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19 April 2021

ASX Limited - Company Announcements Platform

KALAHARI METALS LIMITED – COMMENCEMENT OF 2021 DRILL PROGRAMMES

Cobre Limited (ASX: **CBE**, **Cobre** or **Company**) is pleased to announce the commencement of drill programmes on Kalahari Metal Limited's (**KML**) wholly owned Kitlanya East (**KIT-E**) and Kitlanya West (**KIT-W**) projects in Botswana.

Highlights:

- Drilling contractor mobilisation scheduled for late April
- A combined Reverse Circulation (**RC**) and Diamond Core (**DC**) programme of 7,000m
- Compelling structural trap sites and fold targets to be tested

Following a review by the new KML technical team, the joint venture (**JV**) board of KML has approved a major new drilling programme focussed on compelling conductive geophysics and structural targets prospective for the discovery of copper/silver deposits on the Kalahari Copper Belt ("KCB"). The KML technical team has been supplemented with additional sediment-hosted copper and drill programme management experience as the project now moves into the next stage of exploration.

A drill focussed exploration plan (table 1) is to be implemented to test a number of compelling targets on the KIT-E and KIT-W projects, including:

- Structurally controlled trap-sites in KIT-E identified in airborne electromagnetic (**AEM**), magnetic, soil sampling and stratigraphic drilling programmes completed in 2020;
- Conductive fold targets in KIT-W with an analogous AEM response to Sandfire's A4 and T3 deposits.

The combined diamond core and reverse circulation ("RC") drilling programme consists of a planned total of 5,700m with an additional 1,300m available for optional follow-up diamond drilling depending on results. The drilling will focus on two of KML's four project areas; Kitlanya East Project (Kit-E); and Kitlanya West Project (Kit-W) as set out in Table 1 and Figures 1, 4, 5 & 6.

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Discovery Drilling (Pty) Ltd (**Discovery Drilling**), an experienced KCB drilling contractor, has been awarded the contract with drilling rigs to be mobilised in the last week of April. Drilling at Kit-E is expected to be underway by the first week of May.

