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5 March 2021

ASX Limited

Company Announcements Platform

NEW PRIORITY COPPER-SILVER TARGET AREA IN BOTSWANA

Cobre Limited (ASX: **CBE**, **Cobre** or **Company**) is pleased to provide the following update on Kalahari Metals Limited's (**KML**) exploration activities in Botswana through KML's wholly owned Kitlanya East (**KIT-E**) project.

As first announced to the ASX on 24 August 2020, KML is subject to an agreement between Cobre and the existing shareholders of KML, under which Cobre Kalahari Pty Ltd (a wholly owned subsidiary of Cobre) will acquire up to a 51% interest in KML (**Transaction**). Completion of the Transaction is subject to a number of conditions being satisfied, including shareholder approval at an Extraordinary General Meeting (EGM) on 6 April 2021.

KIT-E is one of four areas making up KML's 8,100km^2 of tenure in the Kalahari Copper Belt (**KCB**) and is considered a priority exploration area by KML, with the potential to delineate near surface Cu-Ag mineralisation.

The South Fold Target (*refer **Figure 1***) is located approximately 25km southeast of ASX-listed Sandfire Resources Limited's (ASX: **SFR**) (**Sandfire Resources**) T3 and A4 deposits. Along with the North Target (*refer Cobre announcement 16 December 2020*), this represents another compelling exploration target with significant potential for Cu-Ag mineralisation hosted in trap-sites above the traditional redox contact. Regional soil sampling undertaken in late 2019 identified a Cu-Zn anomaly in the centre of the target

upgrading the target potential. During Q4 2020, KML commissioned Airborne Electro Magnetic (**AEM**) and magnetic surveys over the target along with a more detailed soil sampling programme. In addition, re-logging of historical drilling on the margin of the target was undertaken.

The prospectivity of the South Target and potential for parallels to the structural setting at Sandfire Resources' A4 deposit have been further highlighted in a recent review by Structural Consulting Geologist Brett Davies.

Martin Holland, Cobre's Executive Chairman and Managing Director, commented:

"This South Fold area is an exciting new priority target area. Systematic application of local knowledge and progressive exploration activities implemented by KML's technical team has shown this area, and the more advanced North Target, to have the potential to host mineralisation similar to that in Sandfire Resources' nearby T3 and A4 deposits. Following shareholder approval at the upcoming EGM on 6 April 2020, the Joint Venture looks forward to getting the drill rigs on site and rapidly advancing these priority target areas."

Highlights from the exploration programmes include:

- A late-time 15km long AEM conductor associated with the central portion of the fold axis has been delineated, potentially related to marker conductors in the lower portion of the D'Kar Formation stratigraphy;
- Detailed 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;
- Re-logging of historical holes and modelling of recent AEM data supports the anticlinal nature of the target, with the most prospective (oldest) stratigraphy in the central part of the fold; and
- Soil sampling corroborates regional soil anomalies, delineating a broad 9km long zone of elevated Cu-Zn-Pb in the central target area, supporting potential for underlying Cu-Ag mineralisation.

Results from this recent phase of exploration support the potential for shallow Cu-Ag mineralisation in a similar setting to the neighbouring Sandfire Resources' A4 deposit (*refer* ***Figure 2***). Stratigraphic drill testing is planned in the central portion of the South Fold Target with the objective of identifying prospective lower D'Kar Formation stratigraphy and structurally controlled Cu-Ag mineralisation. The target represents an important addition to the more advanced North Fold Target where an aggressive target drill programme is planned.

