COBRE

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ASX: CBE

6 July 2026

SIERRA ATACAMA COPPER MINE DELIVERS FIRST POSITIVE CASH FLOW

OPERATIONAL TURNAROUND

HIGHLIGHTS

- Sierra Atacama generated positive operating cash flow of **US$644k (A$900k)** in April and **US$601k (A$860k)** in May 2026[1] – the operation's first consecutive cash-flow-positive months – and is expected to remain profitable through June and beyond with performance continuing to strengthen as the year progresses. All this achieved within eight weeks of Cobre assuming operational control.
- The turnaround has been delivered through disciplined execution across the operation:
  - materially higher mined head grades following a redesign of the operational mine plan and rigorous grade control;
  - improved leach recoveries from optimised leach pad design and finer crush size, with further gains targeted through ongoing metallurgical test work; and
  - improved copper cathode quality, reducing product penalties.
- Targeted capital investment is now underway across the mining fleet, ventilation, electrification and cathode infrastructure, supporting a planned ramp-up toward 700 tonnes of copper cathode per month by Q1, 2027[2].
- Concurrently, the Company is advancing the potential introduction of open-pit mining, providing a pathway to expand production towards the plant's installed nameplate capacity of 20,000 tonnes of copper cathode per annum.
- This paves the way to producing c1,500 t per month by Dec-27, generating **US$8–10m (A$10–14m)** per month in operating cash flows[2].

The turnaround establishes a cash-generative foundation for the Company's broader value-rerate programme at Sierra Atacama, encompassing JORC-compliant resource definition, near-mine resource expansion, and delineation of the high-grade sulphide zone.

1 Unaudited Management Accounts.
2 For further information regarding the Company's production targets and resources, refer to the Cautionary Statement at the end of this announcement.

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Commenting on the turnaround, Cobre's Chief Executive Officer, Adam Wooldridge, said:

" Restoring Sierra Atacama to positive operating cash flow within two months of assuming control is a credit to the operating team. Our sequence is deliberate: stabilise, then optimise, then expand. Each subsequent stage – the optimised underground, staged open-pit development and, ultimately, the sulphide opportunity – will be advanced from a foundation that is already paying its way at the operating level."

Cobre's Chief Financial Officer, Kaveen Bachoo, further added:

" Two consecutive months of positive operating cash flow mark a meaningful financial turning point for Sierra Atacama. We are continuing to reset supplier relationships and drive down cost, to create the resilient, cash-generative platform needed to support the Company's planned expansion and next phase of growth."

Cobre Limited (ASX: **CBE**, **CBEO**) ("**Cobre**" or "**Company**") is pleased to report that the Sierra Atacama Copper Project, in the Antofagasta region of northern Chile, has returned to positive operating cash flow under Cobre's operatorship.

Since assuming operational control of the project at the end of March 2026, the Company has executed a structured turnaround programme across the existing underground mine and SX-EW processing operation, addressing the fundamental drivers of cathode output, product quality and unit cost.

The results have been immediate and measurable, with improvements achieved across mined head grade, leach recovery, cathode quality, production stability and operating costs. The turnaround underpins the Company's broader six-part value-rerate programme for Sierra Atacama, detailed later in this announcement.

Whilst the copper price has been supportive, the Company notes the continuing impact of geopolitical tensions on key cost inputs, including sulphuric acid and diesel. Cobre continues to work closely with key suppliers to manage these costs and improve operating resilience.

