



ABN 73 149 230 811

INTERIM FINANCIAL REPORT

For the 6 months ended
31 December 2020

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2020

CORPORATE DIRECTORY

Directors

Peter Meagher	<i>Non-executive Chairman</i>
Simon Jackson	<i>Managing Director</i>
Grant Ferguson	<i>Non-executive Director</i>

Company Secretaries

Sarah Wilson
Shannon Coates

Head Office and Registered Office

Suite 5, 62 Ord Street
WEST PERTH WA 6005
Telephone: +61 (0)8 9322 1587
Facsimile: +61 (0)8 9322 5230
Website: <https://www.koporemotals.com>

Securities Exchange Listing

Australian Securities Exchange
Level 40, Central Park, 152-158 St Georges Terrace
PERTH WA 6000
Telephone: 131 ASX (131 279) (within Australia)
Telephone: +61 (0)2 9338 0000
Facsimile: +61 (0)2 9227 0885
Website: <https://www.asx.com.au>
ASX Code: KMT

Share Registry

Automic Group Pty Ltd
Level 2, 267 St Georges Terrace
PERTH WA 6000
Telephone: 1300 288 664
Email: hello@automicgroup.com.au
Website: <https://www.automicgroup.com.au>










Auditor

RSM Australia Partners
Level 32, Exchange Tower, 2 The Esplanade
PERTH WA 6000

INTERIM FINANCIAL REPORT

31 DECEMBER 2020

CONTENTS

 Directors' Report.....	3
 Auditor's Independence Declaration	6
 Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
 Consolidated Statement of Financial Position	8
 Consolidated Statement of Changes in Equity	9
 Consolidated Statement of Cash Flows.....	10
 Notes to the Consolidated Financial Statements	11
 Directors' Declaration	25
 Independent Auditor's Review Report.....	26

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2020 DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group, being the Company and its controlled entities, for the half-year ended 31 December 2020.

1. DIRECTORS

The names of Directors in office at any time during or since the end of the half-year are as follows. Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

 **PETER MEAGHER** Non-executive Chairman

 **SIMON JACKSON** Managing Director

 **GRANT FERGUSON** Non-executive Director

2. COMPANY SECRETARY

The following persons held the position of Company Secretary at any time during or since the half-year end are:

 **SARAH WILSON**

 **SHANNON COATES**

3. OPERATIONS AND FINANCIAL REVIEW

3.1. Operations review

The Company's activities in Botswana have been severely hampered by the COVID-19 pandemic. With travel to Botswana from Australia impractical during the half-year and the ongoing COVID-19 protocols implemented by the Government of Botswana aimed at avoiding and containing the spread of COVID-19, the Company confirms that no further exploration activities were undertaken.

Botswana's COVID-19 related state of emergency, introduced in early April 2020, has been extended until March 2021. During this time, Kopore has continued to focus on planning forward work programs on its 3,588km² of exploration ground in the Kalahari Copper Belt and renewing licenses with mandated relinquishment, as required by law.

In January 2021, reprocessing of historical Airborne electromagnetic (EM) data commenced. In early 2018, Kopore flew an airborne EM survey at the Korong Domal prospect (ASX announcement: 27 February 2018). This data is now being reprocessed by Newexco Exploration geophysicists using the Geo Science Australia Layer Earth Inversion (GALEI) algorithms. These will provide improved noise handling, giving more accurate 3d inversions of any bedrock conductors at depth, which can then be utilized in targeting future exploration work. Korong sits on the south western extension of a major regional structure that hosts both of the copper mines now in development on the Kalahari Copper Belt.

On 28 January 2021, the Company announced that it has entered into an earn-in and joint venture agreement with Murchison Copper Mines Pty Ltd over the Horseshoe West exploration Project (HW) in Western Australia. HW is immediately west of the historical Horseshoe Lights mine.