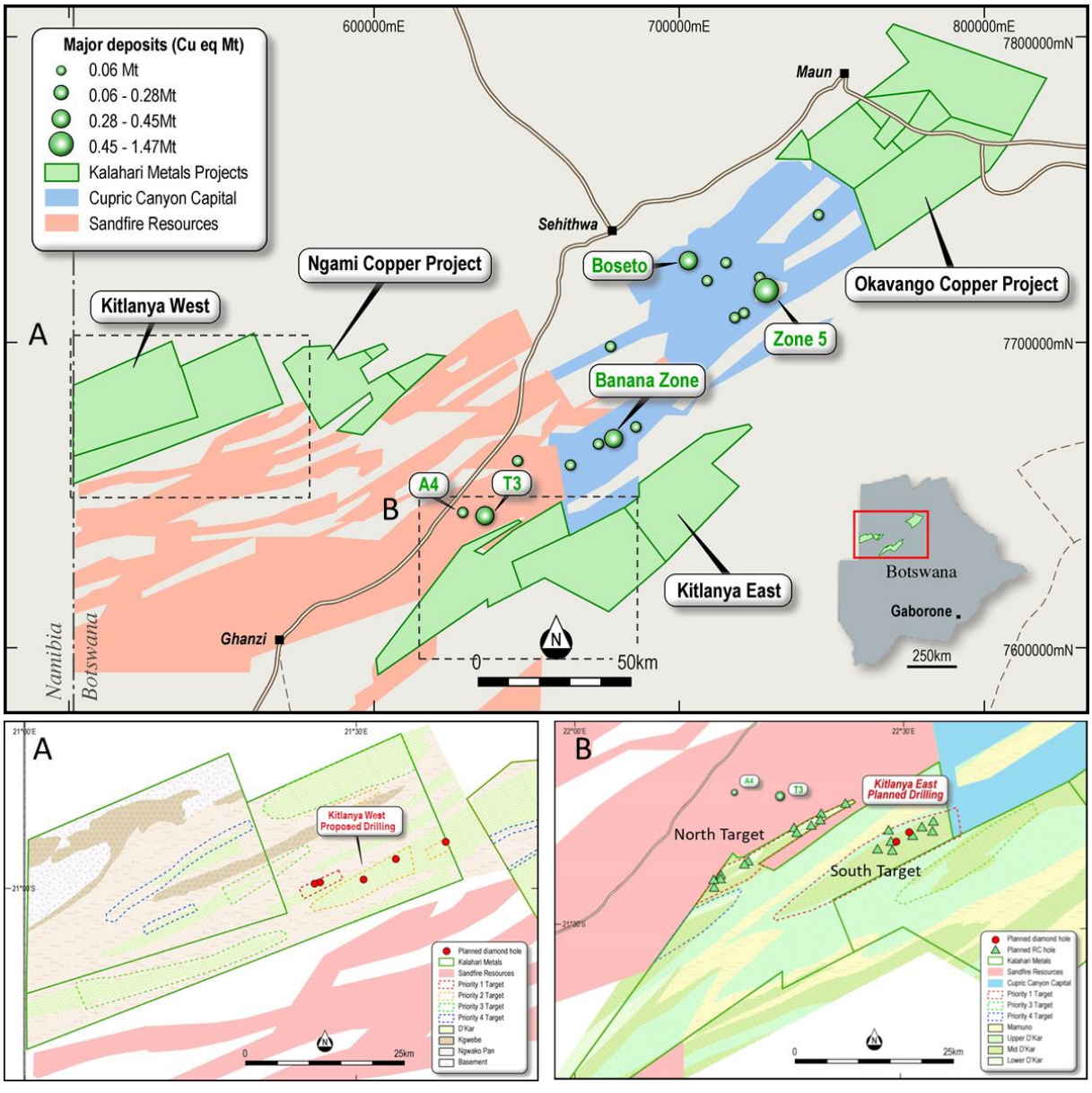

***Figure 1**. Locality map illustrating the position of the area of interest discussed in the current announcement, NW Botswana.*

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

"As we moved through formalising the deal to acquire a 51% interest in KML[1] the technical team has worked hard in assessing the full project portfolio and potential next steps for exploration. This diligent process has resulted in a programme of drilling that is focused on what are considered priority targets for structural and dome style mineralisation. These styles have been shown by our neighbours in the Kalahari Copper Belt to hold the highest grade mineralisation, with the potential to be in near surface positions. I eagerly anticipate the results of this maiden drilling programme for the new KML joint venture with our partner Metal Tiger plc."

KIT-E Drill Programme

The 2021 drill programme in KIT-E will focus on mineralisation associated with structural trap-sites with parallels to neighbouring A4 and T3 deposits. A structural review of the project highlighted several potential deposit settings for targeting in both the North and South targets (Figure 2). In each deposit model, identification of local folding and shears in the lower to mid D'Kar Formation stratigraphy provides the targets for mineralisation. Targets have been generated using a combination of AEM modelling (Figure 3), detailed magnetic and remote sensing data with further priority placed in areas with coincident soil anomalies.

[1] Cobre currently holds 49.99% of KML, which will move to 51% upon receipt of change in control approval from the Minister of Mineral Energy and Water Resources of the Republic of Botswana.