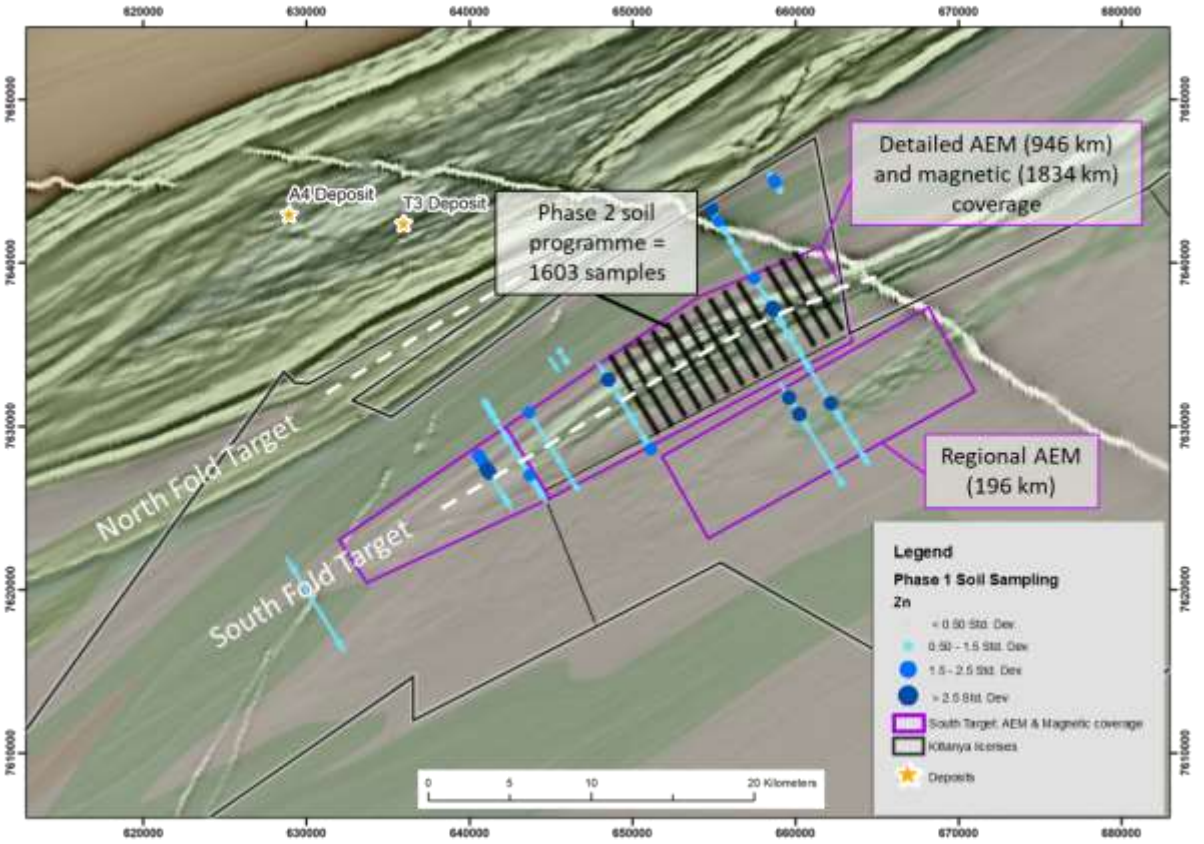

Figure 1: *Locality map illustrating the position of the area of interest discussed in the current announcement relative to Kitlanya East license holding in the Kalahari Copper Belt, NW Botswana. First vertical derivative greyscale total magnetic intensity background.*

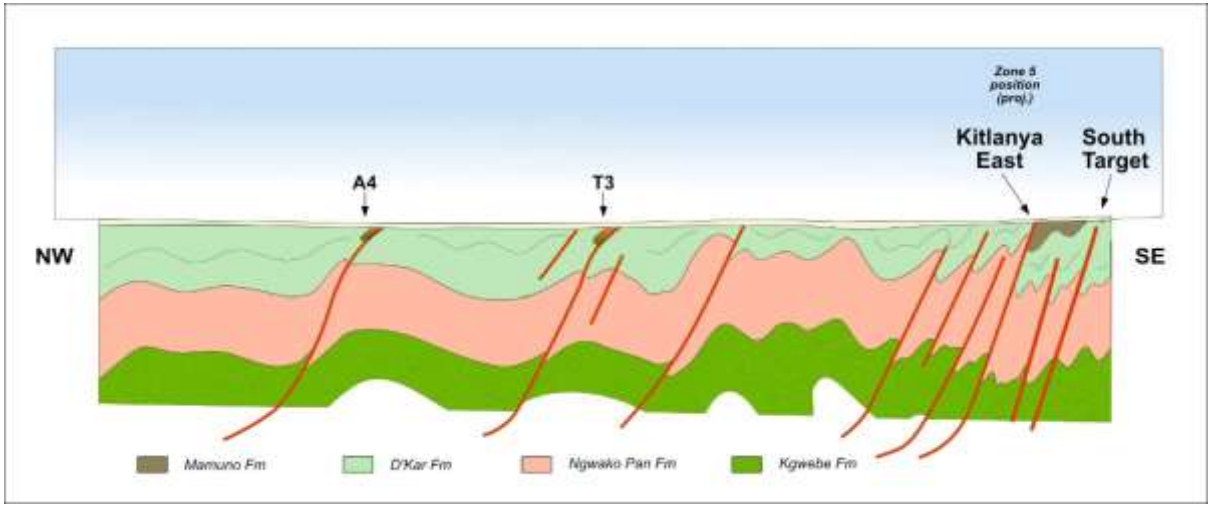

Figure 2: *Cross section across Sandfire Resources' known deposits and the Kitlanya targets directly to the southeast (figure courtesy of Brett Davies, internal report).*

AEM Results

Figure 3 displays processed results from the 946km of detailed AEM data collected over the Southern Fold Target on a 200m line spacing using NRG's Xcite system. The data was run through Geoscience Australia's GA AEM inversion software to create depth sections and 3D volumes. Results were used to interpret stratigraphic marker conductors, local folding and discontinuities in conductive units potentially related to alteration associated with mineralisation (*refer* ***Figures 4 to 6***).

Key considerations from the AEM results:

- AEM results delineate a broad, complex conductor in the central part of the fold structure interpreted to be related to more siltstone dominated prospective mid-lower D'Kar stratigraphy;
- Inferred gently-dipping, folded conductors in the southwestern part of the survey provide support for a southwest plunge to the macro-fold;
- Conductivity depth sections suggest imbricate shear elements, revealing a complex of smaller folds which appear to increase in amplitude in the core of the target; and
- Local folds have good continuity, plunge locally, doubly plunge or are attenuated by shear providing trap-sites for potential mineralisation.

