geological interpretation providing a targeting framework.

Induced polarisation ("IP") surveys have been an effective method for direct detection of mineralisation, but need to be focused on priority areas identified by other geophysical methods or geochemistry. This is then usually followed up by drill testing of the targets.

Improved understanding of geological controls (structural and lithostratigraphic) at the trend to deposit scale can focus targeting and understanding of zonation of alteration and mineralisation within systems can provide important vectors to thicker and higher-grade mineralisation.

The T3 discovery has been significant in highlighting the potential for thick mineralisation in domal fold closures as opposed to more strongly deformed fold limbs.

2.7.2 Overview

The work completed to date has included re-interpretation of historical geophysical data, acquisition of new airborne and ground electromagnetic, magnetic and radiometric data, geochemical soil sampling, prospectivity assessment, target generation and scout drilling. The scout drilling has been focused on targets within the OCP, Kitlanya East, Kitlanya West and NCP. More recent work in 2021 has included drill testing of prospects in Kitlanya East.

The work completed on the four projects that constitute the KCP is summarised in Table 5 below and a more detailed summary is provided in Sections 2.8 through to 2.11.

Table 5: Summary of work conducted to date on the four projects within the KCP (prepared by KML for this report)

Project	Data source	Dataset	Details	Processing	Comments
OCP	Historical	Historical New Hana drilling	-	Digitising and compilation with water boreholes for Kalahari thickness estimates	Holes abandoned in Kalahari – largely targeted off Terraleach TL1 data.
		Historical New Hana soil sampling	Terraleach sampling	-	Generally, appear to be off the correct target position and confirmed in later drilling (i.e. missed correct contact).
		Historical high-resolution magnetic blocks	Small surveys flown at 75 m x 750 m spacing	Imaging, filtering	Relatively small – not necessarily in priority areas (bit off target).
	KML	High-resolution magnetic data	16,700 km at 75 m x 750 m line spacing	Imaging, filtering, inversion, depth slicing, depth to basement, modelling	Provided necessary litho-structural base map, modelled cross-cutting dykes, estimation of Kalahari cover thickness.
		Regional and detailed AEM	2,369 km at 4 km and 400 m line spacing	Imaging, CDI volume creation, 1D LE inversion, 3D interpretation	Provide 3D control on position of CAR units above the NPF-DKF contact – used very effectively for drill positioning.
		Environmental Management Plan	Detailed EMP with clearance from DEA to drill test	-	Lengthy process – clearance provided for the whole licence package.
		Diamond drilling	1,656 m by OreZone (2019) – 6 holes drilled	Logging, physical prop, assays (XRF and ICP-MS)	All planned holes intersected NPF-DKF at expected depths (hole 5 aborted early).
NCP	Tripprop	Soil sampling	-	Portable XRF with some ICP-MS	Relatively low-concentrate anomalies noted – generally not too convincing given the relatively thick Kalahari cover.
	KML	Reprocessing	2,405 samples	Terraleach TL1	Reprocessing selected samples to test partial leach methods – some lines appear to produce more meaningful anomalies.
	Tripprop	Detailed magnetic data	11,693 km at 75 m x 750 m spacing (fixed wing)	Imaging, filtering, inversion, depth slicing, structural streamlines, depth to basement	Magnetic data provides necessary litho-structural base map.
		Diamond drilling	2,000 m (2015) – 20 holes drilled	Logging, physical prop, assays (ICP-MS)	Holes include both pilot holes to establish contact position and target holes – reasonable copper intersections and contact position established.
	KML	AEM (regional and detailed)	1,995 km at 2 km and 400 m spacing	Imaging, CDI volume creation, 1D LE inversion, 3D interpretation	Results appeared to map lower DKF conductors; however, drill testing proved this to be red herring, and Karoo/Kalahari mudstones on Palaeo-topo.
		Detailed magnetic data	1,830 km at 75 m x 750 m spacing	Imaging, filtering, inversion, depth slicing, depth to basement, modelling	Completed the northern portion of the block.

Project	Data source	Dataset	Details	Processing	Comments
		Environmental Management Plan	-	-	Approval for drill testing.
		Diamond drilling	1,380 m by OreZone (2019) – 6 holes drilled 1,400m by Mitchell drilling (ongoing) – 4 of 5 holes completed to date	Logging, physical prop, assays (XRF and ICP-MS) Logging, physical prop, assays (XRF and ICP-MS)	Initial targeting off AEM proven incorrect, refocused on magnetic data and contact drilled in second anticline. Drilling intersects significant chalcocite mineralisation on the Ngwako Pan – D'Kar Formation contact on anticline limb
Kitlanya East	Historical	Detailed magnetic data collected by New Hana	75 m x 750 m, covers northern part of project	Filtering, image processing	Data re-interpreted with different strat model to New Hana – consider targets immediately south of T3 and several potential anticline hinge targets.
		New Hana soils – all Terraleach results	15,989 samples, TL1 Cu only	Re-interpreted	Copper anomalies associated with targets in northern portion of licence, support the idea that New Hana interpreted NPF-DKF contacts were incorrectly positioned.
		New Hana diamond and RC drilling	7 diamond holes, 14 RC, 5 percussion	Re-interpreted Relogging and selected drillholes (2020)	Drilling appears to further re-affirm current re-interpretation, New Hana targeting limb mineralisation – we see potential in hinge zone and trap site setting. The relogging together with the 2020 AEM date has served to support geological interpretations of an anticlinal target, with the most prospective (oldest) stratigraphy in the central part of the fold.
	KML	Soil sampling	Phase 1 - 3,240 samples along selected traverses Phase 2 (2020/2021) – 1,603 samples over area 3 (see Figure 14), 50m sample spacing along 1km spaced lines	Portable XRF Phase 2 screened to -90µm and analysed by pXRF	Zinc and copper anomalies support New Hana TL1 results, additional zinc anomaly over southern anticline. Phase 2 results highlight a broadly elevated Cu, Pb, Zn 9km long zone, which correlates with the central portion of the South Fold Target (area 3) along with local anomalies associated with interpreted structures
		AEM (regional and detailed)	627 km collected @ 200 m line spacing	Imaging, CDI volume creation, 1D LE inversion, 3D inversion, 3D interpretation	Distinct conductive unit mapped including structure (anticlines and synclines) which appears to correlate with lower DKF marker.
		AEM and magnetic surveys on Target 3 (South Fold Target)	946 line km of detailed AEM at 200m line spacing	Data processing and 3D inversion and interpretation	15 km long AEM conductor associated with the central portion of the fold axis delineated potentially related to marker conductors in the lower portion of the D'Kar Formation stratigraphy.

Project	Data source	Dataset	Details	Processing	Comments
			1,834 lone km magnetic survey at 100m line spacing. 196 line km of regional AEM		Magnetic data clearly delineates faulting and local folding in the hinge zone of the target offering potential pathways and trap-sites for mineralised Cu-Ag bearing hydrothermal fluids.
		Environmental Management Plan	-	Clearance for drilling	-
		Diamond and RC drilling	Drilling was very broadly spaced to provide an initial insight into multiple targets across the large prospect area. A total of 3,345 meters (m) of diamond and 1,701m of RC drilling were completed on the Endurance Prospect in two stages.	Field logging laboratory analysis of samples	The first stage provided important insights into the selected targets and demonstrated key alteration assemblages at Endurance, which are known to be associated with major deposits across the Kalahari Copper Belt (KCB). Second-stage drilling successfully refined the targeting model and involved an initial test of new targets and broad step out around some first-stage holes (aimed at assessing alteration vectors). Drill results provided several intersections displaying signs of alteration and intense veining with accompanying visible trace Cu, Pb and Zn mineralisation, all considered important vectors to mineralisation. Selected zones of drill core and RC samples were sent for assay to confirm the logging results and assist with further target generation.
Kitlanya West	Historical	BHP Geotem AEM	400 m line spaced AEM (1997)	LE inversion, conductivity volume creating, depth slicing	Clear folded targets (A4/T3 analogues), weak conductors on interpreted DKF-NPF contact
	KML	Soil sampling target traverses	3,610 samples	Portable XRF	Anomalies coincident with targets from AEM (generally low conc).
		Broad AEM traverses	847 km at 2 km spacing AEM	LE inversion	Subtle anomalies apparent near interpreted contacts (marker units), clear folded target anomalies confirmed.
		Airborne gravity and magnetic survey	9,970 line km data collected at 30m survey height and 100m line spacing	Filtering and image processing. Integration with AEM, drilling and soil geochemical data	Results support conceptual exploration model and support surface soil geochemical results.
		Environmental Management Plan		Clearance for drilling completed	Drilling permissions obtained from relevant stakeholders
		Diamond drilling	2x drillholes (900m)	Drilling commenced on first of the AEM conductors.	Initial results to date indicate AEM conductors are related to DKF and support recent airborne gravity and magnetic interpretations. 3 additional drillholes planned on basis of initial drill results (1,300m)

Project	Data source	Dataset	Details	Processing	Comments
		RC Drilling	Planned		A series of short vertical holes to confirm the underlying geology and estimates of Kalahari cover thickness. Geochemical samples to be collected at the base of the Kalahari cover.

2.8 Okavango Copper Project

The OCP comprises two KML licences (PL148/2017 and PL149/2017) and three Triprop licences (PLO41/2012, PLO42/2012 and PLO43/2012) – Table 3. These licences are along strike to the northeast from the Sandfire and Cupric Canyon projects (Figure 2) and within the prominent northwest orientated Karoo aged dyke swarm and where Kalahari cover begins to thicken (Figure 5 and Figure 6).

The initial soil sampling work completed in the past by New Hana (Table 5) identified a number of anomalies and was followed up by drilling which failed to intersect any mineralisation. A number of small high resolution airborne magnetic surveys were also flown but not focussed on all the target areas (Table 5).

More recent work conducted by KML has included the acquisition of high-resolution geophysical data (airborne magnetic and electromagnetic – AEM) and three-dimensional (3D) modelling of this data to map the thickness of the Kalahari cover and identify the target lithologies and structures along the contact between Ngwako Pan and D'Kar formations. This was used to guide the 2019 drilling of six scout drillholes (Figure 7).

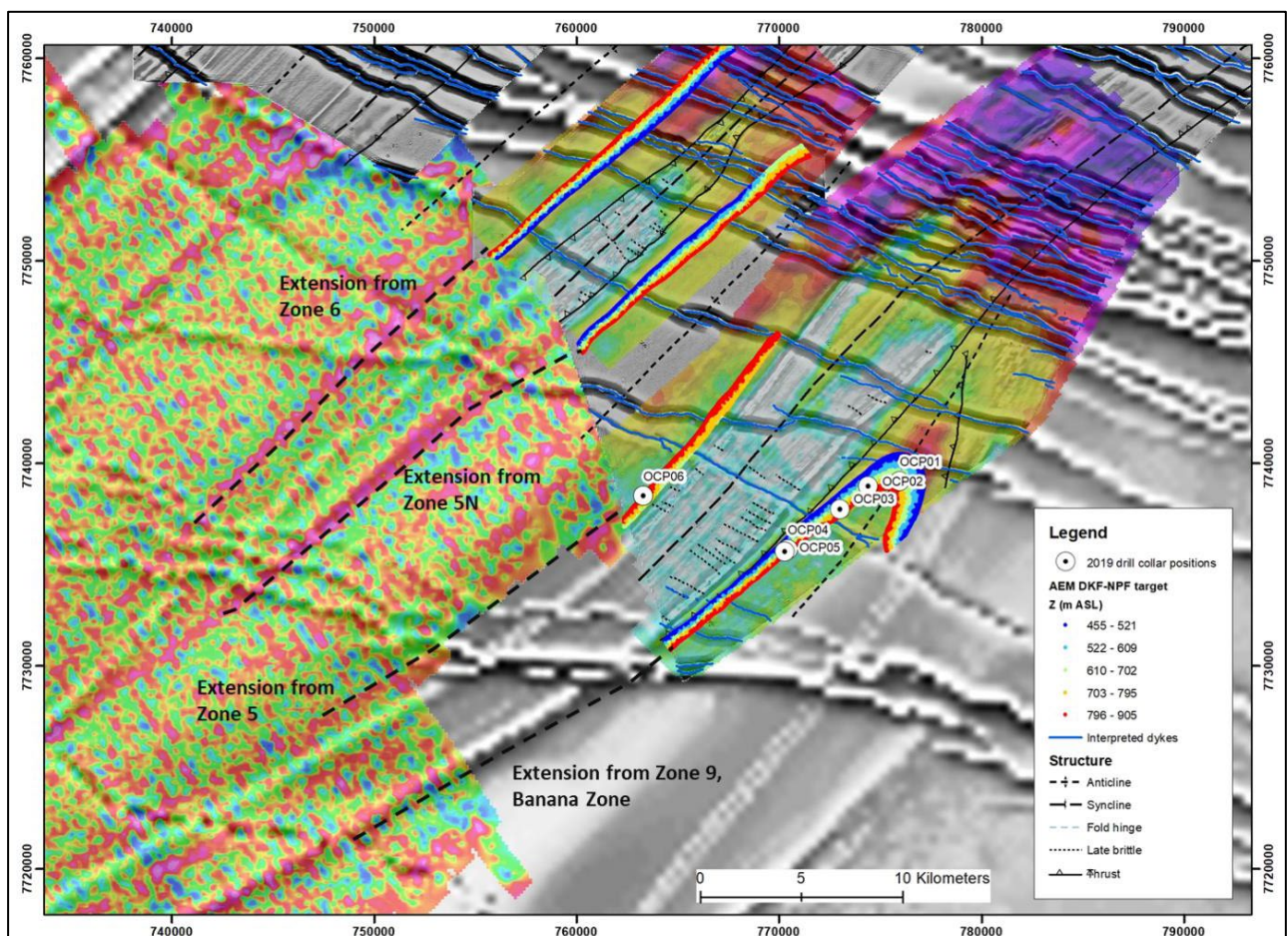


Figure 7: KML used both historical and recent AEM data for drillhole targeting

Source: Woolridge and Krebs, 2020a

Although the drilling successfully targeted and intersected the ~25 m thick “Temporary Target Package” (TTP) of the Ngwako Pan and D'Kar formations, success was limited. In five of the six drillholes, there were elevated copper values along with a lead and zinc halo. Hole OCP06 was the only drillhole to intersect limited visual copper mineralisation.

One of the important findings/outcomes of the exploration is the observation that “*the mineralisation is best developed where the marker conductors are discontinuous (often disappearing locally) possibly as a result of*

conductive organic material being replaced during alteration associated with mineralisation. Discontinuities in the marker conductors may provide an additional targeting tool as a result" (Woolridge and Krebs, 2020a).

In the Woolridge and Krebs (2020) report, they re-examined the published exploration results from the known deposits to the southwest of the property to refine the exploration model in terms of understanding the controls to the mineralisation in relation feeder structures associated with basement highs and margins and the size of the mineral haloes that develop around deposits (Figure 8).

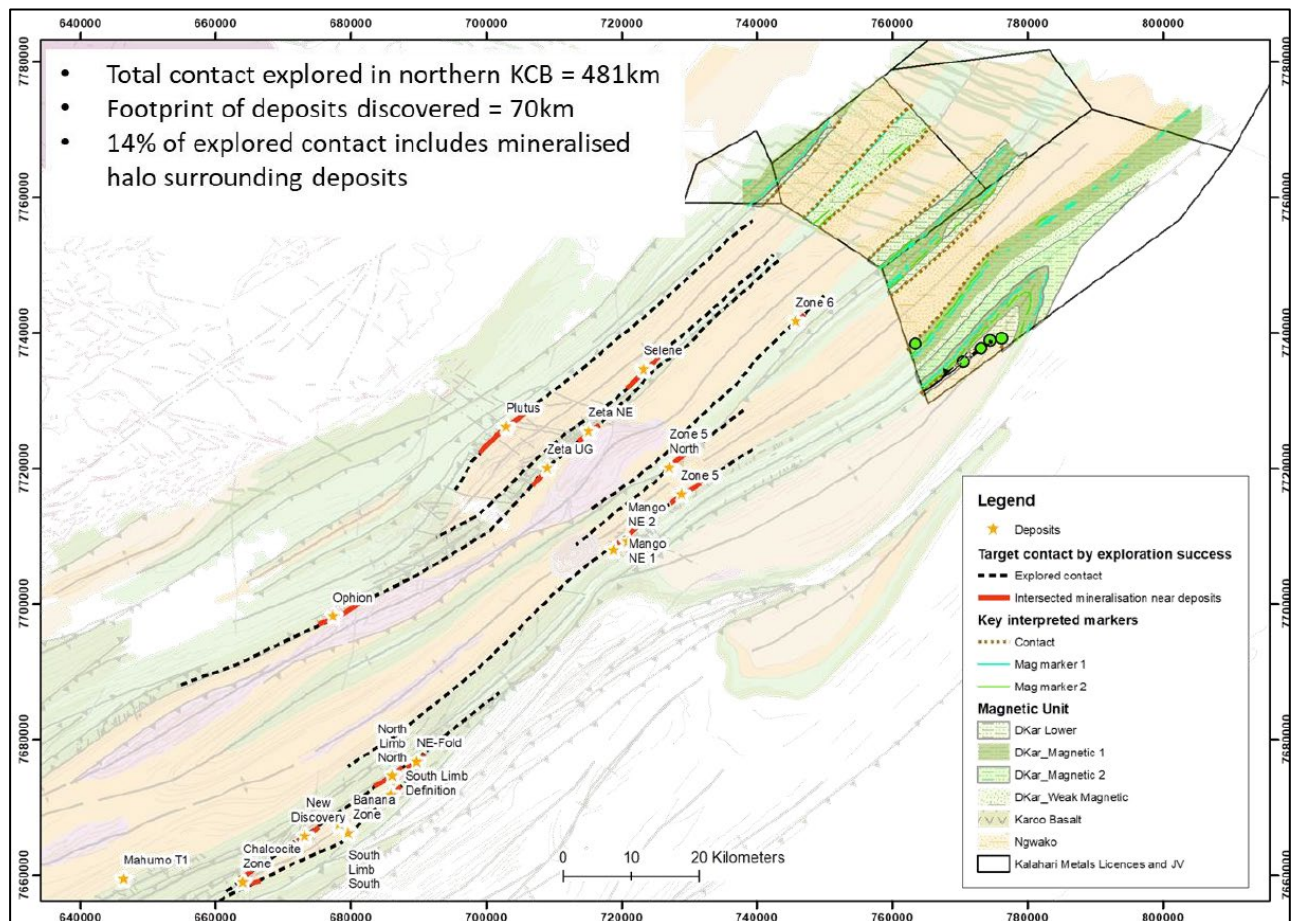


Figure 8: KML's interpretation of the northern portion of the Kalahari Copperbelt using published results and drill collar densities of known deposits, to estimate the halo of higher-grade mineralisation surrounding each of the deposits (illustrated in red)

Note: The green points are the location of the six drillholes from 2019.

Source: Woolridge and Krebs, 2020a

Based on this work, KML has identified a number of additional follow-up targets within the OCP for future drill testing (Figure 9).

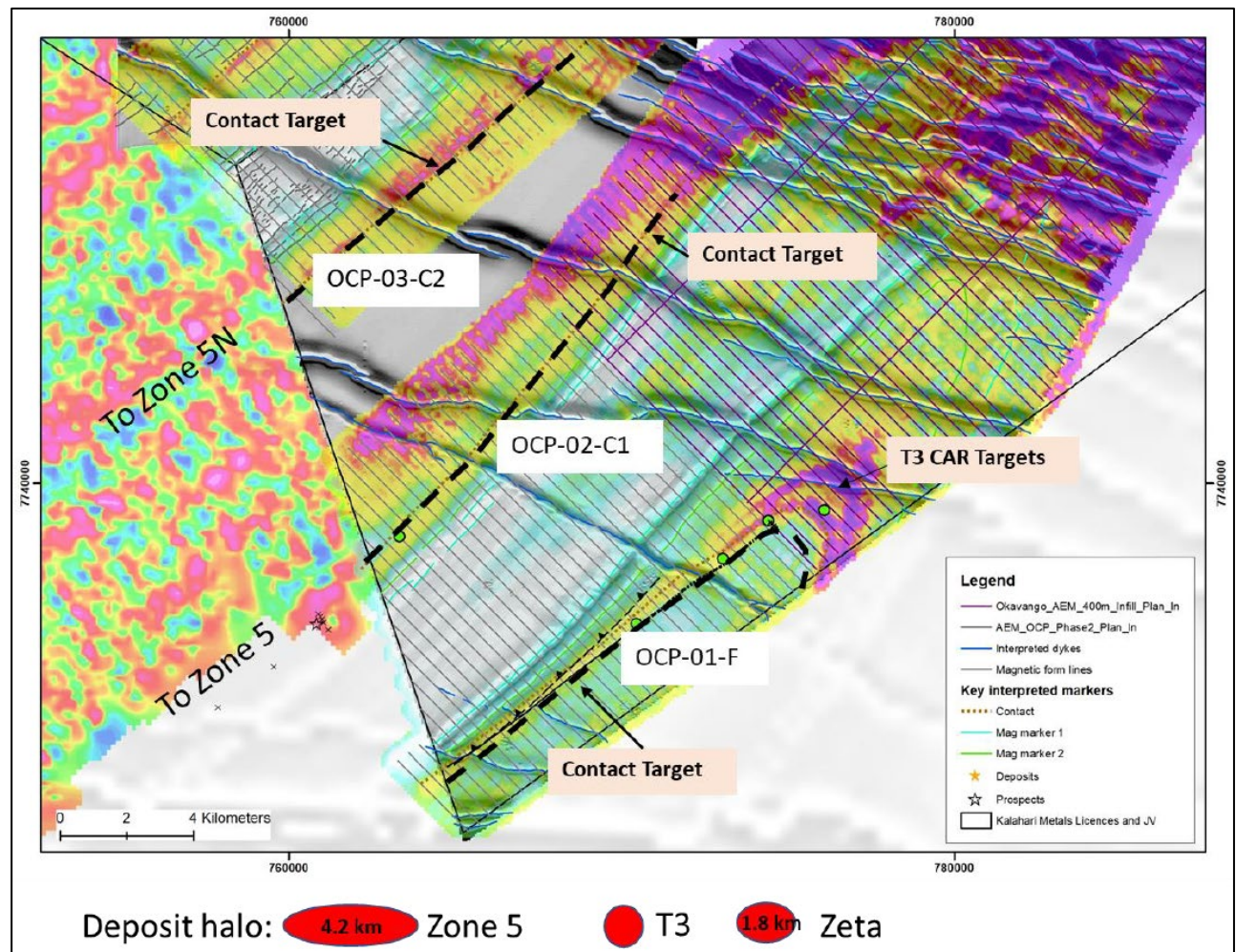


Figure 9: Follow-up targets for future drill testing identified by KML (the calculated halo sizes of the known deposits are also provided as a reference)

Source: Woolridge and Krebs, 2020a

2.8.1 Prospectivity

It is CSA Global's opinion that the OCP is prospective for stratabound copper-silver mineralisation. This is confirmed by the results of the recent exploration activities undertaken by KML.

KML has further developed their preferred exploration model and identified a number of conceptual targets for follow-up drill testing.

Some of the challenges include the Kalahari sediment cover which is >60 m thick and thickening to the northeast. This has been confirmed by the 2019 drilling where Kalahari cover intersected in the southern area is between 80 m and 100 m thick. The north-western end of the project area the Ghanzi Group is covered by Karoo sediments (Figure 6).

2.9 Ngami Copper Project

The NCP comprises two licences, PL035/2012 and PL036/2012, held by Triprop (Table 3). The licences are situated on the western edge of the Ghanzi Belt (Figure 1) where the Kalahari cover is >30 m thick and thickening to the west (Figure 5). To the northeast of the project area, the Ghanzi Group is covered by Karoo sediments (Figure 6).

The initial exploration conducted by Triprop from 2012 to 2014 included the collection of high-resolution airborne magnetic data, extensive soil sampling analysed mostly by portable x-ray fluorescence (XRF) which provided inconclusive results, and a 2,000 m, 20-hole, diamond drill program (Figure 10).

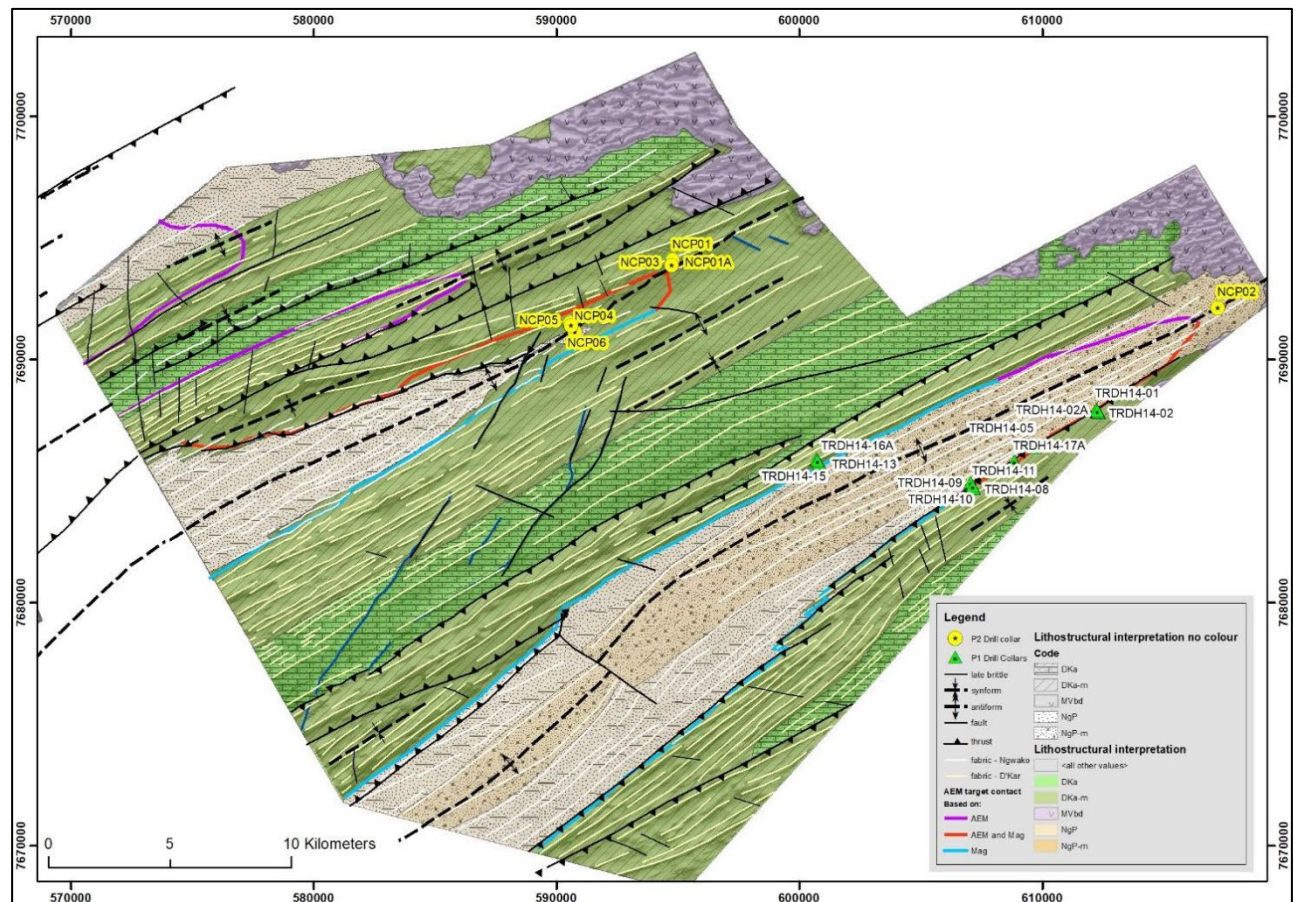


Figure 10: Interpreted geological map derived from the AEM data showing the 20 holes drilled by Triprop

Note: The recently completed drilling by KML focused on the hinge zones of the anticlines also plotted in yellow.

Source: Woolridge and Krebs, 2020b

The drilling successfully identified copper mineralisation (Table 5) with drill intercepts of 2 m @ 1.8% Cu and 8 g/t Ag and 5.2 m @ 0.67% Cu (Figure 11) (Woolridge and Krebs, 2020b). Re-assaying of some of the soil samples by KML using partial method, TerraLeach™ provided better resolution over some of the previously identified anomalies.

More recently KML's exploration has focused on acquisition of regional and high-resolution AEM and high-resolution aeromagnetic surveys to assist with the geological interpretation and target generation within the project area. The focus of the target generation has also shifted from D'Kar-Ngami contact along the limbs of anticlines to the anticline hinge zones (Figure 10), similar to the Banana Zone mineralisation discovered by MOD (now owned by Cupric Canyon) (Figure 2). A number of these targets were identified from the AEM data and targeted in the recent drilling by KML.

The drilling has confirmed the thickness of the Kalahari cover to be rather variable ranging from 60 m to 120 m. The success of the KML drilling was limited with the target D'Kar-Ngwako Pan contact and copper-silver mineralisation only intersected in NCP06.

Following the drilling, the AEM and magnetic data were re-evaluated and KML confirmed the presence of the Kalahari/late Karoo conductor following the palaeotopography and not the target D'Kar-Ngwako Pan contact. It was also found that the magnetic data provided better resolution of the D'Kar-Ngwako Pan contact and allowed KML to identify a number of potential targets for follow-up drilling (Figure 11).

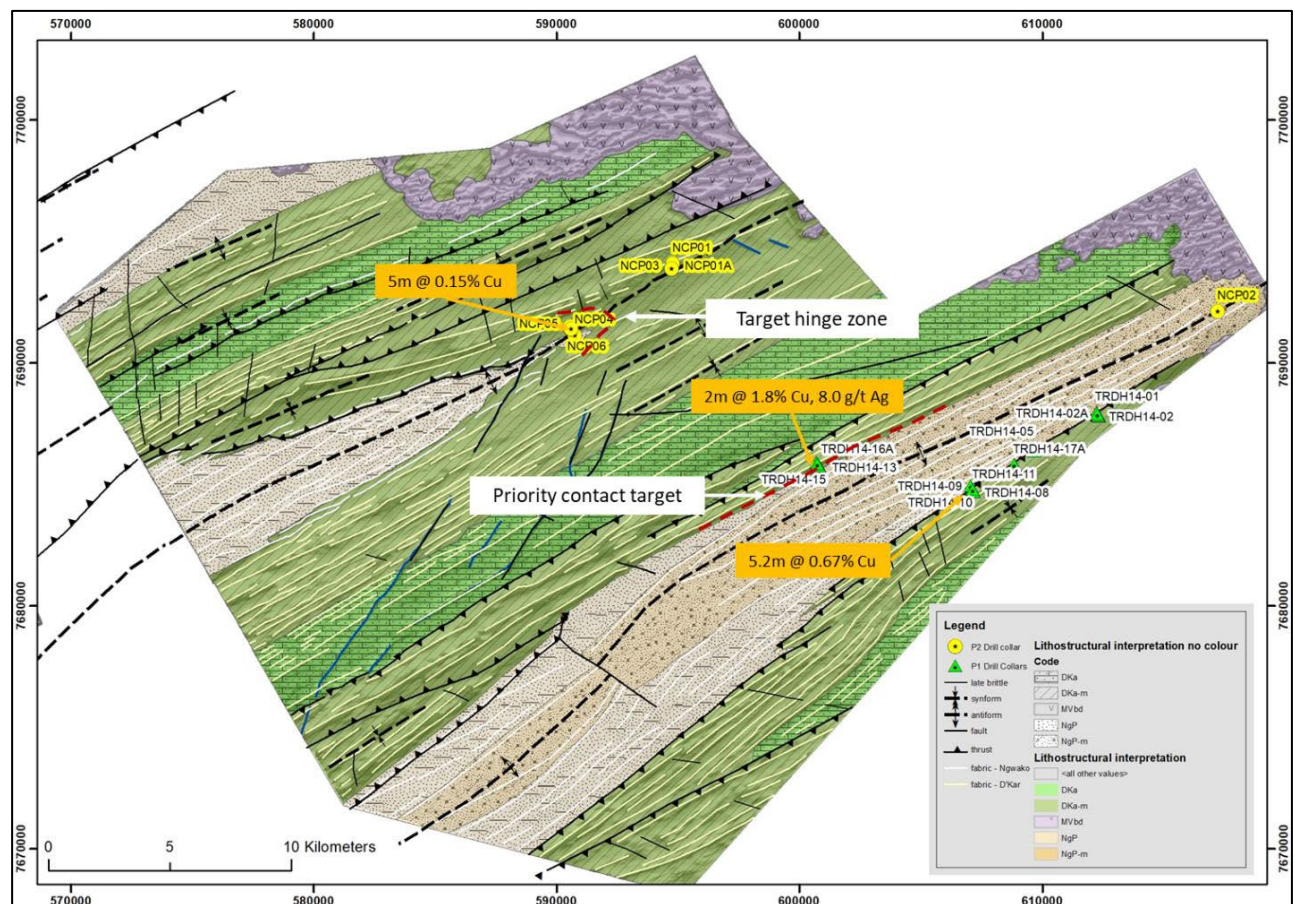


Figure 11: Summary of the phase 1 (Triplop) and phase 2 (KML) drilling results and targets identified for follow-up work

Source: Woolridge and Krebs, 2020b

KML is currently carrying out a diamond drilling program with a planned 5 holes totalling 1,400m. The fourth hole (NCP10) has been completed (Figure 12), with the first three holes in the program (NCP07, NCP08 and NCP09) intersecting a broad zone of visible copper mineralisation. The copper mineralisation was confirmed using a pXRF. Grade determinations will await laboratory analysis of the drill core samples.

On the 9th of August 2022, Cobre announced the commencement of an infill diamond drilling program at the Ngami Copper Project, which will take place in two stages:

- 2,400m diamond drilling programme to infill the existing 1 km-spaced intersections at a 500 m spacing, along with selected step-out holes to establish vertical continuity of mineralisation.
- On completion of the first phase of infill, and subject to results, 250m-spaced infill diamond drilling will continue (with selected step-out holes) for an estimated further 4,800m. This stage of work is expected to be completed by year-end.

KML also announced that a selection of ~5,300 historical soil samples collected over the remainder of the NCP licences will be sent for TerraLeach™ analysis, following the effectiveness of this technique in delineating soil anomalies associated with the drill confirmed mineralisation at NCP.

2.9.1 Prospectivity

It is CSA Global's opinion that the NCP remains prospective for further discoveries of stratabound copper-silver mineralisation.

The exploration by Triplop and more recently by KML has confirmed the presence of stratabound copper-silver mineralisation. KML has further developed its understanding of the geology of the property, and the

complexity introduced by palaeotopography into the AEM targeting can be mitigated by the use of high-resolution magnetic data.

The current successful diamond drilling campaign has validated this approach and has confirmed comparatively thick copper mineralisation over a strike length of several kilometres. The recently announced infill drilling program is aimed at confirming continuity of mineralisation at a drill spacing appropriate to declare mineral resources, should the mineralisation prove to be continuous at the closer spacings that will be drilled. The property remains prospective, particularly to the south where the Kalahari cover is thinner based on interpreted anticlines and mineralised drill intersections (Figure 5).

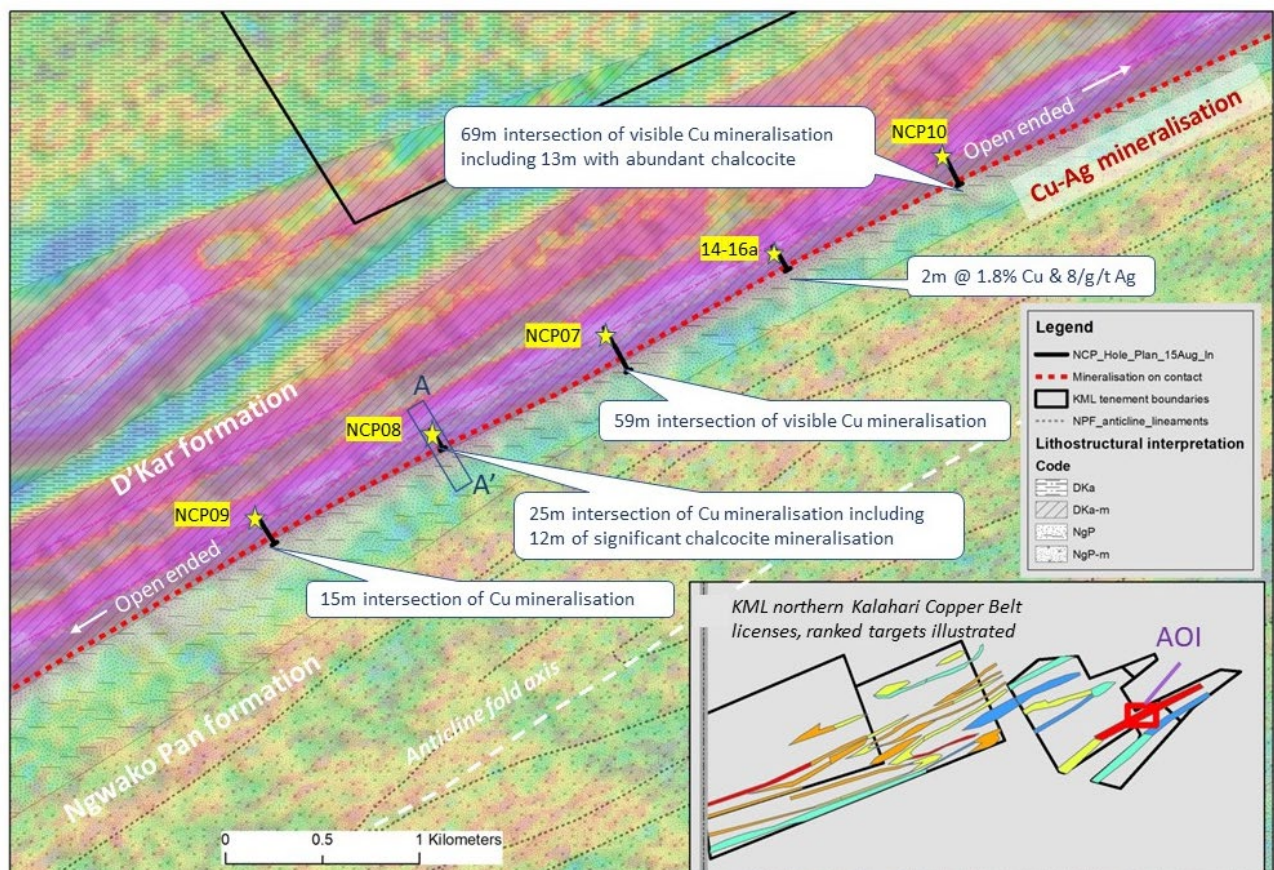


Figure 12: Plan view illustrating positions for current (2022) drill positions on airborne magnetic data.