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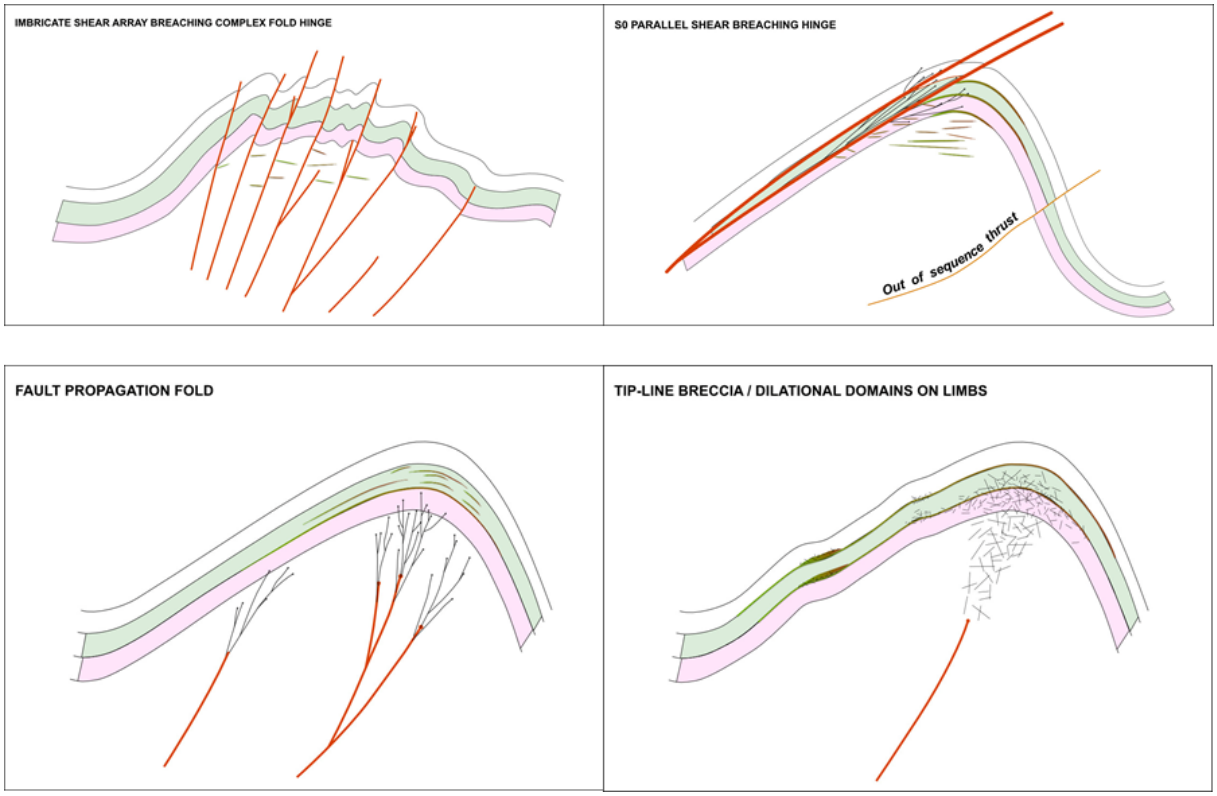

Figure 2. Cross-section schematic views illustrating scenarios for potential fold-related mineralisation in Kalahari Copper Belt.

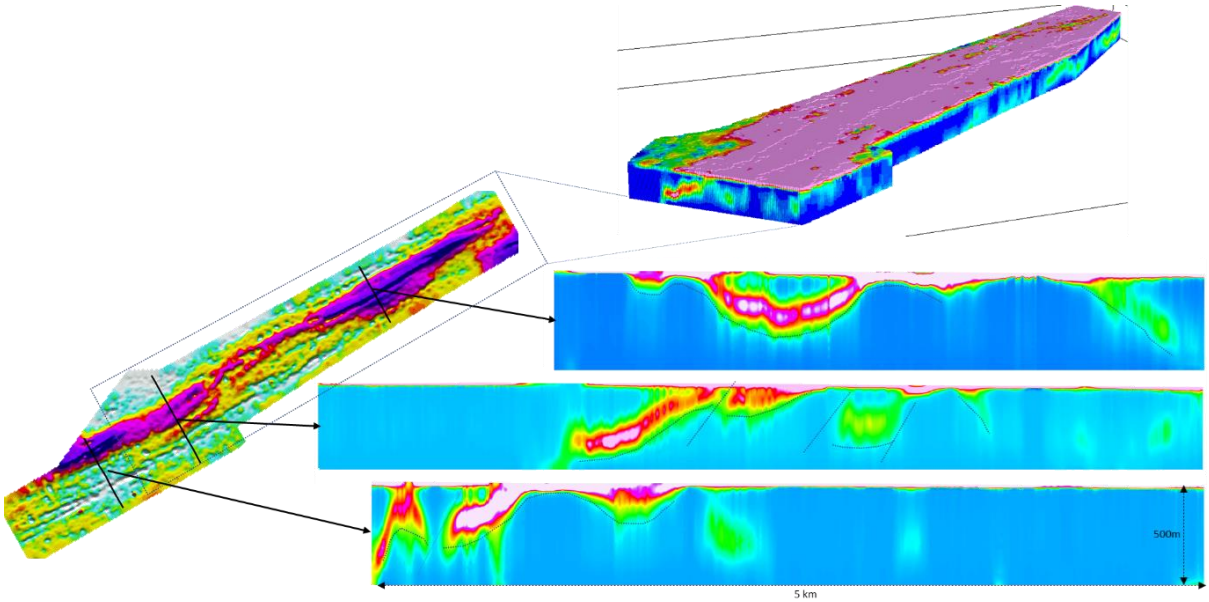

Figure 3. Geoscience Australia LE models of NRG Xcite AEM data. Note the clear delineation of local folding for target generation.