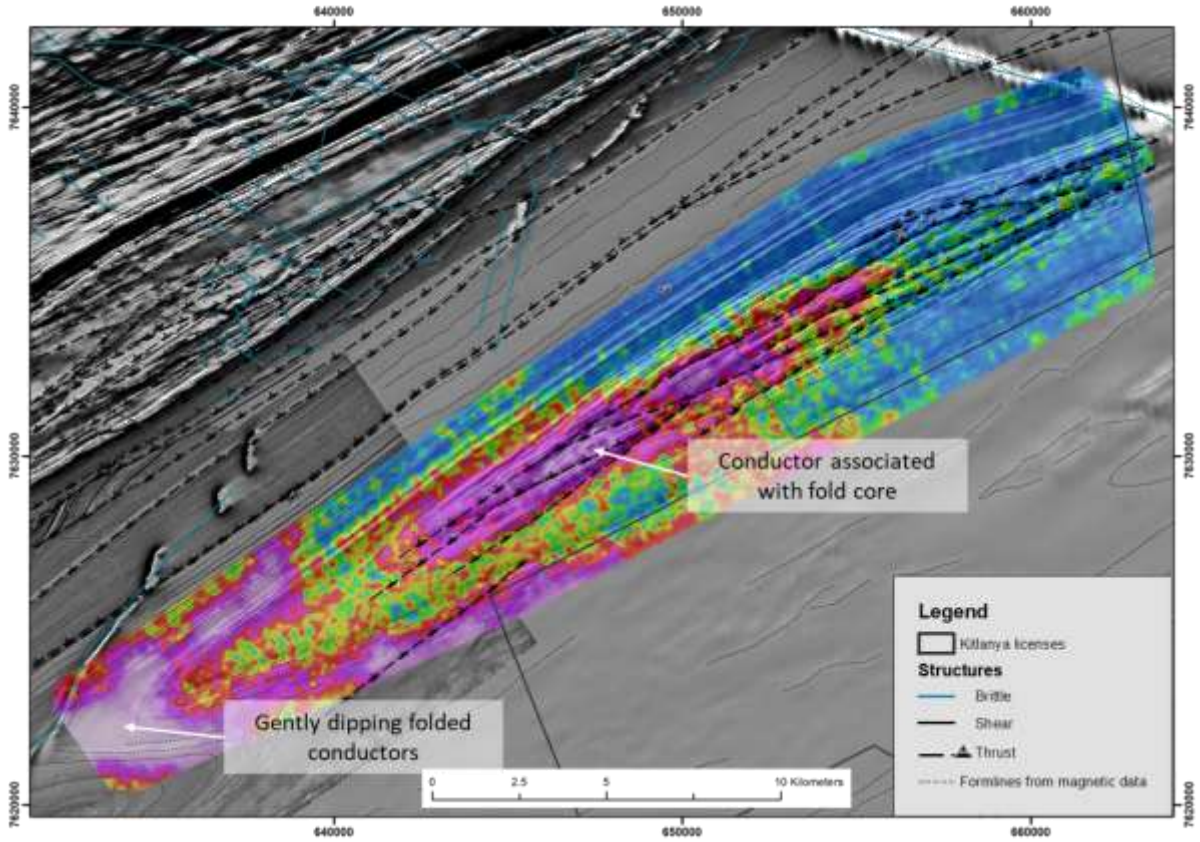

Figure 3: *Late-time AEM db/dt Z-component image illustrating the main conductors of interest.*

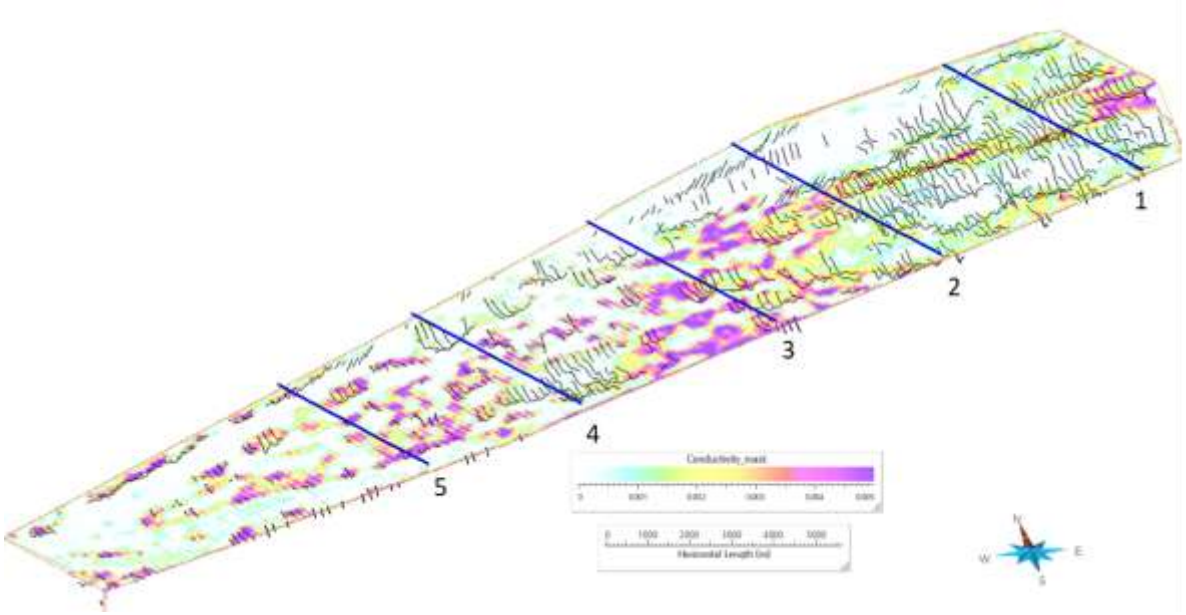

Figure 4: *3D view (no vertical exaggeration) with digitised conductors and Z-slice through the conductivity volume illustrated. Grey formlines highlight structural information from section-based interpretation of AEM conductivity results. Selected conductivity section lines are overlain (1-5).*