Operating cash flow* – positive in April and May 2026

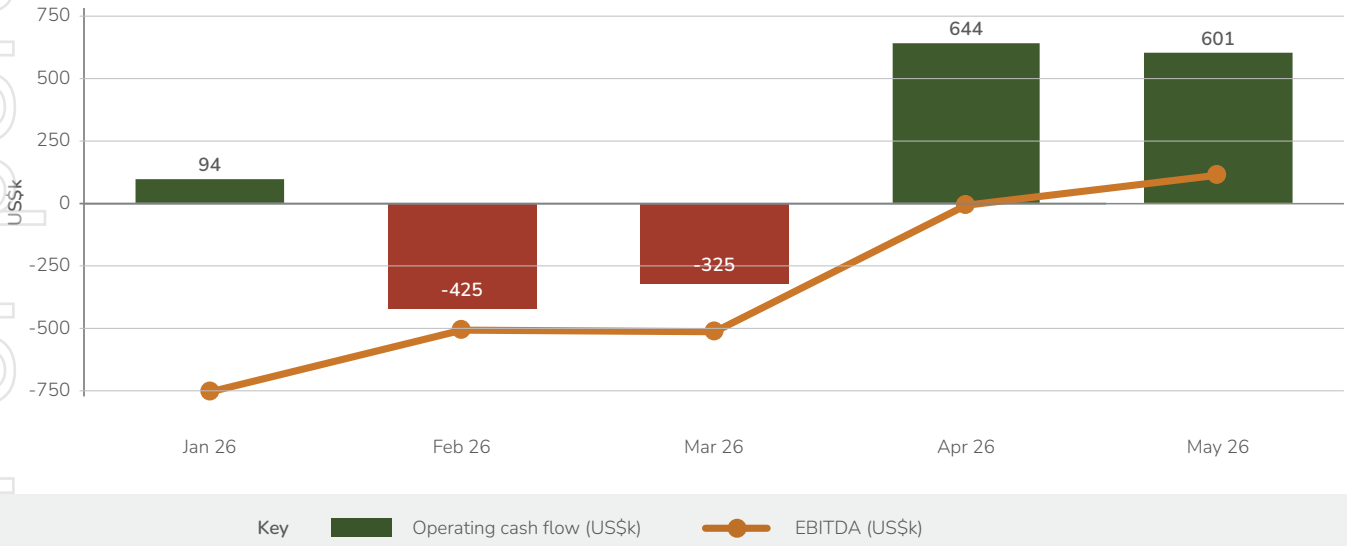


Figure 1 | Monthly operating cash flow and EBITDA, Jan–May 2026 (unaudited)
*Operating cash flow excludes debt repayment and investment capex

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The Company is now implementing a structured ramp-up to 700t/m of copper cathode with strategic capital investment into the mine fleet, ventilation, fortification, plant and crusher maintenance.

The focus for the coming months will be on increasing underground development to ensure sustained access to higher-grade material and support a more consistent production profile.

Sierra Atacama – Quarterly copper cathode production (+96% over four quarters)