Source: Cobre ASX announcement 16 August 2022

2.10 Kitlanya East

The Kitlanya East project area comprises three licences, PL070/2017, PL071/2017 and PL072/2018 held by Kitlanya (Pty) Ltd (Table 3) located on the south-eastern flank of the Ghanzi Belt (Figure 1). The Kalahari cover varies from <30 m in the west of the project area and thickens gradually to the east to >60 m (Figure 5).

Prior to Kitlanya acquiring the licences, the northern part of the project area was explored by New Hana who identified several copper anomalies based on the results of TerraLeach™ copper assays of soil samples. This included a significant anomaly over an interpreted fold hinge near the western edge of the project area close to the T3 deposit (Figure 13). Several targets were drill tested by New Hana, but it is unclear whether they intersected any copper mineralisation. They also acquired high-resolution airborne magnetic data and drilled several proposed targets (KML, 2019b).

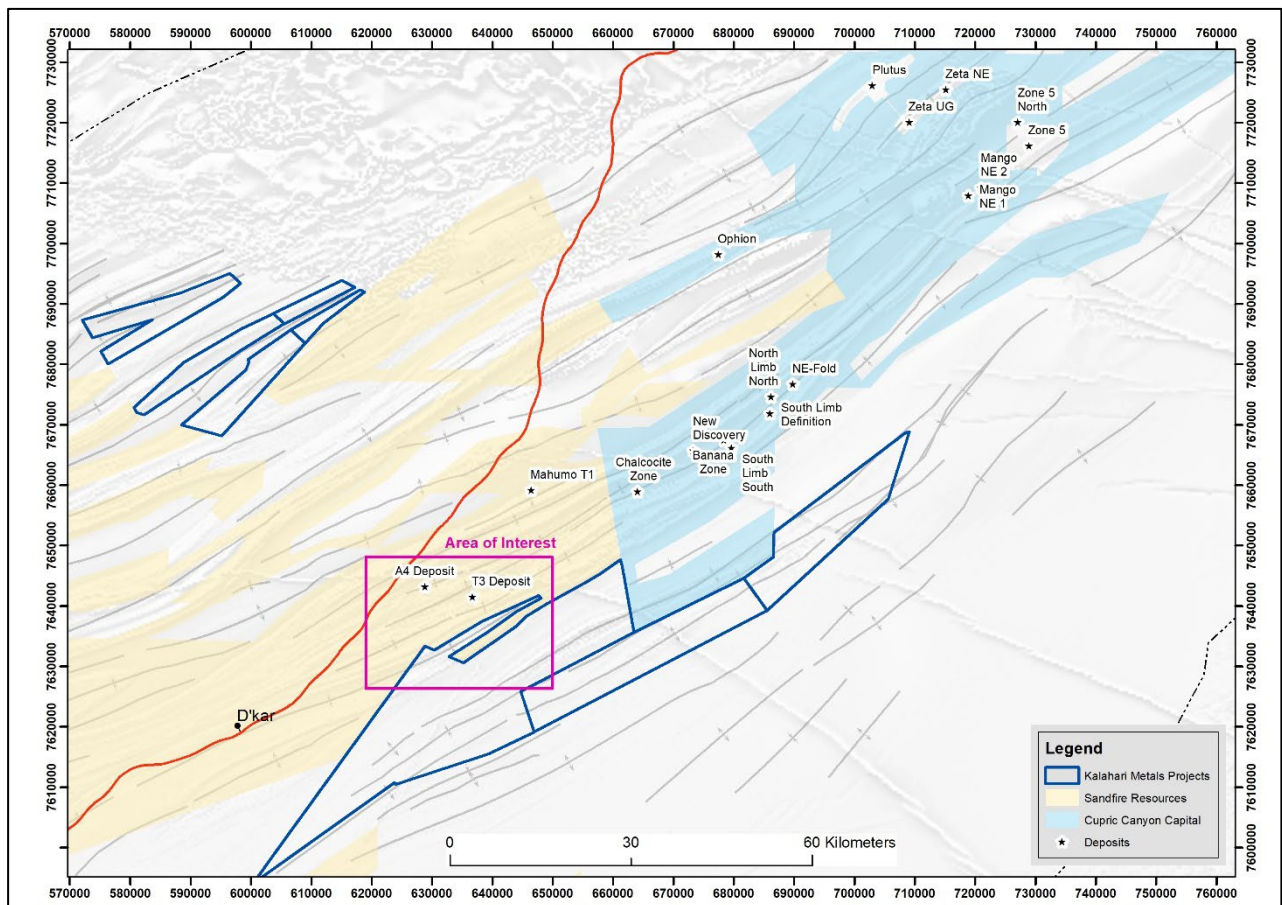


Figure 13: Re-interpretation of the historical New Hana data and targets identified by KML

Source: KML

A review of the historical data by KML has identified a number of priority areas within the project area. Subsequent work within the Kitlanya East has been largely focused on priority area 1 (Figure 14).

Soil sampling by KML within the priority area 1 (Figure 14) over selected traverses within the copper anomalies identified by New Hana have returned coincident zinc anomalies (Figure 15). KML has also reviewed the New Hana drilling results and interpreted the fold structure, originally interpreted as a syncline, as an anticline based on the identification of younging directions. The implications of this include the interpreted position of the contact between the Ngwako Pan and D'Kar formations is further north than previously thought. Historical drilling would have been targeting the non-prospective upper parts of the D'Kar Formation. This was also supported by a re-interpretation of the New Hana AEM and magnetic data and the location of a conductive unit that possibly represents the marker units in the lower D'Kar Formation (KML, 2019b).

CSA Global notes that the New Hana data provided during this report compilation does not include any drillhole assay data and it is unclear if any copper mineralisation was identified.

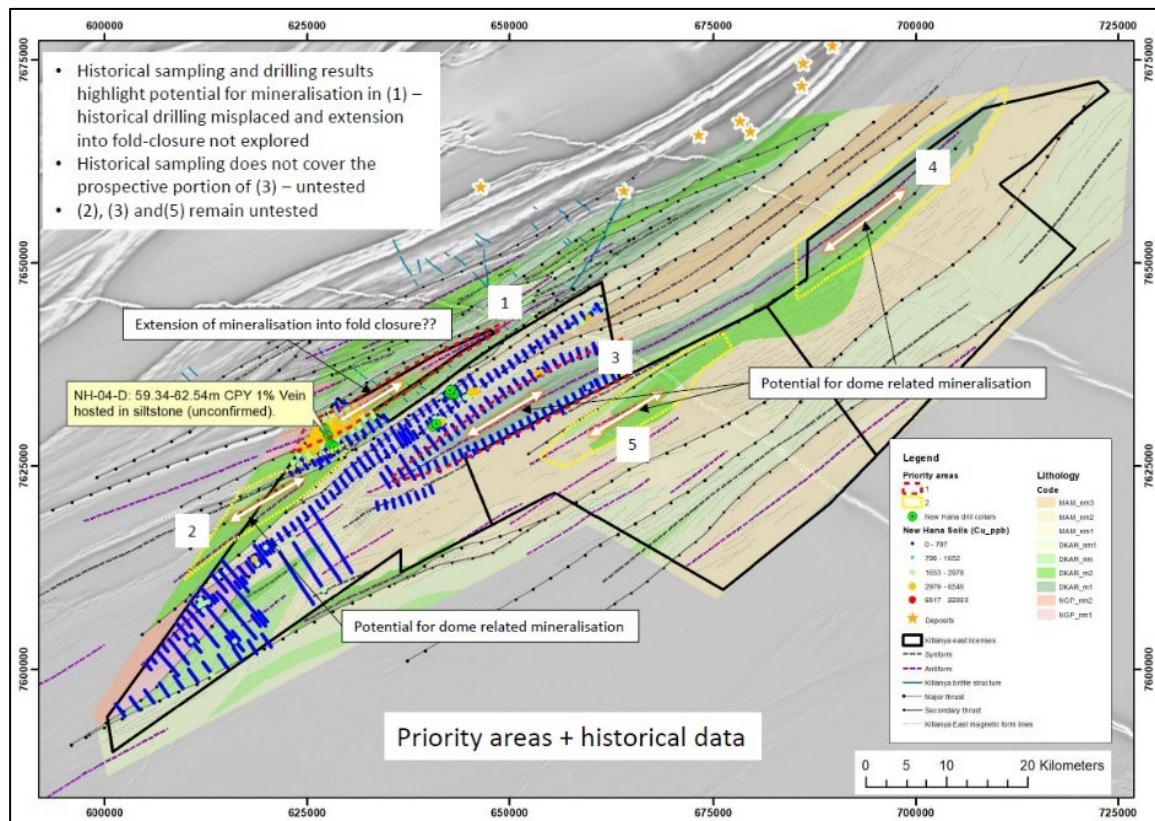


Figure 14: Area of interest identified based on the New Hana exploration and confirmed by recent KML work
Source KML, 2020

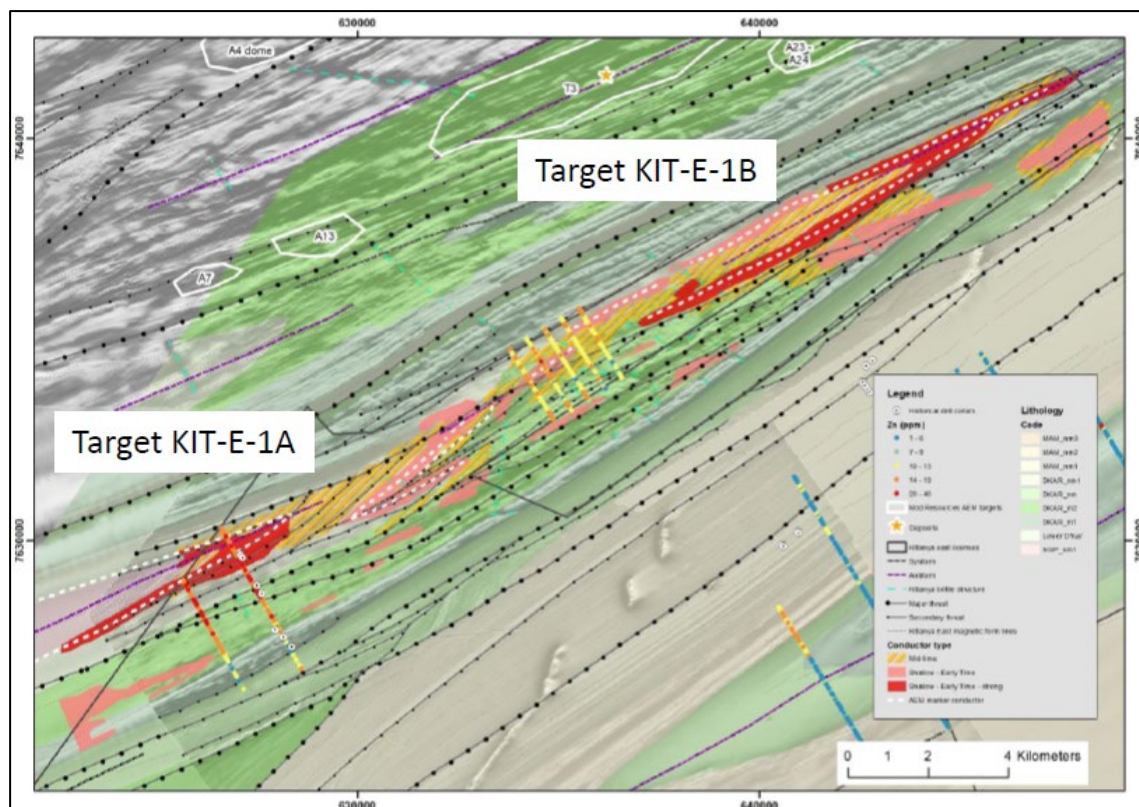


Figure 15: New targets identified by KML from the soil geochemistry, drilling and AEM data over priority area 1 (North Target)

Source: KML, 2019b

Interpretation of the KML-commissioned regional and detailed AEM surveys has identified prospective conductive units that appear to correlate with the markers of the lower D'Kar Formation as well as fold structures representing the prospective T3 analogues. This was used with the historical data acquired by New Hana to identify a number of exploration targets which were drilled by KML (KML, 2019b) (Figure 16).

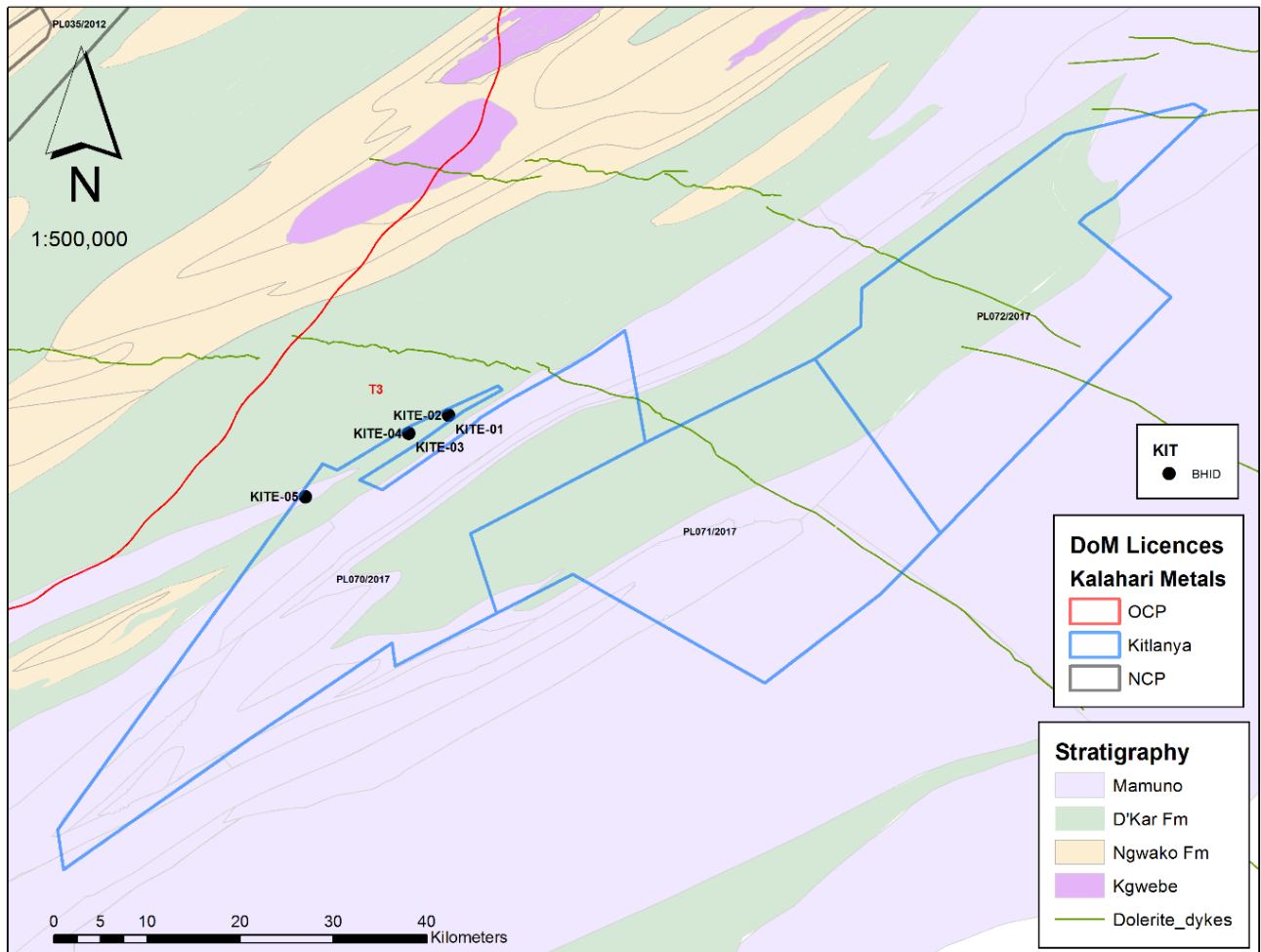


Figure 16: Location of the KML drilling on targets KIT-E-1A and KIT-E-1B in the Northern Target by KML within Kitlanya East

Source: KML 2020

Initial work conducted by KML was focused on the targets in priority area 1. The drilling results were inconclusive and suggest that there is significant structural complexity in the area. KML has subsequently revisited its models and has suggested the targets may not conform with the conventional models viewed as applicable to the area.

In 2020 KML conducted infill geochemical soil sampling, airborne AEM and magnetic surveys over Target 3 (Figure 14 and Figure 17), also referred to as the South Fold Target or Endurance Prospect. The work also included the relogging of historical drillholes along the margins of the target. This has served to suggest the target comprises a favourable structural and stratigraphic setting for potential shallow mineralisation associated with the lower D'Kar Formation (Figure 18). KML planned drill testing in the central portion of this target aimed at identifying the prospective lower D'Kar Formation stratigraphy and structurally controlled Cu-Ag mineralisation (KML, 2021a).

The Endurance Prospect covers an area over 25 kilometres (km) containing an extensive elongated fold structure with numerous smaller doubly plunging anticlinal structures superimposed, offering excellent trap-sites for Cu-Ag mineralisation (Figure 19).

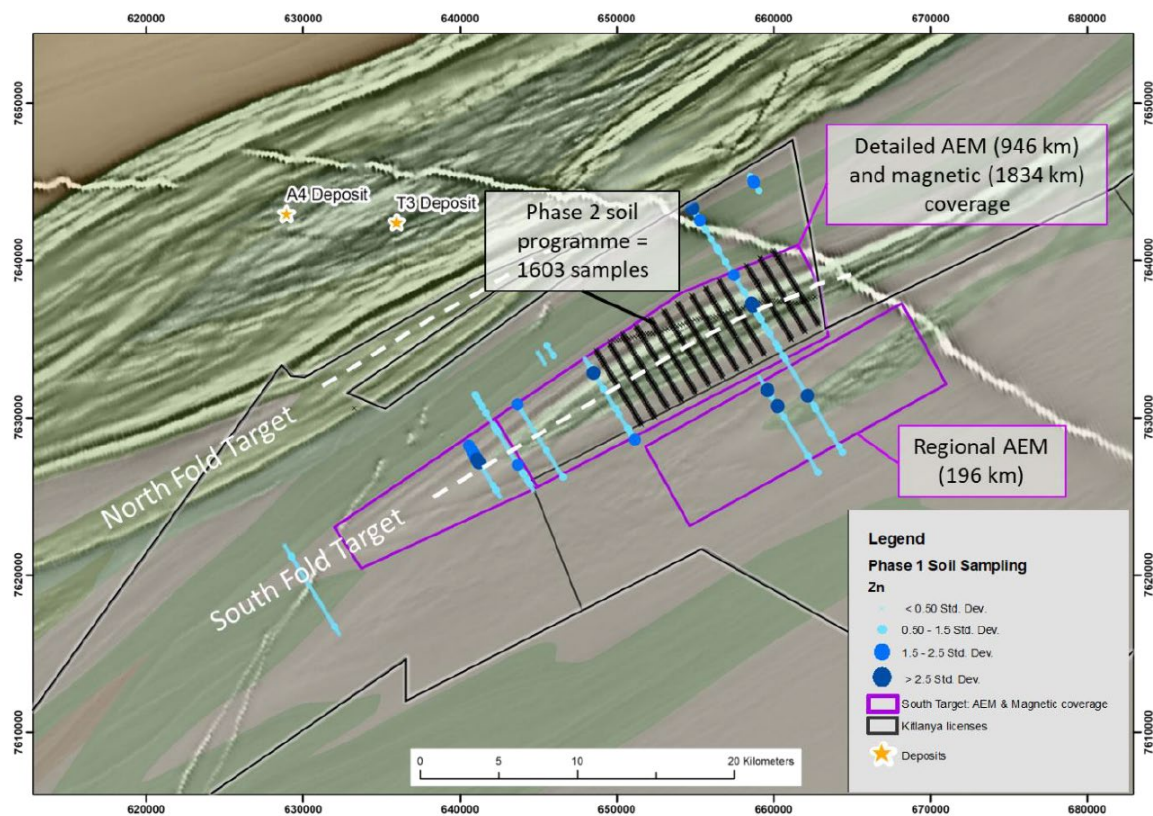


Figure 17: Location of the recent KML exploration conducted on the South Fold Target (area 3 - Figure 14) by KML within Kitlanya East

Source: KML press release 2 March 2021.

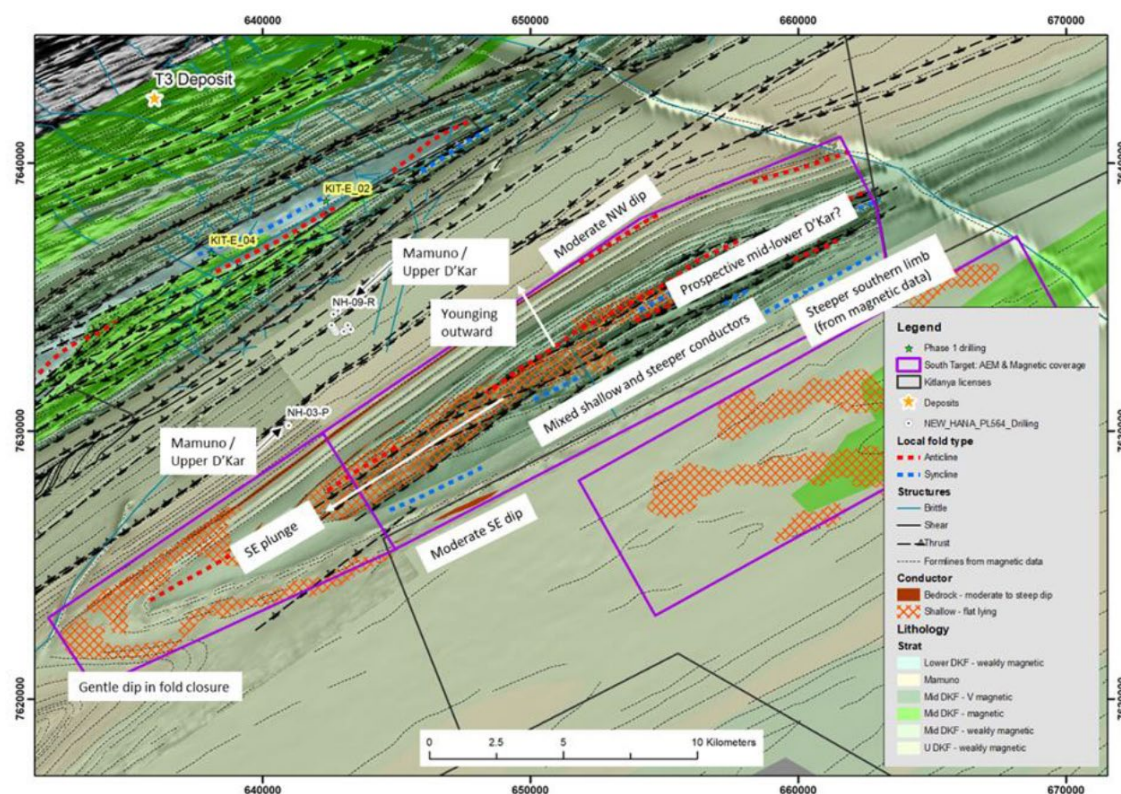


Figure 18: KML interpretation of the AEM and magnetic data over the South Fold Target (area 3 - Figure 14).

Source: KML press release 2 March 2021.

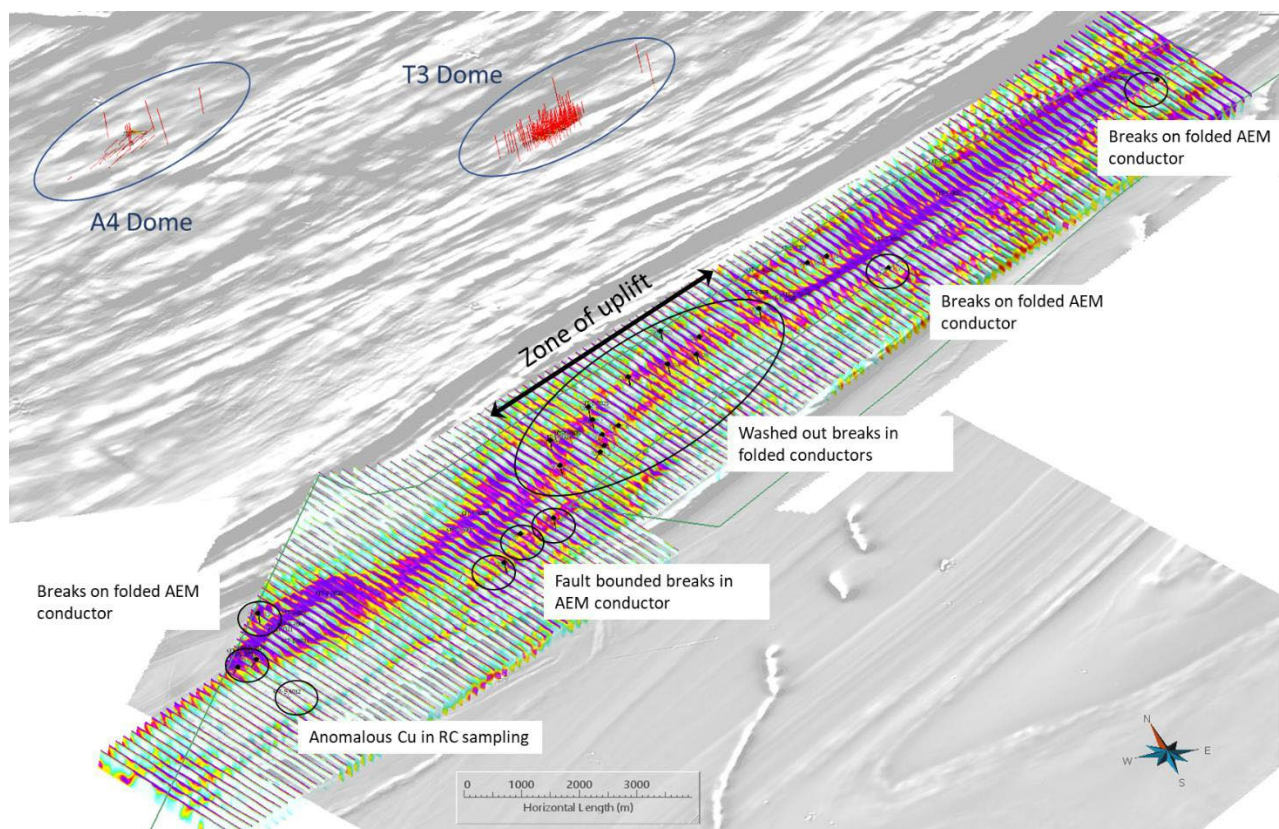


Figure 19: 3D view illustrating AEM conductivity depth sections on derivative magnetic image with targets highlighted. Proposed follow-up drillholes illustrated as black traces.

Source: Cobre ASX announcement, 12 April 2022

During 2021, KML set out to test a targeting model based on folding, feeder structures and stratigraphy. Drilling was very broadly spaced to provide an initial insight into multiple targets across the large prospect area. A total of 3,345 meters (m) of diamond and 1,701m of RC drilling were completed on the Endurance Prospect in two stages. The first stage provided important insights into the selected targets and demonstrated key alteration assemblages at Endurance, which are known to be associated with major deposits across the Kalahari Copper Belt (KCB). Second-stage drilling successfully refined the targeting model and involved an initial test of new targets and broad step out around some first-stage holes (aimed at assessing alteration vectors).

Drill results provided several intersections displaying signs of alteration and intense veining with accompanying visible trace Cu, Pb and Zn mineralisation, all considered important vectors to mineralisation. Selected zones of drill core and RC samples were sent for assay to confirm the logging results and assist with further target generation.

Based on drill results to date, an expanded programme testing multiple targets on the Endurance Prospect has been designed.

2.10.1 Prospectivity

It is CSA Global's opinion that the Kitlanya East Project is prospective for stratabound copper-silver mineralisation based on the proximity area to the T3 deposit and the presence of prospective geology located within the project area.

To date priority area 1 (North Target) and area 3 (Endurance Prospect) (Figure 14 and Figure 19), have been explored by KML with encouraging results that warrant further exploration. A number of the targets remain untested.

2.11 Kitlanya West

The Kitlanya West project area comprises two licences, PL0342/2016 and PL0343/2016 held by Kitlanya (Pty) Ltd (Table 3) located on the north-western flank of the Ghanzi Belt, and along strike to the west of the NCP and abutting the Botswana-Namibia border (Figure 1). The Kalahari cover varies from >30 m in the east of the project area and thickens to >60 m in the west (Figure 5).

KML reprocessed and interpreted AEM data collected by BHP in the late 1990s over the eastern half of the project area (Figure 20). KML conducted a high-resolution AEM survey over the prospective portions of Kitlanya West to help resolve the geological interpretations of the targets and extend the AEM coverage to the west following the re-interpretation of the historical data. KML was able to extrapolate the target horizons identified in the NCP into Kitlanya West as well as interpret prospective anticlines and possible domal structures using this data (KML, 2019c, 2019d).

KML also collected soil samples over portions of the project area and conducted the sample analysis by portable XRF. The assay results are interpreted to confirm the Kgwebbe Formation as interpreted from the geophysics. There are also several lead-zinc anomalies coincident with some of the mapped geology and structure in the area.

In 2021 KML completed an airborne AEM and gravity survey which (Figure 21) served to support the conceptual exploration model and the previous soil geochemical results. Commencement of an initial two drillhole, 900m, diamond core drilling programme on the AEM target has further served to confirm the existence of the DKF in the fold structures interpreted from the AEM data (KML, 2021b).

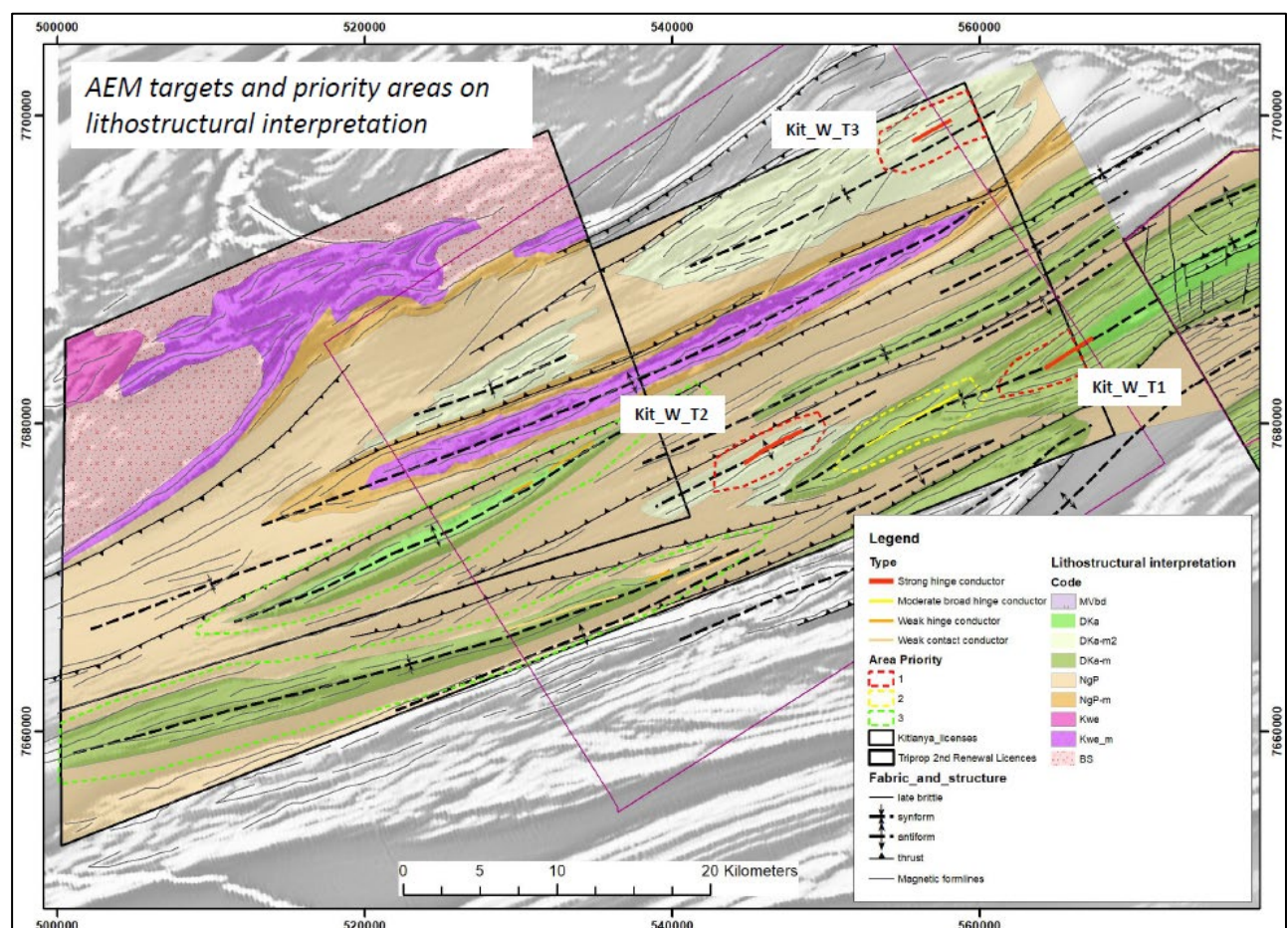


Figure 20: Geological interpretation of Kitlanya West and AEM targets identified

Note: The red block is the extent of the historical AEM coverage.

Source: KML, 2019c

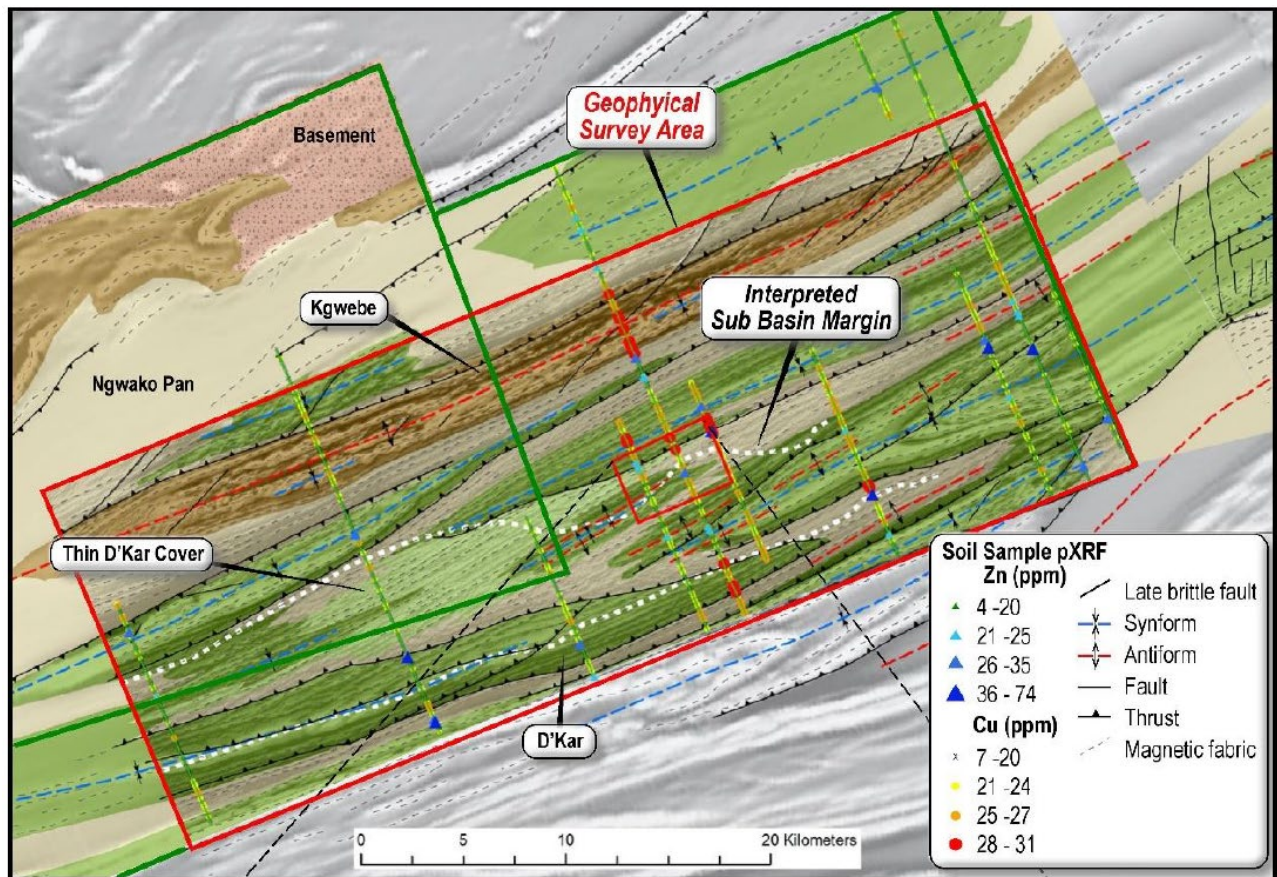


Figure 21: Updated geological interpretation of Kitlanya West based on new AEM and magnetic data

Note: The red block is the extent of the new AEM and magnetic coverage.

Source: KML press release 7 July 2021.

2.11.1 Prospectivity

It is CSA Global's opinion that the Katlanya West Project is prospective for stratabound copper-silver mineralisation based on the location of the area along strike from the NCP, as well as the interpreted prospective basement geology, host lithologies and structural setting of the project area.

Recent exploration by KML focused on the eastern end of the project area with encouraging results that have served to support the conceptual exploration model and warrant further exploration.

3 Western Australian Projects

Cobre currently has an interest in two early-stage copper exploration projects in Western Australia, Perrinvale (held by Cobre) and Sandiman in which Cobre holds an earn-in option (Figure 22).



Figure 22: Location of Perrinvale and Sandiman Projects
Source: Geomin (2019)

This summary of the Western Australian Projects is extracted from the “Independent Geologists Report on the Perrinvale and Sandiman mineral exploration projects, Western Australia” by Geomin Services (Pty) Ltd that was included in Cobre’s Prospectus, dated December 2019.

3.1 Perrinvale Project

3.1.1 Location and Tenure

The Perrinvale Project is located approximately 260 km northwest of Kalgoorlie in the central part of the Yilgarn Craton of Western Australia (Figure 22). The tenement package lies over the pastoral leases on Perrinvale and Bulga Downs stations, in an area approximately 150 km southeast of Sandstone and 160 km northwest of Menzies and in the immediate vicinity of Lake Barlee (Figure 23).