The material terms of the Agreement are:

- Upfront Payment: \$50,000 has been paid.
- Stage one: Earn in of \$1.45 million expenditure to earn a 51% beneficial interest in the Agreement Area over a two-year period. Stage one includes a minimum expenditure amount of \$250,000 to be spent in year 1 (Minimum Expenditure). Kopore must expend this minimum expenditure amount before it is able to withdraw from the earn-in.
- Joint Venture: Upon completion of the stage, one earn-in, Kopore and MCM will form an unincorporated joint venture in relation to the exploration of the Agreement Area. The parties' initial respective interest in the Joint Venture will be Kopore 51% and MCM 49%.
- Stage two: Kopore can elect to expend an additional \$1.5 million within a further 2 years to earn into an additional 19% beneficial interest in the Agreement Area. If Kopore completes the stage 2 earn in, the parties' respective interest in the Joint Venture will be Kopore 70% and MCM 30%.
- Joint Venture expenditure: Following the earn-in, the parties must each contribute to Joint Venture expenses in proportion to their respective percentage interest in the Joint Venture or their interest will be diluted in accordance with a prescribed formula.

DIRECTORS' REPORT

As part of the minimum expenditure, Kopore has completed a detailed geophysical review of historical data which has identified new copper-gold targets. Following completion of heritage surveys the Company is planning the following exploration activities at HW:

- Geochemical survey to provide valuable lithology, alteration, and pathfinder information.
- New generation detailed ground or airborne magnetics, aiming to provide detailed magnetic results and possible Narracoota Formation features at depth; and
- An RC drilling program.

3.2. Financial Review

a. Operating results

For the half-year ended 31 December 2020 the Group delivered a loss before tax of \$501,435 (31 December 2019: \$1,398,661 loss), representing a decrease from the previous comparable period.

b. Financial position

The net assets of the Group have decreased from 30 June 2020 by \$486,726 to \$1,246,494 at 31 December 2020 (30 June 2020: \$1,733,220).

As at 31 December 2020, the Group's cash and cash equivalents decreased from 30 June 2020 by \$499,047 to \$1,173,982 at 31 December 2020 (30 June 2020: \$1,673,029) and had working capital of \$1,168,690 (30 June 2020: \$1,651,502).

The Directors believe the Group is in a satisfactorily stable financial position to continue its current operations.

4. EVENTS SUBSEQUENT TO REPORTING DATE

There were no events which occurred subsequent to the reporting date that are not covered in this Directors' Report or within the financial statements at Note 9.

5. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Company cannot provide forward looking statements and outcomes, however the Company has included its immediate business strategy within the Operations Report.

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2020

DIRECTORS' REPORT

6. AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s.307C of the *Corporations Act 2001* (Cth) is set out on page 6.

Signed in accordance with a resolution of Directors made pursuant to s306(3) of the Corporations Act 2001 (Cth).



Simon Jackson
Managing Director

Dated this Wednesday, 10 March 2021



RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +618 92619100
F +618 92619111
www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Kopore Metals Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Perth, WA
Dated: 10 March 2021

RSM
RSM AUSTRALIA PARTNERS

A Whyte
ALASDAIR WHYTE
Partner

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	6 months to 31 Dec 2020 \$	6 months to 31 Dec 2019 \$
Other income	1	26,923	7,119
Administration expense		(23,270)	(75,509)
Compliance and regulatory		(94,583)	(98,841)
Consulting and legal		(124,116)	(61,759)
Depreciation and amortisation		(2,592)	(2,862)
Employee benefit expense	2.1	(187,238)	(301,469)
Exploration expense		(53,649)	(646,922)
Travel and accommodation		(1,047)	(74,730)
Share based payments	12	(17,856)	(39,497)
Other expenses		(23,509)	(66,439)
Impairment of exploration asset		-	(38,371)
Unrealised (loss) / gain on foreign exchange		(498)	619
Loss before income tax		(501,435)	(1,398,661)
Income tax expense		-	-
Loss for the half-year		(501,435)	(1,398,661)
<i>Other comprehensive income for the half-year:</i>			
<ul style="list-style-type: none"> Items that may be reclassified subsequently to profit or loss: <ul style="list-style-type: none"> Exchange differences on translation of foreign operations 			
		(3,147)	2,529
Other comprehensive income for the half-year, net of tax		(3,147)	2,529
Total comprehensive loss for the half-year		(504,582)	(1,396,132)
Total Comprehensive Loss is attributable to:			
<ul style="list-style-type: none"> Equity holders of the Company 			
		(504,582)	(1,396,132)
		(504,582)	(1,396,132)
<i>Earnings per share:</i>			
Basic loss per share	11	₹ (0.08)	₹ (0.22)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	31 Dec 2020 \$	30 June 2020 \$
Current assets			
Cash and cash equivalents	3.1	1,173,982	1,673,029
Other receivables	3.2	54,674	51,665
Other current assets	3.3	35,692	14,186
Total current assets		1,264,348	1,738,880
Non-current assets			
Plant and equipment	4.1	12,699	15,291
Mineral exploration and evaluation assets	4.2	65,105	66,427
Total non-current assets		77,804	81,718
Total assets		1,342,152	1,820,598
Current liabilities			
Trade and other payables	3.4	95,658	87,378
Total current liabilities		95,658	87,378
Total liabilities		95,658	87,378
Net assets		1,246,494	1,733,220
Equity			
Contributed equity	5.1.1	9,055,837	9,055,837
Reserves	5.3	115,515	925,806
Accumulated losses		(7,924,858)	(8,248,423)
Capital and reserves attributable to owners of Kopore Metals Limited		1,246,494	1,733,220
Total equity		1,246,494	1,733,220