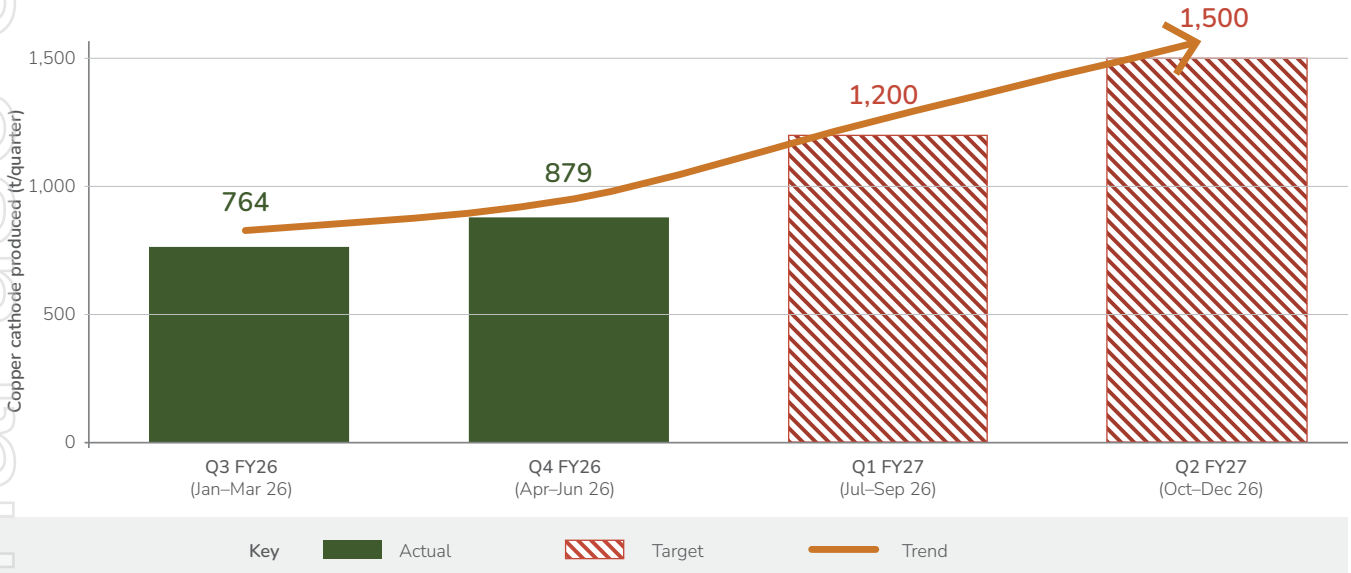


Figure 2 | Quarterly copper cathode production and production targets
Cobre's financial year ends 30 June

DRIVERS OF THE TURNAROUND

The reset is being executed across four practical, near-term workstreams that together feed a single chain from improved grade control through to stronger cash flow.

Mining and grade control

Tighter grade control – improved drilling, mark-up and ore/waste categorisation, an updated mine model and a refocus on higher-grade zones – has lifted the grade and consistency of feed delivered to the crushing circuit. The Company expects these disciplines to deliver further improvement as they mature and as increased underground development opens sustained access to higher-grade working areas, providing a more consistent and higher-grade feed to the plant over the coming quarters.

Infrastructure and throughput

Reduction of the crushing size from 11 mm to 9 mm, together with fleet repair and ventilation works, has improved the consistency and volume of material presented to the leach pads, supporting more stable acid consumption and leach kinetics.

Processing optimisation

SX-EW and solvent-extraction improvements, ore segregation and ongoing metallurgical test work are supporting cathode quality and saleability, and recovery remains a central focus of the turnaround. The Company anticipates continued recovery improvement as leach pad design, crush size and acid management are progressively optimised, converting a greater proportion of the contained copper into saleable cathode.

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Figure 3 | Copper cathode being harvested at the Sierra Atacama SX-EW plant