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In the North Target area, 1,709m of stratigraphic drilling undertaken in 2020 (ASX announcement 16/12/2020) was able to confirm the existence of shallow lower-mid D'Kar Formation stratigraphy. Drilling further identified alteration and trace mineralisation associated with shears (often associated with distal portions of deposits in the Kalahari Copper Belt). Follow-up target drilling will include an RC programme designed to test each of the priority target areas to approximately 200m depth.

The central core of the South Target is considered a high priority area for structurally controlled mineralisation based on the interpreted stratigraphic position, existence of local folding (defined by magnetic and AEM data) and broad Cu-Zn soil anomaly (ASX announcement 5/3/2021). Follow-up drilling will include 2x stratigraphic diamond drill holes designed to confirm the position in lower-mid D'Kar Formation, identify alteration, mineralisation and potential underlying mineralised redox contact with the Ngwako Pan Formation. Based on the results of the diamond holes, further RC drilling will be employed to test a number of targets for mineralisation.

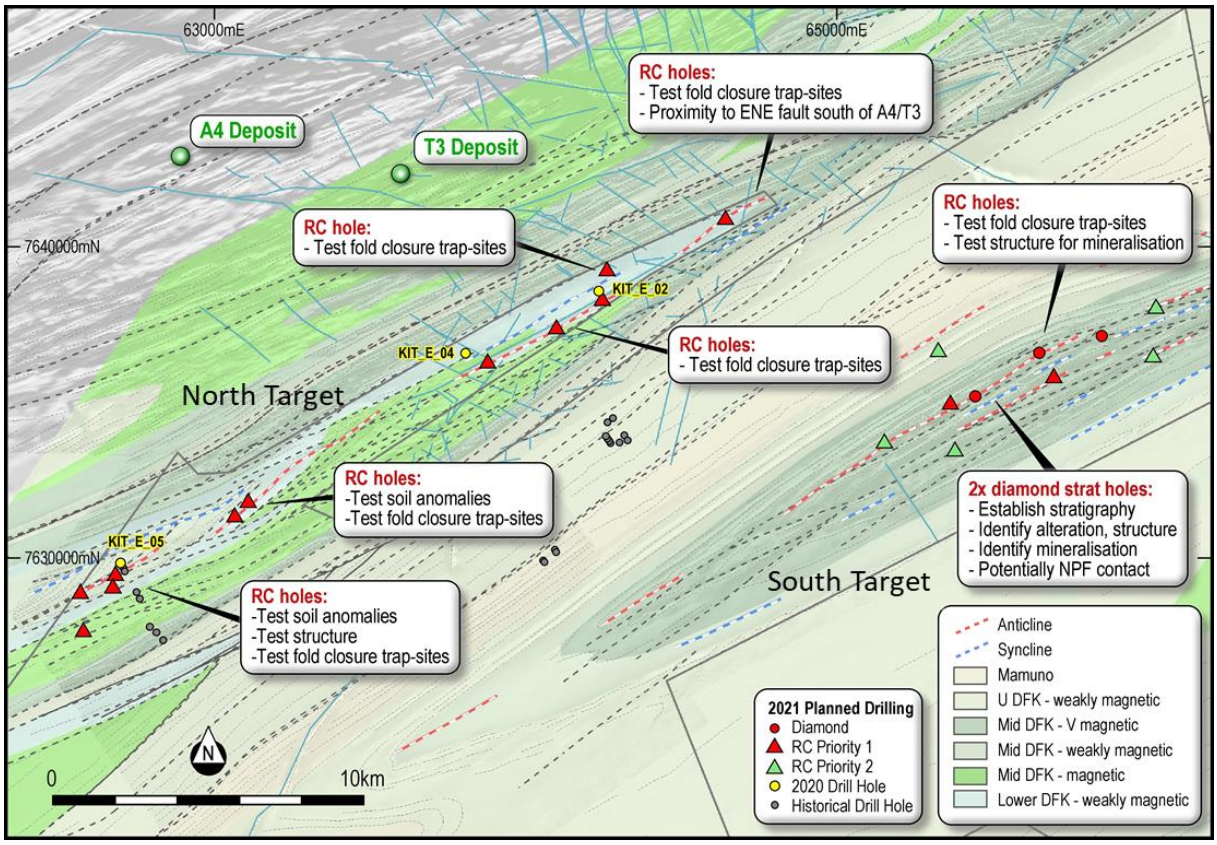

Figure 4. Drill programme for KIT-E, lithology and structural interpretation on derivative magnetic data.