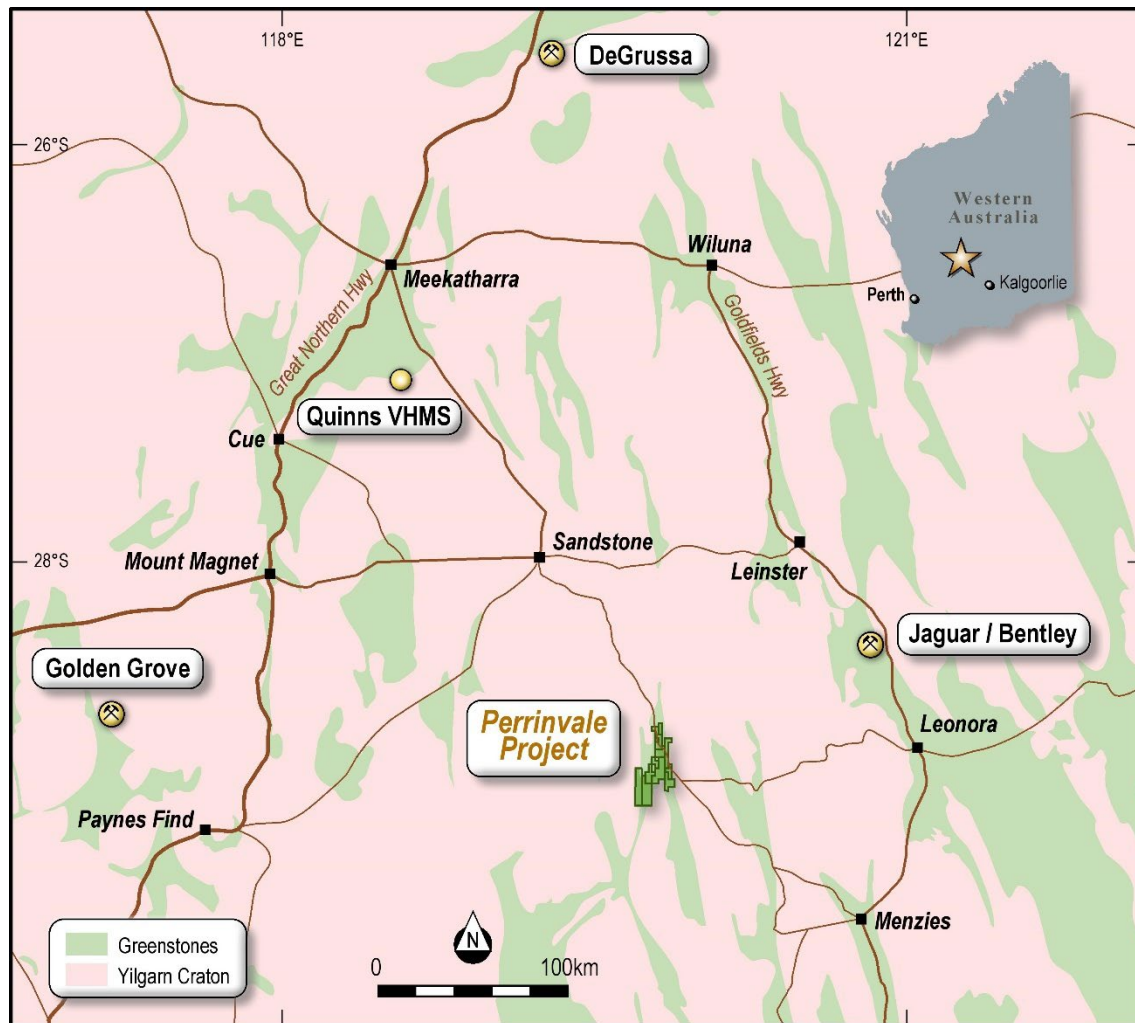


Figure 23: Perrinvale tenements

Source: Cobre

The Perrinvale Project site is accessible via the gravel Menzies-Sandstone Road and an internal network of pastoral tracks. Exploration is possible throughout the year. However, part of the project area includes the north-eastern parts of Lake Barlee, an ephemeral salt pan that fills every 10 years on average, with water persisting for around 12 months after and can restrict exploration over these wet periods.

The Perrinvale Project comprises a contiguous group of ten exploration licences covering a total of 345 km² (Figure 25), held by Toucan Gold Pty Ltd (Toucan), a wholly-owned subsidiary of Cobre (Table 6).

All Perrinvale tenements are 100% owned by Toucan; however, CSA Global understands that FMG Resources Pty Ltd retains a 2% net smelter royalty on any future metal production from tenements E29/929I, E29/938I and E29/946I.

Tenement information on the Cobre Projects was provided by Cobre, and independently confirmed by CSA Global via the Mineral Titles Online portal provided by the Government of Western Australia DMIRS.

Table 6: Perrinvale tenement table

Tenement	Holder	Grant date	Expiry date	Area (blocks)
E29/1017	Toucan Gold Pty Ltd	4 Jan 2018	3 Jan 2023	18
E29/929I	Toucan Gold Pty Ltd	25 Aug 2015	24 Aug 2025	19
E29/938I	Toucan Gold Pty Ltd	8 Jul 2015	7 Jul 2025	13
E29/946I	Toucan Gold Pty Ltd	18 Aug 2015	17 Aug 2025	5
E29/986	Toucan Gold Pty Ltd	11 Oct 2017	10 Oct 2022	20
E29/987	Toucan Gold Pty Ltd	19 Sep 2017	18 Sep 2022	7
E29/988	Toucan Gold Pty Ltd	19 Sep 2017	18 Sep 2022	1
E29/989	Toucan Gold Pty Ltd	19 Sep 2017	18 Sep 2022	3
E29/990	Toucan Gold Pty Ltd	19 Sep 2017	18 Sep 2022	9
E29/1106	Toucan Gold Pty Ltd	14 May 2021	13 May 2026	20

Source: Mineral Titles Online portal of DMIRS

3.1.2 Geology and Mineralisation

The Perrinvale Project is situated in the northern part of the Southern Cross Domain of the Youanmi Terrane in the central part of the Yilgarn Craton (Figure 22). The central terrane of the Yilgarn Craton is geologically and metallogenically distinct from the Eastern Goldfields to the east and the Murchison Domain to the west (Figure 24).

The Southern Cross Domain contains discrete arcuate, greenstone belts enveloped and separated from each other by voluminous Archaean age (2.755–2.680 Ga) granites, which are strongly foliated and gneissic. The granites are considered important in the sense that they acted as modifiers to the stress fields during the deformation and created brittle-ductile shear zones along the contacts with the greenstones which are favourable hosts for gold mineralisation.

The licences cover a substantial portion of two discrete, Archaean age, greenstone belts within the Southern Cross Domain, the Panhandle Greenstone Belt to the west of the Menzies-Sandstone Road, and the Illaara Greenstone Belt to the east (Figure 25). The Panhandle Greenstone Belt within the Perrinvale Project is host to four prospective volcanogenic massive sulphide (VMS) prospects, namely:

- Schwabe
- Zinco Lago (comprising Zinco Lago and Lago Rame)
- Monti
- Ponchiera.

Although the greenstone belts in the Southern Cross Domain are spatially discrete entities there are lithological similarities, and where the sequence can be established, they show matching stratigraphy. The greenstones are dominantly volcano-sedimentary sequences comprising tholeiite basalt, large gabbroic sills, prominent magnetite banded iron formations (BIFs), minor magnesium-basalts and ultramafics, and quartzite (Figure 25). Felsic volcanic sequences within the basalts are rare with the only felsics of significant thickness occurring ~150 km to the south and higher up in the stratigraphic succession, although work to date has identified more signs of felsic volcanics on the project.

Understanding the stratigraphy sequence in greenstone belts is thus important when targeting VMS-related mineralisation occurring in a preferred stratigraphic position within a region. Although there is no formal stratigraphy for the northern part of the South Cross Domain, it is clear from correlations using the basal quartzites and major gabbro intrusions into the Meelie Suite that a regional stratigraphy can be constructed.

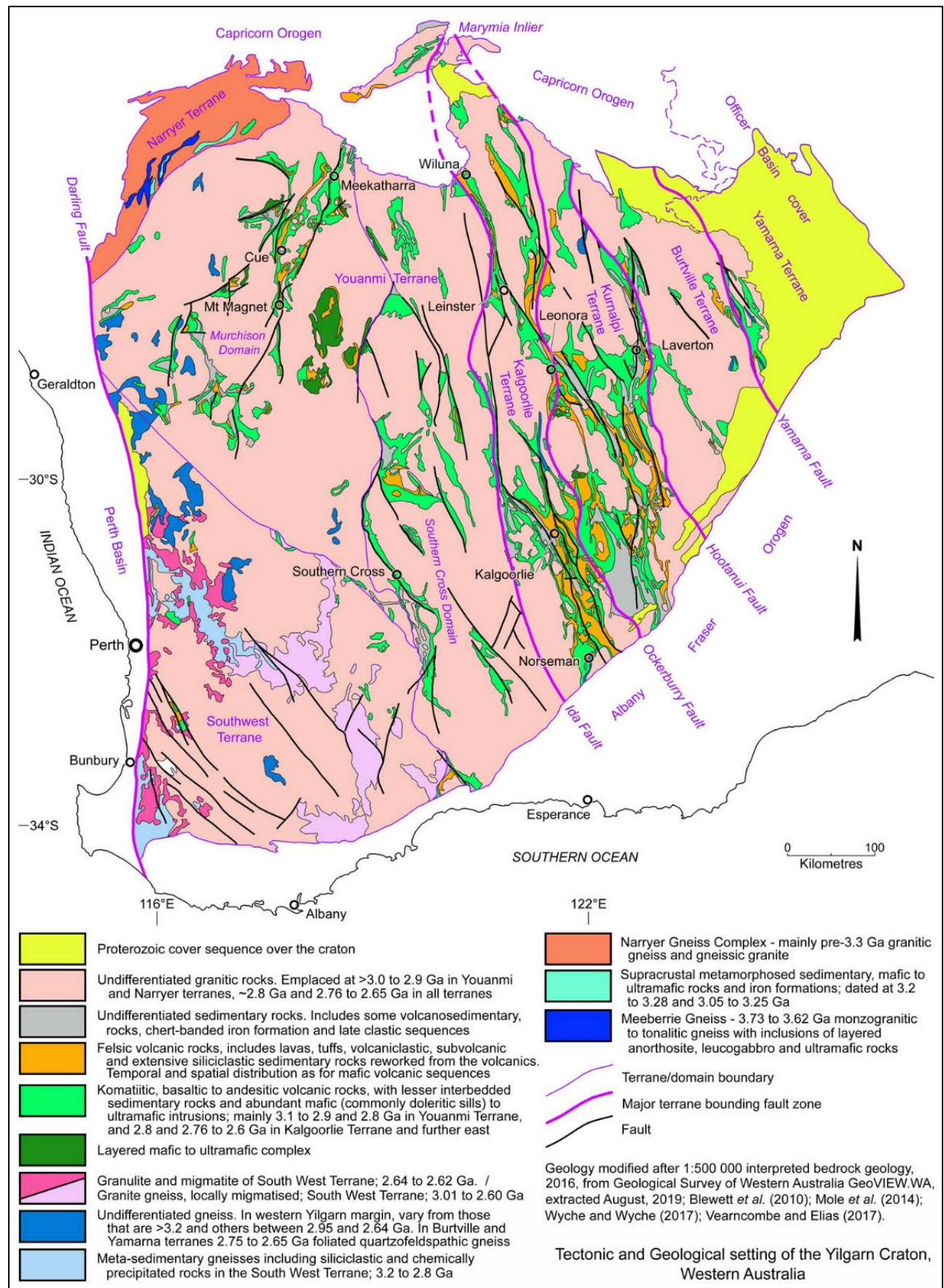


Figure 24: Geological and tectonic map of the Yilgarn

Source: <http://www.portergeo.com.au/database/largeimages/yilgarngeology.asp> - accessed 29 September 2020

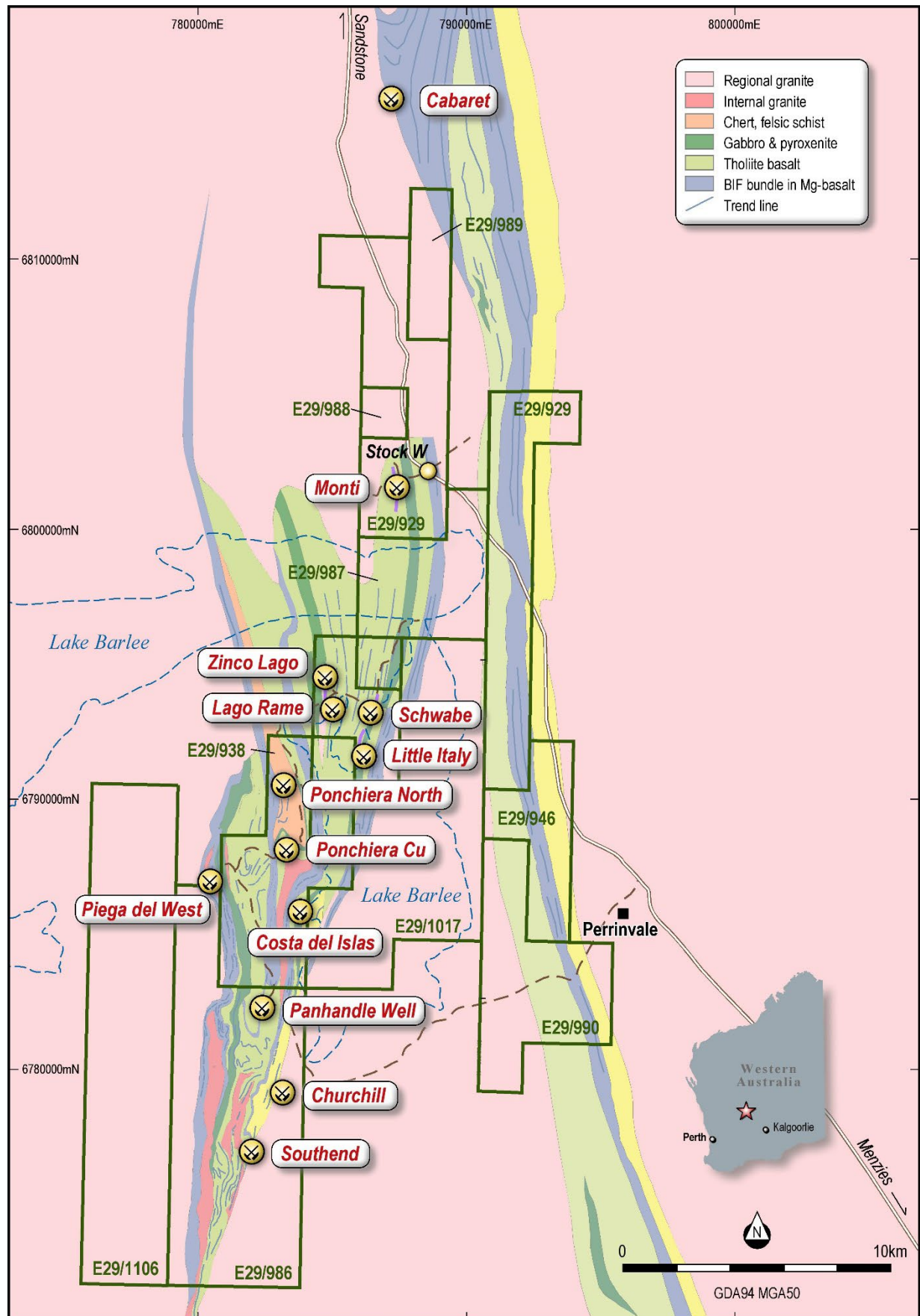


Figure 25: Perrinvale geology and prospects

Source: Cobre

These thick volcanic sequences are interpreted to be ancient strato-volcanoes and potentially host VMS deposits. These deposits comprise syn-genetic concentrations of massive to semi-massive sulphides with mafic or felsic volcanic sequences between different volcanic flows, often associated with interflow sediments. They form on or immediately below the seafloor by the discharge of high-temperature seawater-dominated hydrothermal fluids associated with volcanism. The deposits usually have a metal zonation with an upper planar, concordant zinc-rich zone and an underlying copper-rich disseminated zone in the altered footwall. Felsic volcanic complexes are rare in these early BIF sequences of the Southern Cross Domain and may partly account for the paucity of copper-zinc occurrences of VMS affinity. The VMS deposits of the region tend to be associated with mafic volcanic sequences and puts them into the Besshi type or mafic siliciclastic class of VMS deposits as defined by Cox and Singer (1986) and Gibson *et al.* (2007).

Two examples of VMS deposits in the Perrinvale area include:

- The Manindi deposit (previously known as Freddie Well), 20 km to the southwest of Youanmi is a copper-zinc deposit in recrystallised banded quartz-magnetite rocks with a narrow quartz-sericite schist along the basalt and intrusive gabbro contact (Cornelius and Smith, 2005).
- The Pincher Well zinc deposit, within the Youanmi area, occurs in shale bands in altered basalt extending over a strike of 5 km. Drilling of IP geophysical anomalies has intersected massive sulphide zones ranging from 6 m to 10 m in thickness and mineral contents of 4.2% to 9.5% zinc and copper.

The Perrinvale tenements cover two adjacent greenstone belts, the Illaara and Panhandle greenstone belts, both enveloped by regional granite and separated by highly sheared gneissic granite. There are no current or historic mines in either of these belts. The greenstone belts are host to small high-grade gold deposits; however, the region is not as well endowed with gold mineralisation as the Eastern Goldfields. Two styles of gold mineralisation are recognised in the region:

- Sulphidic interflow shales within tholeiite
- Quartz veins in basalt and/or ultramafics proximal to small “internal” granites.

3.1.3 Structural Framework

Chen (2001, 2003) established a structural sequence for this part of the Southern Cross Province and based on this framework and structural observations at Perrinvale the structural model is outlined in Table 7.

Table 7: Tectonic framework for the Perrinvale Project (Geomin, 2019)

Event	Feature	Age
Mafic greenstone and BIF deposition	Strato-volcanics with VMS potential	3.0–2.8 Ga
D1 tectonic event	Early north-south compression producing east-west isoclinal and recumbent folds (e.g. Richardson Syncline) and stacked thrusts	
Granite emplacement	Large thick sheets of granite	2.7–2.6 Ga
D2 tectonic event	East-west shortening creating regional open, upright north-south folds, and sinuous shear zones along bulbous granite-greenstone contacts	
D3 tectonic event	Late flexures and fractures in greenstone sequences, with potential for gold mineralisation	

Essentially the structures at Perrinvale reflect two deformation events. The earlier D1 is represented by intrafolial folds and steep lineations in the BIFs, and the regional schistosity in the mafic volcanics. The younger D2 deformation is represented by shallow-plunging chevron angular folds in BIF and mafic schists with crenulation and strain-slip cleavages.

3.1.4 Illaara Greenstone Belt

The Illaara Greenstone Belt in the east of the Perrinvale Project area is considered to have moderate prospectivity for gold and base metals compared to other greenstone belts including the more structurally complex and more prospective Panhandle Greenstone Belt.

This greenstone belt strikes north-northwest for approximately 120 km and is contiguous with the Metzkes Find Greenstone Belt to the southeast and the Maynard Hills Greenstone Belt to the northwest. The northern end of the Illaara Greenstone Belt contains the tight isoclinal Richardson Syncline and a sheared-out anticline that returns the sequence to the regional north-northwest trend. The project area contains a 25 km strike length of undeformed Illaara Greenstone Belt dipping to the west. It is dominated by a BIF sequence resulting in the characteristic “tram-line” pattern in airborne magnetic data.

The summary stratigraphy of the Illaara Greenstone Belt can also be applied to the Panhandle Greenstone Belt. From top to bottom it is:

- Mixed chert-basalt-felsic schist (top)
- Tholeiite pillowed and brecciated basalt
- Major gabbro sill
- BIF bundle of two prominent BIF units sandwiching tholeiite and magnesium-basalts, with several minor chert and inter-flow shale units
- Tholeiite basalt
- Well-bedded quartzite, pebbly and fuchsitic in places, and quartz-muscovite schist (bottom).

Although not well mineralised, the Illaara Greenstone Belt does contain several copper gossans and VMS geochemical signatures in the north, along the western limb of the Richardson Syncline, outside of the tenements. Two historical deposits occur within the belt, outside the tenements, namely:

- The Metzke Find quartz-vein hosted gold occurrence in sheared granites, 25 km to the south-southeast of the tenement. It was discovered by drilling by Eastern Group in 1990 with intervals of 3.5 g/t Au to 15.7g/t Au (interval length not reported).
- Paradise gold deposit, 15 km to the northwest (Figure 25) of the tenements within the Ida Valley Nature Reserve. The deposit was discovered by Sipa Resources in the period 1995–2002 and is hosted in basalts, above the BIF package, and in the sheared-out western limb of the Richardson Syncline (Figure 25).

The Illaara Greenstone Belt has also been explored in the past for iron ore and uranium mineralisation although most of the activity was focused on gold, with limited focus on base metals. Recent exploration by Dreadnought Resources has recently confirmed the gold mineralisation at Metzke's Find as well as the VMS potential of the belt (www.dreadnoughtresources.com.au).

3.1.5 Panhandle Greenstone Belt

The Panhandle Greenstone Belt (also known as the Cork Well Greenstone Belt) is lithologically similar and structurally more complex than the Illaara Greenstone Belt. It forms a lozenge-shaped mega-boudin approximately 50 km in length. It is enveloped by shear zones, has a V-shaped termination in the south and is stoped out by the granites to the north giving it a “rose-bud” shape (Figure 25 and Figure 26).

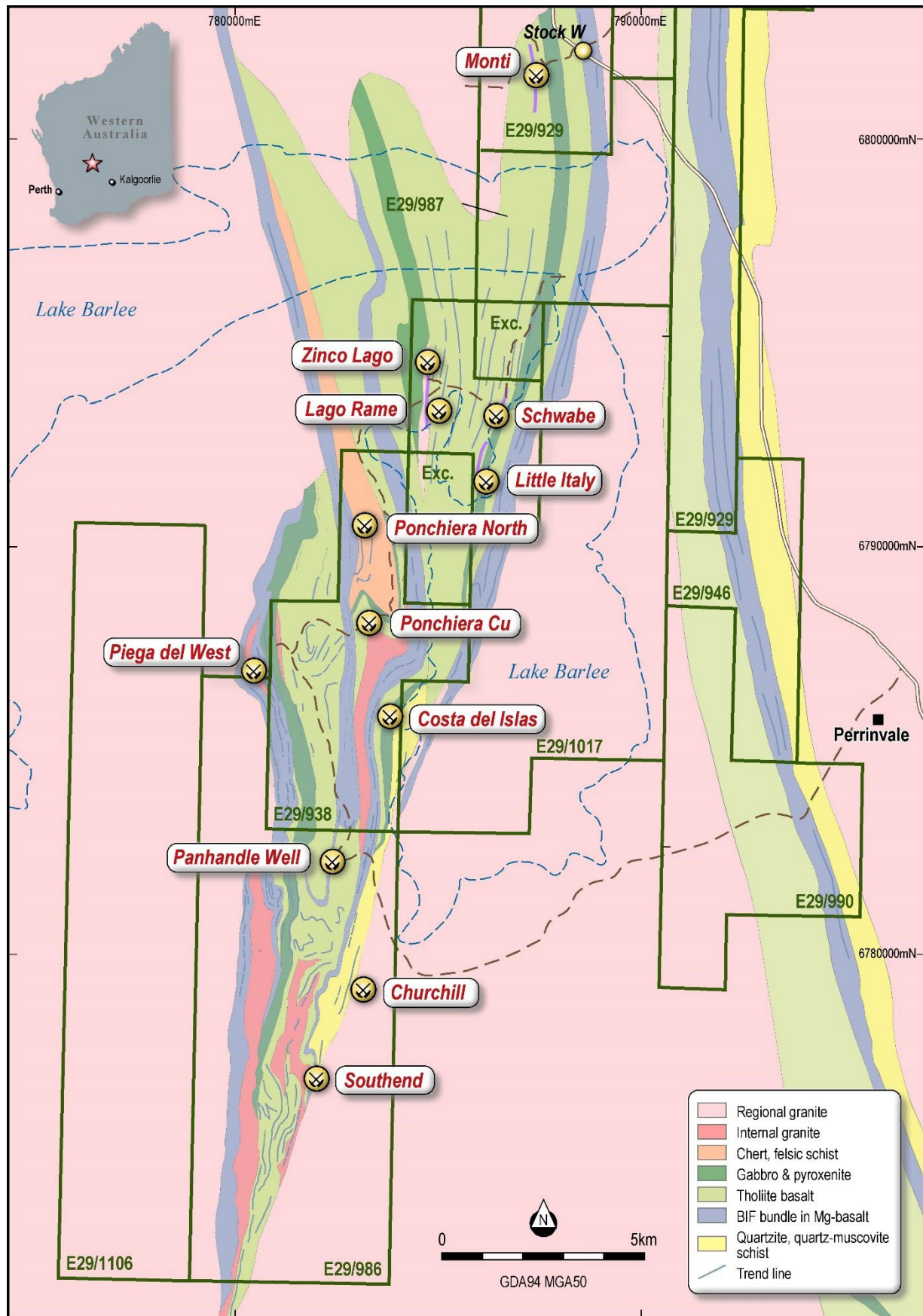


Figure 26: Geological map of the Panhandle Greenstone Belt showing the location of the various targets
Source: Cobre

The summary stratigraphic succession is very similar to that of the Illaara Greenstone Belt and interpreted by Toucan to be part of the same regional sequence separated by a structural slice of gneissic granite. The sequence for the Panhandle Greenstone Belt from top to bottom is:

- Tholeiite basal, variably pillowed and brecciated, with inter-flow sediments (top)
- Major gabbro sill (600 m thick)
- BIF bundle with magnesium-basalt (interpreted based on “tramline” magnetic signature)
- Muscovite quartzite (bottom)

Within the Panhandle Greenstone Belt, there are several small elongate highly foliated gneissic internal granites that are indistinguishable from the regional gneissic granites. They are not intrusive but have tectonic contacts with the surrounding greenstones. Interpreted as a stacked-thrust model, they are considered to represent interleaved tectonic slices of granite and greenstones. Although not metallogenically important, these granites may have acted as competency contrasts during later gold mineralising events.

In total, there are four linear units within the BIF bundle as shown in Figure 25. Rather than being multiple stratigraphic units, they are best interpreted as structural repetitions of a single stratigraphic succession.

These four structural units define the boundaries of three structural zones:

- The Eastern Zone is characterised by a southerly V-shaped attenuation as reflected by the form-lines between the two eastern BIF packages. This pattern infers a syncline although there is no clear turnover. However, the symmetry of rock units – especially the gabbro sill near the BIF package – supports the concept of a synclinal fold closure. If this is correct, the two gossanous interflow sediment units (Schwabe and Zinco Lago) are placed in the fold limbs of the one unit. Under this interpretation, the V-convergence is interpreted as a thrust-out recumbent syncline, analogous to the Richardson Syncline of the Illaara Greenstone Belt, but much more attenuated.
- The Central Zone is “book-ended” on either side by west-dipping BIF bundles. There is no evidence these BIF bundles are replicated by isoclinal folding. The encased mafic sequence within the Central Zone consists of the usual basalt and gabbro, but also there is a mixed sequence of basalt, chert, felsic schist and possible felsic volcanics that appears at a higher structural-stratigraphic level. A conspicuous feature of the Central Zone is a dextral structural inflection in the shape of a drag fold which is interpreted to be D3 in origin. The Central Zone has been the focus of contemporary exploration due to the presence of soil and rock chip geochemical gold anomalies, as well as being host to the Ponchiera copper prospect.
- The Western Zone also displays no clear evidence of a fold closure, although there are many angular folds of dextral symmetry and abundant pencil-cleavage schists. The adjacency of the major gabbro unit to the westernmost BIF bundle suggests it is east facing, inferring the presence of an upright D2 syncline.

Overall, the Panhandle Greenstone Belt is interpreted to represent a series of stacked thrust slices formed during the D1 deformation event. This thrust stack has been upturned and intensely sheared during D2, and then subject to brittle-style dextral D3 deformation. Structures associated with the D3 deformation in any of the structural zones are potential sites for gold mineralisation. The interflow shale within the basalts of the Eastern Zone remains the most prospective for VMS deposits, but the Central and Western zones cannot be disregarded, as there are many thin interflow sediments in the basalts which have not been adequately sampled, and which generate helicopter time-domain electromagnetics conductance anomalies.

3.1.6 Historical Exploration

Table 8 provides a summary of the historical exploration within Illaara and Panhandle greenstone belts and includes results from outside the tenement bound to provide some context to their prospectivity.

Table 8: Summary of historical exploration conducted within the Illaara Greenstone Belt (Geomin, 2019 and SRK, 2020)

Company	Year	Description of activities	Significant results
Illaara Greenstone Belt Exploration History			
Australian Selection	1975	Drilling. Outside of Toucan tenements.	Interpreted as a small occurrence with supergene enrichment, up to 19% Cu in malachite schist in a sequence of quartz-feldspar-chlorite schist, graphitic slate and mafic schist towards the top of the stratigraphy.
Battle Mountain Gold	unknown	Rock-chip, soil and stream-sediment sampling along entire Illaara Greenstone Belt.	Single anomalous 12 ppb Au at the Brooking Hill prospect.
Norgold	1998	Rock-chip and stream-sediment sampling around Mount Alfred (including the Alfred copper prospect). This area was previously drilled by Australian Selection. Outside of Toucan tenements.	18 rock chip samples analysed with up to 1.5% Cu and 2,600 As in a 1–2 m wide gossanous zone.
Sipa Resources	1991 to 2003	Explored northern part of Illaara Greenstone Belt on western limb of syncline. Outside of Toucan tenements. RC drilling and diamond drilling.	String of gold soil anomalies defining the Paradise, Cassowary, Bulga Downs, Toucan, McCaw, and Cabaret Bore prospects (Figure 25). The Cabaret prospect occurs just within tenement EL29/929. Best result achieved at Cabaret prospect (now within the Ida Valley Reserve) with 5 m at 0.5 g/t Au from 75 m – mostly diamond drilling. Reverse circulation (RC) drilling identified the Paradise prospect as the best target and a gold system 600 m strike and 200 m down dip. No copper or zinc in system.
Mindax	2004 to 2005	Continuation of Sipa Resources work along the series of anomalies and follow-up on significant drill results. BLEG stream and soil sampling. Additional drilling and scoping study at Paradise Prospect.	Quantification of gold mineralisation at Paradise.
Panhandle Greenstone Belt Exploration History			
Great Boulder	1974	Detailed mapping, gossan search, geochemistry, and ground geophysical surveying in the northern part of the Panhandle and followed up by percussion drilling. Three areas of interest were identified, designated Area 1 (the Schwabe Gossan), Area 2 (the Zinco Lago prospect) and Area 3 (the Ponchiera prospect).	Area 1: 13 percussion holes – with multiple high-grade intersections recorded, the best of which was 8 m at 3.9% Cu and 5.2% Zn from 30 m. Area 2: 14 rock chip geochemical samples – reporting elevated levels – up to 1,940 ppm Cu, up to 579 ppm Pb and up to 3,128 ppm Zn. Six percussion holes were also drilled reporting elevated levels – up to 0.49% Cu and up to 0.46% Zn over 14 m from 22 m with peak values over 2 m of 1.22% Cu and 0.86% Zn. Elevated silver also reported of 2 g/t. Geochemical signature of a VMS deposit. Area 3: Results poor – one percussion hole reporting 0.32% Cu over 2 m.
Esmerelda Exploration	1984 to 1989	41 rock chip geochemical samples in the area northeast of Ponchiera prospect which returned anomalous gold.	11 rotary air blast (RAB) holes were drilled but encountered technical difficulties and results were not provided. A single hole was also drilled at the Schwabe prospect, but no results were provided.
Norgold	1988	Mapping showing 11 costeans across the northerly extension of the Monti prospect. Sampled cherty gossan (identified by Toucan as a hyaloclastic basalt breccia).	Four samples reported recording values ranging from 0.02–0.12 ppm Au, 0.32–5.4% Cu, 0.8–104 ppm Ag, 0.005–0.16% Pb, and 0.052–1.06% Zn.

Company	Year	Description of activities	Significant results
Mithril Resources	2000 to 2003	Exploration in northern part of the Panhandle. 45 grab geochemical samples for nickel, copper, and platinum group elements from historical costeans.	The highest result recorded was 0.4% Ni and 0.22% Cu.
Red Rock Resources	2007 to 2008	60 rock chip geochemical samples at the Schwabe Gossan.	Results ranged from 3–200 ppm Ag, 0.01–0.03 ppm Au, 0.4–2% Cu, 0.13–1.8% Zn.
MP Developments		100 rock chip geochemical samples and 280 soil geochemical samples across four areas which include parts of Schwabe Gossan and Little Italy, Poncheira, Feys Find, and Churchill Bore in the south.	Broad gold anomaly over the Twin Chert area. The maximum value recorded was 0.07 g/t Au.
Mindax Panhandle Project	2003 to 2010	Mindax took 2,135 soil geochemical samples on 100 m x 100 m grid and identified three coherent soil anomalies which were followed up by drilling of 24 RC holes. Additional exploration drilling of 30 RC holes along three lines for 1,799 m was also carried out.	Three coherent soil anomalies within the greater Panhandle gold anomaly: • Gladys – 700 m long, peak 41 ppb Au • Charlotte – 600 m long, peak 35 ppb Au • Lesley – 300 m long, peak 84 ppb Au. Results from the initial 24 drillholes were poor with the best 3 m intercepts reported as 0.29 ppm Au from 6 m on Charlotte. Line, 3 m at 0.10 ppm Au from 48 m on Lesley Line, and 3 m at 0.16 ppm Au from 66 m at Panhandle. The best gold intercept from the 30 RC holes was 4 m at 0.43 g/t Au in PHC037. The best copper intercept was 4 m at 987 ppm Cu in PHC025.
Cliffs Asia Pacific Iron	2013	Cliffs collected 106 rock chip geochemical samples focused mainly on the BIFs and assayed for the standard iron ore suite, augmented by analyses for arsenic, copper, cobalt, nickel, zinc, lead, but not gold or silver. This was followed up by three RC holes.	Results ranged from 200–800 ppm Cu, 2,400–5,600 ppm Co, 600–1,600 ppm Ni, 0.9–36% Mg and 14–51% Fe.

3.1.7 Current Exploration Activities

The summaries presented below are extracted from the Cobre (September 2020) and SRK (2020) reports, as well as Cobre's ASX announcements in 2022.

The exploration work conducted by Toucan on the Perrinvale Project has focused on the acquisition of AEM data, ground-based moving loop electromagnetic (MLEM) survey, exploration drilling, downhole geophysics, compilation and re-interpretation of historical soil geochemical sampling.

A summary of the work is presented in Table 9.

Table 9: Summary of the recent exploration work conducted by Toucan

Type of work (contractor)	Date
AEM (New Resolution Geophysics)	Aug 2019
RC drilling program	2019
Soil geochemical database compilation	2019
MLEM	2020
Downhole electromagnetic	2020
First drilling program	Feb to Mar 2020
Gravity survey	2020
Second drilling program	Jun to Jul 2020
Soil sampling	2020
Mapping	2020

Soil and rock chip sampling	Apr to Dec 2021
MLEM	Dec 2021

3.1.8 Heliborne Airborne Electromagnetic Survey

A heliborne AEM was conducted by New Resolution Geophysics in August 2019 using their Xcite™ electromagnetic system. The survey comprised 820 line-km flown east-west and 150 m apart over the exposed Panhandle Greenstone Belt within licences E29/938-I, E29/929-I, E29/986, and E29/987.

The survey identified ten conductivity anomalies of exploration significance. The survey confirmed six known geochemical anomalies (e.g. Schwabe and Zinco Lago and extensions of these) and identified four new anomalies warranting follow-up exploration (Figure 23).

3.1.9 2019 Reverse Circulation Drilling Program

In 2019, three reverse circulation (RC) holes, totalling 387 m, were drilled at Schwabe targeting historical intercepts (Table 10).

Table 10: Details of the drilling conducted in the Perrinvale Project by Cobre in 2019 and first drilling phase in 2020

Drillhole ID	GDA94 MGA50_E	GDA94 MGA50_N	RL (m)	End-of-hole (m)	Azimuth (UTM)	Dip	Tenement ID
19PVRC001	786436	6793059	402.1	87.00	106.48	-60.00	E29/938
19PVRC002	786446	6793094	401.8	99.00	100.48	-60.00	E29/938
19PVRC003 ⁽¹⁾	786394	6793158	402.6	201.00	90.00	-60.00	E29/938
20MTDD001	787295	6802241	410.8	84.60	250.60	-55.00	E29/929
20MTDD002	787319	6802239	410.1	138.12	250.60	-55.00	E29/929
20MTDD003	787413	6801557	406.4	121.80	110.60	-55.00	E29/929
20PVDD001	784834	6794544	396.3	109.80	270.60	-60.00	E29/938
20PVDD002	784838	6794462	397.9	87.40	270.60	-60.00	E29/938
20PVDD003	786445	6793098	401.7	117.30	105.60	-60.00	E29/938
20PVDD004	786463	6793074	401.6	78.40	95.60	-60.00	E29/938
20PVDD005	786415	6793061	401.8	180.42	105.60	-60.00	E29/938
20PVDD006 ⁽¹⁾	786394	6793158	402.6	264.20	90.00	-60.00	E29/938

(1) 20PVDD006 was drilled as a tail on 19PVRC003 so both holes have the same collar coordinates.