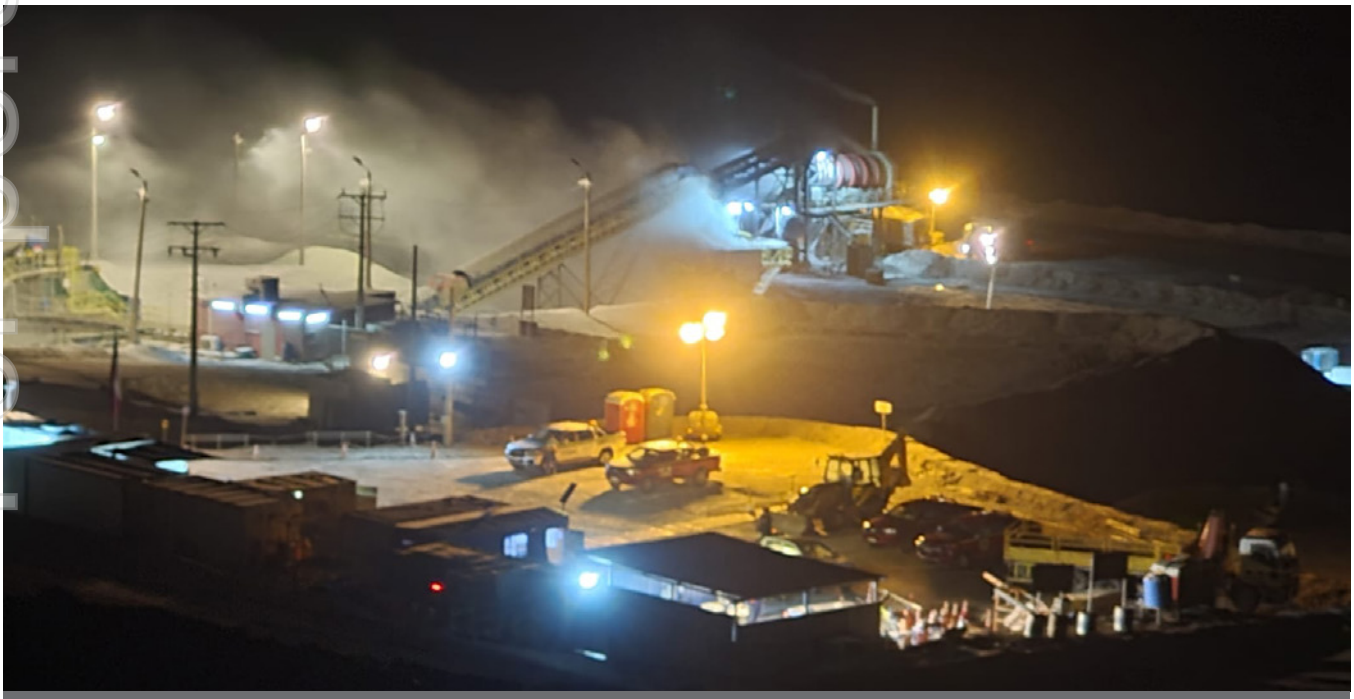


Figure 4 | Sierra Atacama crushing circuit and SX-EW processing plant

Commercial and cost efficiency

A reset of key contractor arrangements has restored equipment availability and reduced costs across the mine and plant, removing a major obstacle to consistent monthly delivery and enabling better commercial terms for essential supplies. This work will continue through the September 2026 quarter.

Phase	Target	Investment	Studies
Stabilisation	**400t/m**	■ Mine planning	Ventilation
		■ Grade control	Geotechnical
		■ Removal of points of failure	Environmental
		■ Fleet repairs	Plant review
		■ Solvent	Leach optimisation
		■ Cathode replacement and repairs	Energy optimisation
		■ Improvements to crushing circuit	
		■ Safety	
		■ Communications	
Ramp	**500t/m**	■ Staged mine fleet expansion	
		■ Ventilation integration	
		■ Fortification	
		■ Development to high grade zones	
		■ Re-connection to grid power	
		■ Grade control drilling	
Ramp	**700t/m**	■ Plant and crusher upgrades in preparation for supplementary feed	

Figure 5 | Sierra Atacama turnaround programmes

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GUIDING TOWARDS A 1,500/MONTH RUN RATE BY DECEMBER 2027

With the operational platform now stabilising, the Company's near-term focus is to consolidate cathode output at approximately 400 tonnes per month, before ramping toward 500–700 tonnes per month over the next 12 months. Priorities for the September 2026 quarter include:

- assessing the processing of third-party ore to supplement mill feed and accelerate utilisation of installed capacity;
- ramping up underground development to open additional higher-grade working areas; and
- resourcing and strengthening the team to support the next phase of growth.