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The drill programme for KIT-E is illustrated in Figure 4. Given the generally early stage exploratory nature of most of the planned drilling, planned holes will be reviewed, and potentially modified as holes are drilled and new data becomes available.

KIT-W Drill Programme

KIT-W is located on the northern margin of the Kalahari Copper Belt (Figure 5). The license package covers an extensive portion of prospective stratigraphy including interpreted Kgwebe Formation basement generally considered an important vector for many of the known deposits in the Kalahari Copper Belt. Potential exists for deposits on the traditional redox contact on fold limbs and closures as well as structurally controlled mineralisation more analogous to the A4 and T3 deposits. Of particular interest are the tightly folded conductors identified in reprocessed historical AEM. These conductors were further corroborated by a regional AEM survey carried out over the license in 2019. The anomalies appear as local anticlines in a broad syncline with remarkably similar response (conductivity, geometry and dimension) to Sandfire Resources T3, A4 and A1 targets (Figure 6). Regional soil sampling traverses completed in 2019 offer further support with Cu and Zn anomalies often straddling interpreted contacts and broadly associated with AEM targets.

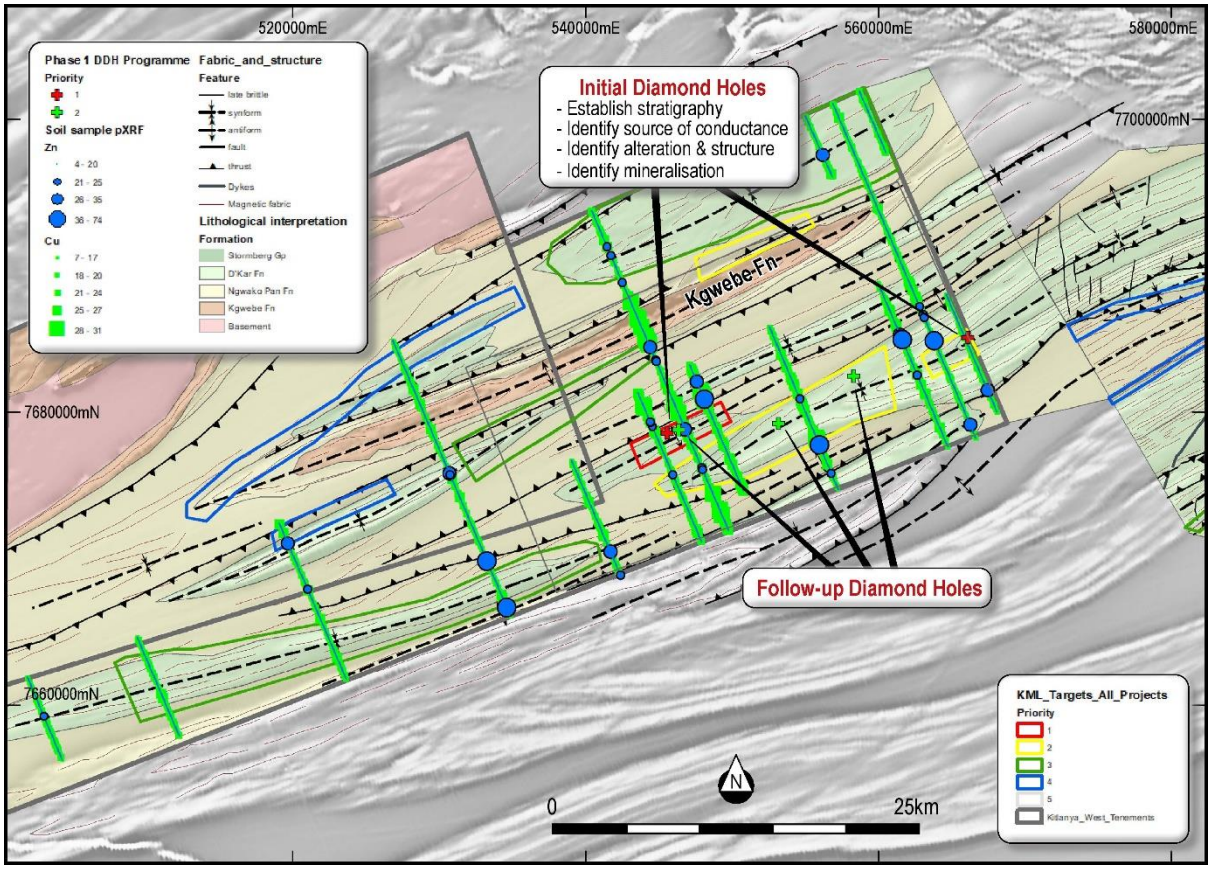

Figure 5. Lithology and structural interpretation with soil sample results on regional magnetic derivative image.