Source: Geomin, 2019

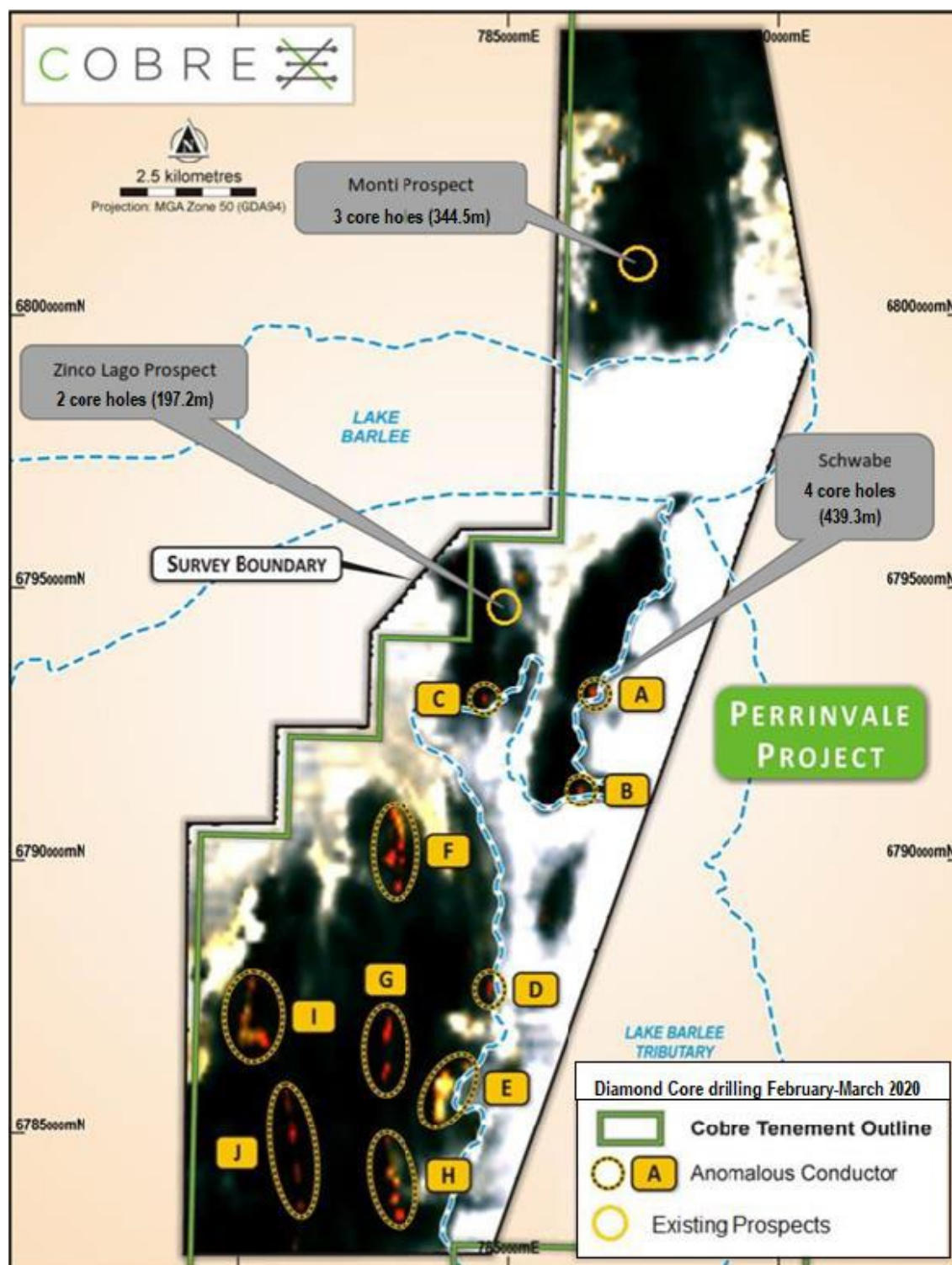


Figure 27: AEM anomalies identified in the north Panhandle Greenstone Belt and phase 1 drilling completed from February to Mar 2020

Source: Cobre, September 2020

3.1.10 Soil Geochemical Database Compilation

A database was compiled using historical soil sampling data from MP Developments, infill sampling by Mindax as well as other historical infill sampling programs. The database comprises 33,460 sample points generally with analyses for 11 elements (silver, arsenic, gold, barium, cobalt, copper, manganese, molybdenum, nickel, lead, zinc). Based on this data, a large gold anomaly called the Panhandle Gold Anomaly has been identified over an area 3 km in diameter over the Poncheira area (Figure 28).

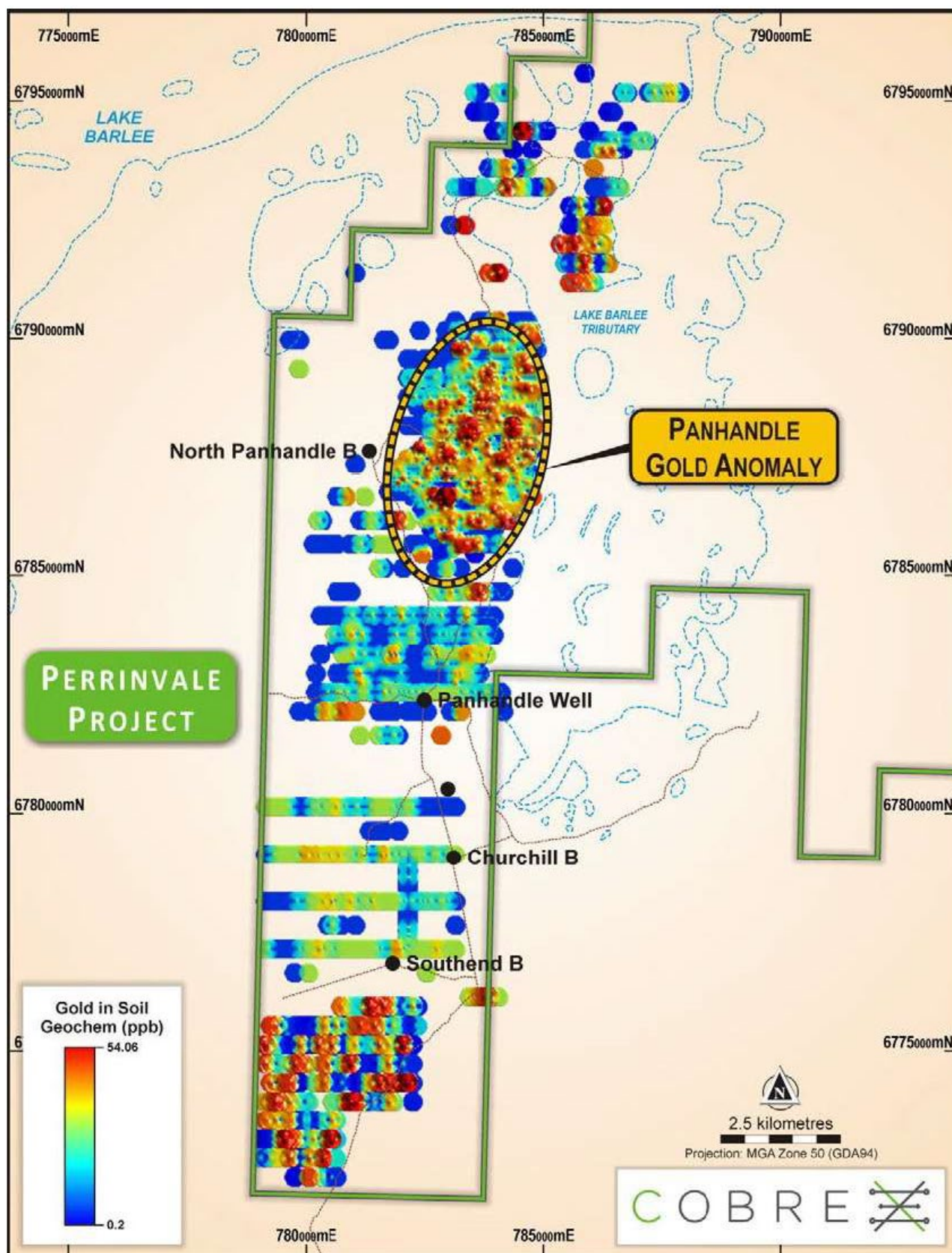


Figure 28: Gold anomaly identified by Cobre from the historical soils geochemistry
Source: Geomin, 2019

3.1.11 Moving Loop Electromagnetic Survey

An MLEM survey was conducted in the north of the Panhandle GB on the targets from drilling and to refine the AEM survey data. The survey was conducted in the first half of 2020 over the four main targets and to test four additional areas. The targets surveyed were Monti, Zinco Largo, Lago Rame, Schwabe North, Little Italy, Poncheira North, Piega del West, and Costa del Islas (Figure 29).

The survey results, supported by downhole electromagnetic (DHEM) and AEM data, were used to refine the drilling program which commenced in June 2020. The results also achieved the following:

- Potential extensions, along strike, north and south at Schwabe, which was tested via RC drilling.
- Conductivity down dip and along strike of the previous drilling at Zinco Lago, which was tested with two deeper diamond core drill ("DD") holes.
- Conductors extending south from Zinco Lago, in line with the gossanous interflow sediments mapped at surface, to Lago Rame. A second zone of conductance offset to the east was also identified in the Zinco Rame – Lago Rame area, two RC holes tested the western (shallower) conductors, and two DD holes tested the eastern conductors.
- Stacked conductors at Costa del Islas, tested with a single RC hole.
- Multiple conductors at Piega del West, tested with five RC holes.
- Two west-dipping conductors at Poncheira North, with the shallower conductor tested via a single RC hole.
- Conductors identified at Monti are yet to be drill tested.

3.1.12 Downhole Electromagnetic (2020)

DHEM surveys were conducted in DD drillholes at Schwabe, Zinco Lago and Monti prospects and resulted in the identification of a number of promising electromagnetic conductors at Zinco Lago, Lago Rame, and Monti, and also served to confirm the modelled AEM data acquired in 2019.

3.1.13 First Drilling Program

A drilling program comprising nine DD drillholes commenced in February 2020 and was completed in March 2020. The drilling included three new holes and an extension of one of the RC holes at Schwabe, two drillholes at Zinco Lago, and three drillholes at Monti (Table 10 and Figure 27). The summary of the significant intercepts is presented in Table 11.

Table 11: Summary of first drilling program (includes the three RC drillholes from 2019)

Hole ID	Prospect	Hole type	From (m)	To (m)	Interval (m)	Cu (%)	Zn (%)	Co (%)	Ag (g/t)	Au (g/t)
19PVRC001	Schwabe	RC	63	66	3	0.63	3.94	NSR	3	0.2
19PVRC002	Schwabe	RC	50	55	5	9.75	3.1	0.11	34	3.2
19PVRC0031	Schwabe	RC	187	189	2	0.93	0.79	NSR	4	0.4
20MTDD001	Monti	DD	47	48	1	0.19	183 ppm	NSR	1.3	0.01
20MTDD002	Monti	DD	105	131	26	0.32	0.08	NSR	3.1	0.1
20MTDD003	Monti	DD	64	75	11	0.08	0.23	NSR	1.1	0.04
20PVDD001	Zinco Lago	DD	31.4	41.6	10.2	0.1	0.63	NSR	3.6	0.11
20PVDD002	Zinco Lago	DD	46.5	53	6.5	0.33	0.57	NSR	3.9	0.02
20PVDD003	Schwabe	DD	48.65	54.63	6	8.39	3.52	0.14	30	3.1
20PVDD004	Schwabe	DD	27.5	33.5	6	5.63	3.89	0.1	22	1.4
20PVDD005	Schwabe	DD	79	83	4	2.76	0.97	0.07	12	1.7
20PVDD0061*	Schwabe	DD	No significant intercept							

*20PVDD006 is a tail on 19PVRC003 testing footwall.

NSR = no significant result.

Source: Cobre, September 2020

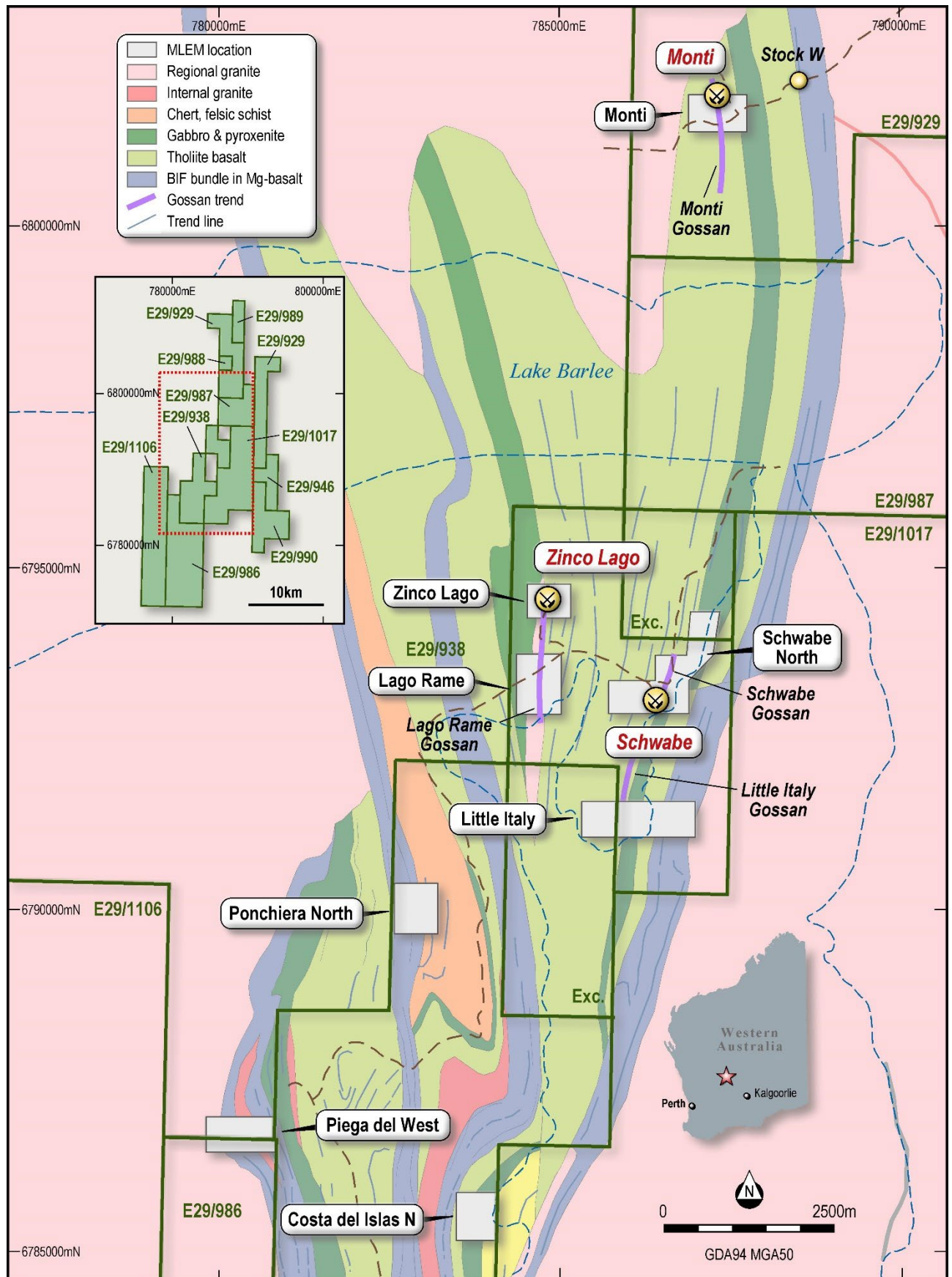


Figure 29: Locations of the MLEM surveys

Source: Cobre

3.1.14 Gravity Survey (2020)

A gravity survey was conducted over the Zinco Lago to Lago Rame area to assess the potential for higher density zones coincident with the strike extensive electromagnetic conductors. A survey was also completed, extending south of a historical gravity survey on the eastern side of the lake (E29/989).

The full potential of these gravity surveys is yet to be determined; however, a high response associated with the embayment at Zinco Lago was assessed. The gravity survey also clearly defines these lower density sediments within the broader package of mafic to ultramafic rocks.

3.1.15 Soil Sampling and Geological Mapping (2020)

An orientation geochemical soil sampling survey using Ultrafine and Mobile Metal Ion (MMI) over areas of known mineralisation and MLEM conductors was conducted to confirm the geochemical response over these conductors. The sampling was done over Zinco Lago, Zinco Rame, Lago Rame, Schwabe, Costa del Islas, Piega del West, and Monti.

The results show anomalous responses associated with these areas of known mineralisation. The results at Piega del West are suggestive of a more complex geological setting.

A series of mapping projects were completed in 2020. The mapping focused on the following areas:

- Zinco Lago to Lago Rame and east to the sandy plain
- The greater Schwabe area from Little Italy in the south up to the neck in the lake ~6 km to the north-northeast
- Piega del West
- Monti (commenced 24 September 2020).

To identify the potential for packages of interflow sediments and, in the case of the greater Schwabe area, mineralisation associated with interflow sediments and hyaloclastic basalts along strike.

Regolith mapping has also been completed on the eastern side of the project, covering parts of the Illaara GSB (shown to have gold and VMS base metal prospectivity by Dreadnought Resources on its tenure to the south of Perrinvale). This will assist in determining the value of surface geochemistry as a first-pass test and determine if more detailed geological mapping is warranted.

3.1.16 Second Drilling Program

A second phase of RC and DD drilling comprising RC drilling of 2,883 m (including 120 m of pre-collars for core holes) and the DC drilling of 2,086 m was conducted from June to July 2020. A summary of the drilling is presented in Figure 30 and drill results in Table 12.

The primary objectives of the drilling were achieved and were (as outlined by Cobre) to:

- Generate mineralised core samples for sighter metallurgical testing
- Expand upon previously drilled massive sulphide mineralisation
- Step-out drill to test for mineralisation at depth and along strike.

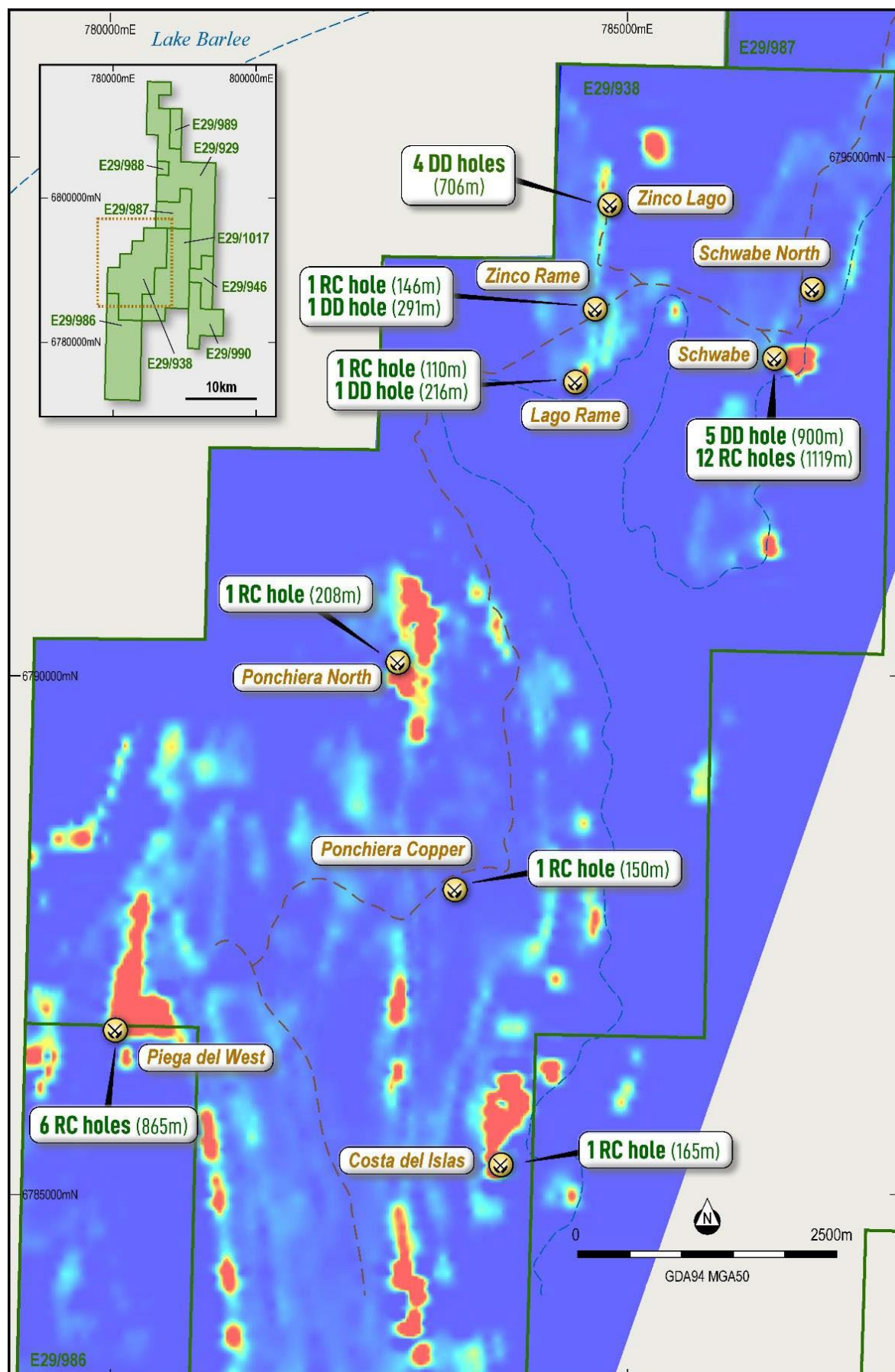


Figure 30: RC and DD drilling completed June to July 2020 (on AEM 60 m depth conductivity)

Source: Cobre, September 2020

A summary of the results of the second phase of drilling is presented in Table 12, and Figure 31 to Figure 33.

Table 12: Summary of significant intercepts of the second phase of drilling in 2020

Hole ID	Hole type	From (m)	To (m)	Interval (m)	Cu (%)	Zn (%)	Co (%)	Ag (g/t)	Au (g/t)	Mn (%)
20PVDD007	DC	48	51.5	3.5	3.4	0.8	0.1	16.5	1.1	
20PVDD007	DC	54.5	58	3.5	2	1.4	0.07	7.4	0.3	
20PVDD008	DC				Awaiting assays					
20PVDD009	DC	137	172	35	0.1	0.14	0.006	0.88	0.04	0.12
20PVDD010	DC	169.8	187	17.2	0.06	0.15	0.006	0.58	0.04	0.062
20PVDD011	DC	224	240	16	0.05	0.14	0.005	NR	0.04	0.075
20PVDD012	DC	126.1	139.8	13.7	0.06	0.17	0.008	0.45	0.03	0.166
20PVDD013	DC	175.6	177	1.4	0.1	0.03	0.005	1.05	0.02	0.092
20PVDD014	DC	68.65	74	5.35	2.78	1.34	0.05	12.1	1.1	0.099
20PVRC001	RC	32	38	6	0.033	0.20	0.016	0.03	0	0.11
including		36	37	1	0.019	0.41	0.011	0.01	0	0.13
20PVRC002	RC	58	59	1	0.052	0.022	0.013	1.21	0	0.18
20PVRC002	RC	70	71	1	0.004	0.54	0.01	0.07	0.04	0.19
20PVRC003	RC	50	51	1	0.053	0.021	0.008	0.22	0.03	0.31
20PVRC003	RC	69	70	1	0.019	0.35	0.009	0.05	0.01	0.15
20PVRC004	RC				No significant result					
20PVRC005	RC	90	91	1	0.045	0.015	0.005	0.27	0.01	0.21
20PVRC006	RC	96	117	21	0.05	0.052	0.006	0.34	0.01	0.056
including		108	110	2	0.01	0.24	0.004	0.61	0.01	0.058
plus		123	134	11	0.03	0.08	0.004	0.26	0.01	0.1
20PVRC007	RC	18	20	2	0.022	0.052	0.008	0.29	0.01	0.097
plus		91	94	3	0.039	0.08	0.009	0.67	0.01	0.097
including		92	93	1	0.058	0.14	0.012	0.079	0	0.059
plus		126	130	4	0.02	0.049	0.007	0.22	0.01	0.11
20PVRC008	RC	27	31	4	0.01	0.003	0.001	0.16	0.34	0.008
plus		54	77	23	0.004	0.006	0.002	0.23	0.01	0.34
20PVRC009	RC	91	103	12	0.003	0.002	0.001	0.11	0.01	0.57
plus		145	149	4	0.006	0.006	0.002	0.34	0.01	0.31
20PVRC010	RC	23	31	8	0.027	0.003	0.006	1.56	0.02	0.23
including		24	28	4	0.037	0.004	0.01	2.04	0.02	0.28
plus		57	60	3	0.022	0.007	0.001	0.98	0	0.13
20PVRC011	RC	115	150	35	0.003	0.005	0.001	0.43	0.01	0.52
including		129	132	3	0.007	0.008	0.002	1.21	0.02	0.58
20PVRC012	RC	80	85	5	0.001	0.03	0.001	0.68	0.01	0.08
plus		110	115	5	0.058	0.009	0.003	2.25	0.01	0.74
20PVRC013	RC	115	131	16	0.005	0.014	0.002	0.1	0.005	0.29
including		116	118	2	0.014	0.052	0.004	0.21	0	0.3
20PVRC014	RC	109	122	13	0.16	0.045	0.009	0.25	0.08	0.12
including		115	116	1	0.68	0.1	0.015	0.85	0.28	0.08
20PVRC015	RC				No significant result					
20PVRC016	RC	52	80	28	0.023	0.042	0.003	0.25	0.01	0.037
		52	59	7	0.061	0.011	0.004	0.24	0.02	0.024

Hole ID	Hole type	From (m)	To (m)	Interval (m)	Cu (%)	Zn (%)	Co (%)	Ag (g/t)	Au (g/t)	Mn (%)
20PVRC017	RC	23	26	3	0.014	0.071	0.005	0.01	0	0.11
20PVRC018	RC	52	54	2	0.017	0.21	0.009	0.08	0.004	0.21
		130	132	2	0.026	0.063	0.005	0.14	0.02	0.12
20PVRC019	RC	53	55	2	0.05	0.12	0.006	0.43	0.02	0.067
20PVRC020	RC	106	108	2	0.05	0.13	0.006	0.46	0.03	0.069
20PVRC021	RC	23	33	10	0.94	0.4	0.02	2.3	0.19	0.099
including		23	27	4	2.12	0.60	0.04	5.2	0.39	0.058
20PVRC022	RC	27	34	7	1.98	0.81	0.04	4.92	0.36	0.142
including		28	29	1	7.75	4.15	0.13	23.12	1.54	0.225
20PVRC023	RC	45	57	12	2.86	1.02	0.05	10.18	0.69	0.113
including		45	49	4	8.27	2.93	0.12	29.77	1.98	0.155
20PVRC024	RC	No significant result (pre-collar)								
20PVRC025	RC	No significant result (pre-collar)								

Note: Two samples for hole 20PVDD008 were missed in the original submission.

Source: Cobre, September 2020

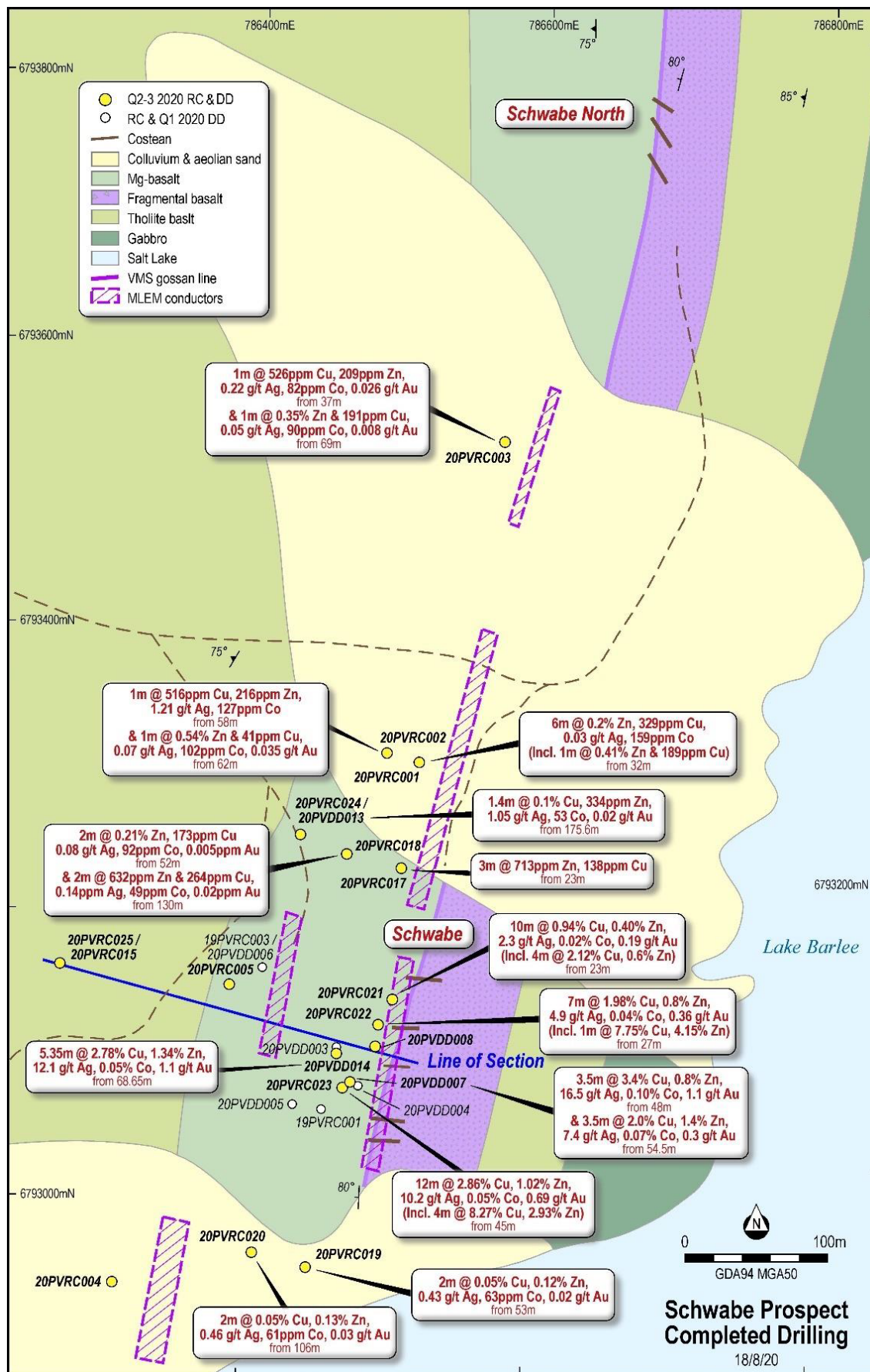


Figure 31: Second phase drilling results at Schwabe by Cobre in 2020

Source: Cobre, September 2020

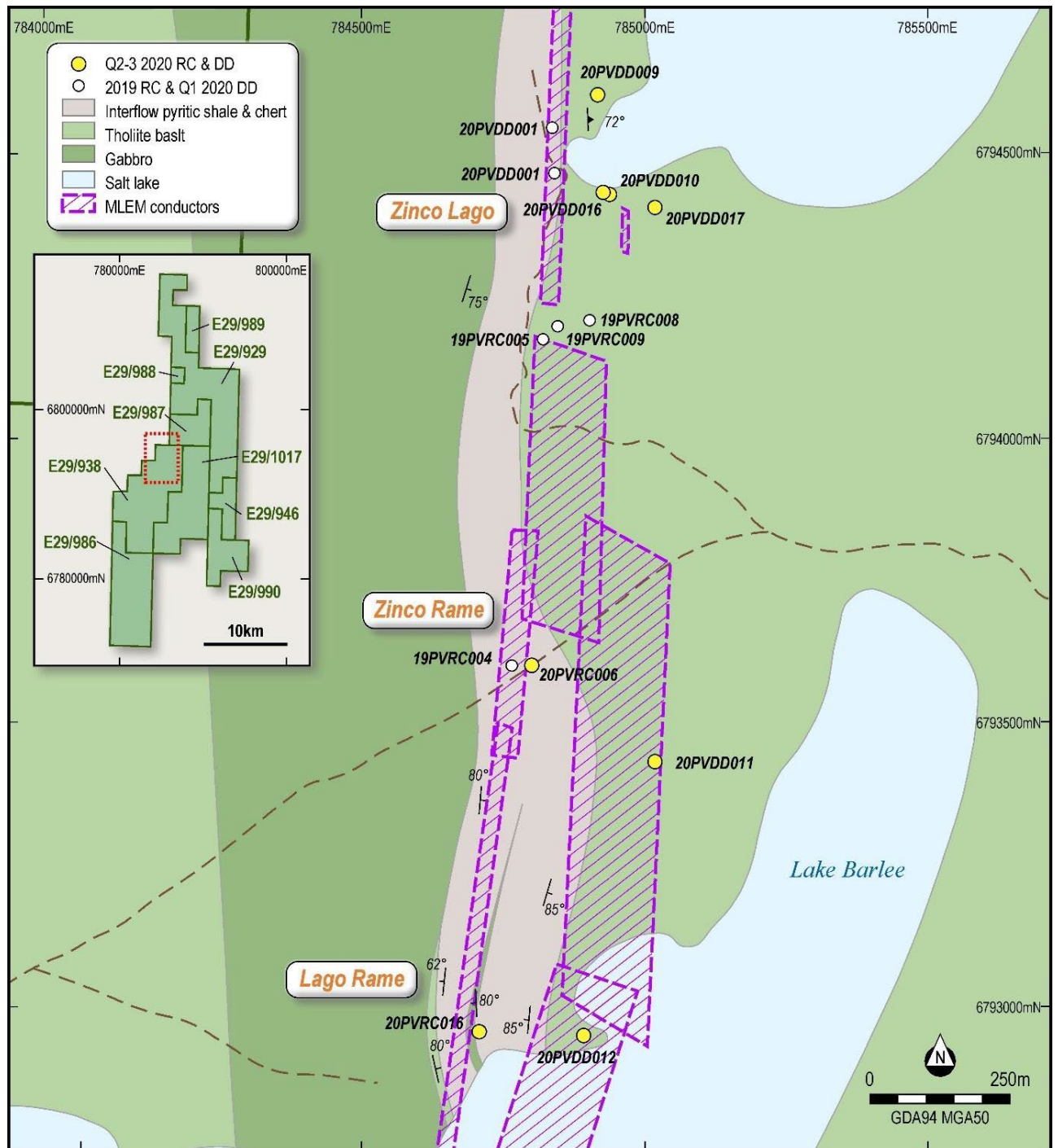


Figure 32: Second phase drill collars at Zinco Lago to Lago Rome (modelled MLEM plates also shown)

Source: Cobre, September 2020

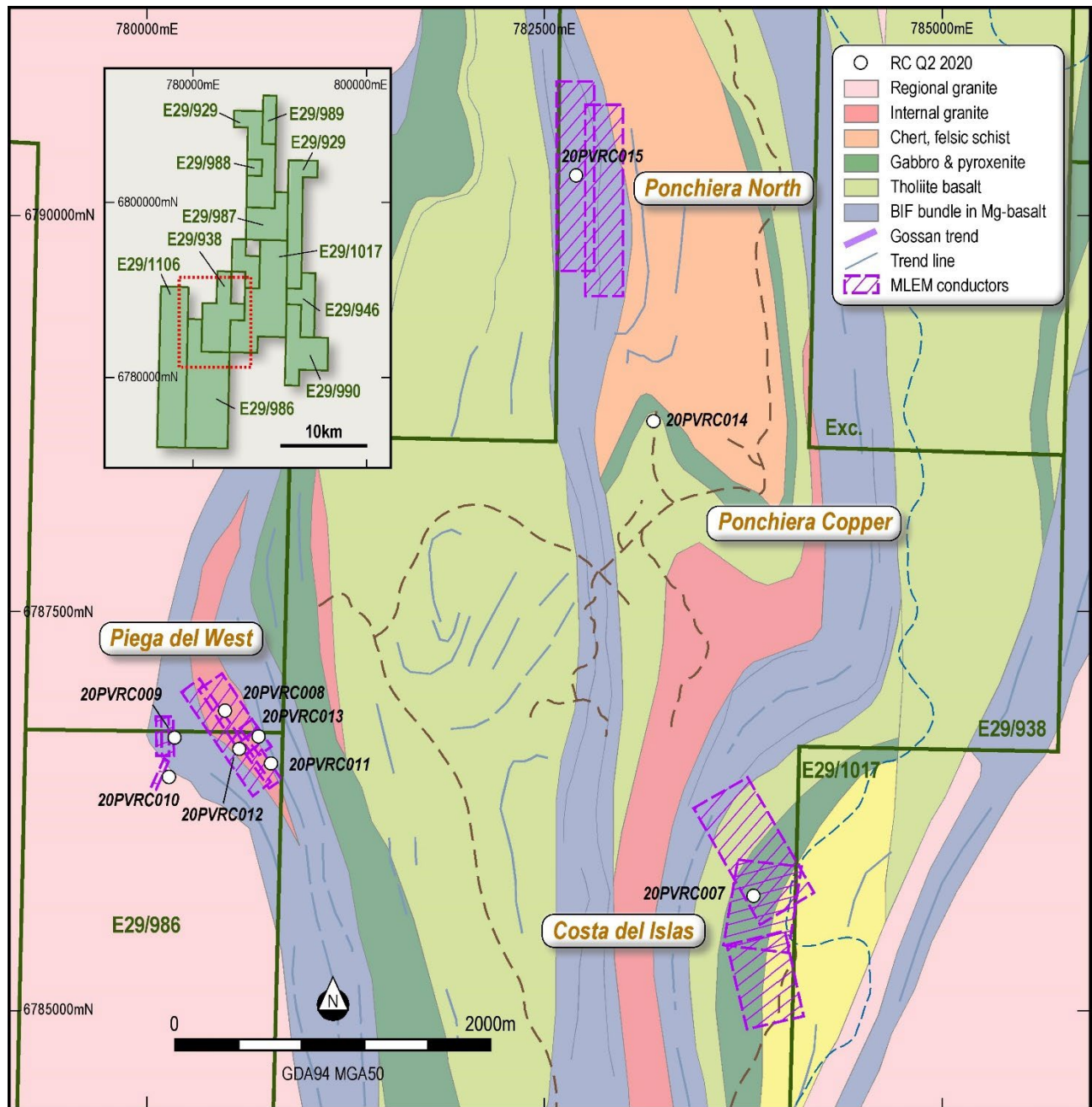


Figure 33: Second phase RC drill collars at Ponchiera, Piega del West, and Costa del Islas (modelled MLEM plates also shown)

Source: Cobre

Summary results of drilling per prospect are presented below are taken from Cobre (September 2020):

- Schwabe (see Figure 31 and Table 12):
 - Three core holes drilled for metallurgical sampling were completed, with a ~90 kg composite sample generated including massive and stringer sulphides. Composite sample grade 3.6% Cu, 1.6% Zn, 0.08% Co, 0.03% Pb, 1.1 g/t Au, 13.1 g/t Ag.
 - One deep core hole was drilled intersecting the mineralised horizon, with low levels of sulphides, ~200 m down dip of known massive sulphides (the driller sheared off casing on the way out which pressed on the PVC preventing the DHEM probe from getting down this hole).
 - A core hole drilled as a tail on a combined RC/DD section testing for strike extension to the north, all intersected a narrow shale horizon with low-level sulphides.