Indicative production ramp-up and operating cash flow

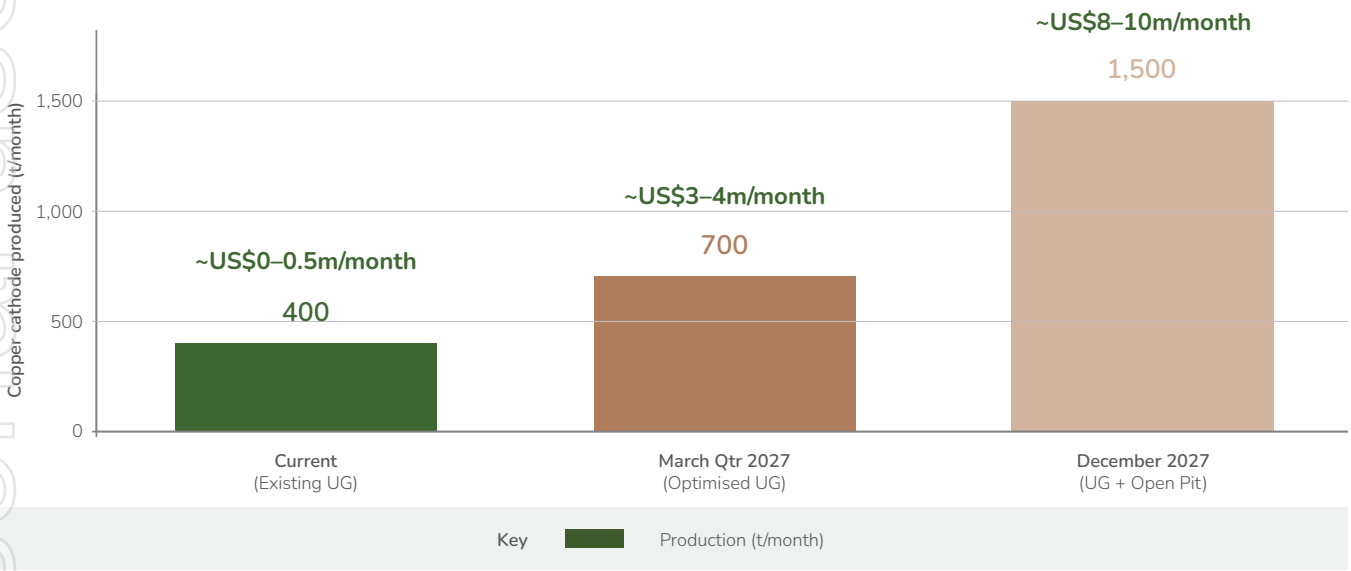
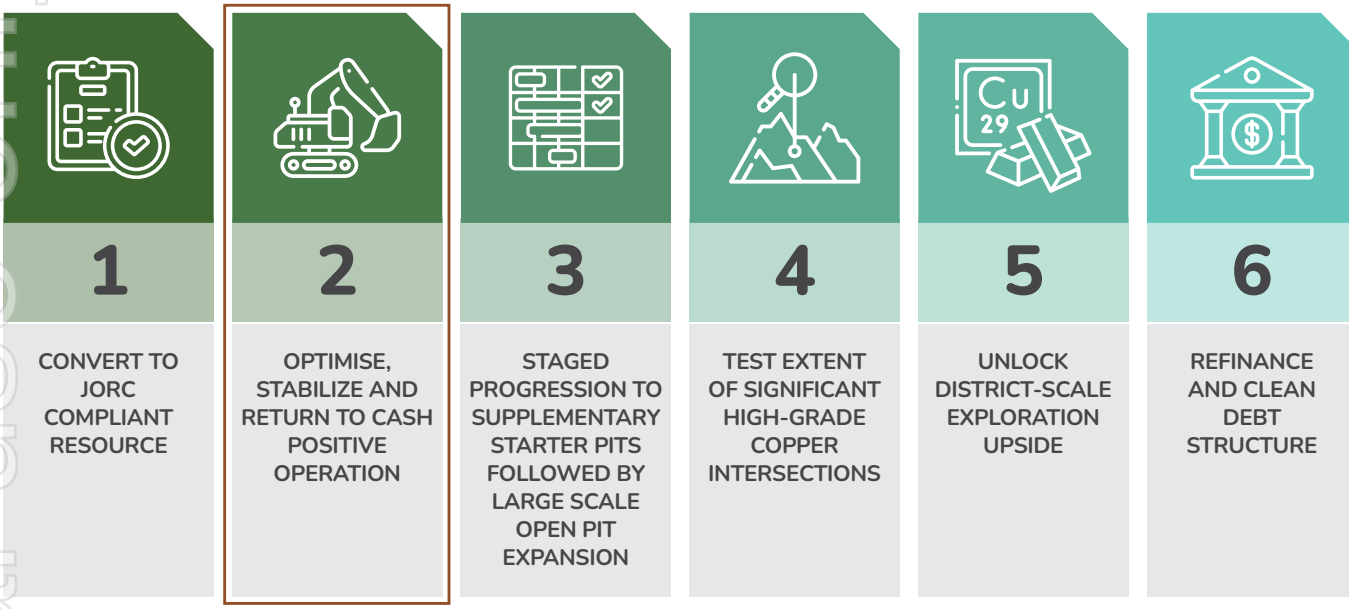