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The upcoming drilling programme will target the AEM fold targets with several diamond holes. Drilling has been designed to confirm the source of the AEM conductors, test stratigraphy and target potential mineralisation.

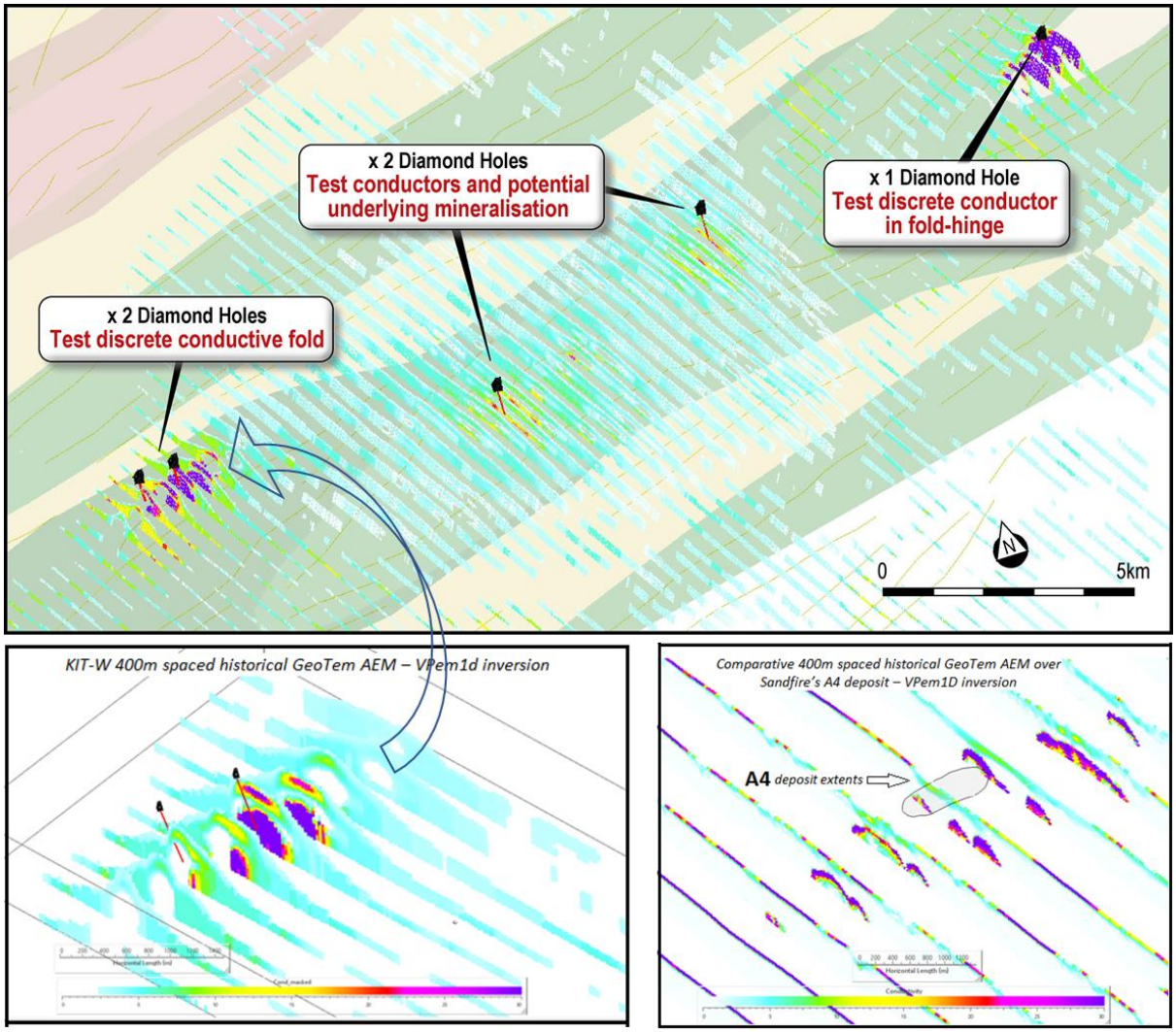

Figure 6. 3D images illustrating reprocessed historical GeoTEM data run through a VPem1D inversion routine. Results highlighted folded conductors with distinct similarity to Sandfire's A4 target (included for comparison). Planned 2021 diamond drill plan highlighted.