- In addition to sulphide-bearing laminated sediments core holes indicate the presence of peperites and hyaloclastites.
- Five RC holes were drilled on step-out sections north and south of previous drilling, all intersected a narrow shale horizon with low-level sulphides.
- Five RC holes were drilled to test shallow MLEM modelled plates, north, south, and west of known mineralisation. Base metals were intersected along strike to the north associated with two of the MLEM modelled plates.
- Zinco Lago (see Figure 32 and Table 12):
 - Two deeper core holes were drilled, and collared north and south of previous holes, targeting the conductor modelled from both MLEM and DHEM surveys. The conductors were shown to be aligned with the package of interflow mudstones and cherts hosted within the mafic volcanic pile with a footwall gabbro. Variable amounts of dominantly iron sulphides, with locally elevated sphalerite and chalcopyrite appear to have been remobilised through the interflow sediments.
 - DHEM modelling shows a correlation with locally elevated sulphides in the core, with multiple plates being the best fit. A deeper conductor, below existing drilling, was also modelled.
 - Following the gravity survey, and due to existing Program of Work approvals not covering drill sites on the lake embayment, an oblique core hole (20PVDD017) was also drilled targeting the area of increased density indicated in the gravity survey. The hole generally showed variable sulphides in mafic volcanics, with no obvious explanation for the increased density indicated by the gravity data.
- Zinco Rame (see Figure 32 and Table 12):
 - A single RC hole (20PVRC006) targeting the conductor below the 2019 RC hole (19PVRC004) was drilled, this intersected 21 m of variably low-grade base metal mineralisation associated with sulphides.
 - Surface reconnaissance identified an eastern package of interflow sediments, which may be associated with the deeper MLEM modelled conductor to the east. To test this deeper conductor a single core hole (20PVDD011) was drilled to 291.3 m. The interflow sediment and a basal peperite horizon were from ~224 m to 246 m downhole; mineralisation is variable low grade with peak assays 0.1% Cu, 0.27% Zn and 5.7% S.
- Lago Rame (see Figure 32 and Table 12):
 - As for Zinco Rame, a single RC hole (20PVRC016) intersected the interflow sediments associated with the line of gossanous sediments and the down dip western modelled conductor. The interflow sediment extended from 52 m to 87 m downhole with assays showing elevated base metals and sulphides from 52 m to 80 m; peak assays 0.11% Cu, 0.13% Zn, 1.8 g/t Ag, and 2.4% S.
 - A core hole (20PVDD0012) was drilled to test the eastern conductor, and mineralised interflow sediments were intersected from ~125 m to 140 m downhole. Peak assays 0.12% Cu, 0.33% Zn, 1.0 g/t Ag, and 5.0% S.
- Costa del Islas (see Figure 33 and Table 12):
 - A single RC hole (20PVRC007) drilled to 165 m was targeting a series of shallow dipping, overlapping, MLEM conductor models. A mix of mafic volcanics and sediments, including dark grey-black shales, and locally high-level sulphides were intersected.
 - Chalcopyrite along with more dominant iron sulphides was noted in logging and assays confirm some of the sulphides include base metals with the best single assay: 0.06% Cu, 0.14% Zn, 0.01% Co, 0.08 g/t Ag and 14% S, with peak assays 0.06% Cu, 0.14% Zn, 0.013 % Co, 0.92 g/t Ag, and 14% S.
 - DHEM generated seven modelled plates, some coincident with elevated sulphides associated with sediments in the hole and several located off hole.
 - In addition to the indications of base metal sulphides in the RC hole, a sighter soils traverse across the northern MLEM modelled conductor has returned signs of anomalous elements. Elements also seen associated with the Schwabe mineralisation.

- Ponchiera Copper (see Figure 33 and Table 12):
 - A single 150 m vertical RC hole was drilled, and this returned 14 m of elevated copper (0.16%) associated with the basalt. Peak assays 0.68% Cu, 0.13% Zn, 145 ppm Co, 1.48 g/t Ag, 0.28 g/t Au, and 1.1% S.
 - It is interpreted that the intersection of the mineralisation is analogous to the copper staining visible on fractures across the surface of the prospect. The best explanation is that the copper has been remobilised through the fractures.
- Ponchiera North (see Figure 33 and Table 12):
 - A single 208 m RC hole was drilled targeting the upper of two sub-parallel strike extensive conductors modelled from the fixed-loop electromagnetic survey.
 - The hole was expected to intersect the conductor at 170 m, there was no sign of the conductor at that depth; however, there was an 8 m run of elevated (up to 6% S) iron sulphides from 137 m to 145 m. This was associated with a magnetite-bearing rock potentially similar to the hornfels at Piega del West (refer below).
 - Various lithologies were intersected; cherty sediments, pyroxenite, basalt and the “hornfels”.
 - Assays show traces of mineralisation with peak results: 543 ppm Cu, 564 ppm Zn, 1.5 g/t Ag and 0.1 g/t Au.
- Piega del West (see Figure 33 and Table 12):
 - Interpretation of the geophysics and reconnaissance mapping supported a disrupted and folded area, with no obvious surface expression of the modelled conductors (with the exception potentially of some local ironstones which lack the typical continuity of BIF).
 - A single RC hole was planned as the first test for each of the conductors.
 - Drilling and more detailed mapping showed ultramafic-mafic rocks in the east, regional granites in the west, potentially multiple felsic to intermediate intrusives, volcanoclastic, variable grain sized psammite, and magnetite garnet, diopside “hornfels”. Locally sulphides were present in low levels through to massive-semi massive. Iron sulphides dominate however some have associated base metals and tin.
 - Selected RC chips were assessed petrographically, this identified the magnetite-garnet-diopside “hornfels”, granite, feldspar-quartz porphyry, and gneiss (likely after feldspar-quartz porphyry).
 - Assays show regular traces of gold with one significant gold intercept associated with veining in basalt (4 m @ 0.34 g/t Au). Silver in the 0.1–4 g/t range is regularly seen, often associated with sulphides. High molybdenum (up to 499 ppm) and tungsten (up to 0.47%) assays are also seen locally.

DHEM aligns well with areas of higher sulphides in the drillholes; for 20PVRC010 (located in the southwest of Piega del West and drilled to an azimuth of 290°) the DHEM shows off-hole conductors dipping in a general westerly direction.

3.1.17 2021 Exploration Program

Cobre undertook a 2021 field exploration programme at Perrinvale, to assess the broader potential of the greater project area and identify new prospects.

A systematic soil and rock chip sampling programme identified 29 new areas of interest, with 17 of these areas and five of the original prospects considered to be prospective after follow-up fieldwork was carried out (Figure 34).

Three new prospects (Midway, Freshwater and Feys Cooper) were surveyed using MLEM, with conductors identified in all survey areas. A fourth prospect (Ankle Breaker) was partially surveyed.

Areas of malachite mineralisation and a significant area of soil anomalism were identified at the Costa del Islas prospect.

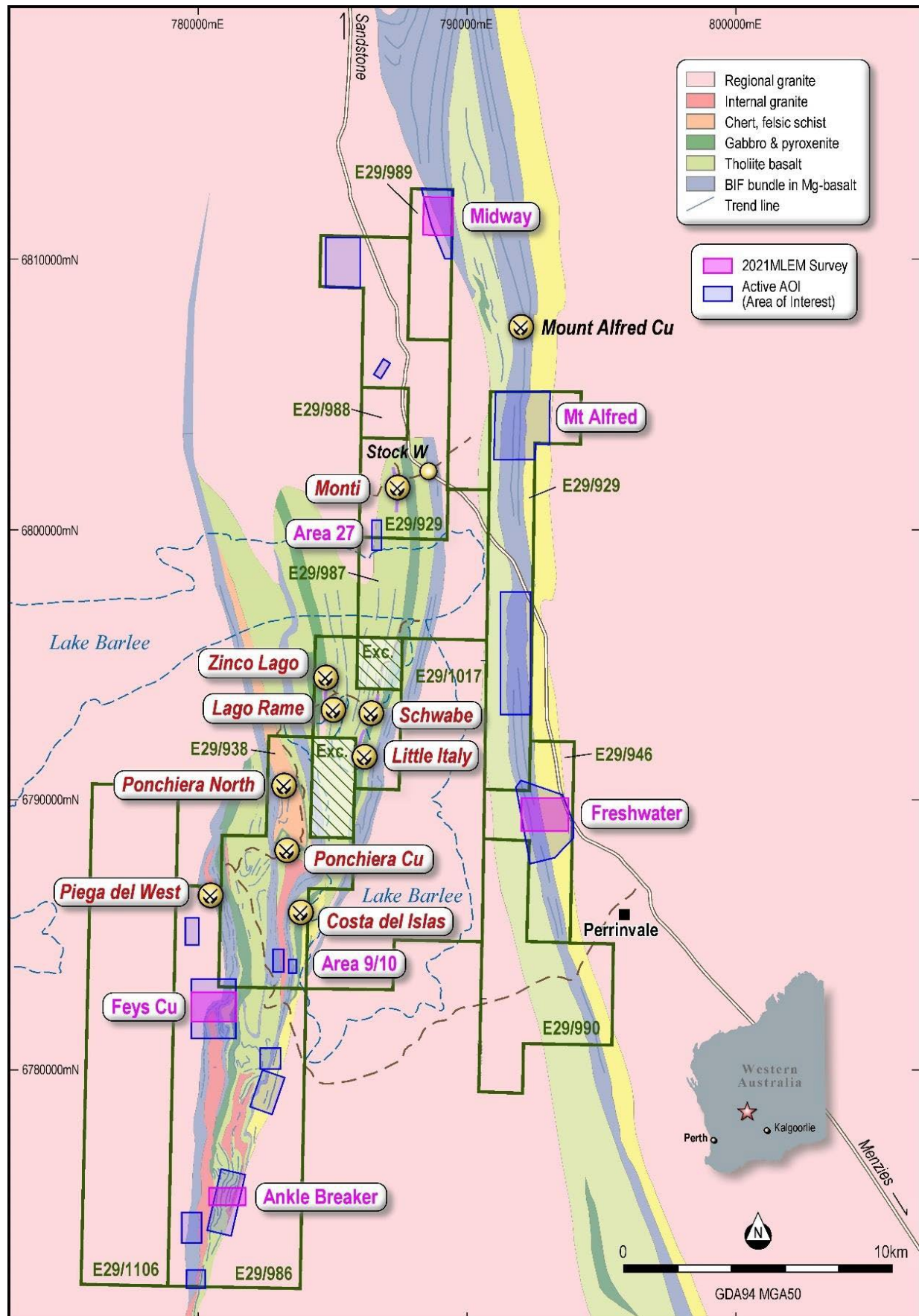


Figure 34: Perrinvale Project showing original prospects and active new areas of interest.

Source: Cobre ASX announcement, 28 January 2022

3.1.18 *Prospectivity*

CSA Global's opinion, based on the current exploration by Toucan which has confirmed the historical exploration results, is that the Perrinvale Project remains prospective for VMS-style polymetallic base metal and gold mineralisation, as well as mesothermal gold mineralisation.

3.2 **Sandiman Project**

3.2.1 *Location and Tenure*

The Sandiman Project is located in the Upper Gascoyne Shire, straddling the south-eastern corner of the Mount Sandiman 1:100,000 sheet no. 1949, and the north-eastern corner of the Lyons River 1:100,000 sheet no. 1948. Access to the licence is from Carnarvon to Gascoyne junction and then 85 km along the Lyndon Road to Mount Sandiman Station (Figure 35). Access into the tenement is then via the network of station tracks (Geomin, 2019).

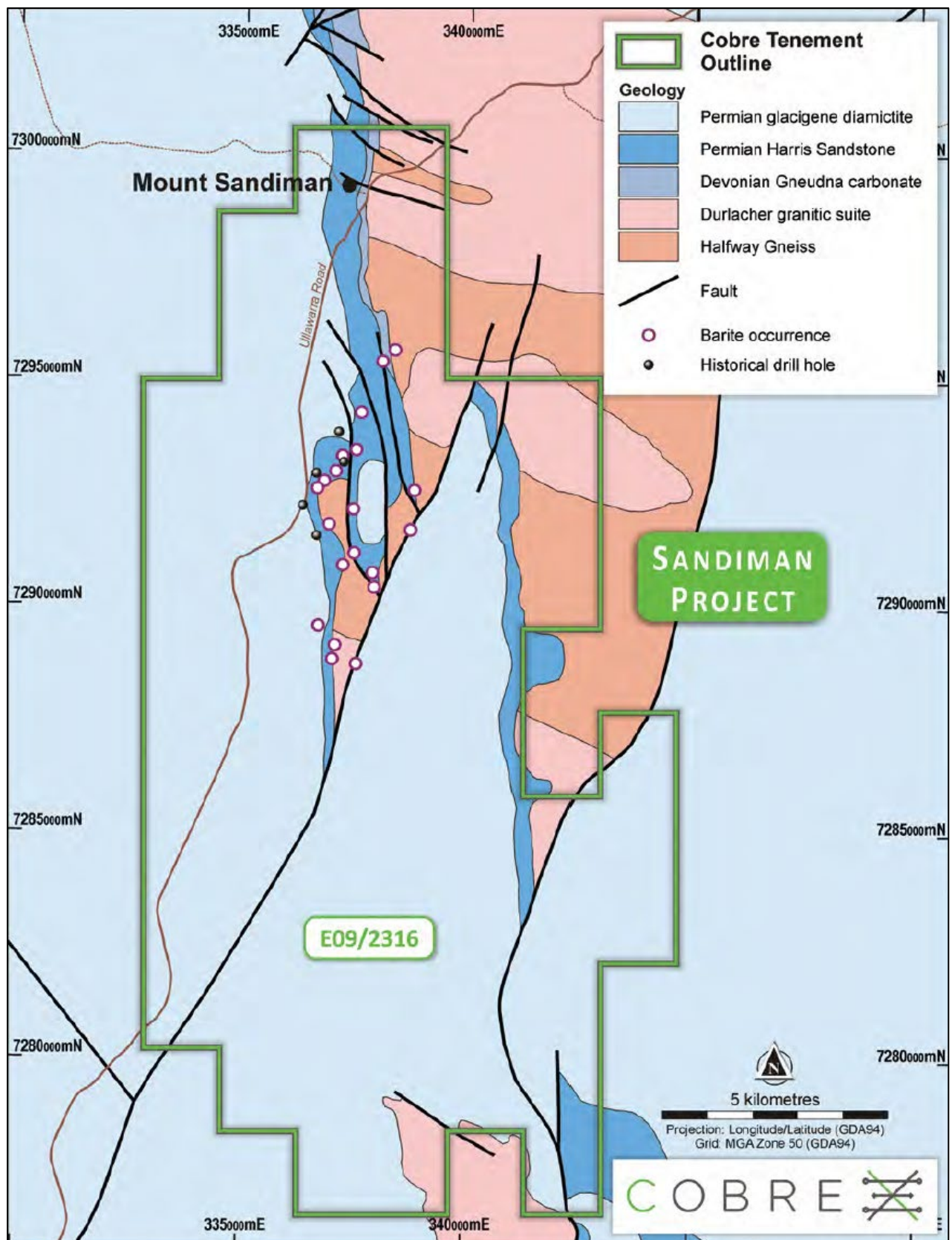


Figure 35: Sandiman tenure, infrastructure and geology

Source: Geomin (2019)

The Sandiman Project is based on a single tenement (E09/2316) totalling 202 km² in size (Table 13). The tenement is held by GTTS Generations Pty Ltd, and is subject to a farm-in agreement whereby Cobre has earned a 51% interest in the project.

Tenement information on the Cobre projects was provided by Cobre, and independently confirmed by CSA Global via the Mineral Titles Online portal provided by the Government of Western Australia DMIRS. CSA Global understands that the agreement is transitioning to a JV, and a 51% interest in the tenement will be transferred to Cobre.

Table 13: Sandiman tenement table

Tenement	Holder	Grant date	Expiry date	Area (blocks)
E09/2316	GTTS Generations Pty Ltd	9 Aug 2019	8 Aug 2024	65

Source: Cobre Quarterly Activities Report for the quarter ended 30 June 2020

3.2.2 Geology

The Sandiman tenement was selected on its location along the complex boundary of two major tectonic units of Western Australia – the Proterozoic Gascoyne Province to the east, and the Palaeozoic Carnarvon Basin to the west.

The Gascoyne Province includes a range of late Archaean and mid-Proterozoic gneisses, granites, and meta-sedimentary rocks that record the progressive amalgamation of the Archaean Pilbara and Yilgarn Cratons to form the West Australian Precambrian Shield. The Gascoyne Province has been subjected to multiple tectono-magmatic reworking events that are now marked by segments with different deformational, metamorphic, magmatic, and metallogenic signatures. These segments are bounded by deep crustal shear zones that trend west-northwest to east-southeast, along with the general tectonic foliations.

The basement beneath the Sandiman Project consists of the Halfway Gneiss, Durlacher Granitic Suite, and enclaves of Leake Spring Metamorphics. The latter unit includes metasedimentary rocks, including calc-silicates after carbonates, and amphibolites after mafics. This basement segment contains numerous mineral occurrences, including copper-lead-zinc, tungsten-molybdenum, and tantalum-niobium associations. No significant basement mineral occurrences are known on E09/2316, although significant base-metal occurrences occur 35 km to the northeast.

The on-lapping sedimentary sequence in the Merlinleigh Sub-basin of the Carnarvon Basin is represented by the glaciogene diamictites of the Lyons Group of Permian age. However, this boundary is not a simple on-lap, as it is cut by many listric-type faults of the Wandagee Fault Zone that relate to rift-style faulting of the progressive development of the Carnarvon Basin. This faulting has caused a complex array of horst blocks, half grabens and disruption of the Permian unconformity.

The boundary zone is further complicated by the remnants of older sedimentary rocks of Devonian age that mark the initial transgression onto the Gascoyne basement. These include limestone and evaporite-facies sedimentary rocks, overlain by black shale. These remnants outcrop within the Sandiman project area and will be present in greater extent deeper in the basin within E09/2316.

This geological framework is considered a favourable situation for Mississippi Valley Type (MVT) lead-zinc mineralisation as, for example, the Lennard Shelf lead-zinc deposits in the Canning Basin of Devonian age. These deposits form by hydrothermal fluids coming up from deep fault fractures, and leaching metals (like lead, zinc, barium) from basement sources, and precipitating them as sulphides and sulphates in carbonate and pyritic rocks.

Another possible metallogenic style that can form within this craton-margin geological framework is VMS, if there are localised volcanic rocks in the system. There is no record of volcanics in either the Devonian or Permian sequences in the Carnarvon Basin, but they could be present at depths further into the basin, and not yet intersected by petroleum wildcat wells.

The only post-basement magmatic activity known in the region is the Wandagee picritic lamprophyres (Lewis 1990). These are mantle-tapping funnel-shaped diatremes that intrude the Permian Lyons River Group. Altogether there are 23 such diatremes, forming a diffuse cluster 60 km x 30 km more or less corresponding to the Wandagee Fault Zone. They are thought to be Jurassic in age and relate to the break-up of Gondwana. They have been explored for diamonds without success. There are no documented diatremes within

E09/2316. Although there is a spatial relationship with the rifted margin of the cratonic Gascoyne Province, it is unlikely such diatremes can provide a magmatic fluid or heat source for barium and any related metals.

3.2.3 Local Geology

Figure 35 shows the fault complex with northeast and northwest-trending components that disrupts the unconformity between the basal Permian Harris Sandstone and the basement metamorphic rocks.

Also shown is the older Devonian Gneudna Limestone which is on-lapped and obscured by the Permian lithologies. The barite occurrences, as best is presently known, are mostly restricted to the Permian Harris Sandstone. Also shown is the best plot of the Arimco drillholes which were all collared in the Harris Sandstone.

The surface distribution of the Gneudna carbonates shown in Figure 35, would be a suitable host for MVT lead-zinc mineralisation. Its distribution beneath the Permian-aged sediments is unknown and is considered an important aspect of understanding the prospect scale framework for potential sediment-hosted mineralisation.

3.2.4 Barite

Based on the abundance of barite (BaSO_4) in this area, which remains unexplained, it is appropriate to comment on its significance.

Barite usually occurs in two forms:

- Bedded barite – occurring peripheral to MVT lead-zinc deposits and VMS base metal deposits. Bedded barite, therefore, possesses the geochemical alteration and metal signatures of these deposits.
- Vein barite - occurring in discord fracture-fills, generally lacking other elements and with no immediate spatial relationship with bedded barite.

It is reasonable to postulate that vein barite has been remobilised from bedded barite during a later hydrothermal event.

However, there is little information on these barite veins. Abeysinghe and Featherstone (1997) provide the only summary. They note the veins are up to 1.5 m wide, align in northeast and southeast trending fault sets, and can occur in basement and Permian rocks, or in fault contacts between them. Reputedly the barite is accompanied by “minor amounts of galena and traces of sphalerite”, and this observation has been confirmed by recent exploration work (pers. comm. Todd Axford (Cobre), 2020).

3.2.5 Historical Exploration

In 1974, Uranertz explored for unconformity-related uranium deposits in the lowermost Lyons Group unit – the Harris Sandstone. Only minor traces of carnotite were encountered, statutory report (A4559) noted barite workings in several shafts and trenches.

During 1981–1982, Amoco (A11013) undertook exploration specifically for stratiform lead-zinc, presumably on the basis of the barite occurrence. Amoco mapped in detail the fault system in old TR7863H and showed the barite veins were in fractures within the lowermost Permian sandstone (Harris Sandstone) and in faults between the sandstone and the basement fault blocks. Amoco did a prospect-scale orientation soil geochemistry survey and a small soil grid over known barite veins. This gave good barium and strontium soil anomalies, but barely perceptible lead kicks, and no zinc.

In 1990, Arimco (A32112) drilled three RC holes through the lower Permian sandstone into basement in a search for stratiform lead-zinc. The collar coordinates of these five holes have been located as best as possible from the non-digital plans. They all appear to be collared in the Lyons diamictite and passed into the Harris Sandstone. Three holes intersected the granitic basement at depths varying from 42 m to 123 m. The Arimco logs are not fully diagnostic in terms of stratigraphic identity, and the two deeper holes that failed to reach the basement may have intersected the more indurated Devonian calcareous siltstone and limestone of the Gneudna Formation. In this respect, the presence of “black oily scum” in one of the deeper holes that failed

to reach basement, may be significant. None of the holes showed anomalous base metals, but it is of interest that all the holes had anomalously high barium in the range of 400 ppm to 1,450 ppm. This suggests the possibility of barite cement in the sandstones. No further base metal exploration has since taken place.

In 2016, private company Western Barite Pty Ltd took up E09/2069. The statutory report (A109155) gives no details of any operations but notes 20 separate locations in the general area south of Mount Sandiman and Homestead; these are considered to be the 20 occurrences shown as barite in the Geological Survey of Western Australia (GSWA) Mindex database.

Independence Group NL (ASX: IGO) holds a large block of exploration licences totalling 4,370 km², surrounding ELO9/2316. IGO's Lyons River project covers the Permian sequence of the Merlinleigh sub-basin where it overlies the rifted margin of the cratonic Gascoyne Province. The IGO website notes *"hydrogeochemical sampling identified coincident 150 km x 30 km boron-fluorine anomaly associated with shallow marine-lacustrine carbonate-evaporite sequences"*.

3.2.6 Current Exploration

Analysis of multi-spectral satellite imagery over the Sandiman Project and surrounds was conducted by Geoimage Pty Ltd. The work included orthorectification and spectral processing of the ASTER imagery. A series of processed outputs were provided primarily aimed at assisting in deriving lithological discrimination and to identify potential areas of alteration.

The outputs were assessed as part of the initial field visit, primarily focused on the northern half of the project where historic occurrences of barite veining were recorded.

A series of rock-chip samples were collected, visually described, and sent for assay. Visual observations and assays confirm the presence of lead and zinc sulphides along with silver. Along with sulphides incorporated in barite veining, the assays also show signs of mineralisation associated with a red/green mudstone/dolomite contact (likely the Devonian Gneudna Limestone) exposed in a borrow pit to the north of the barite occurrences.

These observations support the conceptual target based on mineralised hydrothermal fluids moving through fault pathways associated with an extension on the margins of the East Carnarvon Basin. The area looks prospective for MVT base metals when considered in conjunction with a classic genetic model.

Recent work includes an aeromagnetic/radiometric survey as well as a ground gravity survey, both of which covered the entire project area. This was followed by a geophysical interpretation and target generation exercise, which is yet to be publicly reported.

3.2.7 Prospectivity

It is CSA Global's opinion that the Sandiman Project is conceptually prospective for MVT base metal mineralisation based on the cluster of barite veins in sedimentary basin rocks in a craton-margin geological setting in conjunction with recent exploration results reporting traces of lead-zinc-silver mineralisation. Early-stage exploration results also suggest the possibility for the formation of VMS base metal deposits.

The veins themselves do not present exploration targets although barite is considered a commercial industrial mineral. Rather, the exploration approach will be to better understand the geological setting and the hydrothermal fluid systems that operated during barite vein deposition (Geomin, 2019).

4 Valuation

4.1 Previous Valuations and Transactions

4.1.1 *Kalahari Copper Project*

CSA Global (CSA Global, 2017) has previously completed a CPR on the KCP, as then defined for AIM-listed Draganfly, to inform a potential investment decision. The licence holding at that time was broadly similar to the current footprint of the OCP and NCP (i.e. licences held by KML and Triprop), although several of these licences have been subsequently reduced in area by mandatory relinquishment. The CPR predated the acquisition of the Kitlanya licences, and it included a valuation of the aforementioned projects.

The total landholding covered in the CPR was 3,940 km² and CSA Global provided a preferred valuation of US\$1.73 million, based on analyses of comparative transactions relevant at that time and the use of the Geoscience or Kilburn method. CSA Global completed that work independently of both Draganfly and KML and was remunerated through the payment of a consulting fee.

The Kitlanya East and Kitlanya West projects were acquired by KML on 10 April 2019, whereby KML acquired 100% of Kitlanya Limited for US\$700,000, placing an effective value on KML, post the Kitlanya acquisition, of US\$5,200,000 at that time (<https://www.metaltigerplc.com/index.php/news/1307-kalahari-metals-limited-acquisition-of-kitlanya-ltd-2019-04-10-070800>).

CSA Global was commissioned by BDO to provide an updated valuation of the Kalahari Copper Project in September 2021. CSA Global's preferred value for the Kalahari Copper Project was US\$4.8 million, within a range of US\$2.4 million to US\$6.7 million.

4.1.2 *Perrinvale*

On 28 April 2020, Cobre acquired a 20% minority stake in Toucan (the holder of the Perrinvale Tenements) for a cash payment of A\$527,900 plus 6.16 million Cobre shares.

On 29 October 2018, Cobre purchased 80% of Toucan by paying 20% of the issued share capital in Cobre at the time of completion (18 June 2019). In addition, Cobre provided a non-recourse loan of A\$400,000 to Toucan for the purposes of Toucan undertaking exploration on the Perrinvale tenements.

On 6 December 2016, Toucan purchased tenements E29/929, E29/938, E29/946 and P29/2359 from FMG Resources Pty Ltd for a cash payment of A\$10,000; a further cash payment of A\$6,863.50 as reimbursement for annual rent paid in respect of E29/938 and E29/929; and an ongoing royalty payment equal to 2% net smelter return from the date on which production of minerals from one or more of the tenements commences and continuing until all tenements have wholly expired, lapsed or surrendered.

SRK completed a valuation of the Perrinvale assets in June 2020 (SRK, 2020).

CSA Global was commissioned by BDO to provide an updated valuation of the Perrinvale Project in September 2021. CSA Global's preferred value for the Kalahari Copper Project was A\$1.3 million, within a range of A\$0.65 million to A\$1.95 million.

4.1.3 *Sandiman*

On 13 November 2019, Cobre entered into a farm-in agreement with GTTS Generations Pty Ltd (the holder of the Sandiman tenement), pursuant to which Cobre is entitled to earn-in and acquire up to an 80% interest in the Sandiman tenement.

Cobre was required to pay the following after the occurrence of specific milestones:

- A\$25,000 and 166,667 shares within five business days of executing the agreement
- A\$25,000 within five business days of Official Quotation of the Shares

- Issue shares to GTTS Generations Pty Ltd with a market value of A\$35,000 within five business days of Cobre completing its second earn-in requirement.

Cobre is entitled to earn up to an 80% interest in the Sandiman tenement from GTTS Generations Pty Ltd by:

- Within 12 months from the satisfaction of conditions precedent, incurring an expenditure of not less than A\$265,000 (with a maximum of 20% of expenditure being applied to internal administration) to earn a 51% interest in the Sandiman tenement ("First Earn-In")
- Within 12 months of completion of the First Earn-In, incurring an expenditure of not less than A\$300,000 (with a maximum of 20% of expenditure being applied to internal administration) to earn an additional 29% interest in the Sandiman tenement ("Second Earn-In").

CSA Global was commissioned by BDO to provide an updated valuation of the Sandiman Project in September 2021. CSA Global's preferred value for the Kalahari Copper Project was A\$0.45 million, within a range of A\$0.23 million to A\$0.68 million.

4.2 Valuation Approach

Valuation of Mineral Assets is not an exact science and several approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are a number of generally accepted procedures for establishing the value of Mineral Assets. CSA Global considers that, wherever possible, inputs from a range of methods should be assessed as a matter of best practice to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the practitioner based on their experience.

Refer to Appendix A for a discussion of Valuation Approaches and Valuation Methodologies, including a description of the VALMIN classification of Mineral Assets.

In forming an opinion as to the Market Value of the Mineral Assets, the approach adopted by CSA Global has been to rely primarily on market-based methods (primarily the comparative transaction method) based on the tenement area (Table 14). Note that, as the Triprop licences have been renewed from 1 October 2022 with a reduced licence area (Table 4), CSA Global has considered the value on the basis of the reduced areas as of 1 October 2022.

Table 14: Valuation basis and methods employed

Mineral Asset	Classification	Area (km ²)	Valuation methods
KML licences	Advanced Exploration	1,000	Comparative Transactions, Geoscience Rating
Triprop licences		#720 [#]	
Kitlanya licences		3,305	
Perrinvale Project	Advanced Exploration	345	
Sandiman Project	Early Exploration	202	

[#] The Triprop licences are valued on the basis of the reduced areas as of 1 October 2022 (Table 4).

The choice of valuation methods employed was dictated by the exploration stage of the assets and the availability of information.

The Valuation Basis employed by CSA Global is Market Value, as defined by the VALMIN Code (2015) and explained in Appendix A. The Valuation Date is 22 August 2022. The currency is Australian dollars (A\$ or \$) unless otherwise stated. Note that the analysis and valuation of the Botswanan tenements are in US\$ and the analysis and valuation of the West Australian tenements are in A\$.

Project values are expressed on a 100% basis unless otherwise stated.

In CSA Global's opinion, nothing material has occurred up to the date of this Report (22 August 2022), since the Valuation Date (22 August 2022) to affect CSA Global's technical review and valuation opinion.

4.3 Commodity Market and Pricing

The copper price history in US\$/t for the five years prior to 22 August 2022 is illustrated in Figure 36. The gold (US\$/oz and A\$/oz) history for the five-year period prior to 22 August 2022 is shown in Figure 37. The variation in the copper price over time and the variation in gold price over time in US\$ and A\$ terms highlights the need to normalise transactions to account for variations in commodity prices and exchange rates over time.

Commodity Price

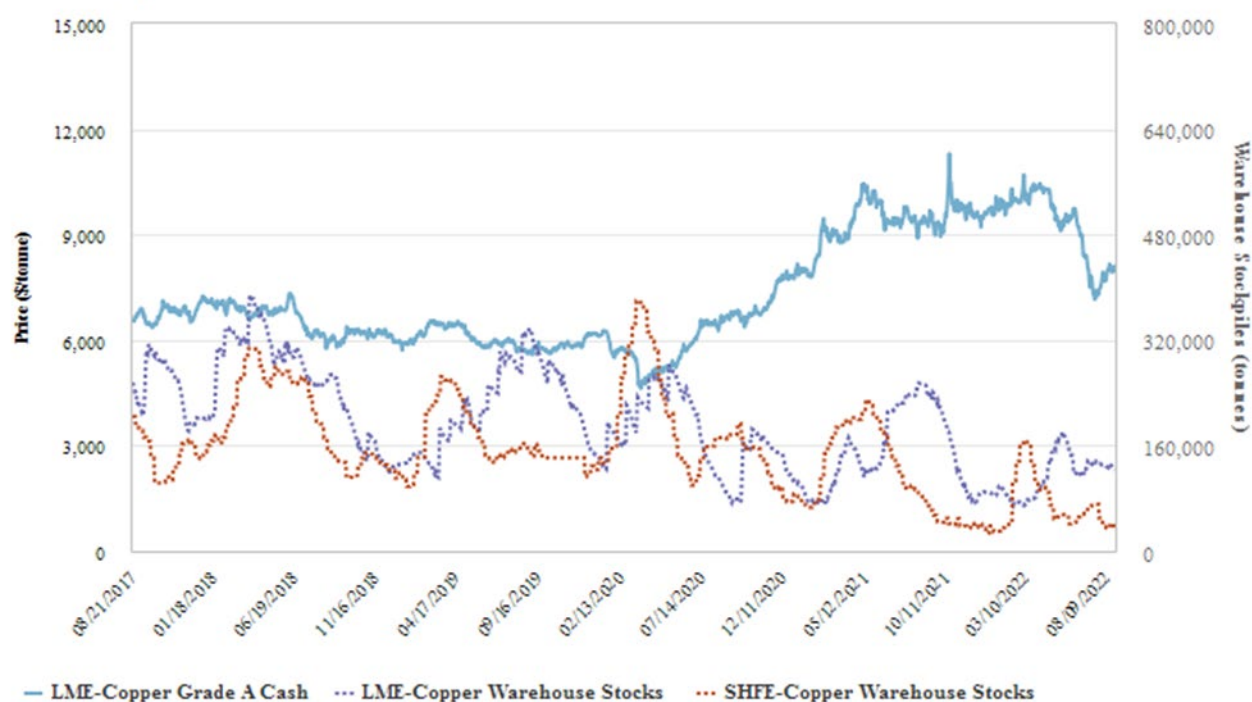


Figure 36: Copper price history in US\$
Source: S&P Capital IQ Platform



Figure 37: Gold price history in US\$ and A\$
Source: S&P Global Market Intelligence Platform

4.4 Comparative Transactions

The transactions considered were announced post-January 2017 and there was sufficient information on the transaction and material projects available in the public domain for the analysis of the transactions.

In analysing the African copper transactions, all amounts were converted to US\$ at the relevant exchange rate at the time of the transaction announcement, and the West Australian transactions were analysed in A\$. Joint venture transactions were only valued to the first earn-in milestone and any subsequent earn-in milestones were ignored. Future payments contingent on a future milestone such as declaration of a Mineral Resource or decision to mine were ignored. Share considerations were treated as the equivalent cash value using share prices at the time of the transaction unless the shares were issued at a particular deemed price. Where significant portions of the consideration committed were delayed by a significant period of time, the delayed payments were discounted to account for the time value of money.

4.4.1 Copperbelt Transactions

CSA Global considered 15 transactions involving early-stage copper projects in Southern Africa, specifically Botswana (six transactions), Namibia (five transactions) and Zambia (four transactions), targeting Copperbelt-style mineralisation (Figure 38). These transactions are listed and analysed in Appendix B. Implied transaction prices were normalised to the 22 August 2022 copper spot price of US\$8,041/t.

The Zambian transactions involved smaller areas of tenure, averaging approximately 600 km². The relevant interests in these tenements changed hands at significantly higher prices than the Botswanan and Namibian projects (Figure 38 and Table 15).

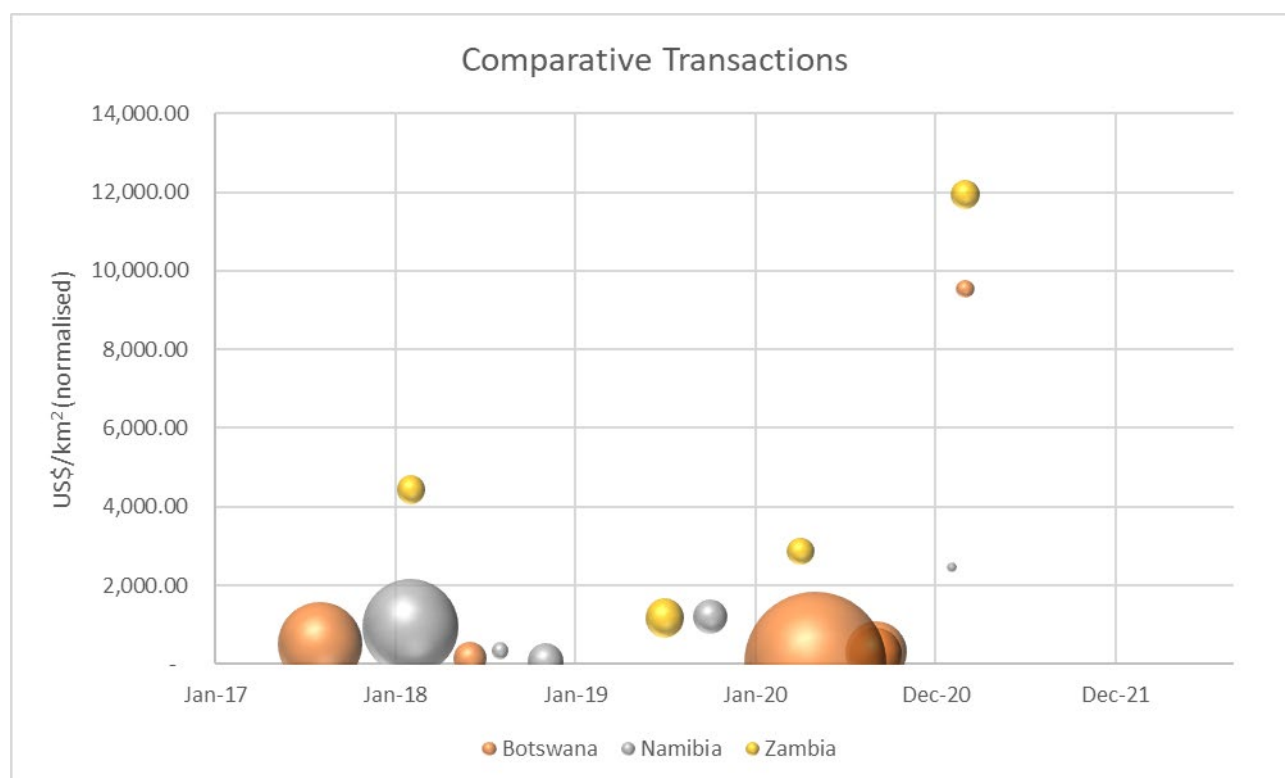


Figure 38: All Copperbelt transactions

Note: Bubble size proportional to area of tenure.