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Contributed equity \$	Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2019		8,976,274	998,144	(8,352,185)	1,622,233
Loss for the half-year		-	-	(1,398,661)	(1,398,661)
Other comprehensive loss for the half-year		-	2,529	-	2,529
Total comprehensive loss for the half-year		-	2,529	(1,398,661)	(1,396,132)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	5.1.1	78,000	-	-	78,000
Share-based payments – Directors’ options	12	-	39,497	-	39,497
Options expired during the half-year		-	(100,521)	100,521	-
Balance at 31 December 2019		9,054,274	939,649	(9,650,325)	343,598
Balance at 1 July 2020		9,055,837	925,806	(8,248,423)	1,733,220
Loss for the half-year		-	-	(501,435)	(501,435)
Other comprehensive loss for the half-year		-	(3,147)	-	(3,147)
Total comprehensive loss for the half-year		-	(3,147)	(501,435)	(504,582)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments – Directors’ options	12	-	17,856	-	17,856
Options expired during the half-year	5.2.1	-	(825,000)	825,000	-
Balance at 31 December 2020		9,055,837	115,515	(7,924,858)	1,246,494

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	6 months to 31 Dec 2020 \$	6 months to 31 Dec 2019 \$
Cash flow from operating activities			
Payments to suppliers and employees		(402,257)	(655,218)
Interest received		3,535	7,119
Payments for exploration expenditure		(97,178)	(954,581)
Net cash outflow from operating activities		(495,900)	(1,602,680)
Cash flow from investing activities:			
Net cash inflow from investing activities		-	-
Cash flow from financing activities:			
Proceeds from issue of shares		-	10,000
Net cash inflow from financing activities		-	10,000
Net decrease in cash held		(495,900)	(1,592,680)
Effect of foreign exchange movement on cash		(3,147)	2,529
Cash and cash equivalents at the beginning of the year		1,673,029	1,898,150
Cash and cash equivalents at the end of year	3.1	1,173,982	307,999

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

In preparing the 31 December 2020 financial statements, Kopore Metals Limited has grouped notes into sections under four key categories:

 Section A: How the numbers are calculated.....	12
 Section B: Group structure	17
 Section C: Unrecognised items	18
 Section D: Other Information	20

The presentation of the notes to the financial statements is supported by the IASB's Disclosure Initiative. As part of this project, the AASB made amendments to AASB 101 *Presentation of Financial Statements* which have provided preparers with more flexibility in presenting the information in their financial reports.

The financial report is presented in Australian dollars, except where otherwise stated.

The registered office and principal place of business of the Company is:

Address: Suite 5, 62 Ord Street
WEST PERTH WA 6005

Telephone: +61 (0)8 9322 1587

Facsimile: +61 (0)8 9322 5230

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including:

- (a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction
- (b) analysis and sub-totals, including segment information; and
- (c) information about estimates and judgements made in relation to particular items.