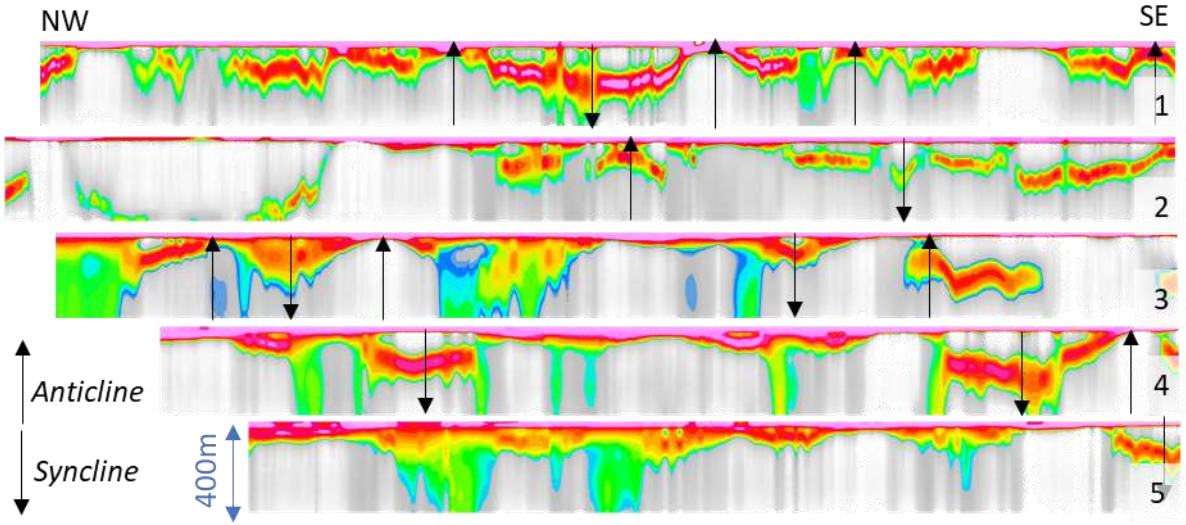

Figure 5 (previous page): *Selected GA LE sections with conductors and fold axes highlighted, no vertical exaggeration. Section based interpretations provide a useful method for modelling local trap-sites for mineralisation.*

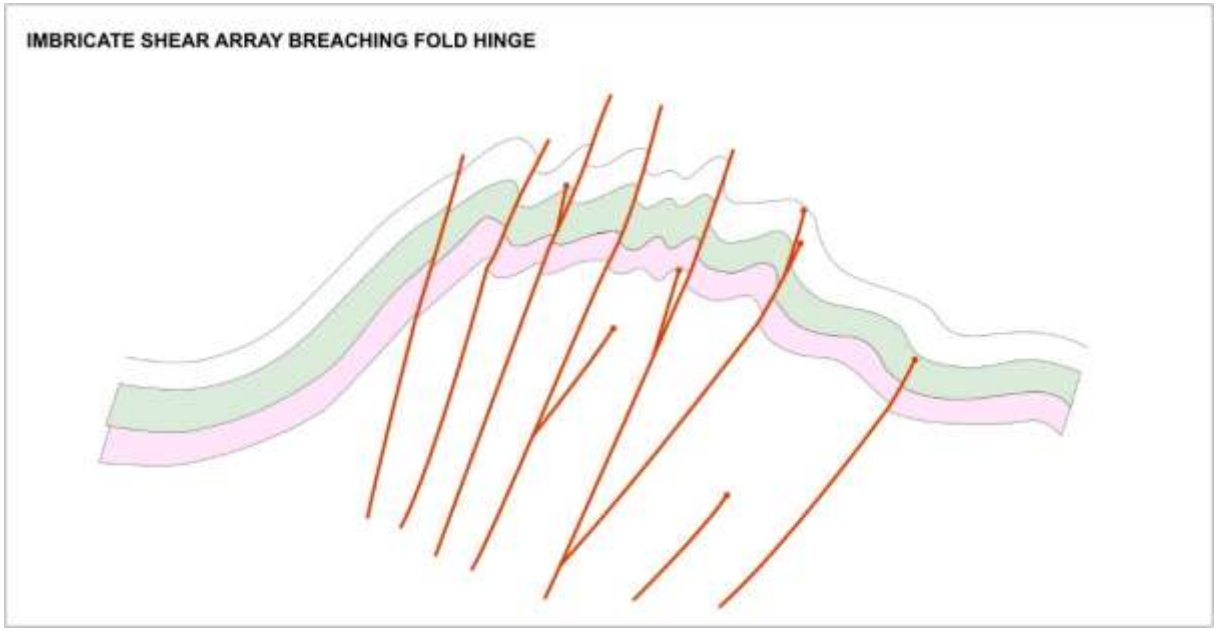

Figure 6: *Interpreted structural setting for the South Fold Target. Local fold culminations develop in response to propagation of an imbricate array of thrusts in which many, but not all elements, breach the target stratigraphy. (figure courtesy of Brett Davies, internal report)*

Airborne Magnetic Results

A total of 1834km of detailed magnetic data was collected on 100m spaced traverse lines over the Southern Fold Target. In addition to mapping out magnetic marker units in the mid-D'Kar Formation (*refer* ***Figure 7***), structural discontinuities and local folding are clearly delineated (*refer* ***Figure 8***). Differences in the magnetic expression of the northern and southern limbs of the macro fold may be indicative of fold asymmetry with a south-easterly vergence.