The geological continuity of the Kalahari Copperbelt between Namibia and Botswana was shown earlier in this report in Figure 3. In addition, the investment environment and sovereign risk ratings of Namibia and Botswana are generally considered comparable. Therefore, CSA Global combined the Namibian and Botswanan Kalahari Copperbelt transactions in our analysis of comparative market transactions (Figure 39, Figure 40 and Table 15).

The March 2021 acquisition by Arc Minerals of the Ghanzi West licences in Botswana is considered to be a high outlier (Figure 39). The area is comparatively small, and Arc Minerals appears to be focused on the Zambian Copperbelt, with the implied US\$/km² purchase price for the Ghanzi West licences more in line with transaction prices for exploration ground in the Zambian Copperbelt. It has also therefore been excluded (Figure 40 and Table 15).

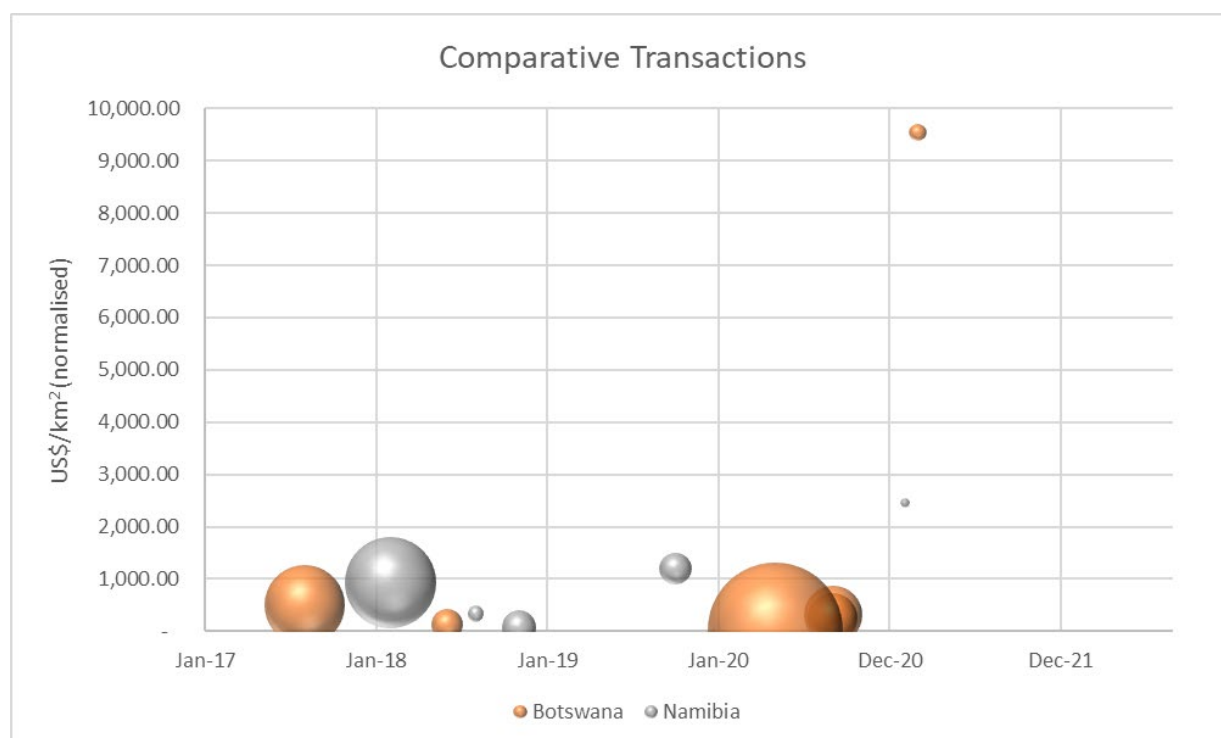


Figure 39: Kalahari Copperbelt transactions

Note: Bubble size proportional to area of tenure.

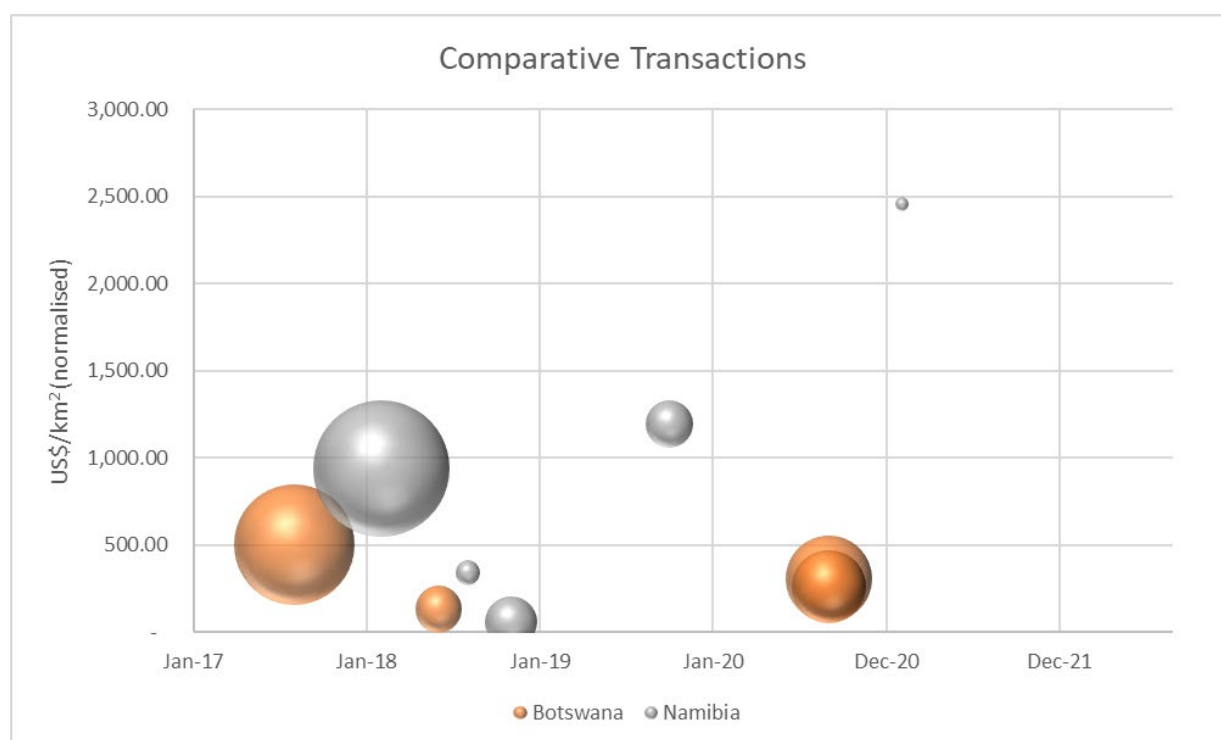


Figure 40: Kalahari Copperbelt transactions, excluding high and low outliers

Note: Bubble size proportional to area of tenure.

Table 15: Analysis of Copperbelt transactions by country

Statistic (US\$/km ²)	All	Zambia	Botswana	Botswana excluding outliers	Namibia	Botswana and Namibia	Botswana and Namibia, excluding outliers
Transactions	15	4	6	4	5	11	9
Minimum	20.95	1,174.98	20.95	131.81	58.69	20.95	58.69
Maximum	11,935.09	11,935.09	9,543.44	501.87	2,457.07	9,543.44	2,457.07
Mean	2,412.23	5,106.09	1,794.40	300.50	998.55	1,432.65	688.30
Median	938.34	3,657.15	284.16	284.16	938.34	341.97	341.97
Weighted average	700.15	4,472.95	247.23	381.45	861.95	401.91	597.62
Geometric mean	738.08	3,657.57	319.34	269.86	560.60	412.43	405.08

The area of tenure involved in the Botswanan transactions averaged 4,270 km², which dropped to 2,633 km² when the outlier Crocus (14,875 km²) and Ghanzi West (210 km²) transactions were excluded.

The Crocus transaction involved a total of 14,875 km² of tenure, the majority of which was peripheral to the Kalahari Copperbelt, as well as two licences in the Limpopo Belt. The prospectivity of the Crocus ground is considered to be materially lower than the prospectivity of the Kalahari Copper Project tenure, therefore CSA Global has exercised professional judgement in excluding this transaction (Table 15 and Table 16).

Table 16: Analysis of Copperbelt transactions by area of tenure

Statistic (US\$/km ²)	All	<1,000 km ²	>1,000 km ²	>1,000 km ² excluding Crocus
Transactions	15	9	6	5
Minimum	20.95	58.69	20.95	260.30
Maximum	11,935.09	11,935.09	1,174.98	1,174.98
Mean	2,412.23	3,664.34	534.08	636.70
Median	938.34	2,457.07	404.95	501.87
Weighted average	700.15	3,070.68	361.46	651.80
Geometric mean	738.08	1,309.28	312.40	536.30

The area of tenure involved in the Namibian transactions averaged 1,723 km², and climbed to 2,139 km² when the anomalously small and focussed Guchab transaction was excluded. The area of tenure averaged 3,112 km² when the Namibian and Botswanan transactions were grouped, and this dropped to 2,145 km² when the Crocus and Guchab transactions were excluded.

As the KCP tenure totals 8,099 km², with the tenure groupings ranging from 1,449 km² (Triprop licences) to 4,652 km² (Kitlanya licences), CSA Global focused on the transactions involving tenure areas of greater than 1,000 km² (Table 16).

Based on the analyses described above, CSA Global used professional judgement in selecting a low valuation factor of US\$60/km², a preferred valuation factor of US\$600/km² and a high valuation factor of US\$2,500/km².

The preferred valuation factor of US\$600/km² is rounded from the weighted average of the Botswanan and Namibian transactions, excluding outliers (Table 15), which is similar to the weighted average of the projects >1,000 km², excluding Crocus (Table 16). The low factor and the high factor are rounded from the minimum and maximum, respectively, of the Botswanan and Namibian transactions, excluding outliers (Table 15).

Applying these valuation factors to the KCP tenure results in the valuation summarised in Table 17.

Table 17: Summary of KCP valuation based on comparative transactions

Holder	Area (km ²)	Valuation factors (US\$/km ²)			Value (US\$ million)		
		Low	Preferred	High	Low	Preferred	High
KML	1,000	60	600	2,500	0.06	0.60	2.50
Triprop	#720	60	600	2,500	0.04	0.43	1.80
Kitlanya	3,305	60	600	2,500	0.20	1.98	8.26
Total	5,025				0.30	3.02	12.56

The Triprop licences are valued on the basis of the reduced areas as of 1 October 2022 (Table 4).

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Based primarily on the location of the various licences with respect to known copper deposits and outcropping stratigraphy, it is possible to crudely rank the prospectivity of the licences and apply valuation factors based on this ranking.

CSA Global grouped the transactions by assumed prospectivity, based on the ranked transaction values. Transactions with the highest values were assumed to involve the most prospective tenure, and transactions with the lowest values were assumed to involve the least prospective tenure. The range of valuation factors has been derived from the analysis of comparative transactions described above, with rank 1 assigned to the licences deemed most prospective, and rank 4 applied to the licences deemed least prospective.

A valuation completed by applying these factors to the KCP tenure considering prospectivity rankings derived from CSA Global's assessment of these tenements is summarised in Table 18.

Table 18: Summary of KCP valuation based on ranked transaction values

Holder	Licence	Area (km ²)	Rank	Valuation factors (US\$/km ²)			Value (US\$ million)		
				Low	Preferred	High	Low	Preferred	High
KML	PL149/2017	1,000	1	2,000	2,500	3,000	2.00	2.50	3.00
Triprop	PL041/2012	#9	2	1,000	1,500	2,000	0.01	0.01	0.02
Triprop	PL042/2012	#271	1	2,000	2,500	3,000	0.54	0.68	0.81
Triprop	PL043/2012	#82	3	250	625	1,000	0.02	0.05	0.08
Kitlanya	PL343/2016	995	4	50	150	250	0.05	0.15	0.25
Kitlanya	PL342/2016	950	4	50	150	250	0.05	0.14	0.24
Kitlanya	PL072/2017	238	3	250	625	1,000	0.06	0.15	0.24
Kitlanya	PL070/2017	827	1	2,000	2,500	3,000	1.65	2.07	2.48
Kitlanya	PL071/2017	295	3	250	625	1,000	0.07	0.18	0.30
Triprop	PL035/2012	#309	1	2,000	2,500	3,000	0.62	0.77	0.93
Triprop	PL036/2012	#50	2	1,000	1,500	2,000	0.05	0.08	0.10
Total		5,025					5.12	6.78	8.44

The Triprop licences are valued on the basis of the reduced areas as of 1 October 2022 (Table 4).

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

4.4.2 West Australian Exploration Ground Transactions

CSA Global considered 125 transactions involving exploration licences in Western Australia in the past five years, comprising both Early Exploration and Advanced Exploration properties. These transactions primarily involved tenure prospective for gold, but also included tenure prospective for nickel, copper, lithium or base metals. These transactions are listed and analysed in Appendix C. Implied transaction prices were normalised to the 22 August 2022 gold spot price of A\$2,524.33/oz.

Twelve of these transactions were considered high outliers and were excluded (Table 19 and Figure 41). Figure 41 illustrates that there is little correlation between area and transaction value for very small tenements (<50km²), and that very large tenure holdings (>1,000km²) appear to hold a higher strategic value. As the Perrinvale Project tenure totals 345 km² and the Sandiman Project tenure totals 202 km², CSA Global

considers the transactions involving tenure packages of between 50 km² and 1,000 km² (Table 19 and Figure 42) to be relevant comparatives to Cobre's West Australian tenure.

Table 19: Analysis of transactions involving Western Australian exploration licences in the past five years

Statistic (A\$/km ²)	All transactions	All transactions excluding outliers	>50 and <1,000 km ²	>50 and <1,000 km ² excluding outliers
Transactions	125	113	84	77
Minimum	65	65	65	65
Maximum	108,497	19,212	87,679	10,887
Mean	8,681	4,644	6,178	3,303
Median	3,983	3,148	2,499	2,302
Weighted Average	6,598	4,065	5,527	2,922
Geomean	3,434	2,658	2,443	1,947

Based on the analyses described above, CSA Global used professional judgement in selecting a low valuation factor of A\$1,000/km², a preferred valuation factor of A\$3,000/km² and a high valuation factor of A\$7,000/km².

The preferred valuation factor of A\$3,000/km² is rounded from the mean and weighted average values of the transactions involving tenement packages of between 50 km² and 1,000 km², excluding outliers. This value is also similar to the geomean value for all transactions excluding outliers (Table 19). The low factor and the high factor are rounded from the 20th percentile and the 80th percentile, respectively, of the entire transaction set, excluding outliers (Figure 41).

Applying these valuation factors to Cobre's West Australian exploration tenements results in the valuation summarised in Table 20.

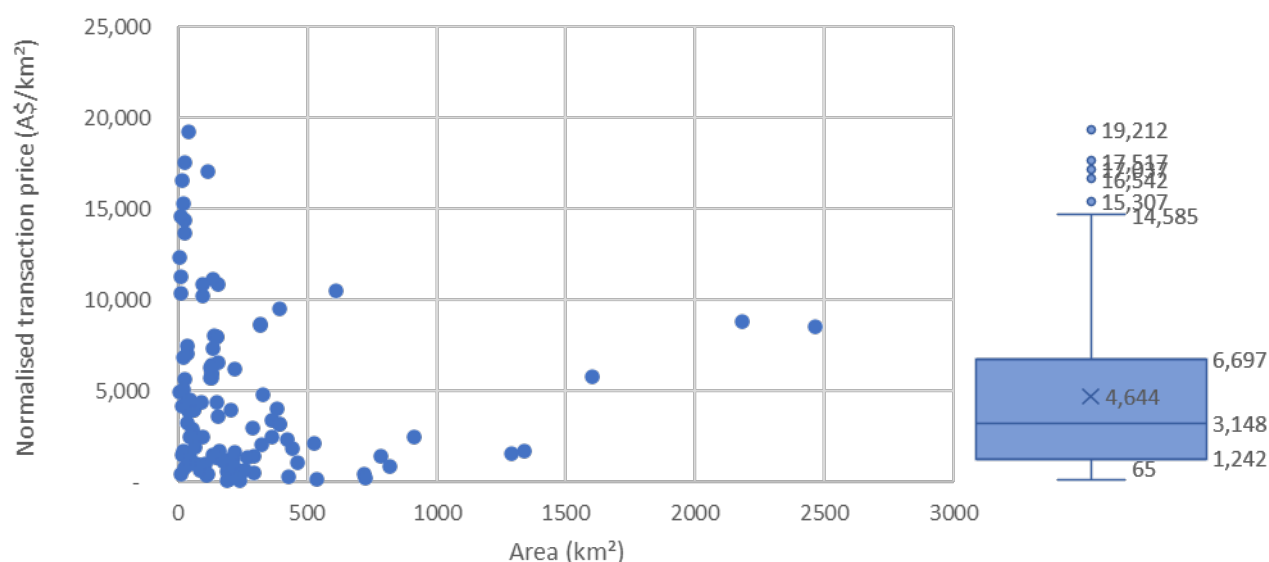


Figure 41: Transactions involving exploration licences in Western Australia in the past five years, excluding outliers

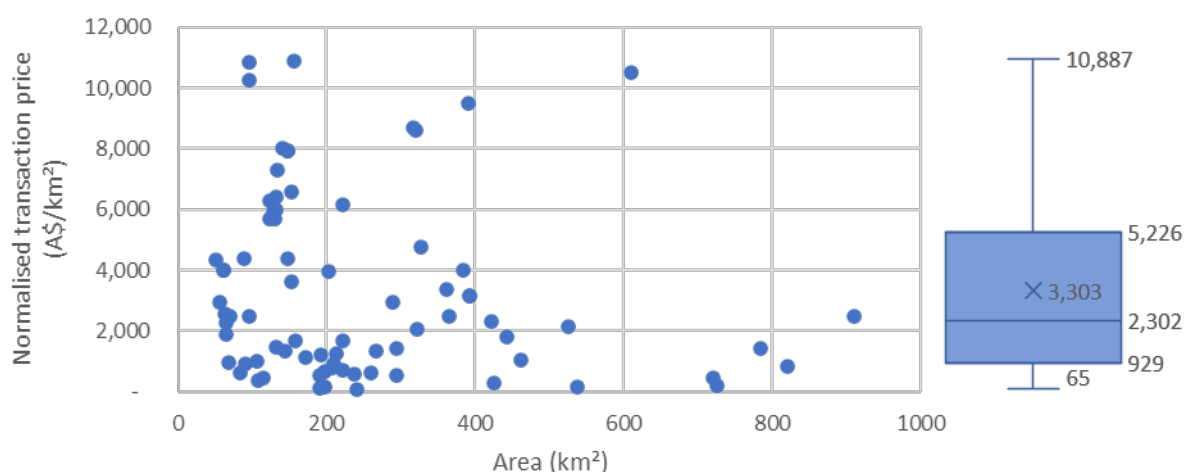


Figure 42: Transactions involving Western Australia exploration licences of between 50 km² and 500 km², excluding outliers

Table 20: Summary of Western Australian projects valuation based on comparative transactions

Project	Area (km ²)	Valuation factors (A\$/km ²)			Value (A\$ million)		
		Low	Preferred	High	Low	Preferred	High
Perrinvale	344.9	1,000	3,000	7,000	0.34	1.03	2.41
Sandiman	202	1,000	3,000	7,000	0.20	0.61	1.41
Total	546.9	1,000	3,000	7,000	0.55	1.64	3.83

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Based on the prospectivity analysis carried out as part of the Kilburn valuation assessment (Section 4.5.2 of this Report), it is possible to crudely rank the prospectivity of the licences and apply valuation factors based on this ranking. CSA Global grouped the transactions by assumed prospectivity, based on the ranked transaction values. The range of valuation factors has been derived from the analysis of comparative transactions described above, with rank 1 assigned to the most licences deemed most prospective, and rank 4 applied to the licences deemed least prospective. A valuation completed using this methodology is summarised in Table 21.

Table 21: Summary of Western Australian projects valuation based on ranked transaction values

Project	Licence	Area (km ²)	Rank	Valuation factors (A\$/km ²)			Value (A\$ million)		
				Low	Preferred	High	Low	Preferred	High
Perrinvale	E29/1017	54.0	3	1,000	1,500	2,000	0.05	0.08	0.11
	E29/929-I	57.0	3	1,000	1,500	2,000	0.06	0.09	0.11
	E29/938-I	39.0	1	5,000	7,500	10,000	0.20	0.29	0.39
	E29/946-I	15.0	2	2,000	3,500	5,000	0.03	0.05	0.08
	E29/986	59.9	2	2,000	3,500	5,000	0.12	0.21	0.30
	E29/987	21.0	2	2,000	3,500	5,000	0.04	0.07	0.11
	E29/988	3.0	3	1,000	1,500	2,000	0.003	0.005	0.01
	E29/989	9.0	3	1,000	1,500	2,000	0.01	0.01	0.02
	E29/990	27.0	3	1,000	1,500	2,000	0.03	0.04	0.05
	E29/1106	60.0	4	100	550	1,000	0.01	0.03	0.06
		344.9					0.54	0.89	1.23
Sandiman	E09/2316	202	4	100	550	1,000	0.02	0.11	0.20

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

4.5 Geoscience Factor Method (Modified Kilburn)

The Geoscientific Factor Method (GFM) of valuation, as detailed in Appendix A, requires the consideration of those aspects of a mineral property that enhance or downgrade the intrinsic value of the property. It seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.

The first and key aspect of the GFM described by Kilburn (1990) is the derivation of the Base Acquisition Cost (BAC) that is the basis for the valuation. The BAC represents the average cost to identify, apply for and retain a base unit of area of tenement.

In addition, a market factor is required to derive a market value from the technical value calculated from the BAC and ranking factors. CSA Global takes the approach of using the implied value range from our selected Comparable Transactions to inform the selection of a GFM market factor. Our presumption is that the comparatives are capturing the market sentiment, so any other valuation method should not be significantly different (order of magnitude).

4.5.1 Botswanan Tenements

A BAC for Botswanan prospecting licences has been estimated using the following data and assumptions:

- Based on the original grant of three years, with up to two renewals of two years each allowed, it is assumed that the average age of prospecting licences in Botswana is four years
- The maximum size is 1,000 km², and the average size, as recorded on the S&P Global Market Intelligence Platform, is approximately 263.7 km²
- A deemed cost to identify a licence of interest of US\$7,000 was assumed
- Application cost is BWP5/km²
- The holding cost includes a rent of BWP5/km² per annum, as per the licence agreement
- Average annual exploration expenditure on grassroots exploration in Botswana is US\$29.59/km², according to the S&P Global Market Intelligence Platform.
- The 22 August 2022 exchange rate is approximately US\$0.078/BWP.

Altogether, this gives an assumed BAC for the average Botswanan prospecting licence of US\$150.74/km².

The licences were rated in accordance with the rating system shown in Table A3 (Appendix A), with detailed ratings per licence shown in Table E1 (0).

A market factor (discussed in Appendix A) of 0.4 was used to align the technical value derived from the rating scheme to a market value, based on the analysis of comparative transactions. This resulted in a range of implied values of US\$234/km² to US\$1,563/km² for the licences considered (average US\$717.74/km²), which is consistent with the range of values derived from the analysis of comparative transactions (Section 4.4.1).

A summary of the valuation of the KCP using this method is provided in Table 22.

Table 22: Summary of Kilburn valuation of KCP tenure

Holder	Area (km ²)	Low (US\$ million)	Preferred (US\$ million)	High (US\$ million)
KML	1,000	0.48	1.23	1.98
Tripnop	#720	0.28	0.70	1.12
Kitlanya	3,305	0.79	1.95	3.11
Total	5,025	1.55	3.88	6.21

The Tripnop licences are valued on the basis of the reduced areas as of 1 October 2022 (Table 4).

BAC US\$150.74/km², market factor 0.4.

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

4.5.2 West Australian Tenements

A BAC for Western Australian exploration licences has been estimated using the following data:

- Based on the Government of Western Australia's DMIRS tenement database as of 4 July 2022 and the West Australian mining code, it is determined that the average age of exploration licences in Western Australia is 4.89 years and the average area is approximately 31.7 blocks
- An average cost to identify an area of interest of A\$10,000 was chosen
- An average cost of A\$20,000 was chosen for the cost of landowner notices, negotiations, legal costs and compensation for exploration licences and mining licences
- An application fee of A\$1,580 is payable per exploration licence
- The holding cost includes a yearly rental of A\$141/block for the first three years and A\$238/block for the next two years for exploration licences
- Western Australian mining law includes a minimum annual expenditure requirement of A\$1,000/block for the first three years and A\$1,500/block for the next two years for exploration licences
- Annual shire rates are payable on exploration licences in Western Australia, estimated at A\$2,000 per annum.

These inputs suggest a BAC of A\$7,527/km² for West Australian exploration licences.

The licences were rated in accordance with the rating system shown in Table A3 (Appendix A), with detailed ratings per licence shown in Table E2 (0).

A market factor of 0.1 was used to correct the technical value derived from the rating scheme to a market value, based on the analysis of comparative transactions. This resulted in a range of implied values of A\$941/km² to A\$8,468/km² for the licences considered (average A\$3,569/km²), which is consistent with the range of values derived from the analysis of comparative transactions (Section 4.4.2). As expected, the empirically derived market factors for Botswana and Western Australia are different, as these are different markets.

A summary of the valuation of the West Australian projects is provided in Table 23.

Table 23: Summary of Kilburn valuation of West Australian projects

Project	Area (km ²)	Low (A\$ million)	Preferred (A\$ million)	High (A\$ million)
Perrinvale	345	0.39	1.21	2.02
Sandiman	202	0.15	0.33	0.51
Total	547	0.54	1.54	2.54

BAC A\$7,527/km², market factor 0.1.

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

4.6 Valuation Opinion

4.6.1 Kalahari Copper Project

CSA Global's opinion on the value of the KCP (Figure 43) has been informed primarily by the analysis of comparative transactions, firstly considering the tenure holding as a whole, and secondly by ranking the tenements based on the prospectivity of the individual licences and applying ranked valuation factors derived from the analysis of transactions. As a cross-check, CSA Global has considered the potential value of the tenement package by employing the Kilburn GFM. CSA Global has also considered the value of the project.

Note that the analysis of market transactions indicates that highly prospective or otherwise strategic tenure holdings can transact at prices that are higher than the majority of other tenure holdings. This would be dependent on the perceptions of individual buyers and is not likely indicative of broader market sentiment.

These valuation methods were selected as appropriate for considering the market value of early-stage exploration licences, where mineral Resources have not as yet been declared, and where sufficient exploration has been carried out to gain some understanding of the prospectivity of the individual licences.

Should a mineral resource be declared in the future, it may then become appropriate to consider the value of the licences on the basis of the mineral resources that would then be known to occur within the licences.

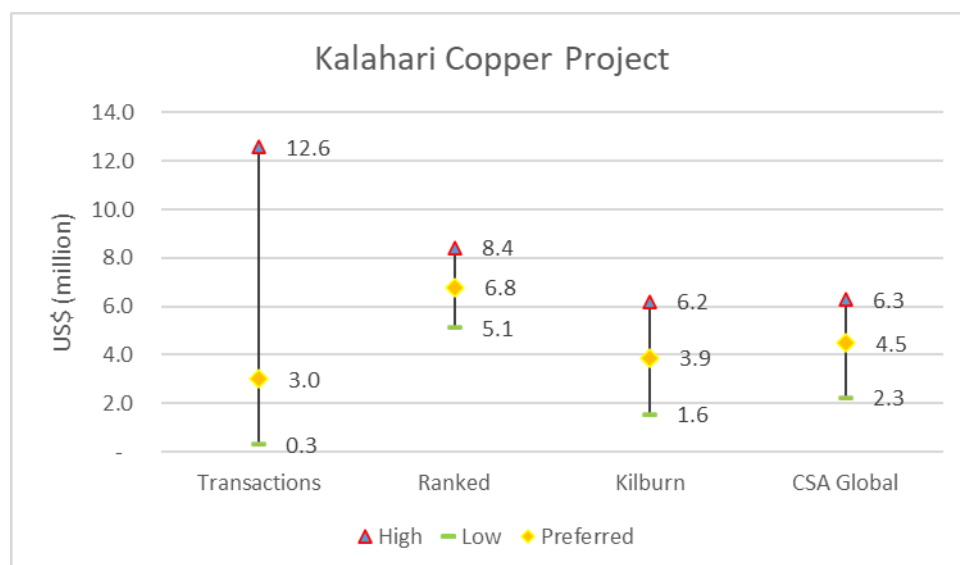


Figure 43: Valuation of KCP (100% basis)

The opinion on the value of the KCP is based on CSA Global's opinion on the value of the three tenure components that comprise the KCP, namely the KML licences (Figure 44), the Triprop licences (Figure 45) and the Kitlanya licences (Figure 46).

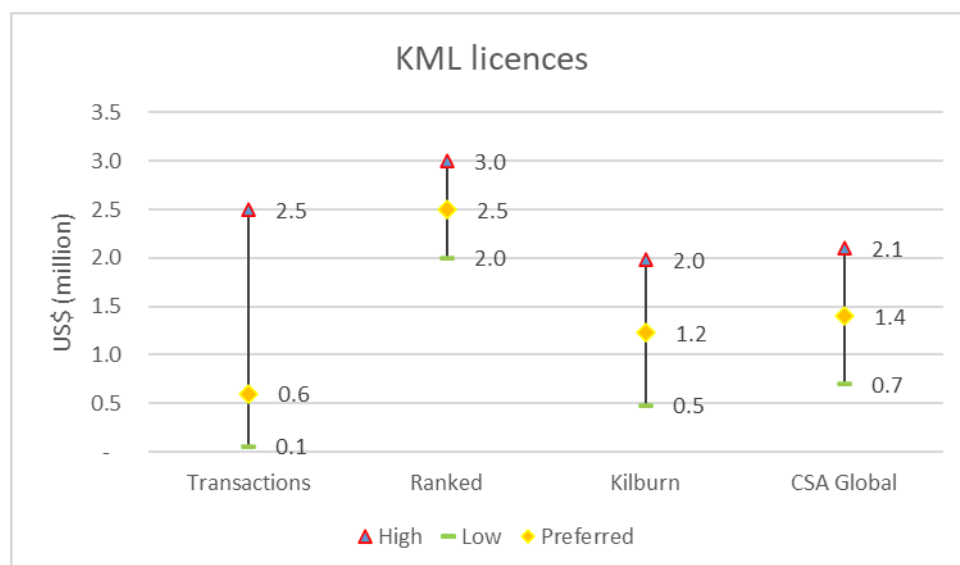


Figure 44: Valuation of KML licences (100% basis)

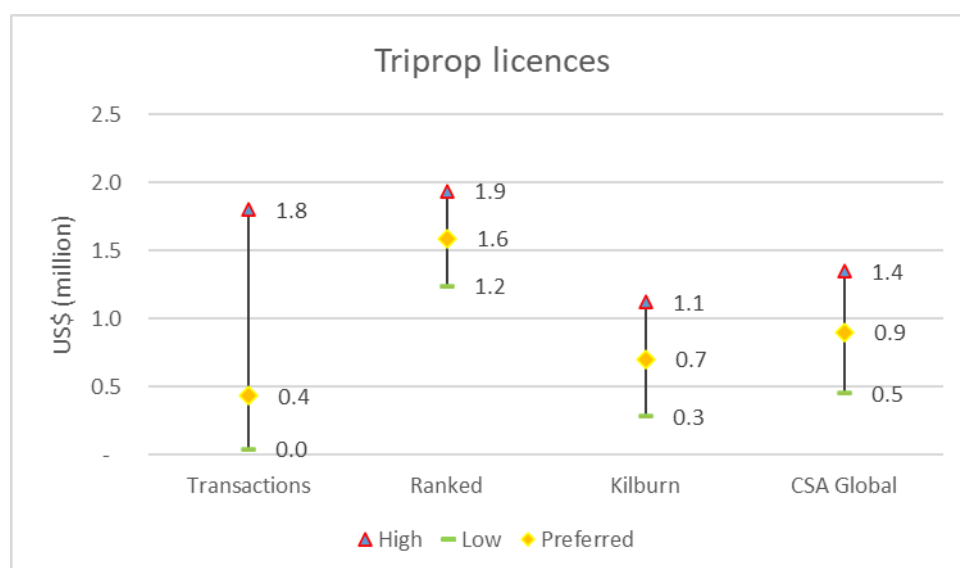


Figure 45: Valuation of Triprop licences (100% basis)

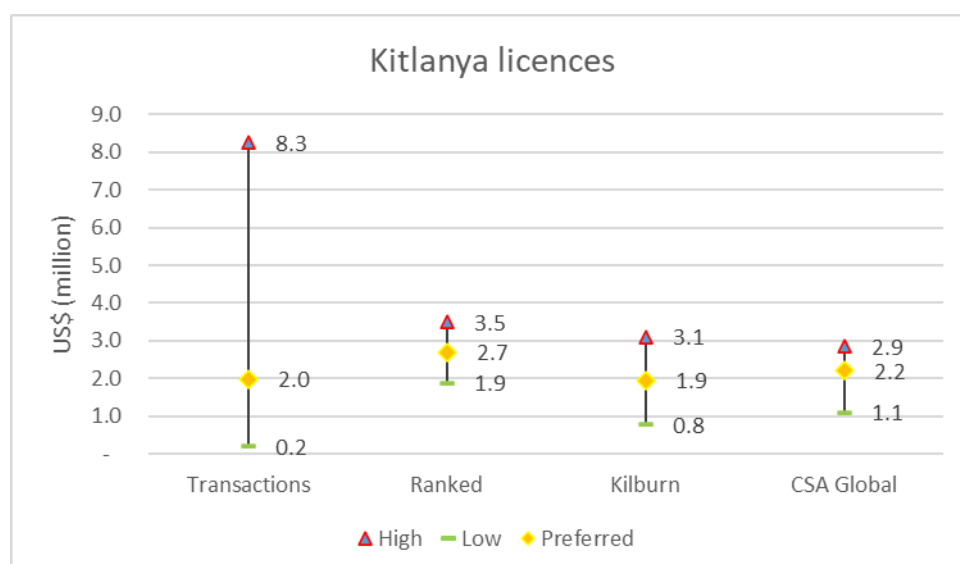


Figure 46: Valuation of Kitlanya licences (100% basis)

CSA Global has used professional judgement to select a preferred value from the outcomes of the three valuation methods considered and applied a range of 50% above and below the preferred value, based on the current development stage of the projects.

For the Kitlanya licences, which have the contingent payment obligation of US\$5/t of contained copper once an Indicated Resource is declared, CSA Global has capped the upper end of the range to 30% above the Preferred value.

CSA Global has considered the Metal Tiger 2% net smelter royalty obligation over all KML's wholly owned licences, and it is CSA Global's professional opinion that this is not likely to materially affect the current market value of the project at the current early stage of development. The value of the net smelter royalty agreement will only become material once the project is at a more advanced stage after mineral resources have been declared and mining studies commence.

4.6.2 West Australian Projects

CSA Global's opinion on the value of the Perrinvale Project (Figure 47) and the Sandiman Project (Figure 48) has been informed primarily by the analysis of comparative transactions, firstly considering the tenure holding as a whole, and secondly by ranking the tenements based on the prospectivity of the individual

licences and applying ranked valuation factors derived from the analysis of transactions. As a cross-check, CSA Global has considered the potential value of the tenement package by employing the Kilburn geoscientific factor rating.

CSA Global has used professional judgement to select a preferred value from the outcomes of the three valuation methods considered and applied a range of 50% above and below the preferred value, based on the current development stage of the projects.

CSA Global has considered the FMG Resources Pty Ltd net smelter royalty obligation over three of the nine Perrinvale licences, and it is CSA Global's professional opinion that this is not likely to materially affect the current market value of the project at the current early stage of development. The value of the net smelter royalty agreement will only become material once the project is at a more advanced stage after mineral resources have been declared and mining studies commence.

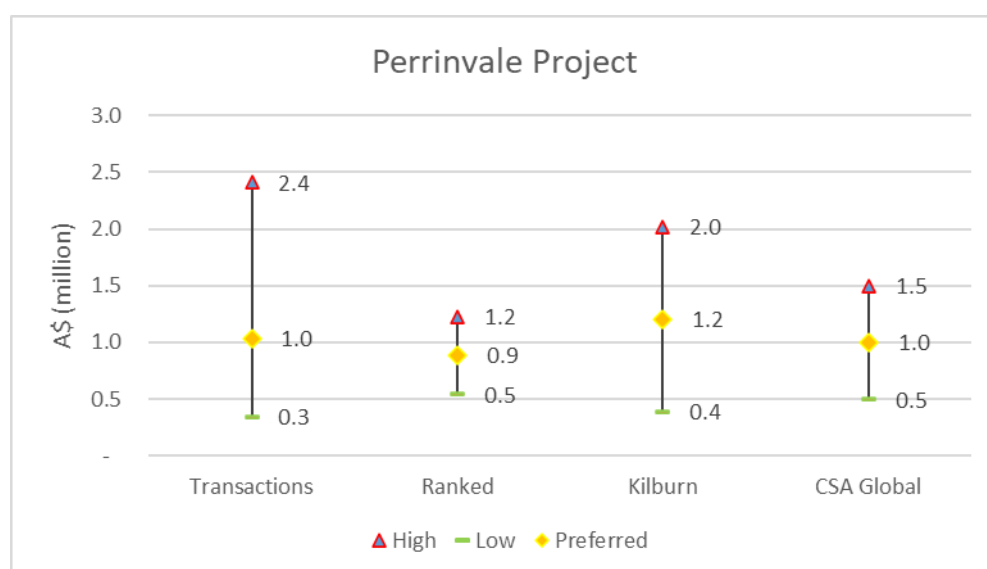


Figure 47: Valuation of Perrinvale Project (100% basis)

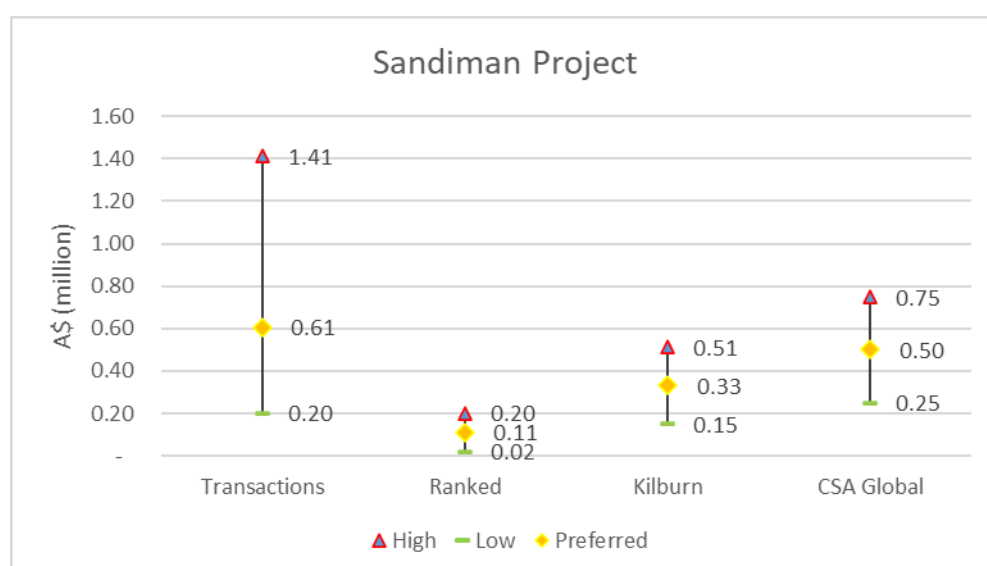


Figure 48: Valuation of Sandiman Project (100% basis)

4.6.3 Valuation Summary

CSA Global's opinion as to the likely Market Value of the KCP as at 22 August 2022, on a 100% basis, is summarised in Table 24 and CSA Global's opinion as to the likely Market Value of Cobre's West Australian exploration tenure as at 22 August 2022, on a 100% basis, is summarised in Table 25.