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Table 1: KML Planned Drill Programme

Project /Target	Drilling Planned	Target Rationale
Kit-East / North Target	12 x RC (2,400m)	Located less than 25km southeast of the Sandfire Resources T3 (*53.3 Mt at 0.9 % Cu and 12.7 g/t Ag)* and A4 (6.5Mt at 1.5% Cu and 24g/t Ag) copper/silver deposits[2] and approximately 25km southwest of the Khoemacau Copper Project Banana Zone deposit (*155 Mt @ 0.85% Cu 11 g/t Ag*) [3].
Kit-East / South Target See **Figure 2**	2 x DDH (800m) 8 RC (1,600m)	Focussed on testing for mineralisation associated with structural trap-sites analogous to the setting of T3 and A4 deposits (**Figure 4**). Prospective D'Kar Formation geology with potential for the development of reduction–oxidation ("redox") contacts and related mineralisation. Structural targets include fold / shear potential mineral fluid trap sites identified from detailed magnetic and AEM layered earth inversion modelling (**Figure 5**), remote sensing studies and with Cu / Zn soil geochemical anomalies. Further drilling supported by the findings of the 2020 stratigraphic drilling programme.
Kit-West See **Figure 3**	2 x DDH (900m) Optional 3 x DDH follow-up (~1,300m)	AEM conductive targets associated with soil anomalies and fold structures. Potential for traditional fold limb, redox targets as well as fold hinge and structurally controlled targets above the traditional contact. Interpreted Kgwebe Formation geology and position on the northern margin of the KCB considered encouraging vectors for deposits. AEM conductor targets developed upon local anticlines within a broad synclinal structure supported by coincident Cu / Zn soil geochemical survey anomalies. Anomalies have a similar geophysical response (in terms of geological setting, conductivity, geometry, and scale) to the Sandfire T3, A4 and A1 targets. KML note the similarities between the structural setting of Kit-West and Sandfire's A4 deposit where high-grade drilling intercepts up to 33.0m @ 4.6% Cu & 74.3 g/t Ag from 109m down-hole were reported in December 2020[4]. See **Figure 6**.

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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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.

KML Technical Team

The KML technical team will provide oversight on the next phase of drill-focused exploration and includes sediment-hosted copper specialists along with exploration project management experience. The technical team members consist:

- *Adam Wooldridge* is a geophysicist and geologist with over 20 years' experience in Africa and Europe. In addition to several project generation initiatives, he has worked as a consultant on a variety of commodity-types specialising in large-scale multi-disciplinary target generation. He was a founding partner and executive director for Kalahari Metals and has managed exploration activities to present. He is a registered Professional Scientist (SACNASP) and Member of the Australian Society of Exploration Geophysicists.
- *Dave Catterall* is a geologist with over 36 years' operational and field-based experience in mineral exploration throughout Africa and Europe in a wide range of commodities but specialising in structurally controlled precious and base metals deposits. He has worked extensively on the Copperbelt and Kalahari Copper Belt, both in Namibia and Botswana having gained first-hand experience on several of the known deposits of Boseto and Zone 5 along with belt-scale expertise. He is a Registered Professional Geologist, Chartered Engineer, Fellow of the Geological Society of London and Fellow of the Society of Economic Geologists.
- *Dr Ross McGowan* is the founder of the Resource Exploration & Development Group ("RED") and has been involved corporately, technically and academically with the mining industry in Africa for over 20 years. He was a member of the original Kamoa (DRC) discovery team, with Ivanhoe Mines, and is a co-recipient of the 2015 PDAC Thayer Lindsley Award for an international Mineral Discovery. He conducted his PhD research on the sediment-hosted copper deposits of the Zambian Copperbelt and is a Fellow of the Geological Society of London and a Fellow of the Society of Economic Geologists.
- *Thomas Rogers* is the lead generative geologist for RED with over 20 years' of operational multi-commodity experience across Africa and was also part of the team that generated the Kitlanya East and West project areas prior to their acquisition by Kalahari Metals. He was a member of the original Kamoa (DRC) discovery team, with Ivanhoe Mines, and is a co-recipient of the 2015 PDAC Thayer Lindsley Award for an international Mineral Discovery.