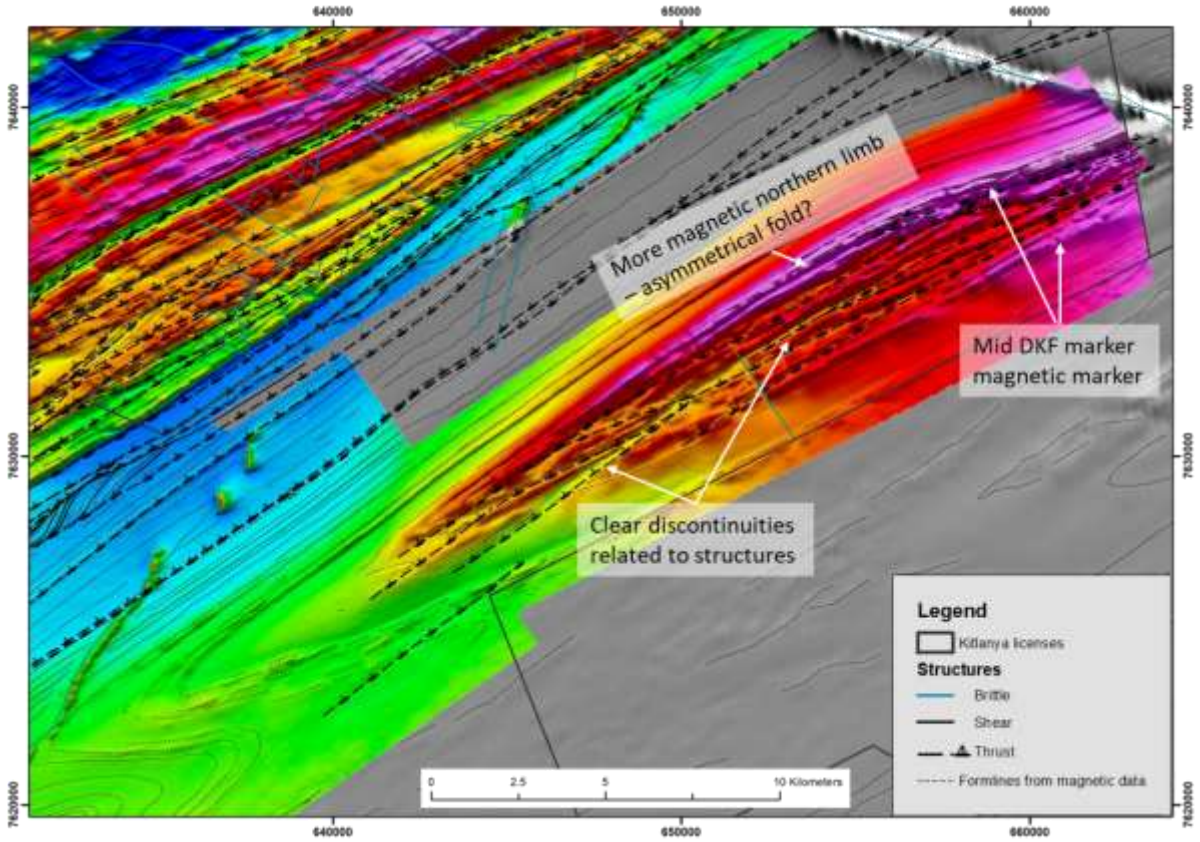

Figure 7: *Reduced to pole total field magnetic image highlights the characteristic magnetic marker units in the middle D'Kar Formation stratigraphy. The stratigraphy below these markers is regarded as prospective host rocks for Cu-Ag mineralisation.*

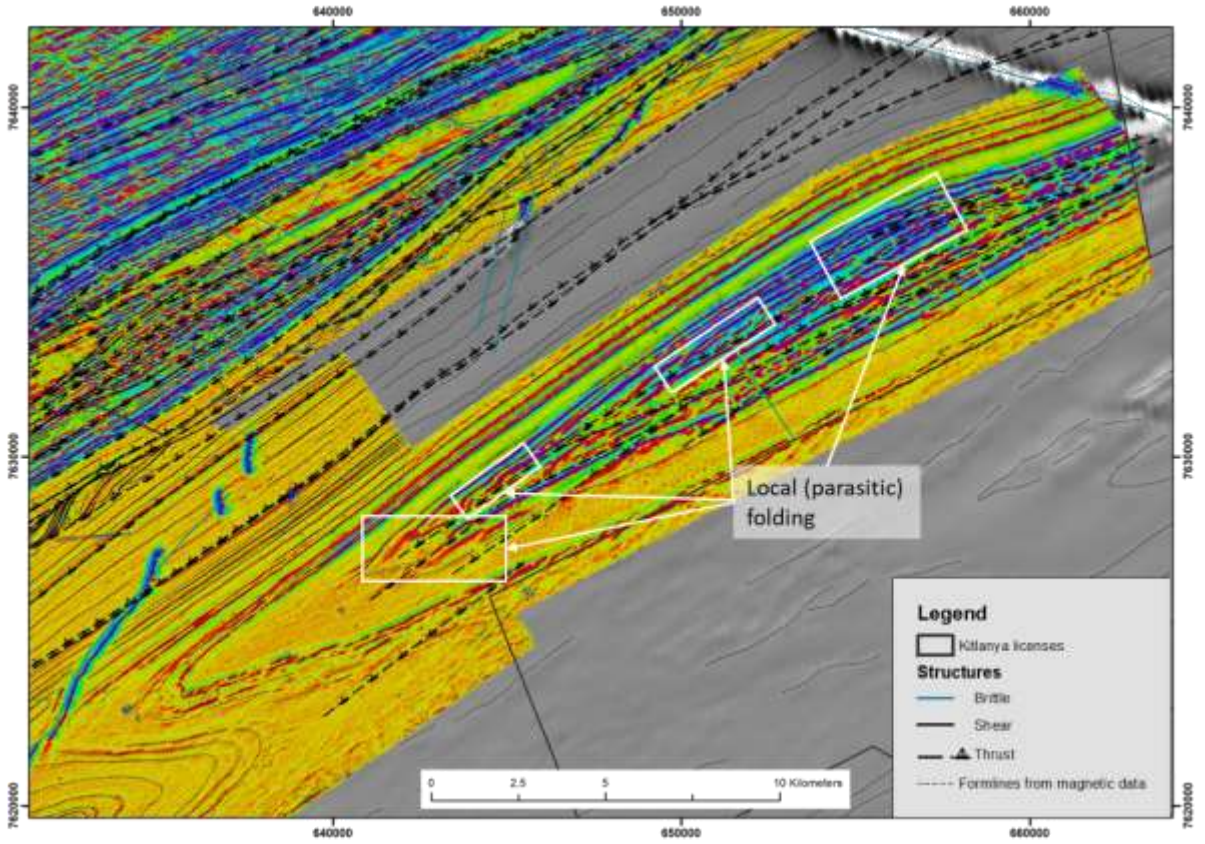

Figure 8: *Second vertical derivative reduced to pole image highlights structure and local folding of magnetic units.*