It is stressed that the valuation is an opinion as to likely values, not absolute values, which can only be tested by going to the market.

Table 24: Market value of the Botswanan copper tenements as of 22 August 2022 (100% basis)

Licence grouping	Area (km ²)	Low (US\$ million)	Preferred (US\$ million)	High (US\$ million)
KML	1,000	0.7	1.4	2.1
Tripprop	#720	0.5	0.9	1.4
Kitlanya	3,305	1.1	2.2	2.9
Total	5,025	2.3	4.5	6.3

The Tripprop licences are valued on the basis of the reduced areas as of 1 October 2022 (Table 4).

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Table 25: Market value of Cobre's West Australian exploration tenure as of 22 August 2022 (100% basis)

Project	Area (km ²)	Low (A\$ million)	Preferred (A\$ million)	High (A\$ million)
Perrinvale	345	0.50	1.00	1.50
Sandiman	202	0.25	0.50	0.75
Total	547	0.75	1.50	2.25

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

CSA Global considers that its opinion must be considered in its entirety and that selecting portions of the analysis, or factors considered by it, without considering all factors and analyses together could create a misleading view of the process underlying the opinions presented in this Report. The timing and context of an independent valuation report are complex and do not lend themselves to partial analysis or selective interpretations without consideration of the entire report.

In CSA Global's opinion, nothing material has occurred up to the date of this Report, since the Valuation Date to affect CSA Global's technical review and valuation opinion.

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6 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia www.wikipedia.org

3D modelling	Process of creating a 3D model. 3D models are powerful tools that convey complex geological concepts. The 3D modelling process allows geoscientists to test the validity of geological assumptions or hypotheses and provides a mechanism to validate existing data while also highlight gaps in knowledge and data within a project area.
acid volcanics	Volcanic felsic rocks rich in elements (Si, Na, K, Al) that form quartz and feldspar. Usually light in colour.
aeromagnetic survey (airborne magnetic survey)	A common type of geophysical survey carried out using a magnetometer aboard or towed behind an aircraft. The magnetometer measures and records the total intensity of the magnetic field at the sensor, which is a combination of the magnetic field generated in the Earth (as well as tiny variations due to the temporal effects of the constantly varying solar wind and the magnetic field of the survey aircraft). It allows much larger areas of the Earth's surface to be covered quickly for regional reconnaissance. The aircraft typically flies in a grid-like pattern with height and line spacing determining the resolution of the data (and cost of the survey per unit area).
alkaline volcanism	Alkaline volcanic rock in which the chemical content of the alkalis (potassium oxide and sodium oxide) is great enough for alkaline minerals to form. Such minerals may be unusually sodium-rich, with a relatively high ratio of alkalis to silica (SiO ₂), as in the feldspathoids. (www.britannica.com)
amphibolite	A metamorphic crystalline rock consisting mainly of amphiboles and some plagioclase.
amphibolite facies	The set of metamorphic mineral assemblages (facies) which is typical of regional metamorphism between 450°C and 700°C.
anticline	A type of fold that is an arch-like shape and has its oldest beds at its core.
Archaean	Widely used term for the earliest era of geological time spanning the interval from the formation of Earth to about 2,500 Ma.
arenite	A sedimentary clastic rock with sand grain size between 0.0625 mm (0.00246 in) and 2 mm (0.08 in) and contain less than 15% matrix. The related adjective is arenaceous.
Australasian Institute of Mining and Metallurgy	The Australasian Institute of Mining and Metallurgy (AusIMM) provides services to professionals engaged in all facets of the global minerals sector and is based in Carlton, Victoria, Australia.
banded iron formation	Banded iron (or ironstone) formation. A typical banded iron formation consists of repeated, thin layers (a few millimetres to a few centimetres in thickness) of silver to black iron oxides, either magnetite (Fe ₃ O ₄) or hematite (Fe ₂ O ₃), alternating with bands of iron-poor chert, often red in colour, of similar thickness. A single banded iron formation can be up to several hundred metres in thickness and extend laterally for several hundred kilometres. They are thought to have formed in sea water as the result of oxygen production by photosynthetic cyanobacteria. The oxygen combined with dissolved iron in Earth's oceans to form insoluble iron oxides, which precipitated out, forming a thin layer on the ocean floor.
basalt	A mafic extrusive igneous rock formed from the rapid cooling of lava rich in magnesium and iron.
base metal	A common and inexpensive metal and includes copper, lead, nickel, and zinc.
Basic volcanic	Also referred to as a mafic volcanic. A volcanic rock of mafic composition.
boudin	A structure formed as a result of boudinage. Boudinage is a geological term for structures formed by extension, where a rigid tabular body such as hornfels, is stretched and deformed amidst less competent surroundings. The competent bed begins to break up, forming sausage-shaped boudins.
Cainozoic	The Cenozoic Era meaning "new life" is the current and most recent of the three geological eras of the Phanerozoic Eon. It follows the Mesozoic Era and extends from 66 million years ago to the present day.
calcareous	A sediment, sedimentary rock, or soil type which is formed from, or contains a high proportion of, calcium carbonate in the form of calcite or aragonite.
calciturbidites	A calcareous turbidite. A turbidite is a sediment that was transported and deposited by density flow. Frequently form in the deep ocean environments. Also as lahars on the side of volcanoes, mudslides and pyroclastic flows all create density-based flow situations and, especially in the latter, can create sequences which are strikingly similar to turbidites.

calcrete	Also known as caliche. It is a sedimentary rock, a hardened natural cement of calcium carbonate that binds other materials – such as gravel, sand, clay, and silt. It occurs worldwide, in aridisol and mollisol soil orders – generally in arid or semiarid regions like the Kalahari Desert.
chalcopryite	A copper iron sulphide mineral that crystallises in the tetragonal system. It has the chemical formula CuFeS_2 . It has a brassy to golden yellow colour and a hardness of 3.5 to 4 on the Mohs scale. Its streak is diagnostic as green-tinged black. Chalcopryite is present in volcanogenic massive sulphide ore deposits and sedimentary exhalative deposits, formed by deposition of copper during hydrothermal circulation.
chert	A hard, fine-grained sedimentary rock composed of microcrystalline (or cryptocrystalline) crystals of quartz, the mineral form of silicon dioxide (SiO_2). Chert is characteristically of biological origin but may also occur inorganically as a chemical precipitate or a diagenetic replacement.
chlorite	A phyllosilicate mineral group with the chemical formula $(\text{Mg,Fe,Al})_6(\text{Si,Al})_4\text{O}_{10}(\text{OH})_8$. Commonly found in igneous rocks as a retrograde alteration product of mafic minerals such as pyroxene, amphibole, and biotite. It may be present as a metasomatism product via addition of iron, magnesium, or other compounds into the rock mass. Chlorite is a common mineral associated with hydrothermal ore deposits and commonly occurs with epidote, sericite, adularia and sulphide minerals. Chlorite is also a common metamorphic mineral, usually indicative of low-grade metamorphism.
Canadian Institute of Mining, Metallurgy and Petroleum	The Canadian Institute of Mining, Metallurgy and Petroleum (CIM) is a not-for-profit technical society of professionals in the Canadian minerals, metals, materials and energy industries. CIM's members are convened from industry, academia and government. CIM published its Guidelines for the Estimation, Classification and Reporting of Resources and Reserves which is an integral part of National Instrument 43-101 (NI 43-101), the set of rules for reporting and displaying information from mineral properties owned by companies listed on Canadian exchanges that came into effect on 1 February 2001.
clastic sediments	A sediment or rock composed of fragments, or clasts, of pre-existing weathered or eroded minerals and rock.
cleavage	A type of planar rock feature that develops as a result of deformation and metamorphism.
Competent Person	A Competent Person must be a Member or Fellow of a "Recognised Professional Organisation" such as The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists. A Competent Person must have a minimum of five years' experience working with the style of mineralisation or type of deposit under consideration and relevant to the activity which that person is undertaking.
conceptual target	An exploration target developed by applying the theories of ore-forming processes to the known geology and mineralisation of a region, so as to predict where ore might be found.
craton	An old and stable part of the continental lithosphere, which consists of the Earth's two topmost layers, the crust and the uppermost mantle. Having often survived cycles of merging and rifting of continents, cratons are generally found in the interiors of tectonic plates. They are characteristically composed of ancient crystalline basement rock, which may be covered by younger sedimentary rock.
diagenetic	Relating to diagenesis. Diagenesis is the process that describes physical and chemical changes in sediments caused by increasing temperature and pressure as they get buried in the Earth's crust.
diamictite	Diamictite is a type of lithified sedimentary rock that consists of non-sorted to poorly sorted terrigenous sediment containing particles that range in size from clay to boulders, suspended in a matrix of mudstone or sandstone.
diamond core drilling	A core drill is a drill specifically designed to remove a cylinder of material using a diamond encrusted bit. The rock core is collected in the hollow drill rods.
diatreme	A diatreme is a volcanic pipe formed by a gaseous explosion. Often associated with kimberlite magmas that may be diamondiferous.
disconformable	Relating to a disconformity. A disconformity is a break in a sedimentary sequence which does not involve a difference of inclination between the strata on each side of the break.
downhole electromagnetics	Downhole electromagnetics is an electromagnetic method that allows efficient exploration for conductive sulphide bodies of a roughly cylindrical.
Dyke	A dyke is a sheet of rock that is formed in a fracture of a pre-existing rock body. Dykes can be either magmatic or sedimentary in origin. Magmatic dykes form when magma flows into a crack then solidifies as a sheet intrusion, either cutting across layers of rock or through a contiguous mass of rock. Usually emplaced in a vertical orientation although tectonic processes may cause subsequent rotation of vertical dykes into near horizontal orientations.
facies	A facies is a body of rock with specified characteristics that can used to distinguish them from other rocks.

felsic	Igneous rocks that are relatively rich in elements that form feldspar and quartz. Felsic rocks are enriched in the lighter elements such as silicon, oxygen, aluminium, sodium, and potassium.
fluvial	Relating to rivers and streams and the deposits and landforms created by them.
fold	A curved stack of originally planar surfaces, such as sedimentary strata, that are bent or curved during permanent deformation.
fuchsitic	Contain fuchsite. Fuchsite is a chrome-rich mica that is green in colour.
gabbroic	Having a gabbro composition and texture. A gabbro is a coarse-grained mafic intrusive igneous rock formed from the slow cooling of magnesium-rich and iron-rich magma. It is a dense, greenish or dark-coloured and contains pyroxene, plagioclase, and minor amounts of amphibole and olivine.
geochemistry	Geochemistry is the science that uses the tools and principles of chemistry to explain the mechanisms behind major geological systems.
geophysics	Geophysics is a subject of natural science concerned with the physical processes and physical properties of the Earth and its surrounding space environment, and the use of quantitative methods for their analysis.
glacigene	Sediments formed as a result of glaciation.
gneissic	Relating to gneiss. A gneiss is a common and widely distributed type of metamorphic rock formed by high temperature and high-pressure metamorphic processes acting on formations composed of igneous or sedimentary rocks. Gneiss forms at higher temperatures and pressures than schist and nearly always shows a banded texture characterised by alternating darker and lighter coloured bands and without a distinct foliation.
Gondwana	Gondwana was a supercontinent that existed from the Neoproterozoic (about 550 Ma) until the Jurassic (about 180 Ma). It was formed by the accretion of several cratons to become the largest piece of continental crust of the Paleozoic Era, covering an area of about 100,000,000 km ² , about one-fifth of the Earth's surface.
gossan	Gossan is an intensely oxidised, weathered or decomposed rock, usually the upper and exposed part of a sulphide ore deposit or mineral vein.
graben/half-graben	Graben are produced from parallel normal faults, where the displacement of the hanging wall is downward, while that of the footwall is upward. The faults typically dip toward the centre of the graben from both sides. Horsts are parallel blocks that remain between graben; the bounding faults of a horst typically dip away from the centre line of the horst. Single or multiple graben can produce a rift valley. In many rifts, the graben are asymmetric, with a major fault along only one of the boundaries, and these are known as half-graben.
Gravity survey	A geophysical survey method using a gravimeter to identify local changes in the gravitational force of the Earth's crust. These changes are associated with changes in the rock density.
Greenschist facies	A metamorphic facies that forms greenschist rocks (greenschists) under the lowest temperatures and pressures usually produced by regional metamorphism, typically 300–450°C and 2–10 kilobars. Greenschists commonly have an abundance of green minerals such as chlorite, serpentine, and epidote, and platy minerals such as muscovite and platy serpentine and exhibit a schistosity.
greenstone	A zone of variably metamorphosed mafic to ultramafic volcanic sequences with associated sedimentary rocks that occur within Archaean and Proterozoic cratons between granite and gneiss bodies.
hornfels	Hornfels is the group name for a set of contact metamorphic rocks that have been baked and hardened by the heat of intrusive igneous masses and have been rendered massive, hard, splintery, and in some cases exceedingly tough and durable. These properties are due to fine grained non-aligned crystals with platy or prismatic habits, characteristic of metamorphism at high temperature but without accompanying deformation.
horst	A horst is a raised block of the Earth's crust that has lifted, or has remained stationary, while the land on either side (graben) has subsided.
hyaloclastic or hyaloclastite	Hyaloclastite is a volcanoclastic accumulation or breccia consisting of glass fragments (clasts) formed by quench fragmentation of lava flow surfaces during submarine or subglacial extrusion.
hydrogeochemical sampling	Sampling of surface or groundwater to gather geochemical information to characterise the bedrock or host rocks.

hydrothermal fluids	Hydrothermal fluids are natural heated water solutions wherein variety of elements, compounds and gases may be dissolved. They are generated by diverse crustal and mantle geological processes including basinal fluid interaction, magmatic differentiation, and mantle degassing. Hydrothermal fluids lead to the alteration of and/or deposition of minerals that may form deposits.
hypogene zonation	The primary mineral zonation around a deposit. In the case of a volcanogenic massive sulphide deposit the zonation from the distal parts to the main mineralisation is pyrrhotite+pyrite to sphalerite+anhydrite to copper-iron sulphides to chalcopyrite.
ironstone	Ironstone is a sedimentary rock, either deposited directly as a ferruginous sediment or created by chemical replacement, that contains a substantial proportion of an iron compound from which iron can be smelted commercially.
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code") is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves. The JORC Code provides a mandatory system for the classification of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in Public Reports. The JORC Code is produced by the Australasian Joint Ore Reserves Committee ("the JORC Committee").
Kalahari Copperbelt	The Kalahari Copperbelt comprises a 1,000 km long linear belt of northeast-southwest trending volcano-sedimentary rocks extending from Klein Aub in Namibia to the Shinamba Hills in northern Botswana. It is significant due to its endowment of copper-silver mineralisation along the entire Kalahari Copperbelt. The deposits occur on the contact between chemically reduced shales and siltstones that overlie oxidised red-beds. It has many similarities to the epigenetic structurally controlled stratabound deposits in the Central African Copperbelt. Later deformation has served to remobilise and locally upgrade deposits.
limestone	Limestone is a carbonate sedimentary rock that is often composed of the skeletal fragments of marine organisms such as coral, foraminifera, and molluscs. Its major materials are the minerals calcite and aragonite, both forms of calcium carbonate.
listric fault	Listric faults are similar to normal faults but the fault plane curves, the dip being steeper near the surface, then shallower with increased depth.
litharenite	A sandstone that contains more than 25% detrital rock fragments, and more rock fragments than feldspar grains.
lithology	The lithology of a rock unit is a description of its physical characteristics visible at outcrop, in hand or core samples, or with low magnification microscopy. Physical characteristics include colour, texture, grain size, and composition. Lithology may refer to either a detailed description of these characteristics, or a summary of the gross physical character of a rock. Examples of lithologies in the second sense include sandstone, slate, basalt, or limestone.
Lufilian Arc	The Lufilian Arc (or Lufilian Belt) is part of a system of orogenic belts in southern Africa formed during the Pan-African orogeny, a stage in the formation of the Gondwana supercontinent. It extends across eastern Angola, the Katanga Province of the southern Democratic Republic of the Congo and the northwest of Zambia. The arc is about 800 km (500 miles) long. It has global economic importance owing to its rich deposits of copper and cobalt.
mafic	Adjective describing a silicate mineral or igneous rock that is rich in magnesium and iron and is thus a portmanteau of magnesium and ferric. Most mafic minerals are dark in colour, and common rock-forming mafic minerals include olivine, pyroxene, amphibole, and biotite. Common mafic rocks include basalt, diabase and gabbro.
magmatism	Magmatism is the emplacement of magma, through magmatic activity, within and at the surface of the crust which solidifies as igneous rocks.
malachite	Malachite is a copper carbonate hydroxide mineral, with the formula $\text{Cu}_2\text{CO}_3(\text{OH})_2$. It often results from the weathering of copper ores.
Marinoan	The Marinoan glaciation was a period of worldwide glaciation that lasted from approximately 650–635 Ma during the Cryogenian period. The glaciation may have covered the entire planet, in an event called the Snowball Earth. It occurred after the Sturtian glaciation.
metallogenic	Relating to metallogeny, which is the study of the genesis and regional-to-global distribution of mineral deposits, with emphasis on their relationship in space and time to regional petrologic and tectonic features of the Earth's crust.

metamorphism	The change of minerals or geologic texture (distinct arrangement of minerals) in pre-existing rocks (protoliths), without the protolith melting into liquid magma (a solid-state change). The change occurs primarily due to heat, pressure, and the introduction of chemically active fluids. The chemical components and crystal structures of the minerals making up the rock may change even though the rock remains a solid. Changes at or just beneath Earth's surface due to weathering or diagenesis are not classified as metamorphism. Metamorphism typically occurs between diagenesis (maximum 200°C), and melting (~850°C).
mineral halo	Usually a large diffuse halo of a mineral (or mineral assemblage) around a geological feature or deposit. Mineral haloes are often used to identify and vector in on mineral deposits
Mississippi Valley-type lead-zinc mineralisation	These are carbonate-hosted lead-zinc ore deposits are important and highly valuable concentrations of lead and zinc sulphide ores hosted within carbonate (limestone, marl, dolomite) formations and which share a common genetic origin. These orebodies are small and usually contain <20 million tonnes or more of ore and have a grade of between 4% combined lead and zinc to over 14% combined lead and zinc. These orebodies tend to be compact, fairly uniform plug-like or pipe-like replacements of their host carbonate sequences.
moving-loop electromagnetic survey	A ground-based electromagnetic method using two electromagnetic coils. The transmitting looped generates a primary magnetic field that can induce an electric (eddy) current into conductive bodies. When the primary electromagnetic field is turned off, the induced field decays, and itself generates a secondary electromagnetic field that is measured by the second electromagnetic coil. The two coils are moved from point to point along a traverse line.
multi-spectral satellite imagery	Satellite image that capture data within specific ranges of the electromagnetic spectrum, usually in the visible through to the thermal infrared range. Often used as a tool for remotely mapping geology.
muscovite	A hydrated phyllosilicate (platy silicate) mineral of aluminium and potassium with formula $KAl_2(AlSi_3O_{10})(F,OH)_2$, or $(KF)_2(Al_2O_3)_3(SiO_2)_6(H_2O)$. It is the most common type of mica.
Neoproterozoic	The last era of the Precambrian Supereon and the Proterozoic Eon. The era lasted from 1000 Ma to 541 Ma.
oolitic limestone	A limestone formed from oolites. Oolites are spherical grains composed of concentric layers of calcium carbonate and of diameter 0.25–2 mm.
Orogen	An orogen or orogenic belt develops when a continental plate crumples and is pushed upwards to form one or more mountain ranges; this involves a series of geological processes collectively called orogenesis. Rocks are usually buried, deformed and metamorphosed during this process.
orogen	An orogen or orogenic belt develops when a continental plate crumples and is pushed upwards to form one or more mountain ranges.
palaeotopography	The topography of ancient landscapes.
Palaeozoic	The earliest of three geologic eras of the Phanerozoic Eon and also the longest lasting from 541 Ma to 251.902 Ma, and is subdivided into six geologic periods (from oldest to youngest): the Cambrian, Ordovician, Silurian, Devonian, Carboniferous, and Permian.
Pan-African	In the geological context it was a series of major Neoproterozoic orogenic events which related to the formation of the supercontinents Gondwana and Pannotia from around 950 Ma to 550 Ma.
peperite	A type of volcanoclastic rock consisting of sedimentary rock that contains fragments of younger igneous material and is formed when magma comes into contact with wet sediments
percussion drilling	A drilling method similar to rotary air blast drilling which uses a pneumatic reciprocating piston-driven hammer action to energetically drive a heavy drill bit into the rock.
Permian	A geologic period which spans 47 million years from the end of the Carboniferous period 299 Ma, to the beginning of the Triassic period 252 Ma. It is the last period of the Paleozoic era.
portable x-ray fluorescence	X-ray fluorescence method using a handheld/portable instrument. X-ray fluorescence is the emission of characteristic "secondary" x-rays from a material that has been excited by being bombarded with high-energy x-rays or gamma rays. Used for chemical analysis.
Prospectivity	In the geological context, the potential for a specific area to be prospective for mineralisation.
PrSciNat	Professional Natural Scientist registered with the South African Council for Natural Scientific Professionals (SACNASP) SACNASP is the legislated regulatory body for natural science practitioners in South Africa and a ROPO (Recognised Overseas Professional Organisation) recognised association along with Australasian Institute of Mining and Metallurgy, and the Canadian Institute of Mining, Metallurgy and Petroleum.

pyroxenite	An ultramafic igneous rock consisting essentially of minerals of the pyroxene group, such as augite, diopside, hypersthene, bronzite or enstatite.
quartzite	A hard, non-foliated metamorphic rock which was originally pure quartz sandstone. Sandstone is converted into quartzite through heating and pressure usually related to tectonic compression within orogenic belts.
Quaternary	The current and most recent of the three periods of the Cenozoic Era in the geologic time scale and spans from 2.588 ± 0.005 Ma to the present.
redox boundary	An interface that separates the stability fields of the oxidised and reduced species of a given redox couple (e.g. Fe ²⁺ and Fe ³⁺).
rotary air blast drilling	A percussion rotary air blast drill is a down-the-hole vertical drill which uses a pneumatic reciprocating piston-driven hammer action to energetically drive a heavy drill bit into the rock. Rotary air blast produces lower quality samples because the cuttings are blown up the outside of the rods and can be contaminated from contact with other rocks.
schist	A medium-grade metamorphic rock formed from mudstone or shale. Schist has medium to large, flat, sheet-like grains in a preferred orientation. It is defined by having more than 50% platy and elongated minerals, often finely interleaved with quartz and feldspar.
scout drilling	The drilling of boreholes for the purpose of gathering geological information and not with the immediate objective of obtaining delineating the mineral deposit or a to inform a mineral resource estimate. Associated with early stage exploration to test conceptual models
silcrete	Silcrete is an indurated (resists crumbling or powdering) soil duricrust formed when surface sand and gravel are cemented by dissolved silica. The formation of silcrete is similar to that of calcrete, formed by calcium carbonate, and ferricrete, formed by iron oxide. It is a hard and resistant material, and though different in origin and nature, appears similar to quartzite.
sill	Tabular shaped igneous intrusion forming a concordant intrusive sheet, meaning that a sill does not cut across pre-existing rock B53 beds. Originally emplaced in a horizontal orientation, although tectonic processes may cause subsequent rotation of horizontal sills into near vertical orientations.
sphalerite	Primary zinc ore comprising zinc sulphide with varying amounts of iron. Chemical formula is (Zn,Fe)S.
strata-bound mineralisation	Mineralisation that is restrict to a single stratigraphic unit.
stratigraphy	The study of the variation in rock layers (strata) and layering (stratification). Most obviously displayed as visible layering, is due to physical contrasts in rock type (lithology).
strato-volcano	This is a conical volcano built up by many layers (strata) of hardened lava, tephra, pumice, and ash. They are characterised by a steep profile with a summit crater and periodic intervals of explosive eruptions and effusive eruptions. The magma forming this lava is often felsic, having high-to-intermediate levels of silica (as in rhyolite, dacite, or andesite). Also known as a composite volcano.
Sturtian	The Sturtian was a glaciation, or perhaps multiple glaciations, during the Cryogenian Period when the Earth experienced repeated large-scale glaciations. The duration of the Sturtian glaciation has been variously defined, with dates ranging from 717 to 643 Ma (corresponds to the Neoproterozoic Era).
syncline	A fold with younger layers closer to the centre of the structure.
Terrane	In geology a terrane is a fragment of crustal material formed on, or broken off from, one tectonic plate and accreted or "sutured" to crust lying on another plate. The crustal block or fragment preserves its own distinctive geologic history, which is different from that of the surrounding areas.
tholeiite	The tholeiitic magma series is one of two main magma series in igneous rocks, the other being the calc-alkaline series. The tholeiite magma series is a chemically distinct range of magma compositions that is the more evolved silica-rich end member. The rocks contain less sodium than some other basalts and are reduced. The mineralogy is dominated by olivine, clinopyroxene and plagioclase, with minor iron-titanium oxides.
time-domain electromagnetics	This is a geophysical exploration technique in which electric and magnetic fields are induced by transient pulses of electric current and the subsequent decay response measured. Used to determine subsurface electrical (and magnetic) properties. Used for mineral exploration, groundwater exploration, and for environmental mapping. Also known as transient electromagnetics.
topographic	Relating to topography, i.e. the arrangement of the physical features of an area.

ultramafic	Igneous and meta-igneous rocks with a very low silica content (less than 45%), generally >18% magnesium oxide, high iron oxide, low potassium, and are composed of usually greater than 90% mafic minerals; which dark coloured, high magnesium and iron content minerals.
unconformity	A buried erosional or non-depositional surface separating two rock masses or strata of different ages, indicating that sediment deposition was not continuous. In general, the older layer was exposed to erosion for an interval of time before deposition of the younger layer, but the term is used to describe any break in the sedimentary geologic record. The rocks above an unconformity are younger than the rocks beneath (unless the sequence has been overturned). An unconformity represents time during which no sediments were preserved in a region. Often identified by a change in inclination of the strata either side of the unconformity.
VALMIN	The VALMIN Code sets out requirements for the technical assessment and valuation of mineral assets and securities for independent expert reports, it provides guidance for petroleum assets and securities. It is a joint committee of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. The committee was established to develop and maintain the "Australasian Code for Public Reporting of technical assessments and valuations of mineral assets", commonly known as the VALMIN Code. The VALMIN Code was first published in 1995, with subsequent editions published in 1997, 2005 and 2015.
wacke/greywacke	Also called dirty sandstone, sedimentary rock composed of sand-sized grains (0.063–2 mm) with a fine-grained clay matrix. The sand-sized grains are frequently composed of rock fragments of wide-ranging mineralogies (e.g. those consisting of pyroxenes, amphiboles, feldspars, and quartz). The grains are angular and poorly sorted with many minerals retaining growth forms that resulted from low abrasion. The matrix, which contains appreciable amounts of clay minerals, may constitute up to 50% of the volume. Of the clay minerals, chlorite and biotite are more abundant than muscovite and illite; kaolinite is absent. The abundant matrix tends to bind the grains strongly and form a relatively hard rock.

7 Abbreviations and Units of Measurement

°	degrees
°C	degrees Celsius
3D	three-dimensional
A\$	Australian dollars
AEM	airborne electromagnetic(s)
Ag	silver
AIIG	Australian Institute of Geoscientists
AIM	Alternative Investment Market
As	arsenic
Au	gold
AusIMM	Australasian Institute of Mines and Metallurgy
BAC	base acquisition cost
BaSO ₄	barite
BDO	BDO Corporate Finance (Qld) Pty Ltd
BIF	banded iron formation
c.	circa
Co	cobalt
Cobre Projects	Perrinvale and Sandiman
Cobre	Cobre Limited
CPR	Competent Person's Report
CSA Global	CSA Global (UK) Limited
Cu	copper
DD	diamond core
DHEM	downhole electromagnetic(s)
DMIRS	Department of Mines, Industry Regulation and Safety
EMP	Environmental Management Plan
Fe	iron
g/t	grams per tonne
Ga	billion years ago
GFM	geoscientific factor method
GSWA	Geological Survey of Western Australia
ICP-MS	inductively coupled plasma-mass spectrometry
IP	induced polarisation
KCP	Kalahari Copper Project
km, km ²	kilometre(s), square kilometre(s)
KML Projects	Okavango, Ngami, Kitanya West, and Kitanya East

KML	Kalahari Metals Ltd
m	metre(s)
Ma	million years ago
Mg	magnesium
MLEM	moving-loop electromagnetic(s)
MMI	mobile metal ion
Mo	molybdenum
MOD	MOD Resources
Mt	million tonnes
MVT	Mississippi Valley Type
NCP	Ngami Copper Project
OCP	Okavango Copper Project
oz	ounce(s)
Pb	lead
ppb	parts per billion
ppm	parts per million
RAB	rotary air blast
RC	reverse circulation
S	sulphur
t	tonne(s)
Toucan	Toucan Gold Pty Ltd
Triprop	Triprop Holdings (Pty) Ltd
TTP	Temporary Target Package
US\$	United States dollars
VMS	volcanogenic massive sulphide
W	tungsten
XRF	x-ray fluorescence
Zn	zinc

Appendix A Valuation Approaches

Valuation of Mineral Assets is not an exact science; and a number of approaches are possible, each with varying strengths and shortcomings. Whilst valuation is a subjective exercise, there are a number of generally accepted methods for ascertaining the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation opinion is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

Background

Mineral Assets are defined in the VALMIN Code³ as all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Business valuers typically define market value as *“The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer, and a knowledgeable, willing but not anxious seller acting at arm’s length.”*

The accounting criterion for a market valuation is that it is an assessment of “fair value”, which is defined in the accounting standards as *“the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.”*

The VALMIN Code defines the value of a Mineral Asset as its Market Value, which is *“the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm’s length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion”*.

Market Value usually consists of two components, the underlying or Technical Value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most-likely value be selected as the most likely figure within a range after considering those factors which might impact on Value.

The concept of Market Value hinges upon the notion of an asset changing hands in an arm’s length transaction. Market Value must therefore consider, inter alia, market considerations, which can only be determined by reference to “comparable transactions”. Generally, truly comparable transactions for Mineral Assets are difficult to identify due to the infrequency of transactions involving producing assets and/or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for the majority of tenements being valued, there is unlikely to be any “cash equivalent of some other consideration”. Whilst acknowledging these limitations, CSA Global identifies what it considers to be “comparative transactions” (i.e. transactions that are useful to consider) to be used in assessing the values to be attributed to Mineral Assets.

³ Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) 2015 Edition. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

Valuation Methods for Mineral Assets

The choice of valuation methodology applied to Mineral Assets, including exploration licences, will depend on the amount of data available and the reliability of that data.

The VALMIN Code classifies Mineral Assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to Operating Mines which have well-defined Ore Reserves, as listed below:

- **“Early-stage Exploration Projects”** – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **“Advanced Exploration Projects”** – tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource (as defined in the JORC⁴ Code) estimate may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **“Pre-Development Projects”** – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **“Development Projects”** – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Prefeasibility Study.
- **“Production Projects”** – tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived “market valuation”.

The Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by the following general approaches: Income, Market and Cost Table A1). The Market Value of Development and Production Projects are best assessed using the Market and Income approaches, whereas the Market Value of Exploration projects are best assessed using the Market and Cost approaches.

Table A1: Valuation approaches for different types of mineral properties (VALMIN, 2015)

Valuation approach	Exploration properties	Mineral Resource properties	Development properties	Production properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

Income

The Discounted Cash Flow (DCF)/Net Present Value (NPV) Method

The DCF valuation method recognises the time value of money, it is most suitable for Development Projects, where detailed studies have been completed to justify input assumptions and Production Projects, where

⁴ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 Edition. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

there is actual historical data to justify input assumptions. Less commonly the DCF methodology is applied to Pre-Development Projects.

The DCF valuation method provides a means of relating the magnitude of expected future cash profits to the magnitude of the initial cash investment required to purchase a mineral asset or to develop it for commercial production. The DCF valuation method determines:

- The NPV of a stream of expected future cash revenues and costs
- The internal rate of return (IRR) that the expected cash flows will yield on a given cash investment.

The DCF valuation method is a forward-looking methodology, requiring that forecasts be made of technical and economic conditions which will prevail in the future. All future predictions are inherently uncertain. The level of uncertainty reduces as the quality of the data available to project future rates of production and future costs, increases.

It is important to understand certain fundamental attributes of the mining industry in undertaking a DCF, such as:

- An Ore Reserve and in some cases Mineral Resource is the basis of any mineral development.
- Costs are determined by the number of tonnes mined and processed, while revenues are determined by the number of tonnes, pounds or ounces of metal produced. The two are related by the recovered grade of the ore.
- Profit is typically more sensitive to changes in revenue than to changes in costs.
- The commodity price is a principal determinant of revenue but is also the factor with the greatest level of financial risk.

The most significant factors, which must be considered in a DCF valuation of a mineral asset is the reliability of the Mineral Resource and Ore Reserve, particularly with respect to recovered grade, the price at which the product is sold and the risk of not maintaining the projected level of commodity price.

Key inputs into the DCF valuation method for a mineral asset valuation are:

- Life-of-mine planning assumptions.
- Capital cost estimates – can be the initial cost of constructing the project and/or the ongoing cost of sustaining the productive life of the operation.
- Operating cost estimates - costs incurred both on-site in producing the commodity which is shipped from the property, and off site, in the transportation and downstream processing of that commodity into saleable end products.
- Revenue estimates – revenue in the mining context is the product of the following factors:
 - The tonnage of ore mined and processed
 - The grade of the ore
 - The metallurgical recovery
 - The price of the saleable commodity.
- Taxation and royalty payments.
- Discount rate – represents the risk adjusted rate of interest expected to be yielded by an investment in the mineral asset.

The Income Approach is not appropriate for properties without Mineral Resources. It should be employed only where enough reliable data are available to provide realistic inputs to a financial model, preferably based on studies at or exceeding a prefeasibility level.

Market

Comparative Transaction Method

The Comparative Transactions Method looks at prior transactions for the property and recent arm's length transactions for comparative properties.

The Comparative Transaction method provides a useful guide where a mineral asset that is generally comparable in location and commodity has in the recent past been the subject of an "arm's length" transaction, for either cash or shares.

For the market approach resources are not generally subdivided into their constituent JORC Code categories. The total endowment or consolidated in situ resources are what drives the derivation of value. Each transaction implicitly captures the specific permutation of resource categories in a project. There are too many project-specific factors at play to allow any more than a consideration of price paid versus total resource base. Therefore, considering individual project resource permutations is neither practicable nor useful for this valuation approach. To that end CSA Global's discussion of the market approach is predicated on the consolidated resource base, to allow application of the method.

Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any upfront cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current Value of a tenement or tenements will be the Value implied from the terms of the most recent transaction involving it/them, plus any change in Value as a result of subsequent exploration.

High quality Mineral Assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the land holding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

Yardstick

The Rule-of-Thumb (Yardstick) method is relevant to exploration properties where some data on tonnage and grade exist, and these properties may be valued by methods that employ the concept of an arbitrarily ascribed current in situ net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence 2001, 2012).

Rules-of-Thumb (Yardstick) methods are commonly used where a Mineral Resource remains in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted in situ value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

This Yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4% to 3% of the current spot price is used for base metals and platinum group metals, whereas for gold and diamonds a range of 2% to 5% of the current spot price is used, and typically much lower factors are applied for bulk commodities. The method estimates the in situ gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned Mineral Resource category, the commodity's likely extraction and treatment costs, availability/proximity of transport and other

infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth of the potential mining operation.

This method is best used as a non-corroborative check on the order of magnitude of values derived using other valuation methods that are likely to better reflect project-specific criteria.

Cost

The Appraised Value or Exploration Expenditure method considers the costs and results of historical exploration.

The Appraised Value method is based on the premise that the real value of an exploration property lies in its potential for the existence and discovery of an economic mineral deposit (Roscoe, 2002). It utilises a Multiple of Exploration Expenditure (MEE), which involves the allocation of a premium or discount to past relevant and effective expenditure using the Prospectivity Enhancement Multiplier (PEM). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 1994). Table A2 lists the PEM factors and criteria used in this Report.

Table A2: PEM factors

PEM range	Criteria
0.2 to 0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5 to 1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0 to 1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3 to 1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)
1.5 to 2.0	Scout drilling (rotary air blast (RAB), air-core (AC), reverse circulation percussion (RCP)) has identified interesting intersections of mineralisation
2.0 to 2.5	Detailed drilling has defined targets with potential economic interest
2.5 to 3.0	A Mineral Resource has been estimated at Inferred JORC category, no concept or scoping study has been completed
3.0 to 4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Prefeasibility Study
4.0 to 5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment

Geoscience Factors

The Geoscience Factor (or Kilburn) method (GFM), as described by Kilburn (1990), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources. It seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.