He is a Member of the Geological Society of South Africa and Society of Economic Geologists.

- *Dr. Wesley Hall* is the owner and principal geologist of High-Grade Geological Consulting Services Ltd. and brings nearly 15 years of mineral exploration experience that spans several commodities and deposit classes across the globe. He specialises in basin-hosted mineral systems with emphasis on tectonics and basin development, basin analysis and sequence stratigraphy, and geophysical data interpretation. He is considered an expert on the sedimentary rock-hosted copper-silver deposits of the Kalahari Copperbelt in Botswana and Namibia having completed M.Sc. and Ph.D. studies and publishing several papers related to the metallogenic belt. He is a Certified Professional Geologist (CPG) through the American Institute of Professional Geologists, and a member of the Geological Society of America and the Society of Economic Geologists.

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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 and West which lies within the Ghanzi District on the Kalahari Copper Belt, Republic of Botswana. • 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 • Kalahari Metals Soil samples were taken at an average depth of 10cm from uncontaminated and undisturbed sites • Kalahari Metals soil sampling was 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. • Kalahari Metals Soil samples were screened using a pXRF
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used*	• All current Kalahari Metals diamond drill samples were geologically logged by a suitably qualified geologist on site.
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*	

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	• *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).*	• Current Kalahari Metals Diamond drilling was drilled at HQ/NQ size
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Sample recovery was recorded for all Kalahari Metals drilling.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	•
	• *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.*	•
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Kalahari Metals Diamond drill core were geologically logged by a qualified geologist using predefined lithological, mineralogical and physical characteristic (colour, weathering etc) logging codes. • The geologists on site followed industry best practice and standard operating procedure for Diamond, RAB/Percussion & RC drilling processes. • Diamond drill core was marked up

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		on site and logged back at the field office or camp where it was securely stored. • 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 • Magnetic susceptibility readings are also taken every meter.
	• *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.*	• Selected intervals were cut with a commercial core cutter and half cores taken for analysis.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry*	
	• *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 duplicate/second-half sampling.*	• Sampling is deemed appropriate for the type of survey and equipment used.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The sample sizes collected are in line with standard practice

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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 recent drilling program has yet to dispatch the samples. • Historic drilling programmes submitted samples to commercial laboratories for analysis and ran check sampling at alternate laboratories. • The sampling and analysis was appropriate for the type of sampling
	• *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 ZH Instruments SM10 magnetic susceptibility meter for measuring magnetic susceptibilities and readings were randomly repeated to ensure reproducibility and consistency of the data. • Checks were also carried out independently using a ZH Instruments SM30 magnetic susceptibility meter.
	• *Nature of quality control 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.*	
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*	• Kalahari Metals Drill collar coordinates are captured by GPS • Diamond holes are predominantly inclined and have been surveyed • The grid system used is WGS84 Zone 34S. All reported coordinates are referenced to

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	system used.	this grid. • Topographic control is based on satellite survey data collected at 30m resolution. Quality is considered acceptable. • Historic Drill collar coordinates were captured by GPS. • Diamond, Percussion & RC holes varied from vertical to inclined. No survey data is available. • The grid system used was WGS84 Zone 34S. All reported coordinates are referenced to this grid. • Topographic control was based on satellite survey data collected at 30m resolution. Quality is considered acceptable. • 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
	• *Quality and adequacy of topographic control.*	
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.*	• Sampling is deemed appropriate for the type of survey and equipment used. • NRG Xcite AEM survey lines flown on bearing 331 degrees with line spacing 200m. Survey altitude was 30m to 40m (Tx-Rx array) and 60m to 70m (helicopter) • Historical GeoTem AEM data was collected on a bearing of appr. 330 degrees at a line spacing of 400m • Magnetic surveys were carried out using helicopter platforms with both 75m and 100m line spacing providing sufficient resolution for the exploration objective.
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*	• Data spacing is appropriate for the drilling program • AEM survey direction (331) flown across the average regional strike direction (060)

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	structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
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. • Diamond core is stored in a secure facility 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. • Kalahari Metals drill hole sampling procedure is done according to industry best practice.