Combining results with historical drilling

Re-logging of historical drill chips from several Reverse Circulation (**RC**) drill holes located on the northern margin of the South Fold Target suggest they correlate with the upper portion of the D'Kar or Mamuno Formations providing further support that the target is an anticline with the most prospective (oldest) stratigraphy located in fold hinge. A combined magnetic and AEM interpretation is illustrated in ***Figure 9***.

Phase 2 soil sampling

A total of 1603 soil samples were collected over the Southern Fold Target in late 2020, at 50m spacing along traverses spaced 1km apart. All samples were sieved to retain the -90µm fraction and analysed using a Niton XL2 pXRF along with appropriate reference samples and blanks for quality control. Sample results highlight a broadly elevated Cu, Pb, Zn 9km long zone, which correlates with the central portion of the South Fold Target along with local anomalies often associated with interpreted structures (*refer **Figure 10***).

Stratigraphic drill testing

Recently completed airborne geophysics and soil sampling highlights the potential for the South Fold Target to host Cu-Ag mineralisation in a similar setting to neighbouring Sandfire Resources' T3 and A4 deposits. Follow-up stratigraphic drill testing will be undertaken in the central portion of the target area to confirm the presence of prospective lower D'Kar Formation stratigraphy, alteration and mineralisation along structures, suitable trap-sites and associated Cu-Ag mineralisation.

This ASX release was authorised on behalf of the Cobre Board by: Martin C Holland, Executive Chairman and Managing Director.

For more information about this announcement, please contact:

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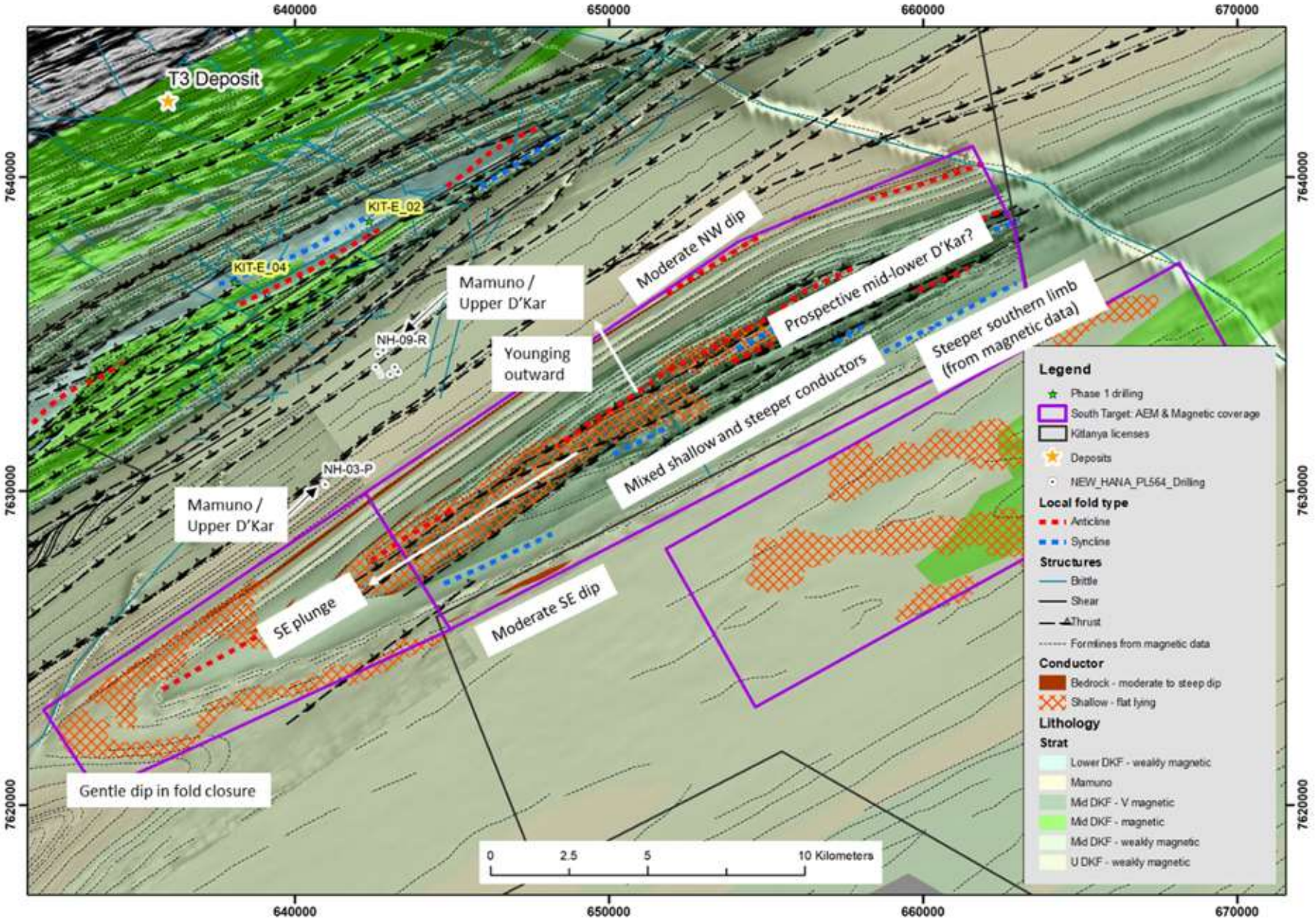