Figure 6 | Indicative production ramp-up and illustrative monthly operating cash flow at Sierra Atacama: 400 t/m (current) → 700 t/m (optimised underground) → 1,500 t/m (underground plus open pit).

Cash-flow ranges are indicative and illustrative only, and do not constitute guidance or a forecast of future financial performance.

These improvements to the existing operation run in parallel with the Company's broader strategy to grow the resource base and progress staged open-pit development, as previously announced. The reset is intended to provide a stable, cash-generative foundation from which that larger growth strategy can be advanced.

SIERRA ATACAMA VALUE RERATE



Value re-rating at Sierra Atacama has been divided into the following workstreams:

1. Underpinning the value of the asset with JORC compliant Resource and Reserves;
2. Optimising and expanding the current underground mine to return this to profitability;
3. Near mine expansion of the resource to progress to a staged open pit operation;
4. Delineating and developing the extensive high-grade sulphide zone;
5. Capturing the extensive blue-sky exploration potential which remains untouched; and
6. Refinancing and cleaning the debt structure.

This announcement discusses item (2), the optimisation and turnaround of the operating underground mine.

This announcement has been authorised for release on behalf of the Cobre Limited Board by Adam Wooldridge, CEO.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

Information regarding the Company's production targets and resources have previously been disclosed to the ASX in the Company's announcement (Cobre Raises $60m to Acquire a Majority Interest in Sierra Atacama Copper Project in the World Class Antofagasta Region - Chile) and presentation (Sierra Atacama Copper Mine Acquisition Presentation) of 12 February 2026. Reference is made by incorporation to the disclosures made therein to that announcement and presentation.

For further information regarding the Company's Sierra Atacama Copper Project since 12 February 2026, please refer to the Company's announcements to ASX of:

- 15 April 2026 - Commencement of 40,000m Resource Drilling Program;
- 1 May 2026 - Cobre Corporate Presentation;
- 29 June 2026 - Cobre Consolidates Premier Sierra Atacama Copper District Position; and
- 1 July 2026 - Significant Resource Growth Potential Chile.

As outlined in the above announcements, the Company is advancing towards a JORC Compliant Mineral Resource Estimate. The Company is not aware of any new information or data that materially affects the information contained within the 2025 NI 43-101 Mineral Resource included in the Company's announcement of 12 February 2026 and that all material assumptions and technical parameters underpinning the estimates referred to therein continue to apply and have not materially changed.

This announcement contains certain "forward-looking statements" including statements regarding our intent, belief or current expectations with respect to Cobre's business and operations, market conditions, results of operations and financial condition, and risk management practices. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan", "forecast" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, anticipated production, life of mine and financial position and performance are also forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Cobre's actual results, performance and achievements or industry results to differ materially from any future results, performance or achievements, or industry results, expressed or implied by these forward-looking statements. Relevant factors may include (but are not limited to) changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which Cobre operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward-looking statements are based on Cobre's good faith assumptions as to the financial, market, regulatory and other relevant environments that will exist and affect Cobre's business and operations in the future. Cobre does not give any assurance that the assumptions will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, and many events are beyond the reasonable control of Cobre. Readers are cautioned not to place undue reliance on forward-looking statements, particularly given prevailing volatility and uncertainty in commodity and financial markets. Forward-looking statements in this document speak only at the date of issue. Except as required by applicable laws or regulations, Cobre does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in assumptions on which any such statement is based. Except for statutory liability which cannot be excluded, each of Cobre, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in these forward-looking statements and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in forward-looking statements or any error or omission.