Valuation is based upon a calculation in which the geological prospectivity, commodity markets, and mineral property markets are assessed independently. The GFM is essentially a technique to define a Value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

- Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies
- Location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued
- Number and relative position of anomalies on the property being valued
- Geological models appropriate to the property being valued.

The GFM method systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table A3).

Table A3: *Geoscientific Factor Ranking*

Rating	Address/Off-property factor	On-property factor	Anomaly factor	Geological factor
0.5	Very little chance of mineralisation; Concept unsuitable to the environment	Very little chance of mineralisation; Concept unsuitable to the environment	Extensive previous exploration with poor results	Generally unfavourable lithology; No alteration of interest
1	Exploration model support; Indications of prospectivity; Concept validated	Exploration model support; Indications of prospectivity; Concept validated	Extensive previous exploration with encouraging results; Regional targets	Deep cover; Generally favourable lithology/ alteration (70%)
1.5	Reconnaissance (RAB/AC) drilling with some scattered favourable results; Minor workings	Exploratory sampling with encouragement	Several early stage targets outlined from geochemistry and geophysics	Shallow cover; Generally favourable lithology/ alteration 50-60%
2	Several old workings; Significant RCP drilling leading to advanced project	Several old workings; Reconnaissance drilling or RCP drilling with encouraging intersections	Several well-defined targets supported by reconnaissance drilling data	Exposed favourable; Lithology/alteration
2.5	Abundant workings; Grid drilling with encouraging results on adjacent sections	Abundant workings; Core drilling after RCP with encouragement	Several well-defined targets with encouraging drilling results	Strongly favourable lithology, alteration
3	Mineral Resource areas defined	Advanced Resource definition drilling (early stages)	Several significant sub-economic targets; No indication of "size"	Generally favourable lithology with structures along strike of a major mine; Very prospective geology
3.5	Abundant Workings/mines with significant historical production; Adjacent to known mineralisation at Prefeasibility Study stage	Abundant workings/mines with significant historical production; Mineral Resource areas defined	Several significant sub-economic targets; Potential for significant "size"; Early stage drilling	
4	Along strike or adjacent to Resources at Definitive Feasibility Study stage	Adjacent to known mineralisation at Prefeasibility Study stage	Marginally economic targets of significant "size" advanced drilling	
4.5	Adjacent to development stage project	Along strike or adjacent to Resources at Definitive Feasibility Study stage	Marginal economic targets of significant "size" with well drilled Inferred Resources	
5	Along strike from operating major mine(s)	Adjacent to development stage project	Several significant ore grade co-relatable intersections	

The Geoscience Rating Factor valuation method is a subjective valuation method and different valuation practitioners are likely to derive different on-off property, anomaly, and geological factors, based on their interpretation and understanding of the project. Different descriptions of the rating factors also exist. However, provided the same rating system of factors and descriptions of their values is used, the results from different practitioners should not be dramatically different.

The Basic Acquisition Cost (BAC) is an important input to the GFM. In essence, it is the average cost to acquire and hold an average age tenement in the jurisdiction and it is determined by summing the costs to identify and area of interest, application fees, annual rents and other government costs, work required to facilitate granting (e.g. native title, environmental etc.) and minimum annual statutory expenditures. In other words, the BAC is the total average expenditure per standard unit area (km², hectare, sub-block, etc.) and captures the identification cost and then the application and retention costs. Each factor is then multiplied serially by

the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

The standard references on the method (Kilburn 1990, Goulevitch and Eupene 1994) do not provide much detail on how the market factor should be ascertained. CSA Global takes the approach of using the implied value range from our selected Comparable Transactions to inform the selection of a GFM market factor. CSA Global's presumption is that the comparatives are capturing the market sentiment, so any other valuation method should not be significantly different (order of magnitude).

This is achieved by finding the market factor that produces an average GFM preferred value per unit area for whole project (i.e. total preferred GFM value divided by the total area) that falls within the range of the comparatives implied values per unit area. It is CSA Global's view that this adequately accounts for global market factors on an empirical basis. For example, if the implied value range is \$100/km² to \$2,000/km², then the market factor should give an average GFM preferred value per unit area that falls within that range.

CSA Global generally would select a market factor (rounded to an appropriate number of significant digits) that gives a value closer to the upper end of the range (though this is the valuer's judgement call). This is because the GFM is a tool that addresses the exploration potential of a project and is best suited to informing the upper end of valuation ranges for a project.

Geological Risk Method

In the Geological Risk Valuation method, as described by Lord et al. (2001), the value of a project at a given stage of knowledge/development is estimated based on the potential value of the project at a later stage of development, discounted by the probability of the potential value of the later stage being achieved, and considering the estimated cost of progressing the project to the next stage.

The relevant stages of exploration are defined in Table A4.

Table A4: Definition of exploration stages

Stage	Description
Stage A	Ground acquisition, project/target generation
Stage B	Prospect definition (Mapping and Geochemistry)
Stage C	Drill testing (systematic RC, DD)
Stage D	Resource Delineation
Stage E	Feasibility

The expected value (E) of a project at a given stage is then dependent on the target value at the next stage (T), the probability of successfully advancing the project to the next stage (P), and the cost of advancing the project (C). This can be expressed as:

$$E = P * (T - C)$$

This valuation method generates an expected value for each project (or prospect) at each of the main exploration stages or decision points, by working back from a project's target value. A project's target value can be based on an expected NPV from a reasonably constrained DCF model, or from a reasonable approximation of the value of a defined resource, in which case the initial target value will be the value at the end of Stage D, as opposed to the value at the end of Stage E.

Lord et al. (2001) concluded that the probability of successfully proceeding from one exploration phase to the following one was as depicted in Table A5, based on a detailed study of gold exploration programs in the Laverton area of Western Australia.

Table A5: Probability of successfully proceeding from one exploration stage to another

Stages	Probability of advancing
Generative to reconnaissance	0.54
Reconnaissance to systematic drill testing	0.17
Systematic drill testing to Resource delineation	0.58
Resource delineation to Feasibility	0.87
Feasibility to Mine	0.90

Source: Lord et al. (2001)

Valuation Approaches by Asset Stage

Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the “fair market value”.

Table A1 shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

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Appendix B Comparative Copperbelt Transactions

Transaction	Project	Country	Date Announced	Cu Price (US\$/t)	Buyer	Seller	Equity	100% Price (US\$)	Area (km ²)	Implied US\$/km ²	Normalised US\$/km ²	Comment
JOGMEC earn-in to Pangeni	Pangeni	Zambia	Mar-21	8,788	JOGMEC	BeMetals Corp.	20%	7,500,000	575	13,043.48	11,935.09	High outlier, with POSCO taking up a strategic position for offtake.
Arc acquisition of two licences	Ghanzi West	Botswana	Mar-21	8,788	Arc Minerals Limited	Kopore Metals Limited	75%	2,190,240	210	10,429.71	9,543.44	Entirely share-based acquisition. Adjacent to Zone 5. Outlier amongst Kalahari Copperbelt transactions. Company focussed on Zambian copperbelt.
Trigon acquisition of Guchab	Guchab	Namibia	Feb-21	9,139	Trigon Metals Inc.	Sabre Resources Limited; Coniston Pty Ltd	100%	156,780	56	2,792.66	2,457.07	Comparatively small, focussed area surrounding the Kombat project (previously mined with current mineral resource), with numerous known mineral occurrences. Excluded as not sufficiently comparable to KCP. Contingent payment excluded.
Power earn-in to KCB and Ditau	KCB, Ditau	Botswana	Sep-20	6,668	Power Metal Resources plc	Kavango Resources plc	50%	684,540	2,680	255.43	308.02	Half of the area is in the Kalahari Copperbelt, adjacent to T3 and A4 Dome, with the other half (Ditau) in southwest Botswana, and prospective for rare earths.

Transaction	Project	Country	Date Announced	Cu Price (US\$/t)	Buyer	Seller	Equity	100% Price (US\$)	Area (km ²)	Implied US\$/km ²	Normalised US\$/km ²	Comment
Galileo acquire Africibum	Kalahari	Botswana	Sep-20	6,668	Galileo	Africibum	100%	415,519	1,925	215.85	260.30	
Galileo acquire Crocus ground	Kalahari	Botswana (KCB) and two licences in Limpopo belt	May-20	5,352	Galileo	Crocus	100%	207,452	14,875	13.95	20.95	very low, complete greenfields licences. Outlier on box and whisker plot - excluded from calc
Rio earn in - Midnight Sun	Solwezi licences	Zambia	Apr-20	5,160	Rio Tinto	Midnight Sun	75%	933,333	506	1,844.53	2,874.26	High value, adjacent to world class deposit
RZJ buy into Dorwit Project, White Metal	Dorwit	Namibia	Oct-19	5,770	RZJ	White Metal	70%	677,143	789	858.63	1,196.68	Appears not to have been finalised, possible premium for historical resources?
Castillo acquisition of Zed Copper	Luanshya, Lumwan N & S, Mkushi, Mwanza	Zambia	Jul-19	5,902	Castillo Copper Limited	Investor group	100%	905,580	1,050	862.46	1,174.98	
Bankers Cobalt acquires additional licence near Kamanjab	Kamanjab	Namibia	Nov-18	6,227	Bankers Cobalt	Private seller	70%	42,857	943	45.45	58.69	
Tanga acquisition of Hagenhof	Hagenhof	Namibia	Aug-18	5,968	Tanga	Hagenhof	100%	50,000	197	253.81	341.97	
Kopore acquisition of additional licences	Ghanzi West	Botswana	Jun-18	6,625	Kopore Metals Limited	Virgo Business Solutions Pty Ltd	100%	83,292	767	108.59	131.81	

Transaction	Project	Country	Date Announced	Cu Price (US\$/t)	Buyer	Seller	Equity	100% Price (US\$)	Area (km ²)	Implied US\$/km ²	Normalised US\$/km ²	Comment
Namibia Rare Earths acquire Kunene Project	Kunene	Namibia	Feb-18	6,895	Namibia Rare Earths/Namibia Critical Metals	Gecko	60%	5,333,333	6,629	804.55	938.34	Includes non Cu assets (Co and Li) - prices for these were high at the time of the transaction
Be Metals acquire Pangeni Project	Pangeni	Zambia	Feb-18	6894.5	Be Metals	Manica Minerals	68%	2,189,012	575	3,806.98	4,440.05	Related party transaction, filed as "not an arms length transaction" on the TSX-V.
Metallum acquisition of Kopore	Kopore	Botswana	Aug-17	6759.5	Metallum Limited	Global Exploration Technologies	100%	2,177,373	5,161	421.89	501.87	Adjoins original Draganfly ground. Most comparable in scale, location and project advancement level to KML projects

Appendix C Comparative West Australian Exploration Tenure Transactions

Date	Project	Commodity	Vendor	Purchaser or Farminee	Transaction	Value 100% Equity in the project	Area km ²	\$/km ²	Deemed Equity of the Farminee %	Normalised \$/km ²
30-May-22	Mumbakine Well	Au	Gascoyne Resources Limited	Capricorn Metals Ltd	Purchase	1,250,000	361	3,463	100	3,388
31-Mar-22	Mt Magnet South	Au	Eastern Goldfields Exploration Pty Ltd	Musgrave Exploration Pty Ltd	Purchase	430,579	294	1,465	100	1,429
13-Jan-22	Leonora	Au	Anglo Australian Resources NL	Ozz Resources Limited	Purchase	160,000	63	2,540	100	2,578
23-Dec-21	Hellicat	BM	Bangemall Metals Pty Ltd	Pantera Minerals Limited	Purchase	800,000	442	1,810	80	1,828
13-Dec-21	Nepean South	Au-BM	Metals Australia Limited	Sabre Resources Limited	JV	246,996	35	7,013	80	7,049
25-Nov-21	Pinnacle Well	Au	Undisclosed Seller	Ozz Resources Limited	JV	1,014,352	95	10,677	75	10,826
8-Nov-21	E28/2797	Au-BM	Private investor	Galileo Mining Ltd	Purchase	170,000	70	2,429	100	2,497
18-Oct-21	Geoff Well	Au-BM	Private investors	Westar Resources Ltd	JV	659,221	123	5,381	51	5,695
27-Aug-21	North Pilbara	Au-BM	Monteray Minerals Inc	New Age Exploration Limited	Purchase	75,000	538	139	100	142
27-Jul-21	Cuddingwarra, Big Bell South	Au	Golden State Mining Limited	Caprice Resources Limited	Purchase	937,500	133	7,049	80	7,306
26-Jul-21	Oldham Range	Au-Cu	Undisclosed Seller	Meryllion Resources Corp.	Purchase	625,000	147	4,252	100	4,404

21-Jun-21	Rocky Dam	Au-Cu	Dreadnought Resources Limited	Lycaon Resources Ltd	Purchase	100,000	190	526	100	560
9-Jun-21	Yandal East	Au	Renegade Exploration Limited	Strickland Metals Limited	Purchase	2,666,667	320	8,333	75	8,604
17-Mar-21	Gecko North	Au	Latitude Consolidated Limited	Origin Gold Mines Limited	Purchase	210,000	192	1,092	100	1,229
3-Mar-21	Nepean South	Au-BM	Undisclosed Seller	Metals Australia Limited	Purchase	100,000	35	2,839	100	3,252
1-Mar-21	Harrier	Au	Private seller	Hammer Metals Limited	Purchase	20,000	15	1,296	100	1,463
16-Feb-21	Garden Gully	Au	Miramar Resources Limited	Sipa Resources Limited	Purchase	150,000	207	725	100	784
8-Feb-21	E38/3438	Au	Mining Equities Pty Ltd	Brightstar Resources Limited	Purchase	250,000	16	15,625	100	16,542
8-Feb-21	E57/1108	Au	Gateway Mining Limited	Alto Metals Limited	Purchase	50,000	115	435	100	460
21-Jan-21	Kenya	Au	Jindalee Resources Limited	Ragnar Metals Limited	Purchase	90,000	8	11,749	100	12,344
6-Jan-21	Tambourah	Au-Fe	Private seller	Trek Metals Limited	Purchase	103,000	107	965	100	997
31-Dec-20	Yarri	Au	Global Fortune Investment Limited	OreCorp Limited	Purchase	540,029	153	3,530	100	3,622
31-Dec-20	Yarri	Au	DiscoverEx Resources Limited & Gateway Projects WA Pty Ltd	OreCorp Limited	Purchase	156,923	42	3,781	100	3,880
31-Dec-20	Yarri	Au	Private seller	OreCorp Limited	Purchase	161,905	57	2,855	100	2,930
21-Dec-20	Binti Binti	Au	Private seller	Errawarra Resources Limited	Purchase	131,250	24	5,538	80	5,641
18-Dec-20	Yandal East	Au	Private seller	Renegade Exploration Limited	Purchase	22,000	28	794	100	810

10-Dec-20	Yarbu	Au	Private seller	Tewnty Seven Co Limited	Purchase	40,000	107	373	100	386
7-Dec-20	Maynards Dam	Au	SenseOre Limited	Jindalee Resources Limited	JV	5,098,730	59	87,009	51	87,679
4-Dec-20	Mt Monger	Au	Accelerate Resources Limited	Mt Monger Minerals Pty Ltd	Purchase	150,000	35	4,249	100	4,348
4-Dec-20	Gold Spec	Au	Gondwana Resources Limited	Calidus Resources Limited	JV	849,788	38	22,304	51	22,822
2-Dec-20	Edjudina	Au	Nexus Minerals Limited	Gibb River Diamonds Limited	Purchase	1,100,000	140	7,857	100	8,012
24-Nov-20	Ragged Range	Au	Thor Mining PLC	Redstone Metals Pty Ltd	Purchase	260,000	213	1,221	100	1,255
24-Nov-20	Eastman	Cu-Au	Sandrib Pty Ltd	Peakco Limited	Purchase	357,353	221	1,617	40	1,662
19-Nov-20	Yagahong North	Au-Cu	CU2 (WA) Pty Ltd	Taruga Minerals Limited	JV	357,548	25	14,594	40	14,403
19-Nov-20	Mt Zephyr & Darlot East	Au-BM-Ni	Ardea Resources Limited	Red 5 Limited	JV	2,272,727	911	2,496	60	2,463
16-Nov-20	Merolia	Au	White Cliff Minerals Limited	Panther Metals PLC	Purchase	271,000	157	1,723	100	1,683
14-Oct-20	Copper Hills, Carsons, McGowan, Cork Tree	Cu-Au	Greenrock Metals Pty Ltd	Peak Minerals Ltd	Purchase	2,090,000	1,289	1,621	100	1,539
25-Sep-20	Gladiator	Au	Private seller	Pursuit Minerals Limited	Purchase	100,000	9	10,870	100	10,337
25-Sep-20	Warriedar	Au	Private seller	Discovery Africa Limited	Purchase	5,000	11	450	100	428
16-Sep-20	Porphyry North	Au	Salazar Gold Pty Ltd	Pacific American Holdings Limited	JV	2,043,134	113	18,081	35	17,037
16-Sep-20	South Laverton	Au	Trigg Mining Limited	Tigers Paw Prospecting Pty Ltd	Purchase	164,169	295	557	100	525

15-Sep-20	Yalgoo	Au	Bright Point Gold Pty Ltd	Venture Minerals Limited	JV	2,174,688	19	115,063	51	108,497
6-Aug-20	Yidby & Perenjori	Au	Beau Resources Pty Ltd	Surefire Resources NL	Purchase	150,000	198	758	100	673
5-Aug-20	Pincunah & Jimblebar	Au-Cu	Australian Commercial Minerals Exporters Pty Ltd	Trek Metals Limited	Purchase	400,000	267	1,498	100	1,334
3-Aug-20	Bulfinch	Au	Tribal Mining Pty Ltd	Torque Metals Limited	Purchase	50,000	47	1,062	100	965
28-Jul-20	Sylvania	Au	Gateway Mining Limited	Lighthouse Resources Holdings Pty Ltd	Purchase	150,000	237	633	100	586
23-Jul-20	Gidgee	Au	Golden Mile Resources Limited	Gateway Mining Ltd	JV	1,020,904	422	2,419	51	2,302
17-Jul-20	Coongan & Meenthena	Au	Creasy Group Pty Ltd	Azure Minerals Limited	Purchase	925,714	364	2,543	70	2,479
15-Jul-20	Strelley	Au	Lithium Power International Limited	Carnaby Resources Limited	Purchase	156,000	221	705	100	690
14-Jul-20	Side Well	Au	Zebina Minerals Proprietary Limited	Great Boulder Resources Limited	JV	811,832	132	6,150	75	5,976
9-Jul-20	Paterson	Au	Antipa Minerals Ltd	IGO Limited	JV	31,441,046	1,563	20,116	70	19,615
6-Jul-20	Mt Maitland	Au	Private seller	Red Mountain Mining Ltd	Purchase	250,000	62	4,032	100	3,983
2-Jul-20	Mt Magnet	Au	Eastern Goldfields Exploration Pty Ltd	Blaze International Limited	Option to purchase	1,187,153	147	8,076	100	7,938
1-Jul-20	Biranup	Au-Cu-Ni	VRX Silica Ltd	New Energy Metals Ltd	Purchase	1,250,000	393	3180.66158	100	3,148
24-Jul-20	Mt Alexander	Ni	Undisclosed Seller	St George Mining Limited	Purchase	54,600	84	650	100	612
15-Jul-20	Strelley	Au	Lithium Power International Limited	Carnaby Resources Limited	Purchase	150,000	64.19	2336.81259	100	2,290
14-Jul-20	Side Well	Au	Zebina Minerals Pty Ltd	Great Boulder Resources Limited	JV	866,667	131.77	6577.11669	75	6,391
8-Jul-20	Yarri East	Au	RBR Group Ltd; Newmont Corp.	Black Cat Syndicate Limited	Purchase	200,000	210	952.380952	100	923

6-Jul-20	Mt Maitland	Au	Private seller	Red Mountain Mining Ltd	Purchase	250,000	62	4032.25806	100	3,983
3-Jul-20	Warriedar	Au	Norwest Minerals Limited	Warriedar Mining Pty Ltd	Purchase	200,000	43.85	4561.00342	100	4,502
2-Jul-20	Mt Magnet	Au	Eastern Goldfields Exploration Pty Ltd	Blaze International Limited	Option to purchase	1,187,153	147	8075.87277	100	7,938
1-Jul-20	Biranup	Au-Cu-Ni	VRX Silica Ltd	New Energy Metals Ltd	Purchase	1,250,000	393	3180.66158	100	3,148
25-Jun-20	Koongulla	Au	Private seller	Boadicea Resources Ltd	Purchase	15,789	240	65.7894737	95	65
22-Jun-20	Doolgunna	Cu-Au	Diversified Asset Holdings	Alloy Resources Limited	Purchase	1,025,000	45.87	22345.7598	80	22,157
11-Jun-20	Mt Elsie	Au	Private seller	Novo Resources Corp	Purchase	1,240,000	19	65263.1579	100	65,234
3-Jun-20	Pascalle & Gnama	Au-Cu-Ni	Private seller	ScandiVanadium Ltd	Purchase	717,000	130.36	5500.15342	100	5,684
28-Apr-20	Wanganui	Au	Bar none Exploration Pty Ltd	Castle Minerals Ltd	Purchase	130,000	18.4	7065.21739	100	6,809
28-Apr-20	Perrinvale	Cu	Resource Assets Pty Ltd	Cobre Limited	Purchase	8,799,500	348.1	25278.6556	20	24,361
28-Apr-20	Polelle	Au	Private seller	Castle Minerals Ltd	Purchase	200,000	144.5	1384.08304	100	1,334
20-Apr-20	Jundee South	Au	Faurex Pty Ltd	Avenira Ltd	Purchase	350,000	720	486.111111	100	463
17-Apr-20	Wells Group	Au	Kingwest Resources Ltd	NTN Gold Ltd	Purchase	125,000	426	293.42723	100	278
2-Apr-20	Rebecca	Au	Encounter Resources Ltd	Bulletin Resources Limited	Purchase	35,000	198	176.767677	100	168
28-Feb-20	Wilki	Au-Cu	Antipa Minerals Ltd	Newcrest Mining Ltd	JV	18,540,838	2180	8504.97152	51	8,790
11-Feb-20	Sandstone	Au	Rafaella Resources Ltd	Westar Resources Ltd	Purchase	150,000	259	579.150579	100	628

10-Dec-19	Desdemona South	Au	Kin Mining NL	Genesis Minerals Limited	JV	1,444,640	156	9260.51466	60	10,887
6-Dec-19	Metzke's Find	Au	Private seller	Dreadnaught Resources Limited	Purchase	114,800	12	9566.66667	100	11,306
13-Nov-19	Sandiman	Au-Cu-Pb-Zn	GTTS Generations Pty Ltd	Cobre Limited	JV	683,007	202	3381.22112	51	3,980
25-Jul-19	Bar and Twenty	Au	Anova Metals Limited	Private Buyer	Purchase	25,000	18.13	1378.92995	100	1,706
25-Jul-19	Balagundi	Au	Pioneer Resources Limited	Black Cat Syndicate Limited	JV	630,388	40.6	15526.8101	75	19,212
23-Jul-19	Lake Rebecca	Au	Matsa Resources Limited	Bulletin Resources Limited	Purchase	156,250	172	908.430233	80	1,127
9-Jul-19	Marble Bar	Au	Epmix WA Pty Ltd	Calidus Resources Limited	Purchase	110,000	9.435	11658.7175	50	14,585
9-Jul-19	Bulgera	Au	Accelerate Resources Limited	Norwest Minerals Limited	Purchase	220,000	36.81	5976.63678	100	7,477
24-Jun-19	Illaara	Au	Newmont Goldcorp Corp	Dreadnaught Resources Limited	Purchase	120,000	726	165.289256	100	206
23-May-19	Mt Venn	Au-Ni-Cu	Cazaly Resources Limited	Woomera Mining Limited	JV	2,740,176	390	7026.09297	80	9,506
14-May-19	Tambourah, Hillside, Panorama & Bonnie scot	Au-Li	Macarthur Minerals Limited	Fe Limited	JV	6,869,262	1600	4293.28881	25	5,804
1-May-19	Ned's Creek	Au	Lodestar Minerals Limited	Vango Mining Limited	JV	8,628,488	337.92	25534.114	51	35,395
11-Apr-19	Carterton	Au	Gateway Mining Limited	Syndicated Metals Limited	purchase	282,727	89.27	3167.10286	100	4,399
29-Mar-19	Hobbes	Au	OreCorp Limited	Crosspick Resources Pty Ltd	JV	704,545	95	7416.26794	40	10,257

27-Mar-19	Pilbara	Au	Private Seller	Thor Mining PLC	Purchase	833,000	784	1062.5	100	1,449
11-Mar-19	Pilbara Basin	Au	CTTR Mining Tenements Pty Ltd	Monteray Minerals Inc	Purchase	813,000	525	1548.57143	100	2,133
11-Feb-19	Sherlock River	Au	Ridge Street Investments Pty Ltd	Monteray Minerals Inc	Purchase	1,105,000	135	8185.18519	100	11,148
8-Feb-19	Laverton	Au	Expose Resources Limited	Global Fortune Investment Limmited	JV	740,463	153.1	4836.46935	51	6,586
18-Jan-19	Paynes Find	Au	Attgold Pty Ltd	Oakajee Corporation limited	Purchase	43,750	44.93	973.736924	80	1,374
11-Dec-18	Penny West	Au	Private Seller	Spectrum Metals Limited	Purchase	15,000	4.466	3358.71026	100	4,908
28-Nov-18	Kirkalocka	Au	Iron Clad Prospecting Pty Ltd	Blaze International Limited	Purchase	130,000	132.53	980.909983	100	1,476
28-Nov-18	Kirkalocka	Au	Beau Resources	Blaze International Limited	Purchase	160,000	96.277	1661.87148	100	2,501
15-Oct-18	Mount Hawthorn	Au	Bar none Exploration Pty Ltd	Marindi Metals Limited	Purchase	41,000	14.48	2831.49171	100	4,158
11-Oct-18	Hong Kong	Au	Clancy Exploration Limited	Pacton Gold Inc.	Purchase	1,769,545	40.15	44073.3613	100	64,885
27-Sep-18	Golden Palm	Au	Private Seller	Pacton Gold Inc.	Purchase	280,000	24.62	11372.8676	100	17,517
20-Sep-18	Wallbrook	Au	Newmont Exploration Pty Ltd	Nexus Minerals Limited	Purchase	13,100	190	68.9473684	100	105
3-Sep-18	Mon Ami Area	Au	Strategic Minerals Plc	Great Southern Mining Limited	Purchase	145,000	50.41	2876.41341	100	4,361
23-Aug-18	Pilbara	Au	Arrow Minerals Limited	Pacton Gold Inc.	Purchase	4,146,939	609	6809.42328	49	10,505
31-Jul-18	Holleton	Au	Element 25 Limited	Ramelius Resources Limited	Purchase	1,000,000	384	2604.16667	100	3,999

18-Jun-18	Ruby Plains	Au	Private Seller	Dampier Gold Limited	Purchase	473,420	821	576.638246	100	845
7-Jun-18	Lefroy	Au	Lefroy Exploration Limited	St Ives Gold Mining Company Pty Ltd	JV	16,995,768	372	45687.5486	51	67,874
25-May-18	South Darlot	Au	Central Iron Ore Limited	Kingwest Resources limited	Purchase	580,000	289	2006.92042	100	2,936
4-May-18	Kirkalocka	Au	Blaze International Limited	Bar None Exploration Pty Ltd	Purchase	100,000	33.2	3012.04819	100	4,362
18-Apr-18	Slate Dam	Au	Rare Earth Contracting Pty Ltd	Aruma Resources Ltd	Purchase	66,000	19	3473.68421	100	5,051
16-Apr-18	Ockerburry Hill	Au	AngloGold Ashanti Australia Ltd	Red 5 Limited	Purchase	45,000	67.77	664.010624	100	965
29-Mar-18	Warrawoona	Au	Gardner Mining Pty Ltd	Calidus Resources Limited	Purchase	76,755	44.773	1714.31443	100	2,507
26-Feb-18	Queen Lapage	Au	Alloy Resources Limited	Riversgold Limited	JV	447,859	321.8	1391.73012	70	2,069
5-Feb-18	South Yamarna	Au	Sumitomo Metal Mining Oceana Pty Ltd	Gold Road Resources Limited	Purchase	14,000,000	2467	5674.9088	50	8,510
31-Jan-18	Mary River	Au	Private Seller	Pantoro Limited	Purchase	80,000	64.2	1246.10592	100	1,893
22-Dec-17	Hacks Well	Au	Australian Potash Ltd	Matsa Resources Limited	Purchase	55,000	90	611.111111	100	934
22-Dec-17	Omni Projects	Au-BM	OMNI GeoX Pty Ltd	Gateway Mining Ltd	Purchase	1,500,000	1339	1120.23898	100	1,713
13-Dec-17	Pilbara Region	Au	Geko-Co Pty Ltd	Tando Resources Limited	Option to Purchase	222,548	22.4	9935.19956	100	15,307

12-Dec-17	Dalgaranga	Au	Private Seller	Gascoyne Resources Limited	Purchase	499,000	129	3868.21705	100	5,958
22-Nov-17	Eastman	Au-BM	Sandrib Pty Ltd	Peako Limited	JV	920,110	221.2	4159.63017	60	6,176
8-Nov-17	Croydon Top Camp	Au	Creasy Group Companies	Coziron Resources Limited	JV	1,828,571	317	5768.36413	70	8,693
6-Nov-17	Black Hills	Au	Private Seller	Greatland Gold Plc	Purchase	225,000	25	9000	100	13,663
3-Oct-17	Mertondale East	Au	Private Seller	Magnetic Resources NL	Purchase	40,000	3	13333.3333	100	20,676
29-Sep-17	Charteris Creek	Au	Riedel Resources Limited	LMTD Wits Pty Ltd	Purchase	500,000	123	4065.04065	100	6,269
5-Sep-17	Yandal East	Au	Zabina Minerals Pty Ltd	Overland Resources Limited	Option to purchase	1,030,091	327.4	3146.27581	75	4,768
21-Aug-17	Pilbara	Au	Private Seller	De Grey Mining Limited	JV	3,080,992	226	13632.7068	30	21,160

Appendix D Detailed Kilburn Valuations

Table E1: Detailed Kilburn valuation of Botswanan tenements

Licence	Holder	Area (km ²)	Off property		On property		Anomaly		Geological		Value (US\$)		
			Low	High	Low	High	Low	High	Low	High	Low	High	Preferred
PL149/2017	KML	1,000	2	3.5	2	2.5	2	2.5	1	1.5	482,135	1,977,508	1,229,822
PL041/2012	Tripnop	#9	1.5	2.5	1	2	1	2	1.5	2	1,153	10,251	5,702
PL042/2012	Tripnop	#271	3.5	4	1	2	1	2	1.5	2	85,819	523,089	304,454
PL043/2012	Tripnop	#82	2	2.5	1	1.5	1	1.5	1.5	2	14,761	55,353	35,057
PL343/2016	Kitlanya	995	1	1.5	1	1.5	1	2	1	1.5	59,996	404,970	232,483
PL342/2016	Kitlanya	950	1	1.5	1	1.5	1	2	1	1.5	57,282	386,655	221,969
PL072/2017	Kitlanya	238	2.5	3	1	1.5	1	1.5	1	1.5	35,877	145,301	90,589
PL070/2017	Kitlanya	827	3.5	4	1.5	2	1.5	2	1.5	2.5	589,038	1,994,627	1,291,833
PL071/2017	Kitlanya	295	2.5	3	1	1.5	1	1.5	1	1.5	44,469	180,100	112,284
PL035/2012	Tripnop	#309	1	1.5	2	2.5	3	3.5	1.5	2	167,632	488,926	328,279
PL036/2012	Tripnop	#50	1	1.5	1.5	2	2	2.5	1.5	2	13,621	45,404	29,512
Total		5,025									1,551,783	6,212,183	3,881,983

BAC: US\$150.74/km²; Market Factor: 0.4

The Tripnop licences are valued on the basis of the reduced areas as of 1 October 2022 (Table 4).

Table E2: Detailed Kilburn valuation of West Australian tenements

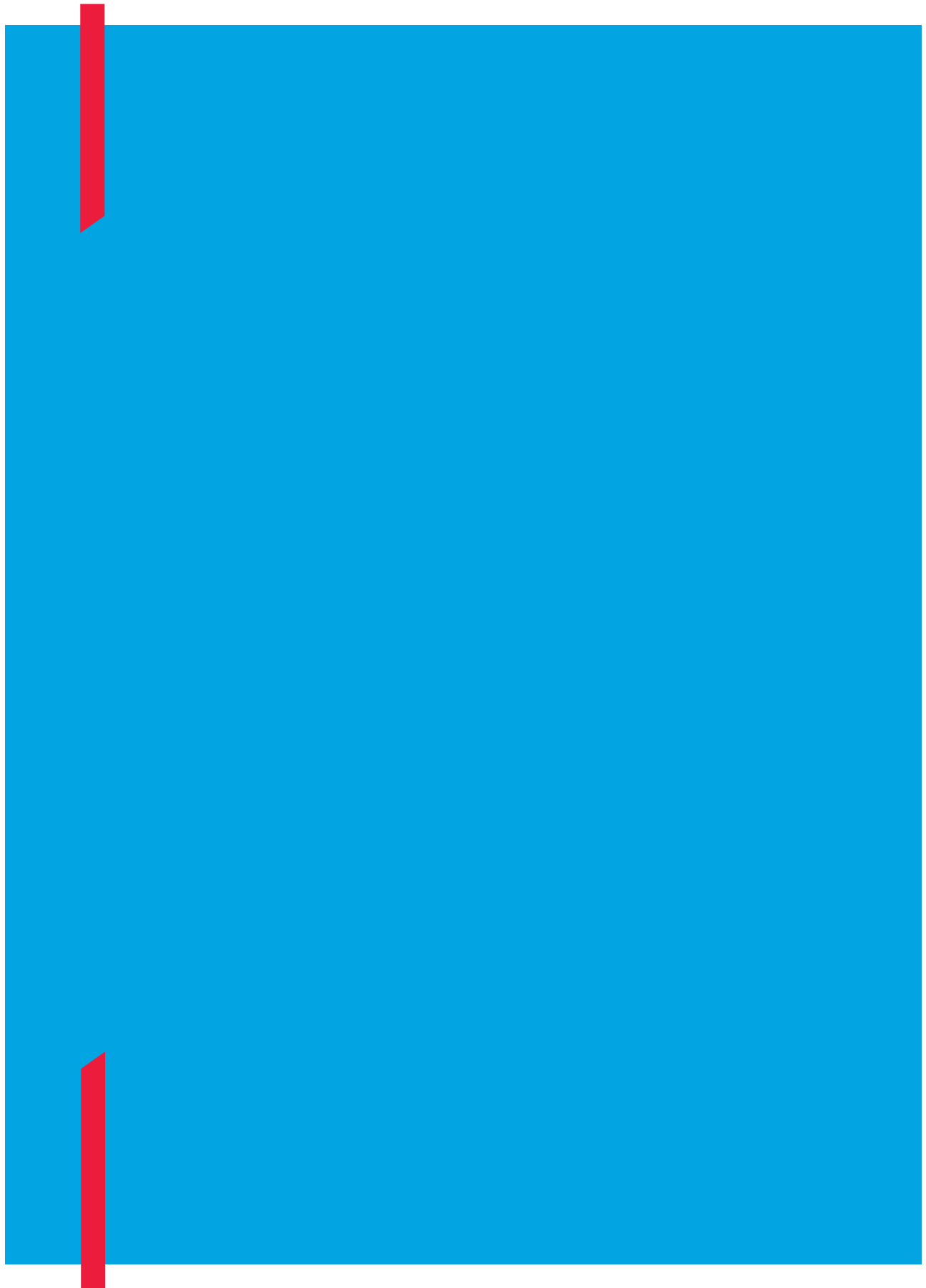
Project	Licence	Area (km²)	Off Property		On Property		Anomaly		Geological		Value (A\$)		
			Low	High	Low	High	Low	High	Low	High	Low	High	Preferred
Perrinvale	E29/1017	54.0	1	1.5	1	1.5	1	1.5	1	2	40,648	274,375	157,512
	E29/929-I	57.0	1	1.5	1	1.5	1	1.5	1	2	42,906	289,618	166,262
	E29/938-I	39.0	1	1.5	1.5	2	1.5	2	2	3	132,107	528,427	330,267
	E29/946-I	15.0	1	1.5	1	1.5	1	1.5	2	3	22,582	114,323	68,453
	E29/986	59.9	1	1.5	1	1.5	1	1.5	2	3	90,247	456,873	273,560
	E29/987	21.0	1	1.5	1	1.5	1	1.5	2	3	31,639	160,174	95,907
	E29/988	3.0	1	1.5	1	1.5	1	1.5	1	2	2,258	15,243	8,751
	E29/989	9.0	1	1.5	1	1.5	1	1.5	1	2	6,787	45,811	26,299
	E29/990	27.0	1	1.5	1	1.5	1	1.5	1	2	20,315	137,127	78,721
	E29/1106	60.0	1	1.5	1	1.5	1	1.5	1	2	11,286	101,570	56,428
	Total	344.9									389,490	2,021,971	1,205,730
Sandiman	E09/2316	202	1	1	1	1.5	1	1.5	1	1.5	152,054	513,183	332,619

BAC: A\$7,527/km²; Market Factor: 0.1



csaglobal.com







All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:30am (AEDT) on Sunday 20 November 2022.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/cbe2022egm>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:30am (AEDT) on Sunday 20 November 2022.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/cbe2022egm>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person**

Until 28 October 2022 Boardroom Pty Limited Level 12, 225 George Street, Sydney NSW 2000 Australia	From 31 October 2022 Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000 Australia
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Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Cobre Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the **Extraordinary General Meeting** of the Company to be held **at the offices of Baker Mackenzie, Level 46, 100 Barangaroo Avenue, Sydney NSW 2000 on Tuesday, 22 November 2022 at 10:30am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval to purchase Sale Shares and Option Shares in KML from MTR	☐	☐	☐
Resolution 2	Approval for MTR to acquire a relevant interest in the Company under the Proposed Transaction	☐	☐	☐
Resolution 3	Approval of issue of MTR Placement Shares to MTR	☐	☐	☐
Resolution 4	Approval of issue of Subscription Shares to Mitchell Drilling	☐	☐	☐
Resolution 5	Approval of issue of Director Placement Shares to Andrew Sissian	☐	☐	☐
Resolution 6	Ratification of prior issue of Tranche 1 Placement Shares issued under Listing Rules 7.1 and 7.1A	☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2022