Figure 9: *Combined AEM and magnetic interpretation*

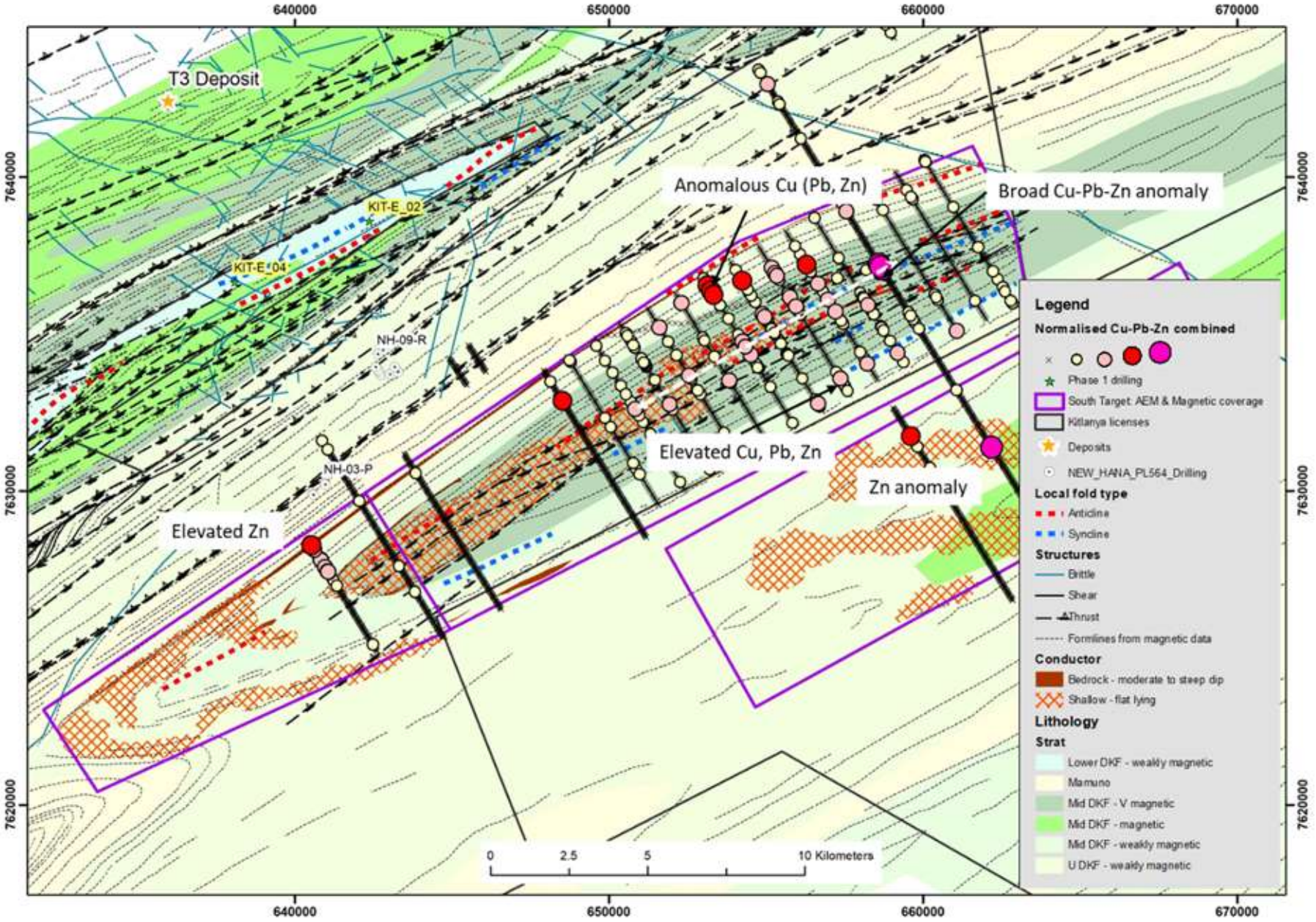

Figure 10: *Soil sample results overlain on magnetic and AEM interpretation.*

COMPETENT PERSONS STATEMENT

The information in this announcement that relates to exploration results is based on information compiled by Mr David Catterall, a Competent Person and a member of a Recognised Professional Organisations (ROPO). David Catterall has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012). David Catterall is a member of the South African Council for Natural Scientific Professions, a recognised professional organisation.

David Catterall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Table 1 - Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

JORC Code, 2012 Edition – Table 1 report template Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)		
Criteria	**JORC Code explanation**	**Commentary**
	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• The information in this release relates to the technical details from the Company's exploration and drilling program at Kitlanya East that lies within the Ghanzi District on the Kalahari Copper Belt, Republic of Botswana. • Reference is also made to previous historic drilling and soil sampling. • The current Kalahari Metals soil sampling was carried out along traverses using 50m sample intervals with earlier regional traverses carried out using 25m sample spacing • Both current Kalahari Metals and previous historic Soil samples were taken at an average depth of 10cm from uncontaminated and undisturbed sites • Historic Samples were collected in the dry season to avoid having to dry them before sieving. Recent Kalahari Metals soil sampling was also undertaken during the dry season to avoid drying. • Samples were sieved on site to -90μm for the current survey and -180μm for the regional traverses and sealed in either clear plastic sample envelopes or paper geochemical collection packets. • Historic Soil samples were submitted to Genalysis (Intertek) in Perth, Australia for laboratory analysis by the Terra Leach TL1 method. • Kalahari Metals Soil samples were screened using a pXRF
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any*	• Historic drilling by previous explorer's included rotary air blast (RAB), percussion & reverse circulation (RC) and diamond

	measurement tools or systems used	drilling. • Historic Percussion, RAB & RC drill chips were sampled in 1m intervals. • Historic Percussion, RAB & RC drill chips were logged by a suitably qualified geologist. • A Niton XL2 Plus handheld spectrometer with desk mount was used to analyse soil samples.
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*	
	• *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The historic rotary air blast/percussion drilling was drilled at varying sizes from 4.5" to 6". • The historic Reverse Circulation drilling was drilled at varying sizes from 4.5" to 8".
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Sample recovery was recorded for all types of drilling method and Sample recovery was generally very good from all reported historic drilling
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Historic RC recoveries were visually checked for recovery, moisture and contamination.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Documented sample recovery was generally very good and as such it is not expected that any such bias exists.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support*	• Historical chip samples were geologically logged by a qualified geologist using predefined lithological, mineralogical and physical characteristic (colour,

	appropriate Mineral Resource estimation, mining studies and metallurgical studies.	weathering etc) logging codes. • Data was and is recorded manually by hand on paper standard logging sheets (hard copy) and then data captured to Excel logging sheets (soft copy).
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• All logging used standard published logging charts for grain size, sorting to maintain a qualitative and semi-quantitative standard based on visual estimation
	• *The total length and percentage of the relevant intersections logged.*	• 100% of all recovered intervals were geologically logged
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry*	• Historically duplicate Percussion, RAB & RC samples were collected from the full recovered one metre interval at the drill rig by cyclone and riffle splitter. Unfortunately, these have since perished. • Documented historic logging and reporting demonstrates a standard procedure with 20% QA/QC blanks, standards and/or duplicates were inserted on site while sampling and further standards were inserted by the laboratory.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation techniques*	• Field sample preparation is suitable for the material.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Kalahari Metals standard field QAQC procedures include the field insertion of blanks, standards and collection of field duplicates. These are being inserted at a rate of 5% for each to ensure an appropriate rate of QAQC. • Reported standard field QAQC procedures for historic drilling state that blanks, standards and duplicates were inserted at an average rate of 5%
	• *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field*	• Sampling is deemed appropriate for the type of survey and equipment used.

	duplicate/second-half sampling.	
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The sample sizes collected are in line with standard practice
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• The sampling and analysis was appropriate for the type of sampling • The pXRF analysis is a point analysis taken directly on undigested soil and would be considered partial. • Partial selective digests are carried out on all historic soil media to detect mineralisation under cover in areas where conventional geochemistry may be ineffective. Buried ore bodies may release trace levels of metals into groundwater which are inferred to travel vertically in the overlying substrate and accumulate in the top portion of the soil profile where they are added to the background metal concentrations. • Targeted metal ions generally reside on the surfaces of soil particles requiring only weak selective digest to remove them, thus producing a superior anomaly to background contrast. This differentiates partial digests from stronger leaches which also extract occluded substrate metal ions that contribute to background levels of metal, resulting in an inferior anomaly contrast. • A range of partial digests are offered designed to target certain element suites and specific element species. • TL1 uses an alkaline cyanide digest. • Detection limit for Cu & Pb is 0.02ppm and for Ag & Zn 0.2ppm
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• Kalahari Metals used a Niton XL2 Plus handheld spectrometer for sample analysis • All samples were analysed using 120s reading time in soil mode • Check samples, standards and blanks were analysed at regular intervals to ensure the accuracy and repeatability of the results
	• *Nature of quality control*	• Historic samples were analysed by

	procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Intertek who insert their own standards, duplicates and blanks and followed their own SOP for quality control. • External laboratory checks will be undertaken when enough sampling warrants.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Any significant intersections will be verified by peer review • All data is electronically stored with peer review of data processing and modelling • Data entry procedures standardized in SOP, data checking and verification routine. • Data storage on partitioned drives and backed up • The recent Kalahari Metals drilling program has yet to dispatch samples.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The grid system used is WGS84 Zone 34S. All reported coordinates are referenced to this grid. • Soil samples locations were captured using handheld GPS • Topographic control is based on satellite survey data collected at 30m resolution. Quality is considered acceptable. • Historic Drill collar coordinates were captured by GPS. • Elevation control on the AEM survey relied on Novatel DL-V3L1L2 with post-processed differential correction in conjunction with an SF-11/C and SF00 laser altimeters
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Regional soil sampling was carried out on selected traverses with samples collected at 25m intervals • Recent sampling was collected on 1 km traverses with 50m sample intervals • Sampling is deemed appropriate for the type of survey and equipment used. • AEM survey lines flown on bearing 155 degrees with line spacing 200m. Survey altitude was 30m to 40m (Tx-Rx array) and 60m to 70m (helicopter)

		• Magnetic data were collected in combination with the AEM data with additional dedicated lines flown as infill to provide an effective line spacing of 100m.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Sample traverses oriented at 145 degrees across the average regional strike direction of 060 degrees are considered appropriate • The AEM and magnetic survey direction of 155 degrees flown across the average regional strike direction of 060 degrees is considered appropriate
Sample security	• *The measures taken to ensure sample security.*	• All readings/geophysical measurements collected and stored on computer. Data was transferred on USB and sent by courier from collection point to processing point. All readings/geophysical measurements collected and stored on computer with separate backup data • Sample bags are logged, tagged and stored at the field office.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• All sampling procedures are documented and according to industry standard practice.