NOTE 1	OTHER INCOME	6 months to 31 Dec 2020	6 months to 31 Dec 2019
		\$	\$
1.1	From continuing operations:		
	Interest – unrelated parties	3,535	7,119
	Other income	23,388	-
	Total revenue and other income	26,923	7,119

NOTE 2	LOSS BEFORE INCOME TAX	6 months to 31 Dec 2020	6 months to 31 Dec 2019
		\$	\$
	Loss before income tax has been determined after including the following expenses:		
2.1	Employment costs:		
	🌐Directors fees (including Managing Director)	135,000	180,000
	🌐Superannuation expenses	11,400	15,675
	🌐Other employment related costs	40,838	105,794
		187,238	301,469

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 3 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

		31 Dec 2020	30 June 2020
		\$	\$
3.1	Cash and cash equivalents		
	Cash at bank and on hand	417,687	673,029
	Bank term deposits	756,295	1,000,000
		1,173,982	1,673,029
3.2	Other receivables		
3.2.1	<i>Current</i>		
	GST refundable	18,642	15,633
	Other receivables	36,032	36,032
		54,674	51,665
3.3	Other Assets		
3.3.1	<i>Current:</i>		
	Prepayments	35,692	14,186
		35,692	14,186
3.4	Trade and other payables		
3.4.1	<i>Current:</i>		
	Unsecured		
	Trade payables	18,442	38,631
	Other payables and accruals	77,216	48,747
	Total unsecured liabilities	95,658	87,378

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 4 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES

4.1 Plant and equipment	31 Dec 2020	30 June 2020
	\$	\$
4.1.1 Non-current:		
Furniture, fittings and equipment at cost	594	594
Less accumulated depreciation	(488)	(429)
	106	165
Motor vehicles at cost	27,775	27,775
Less accumulated depreciation	(15,182)	(12,649)
	12,593	15,126
	12,699	15,291
4.2 Mineral Exploration and Evaluation Assets	31 Dec 2020	30 June 2020
	\$	\$
4.2.1 Non-current:		
Balance at the beginning of the period/year	66,427	109,138
Written off during the period/year	-	(35,308)
Foreign exchange movements	(1,322)	(7,403)
Balance at the end of the financial period/year	65,105	66,427

4.2.2 Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest.

4.2.3 *Key Estimate – Impairment*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets and in particular exploration assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and is dependent upon the ability of the Group to successfully continue exploration of all areas of interest and satisfy the requirements under AASB 6.

Specifically, the Company has reviewed its exploration tenements with regard to AASB 6 and have determined that:

- the period for which the Group has the right to explore in the exploration tenements has not expired during the period or will not expire in the near future, and is expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the exploration tenements is planned;
- exploration will be ongoing for some time and as such it is far too early to state that a discovery of commercially viable quantities of mineral resources has not occurred; and
- as the exploration is still ongoing, there is no sufficient data to conclude that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

4.2.4 *Key Judgments – Exploration and evaluation expenditure*

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated below. The carrying value of capitalised expenditure at reporting date is \$65,105 (30 June 2020: \$66,427).

During the financial period, the Group undertook assessment of its tenement assets. As a result of this assessment, the Group decided that no impairment of its exploration assets was necessary.

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 5 EQUITY

5.1 Issued capital	Note	6 months to	12 months to	6 months to	12 months to
		31 Dec 2020	30 June 2020	31 Dec 2020	30 June 2020
		No.	No.	\$	\$
Fully paid ordinary shares at no par value	5.1.1	642,888,900	642,888,900	9,055,837	9,055,837
5.1.1 <i>Ordinary shares</i>					
At the beginning of the period/year		642,888,900	634,776,400	9,055,837	8,976,274
Shares issued during the period/year:					
🌐 Placement @ \$0.01 per share		-	7,800,000	-	78,000
🌐 Shares issued @ \$0.005 per share		-	312,500	-	1,563
<i>Transaction costs relating to share issues:</i>					
🌐 Share issue costs		-	-	-	-
At end of the period/year		642,888,900	642,888,900	9,055,837	9,055,837

5.2 Options

For information relating to the share-based payment plan, including details of options issued and/or lapsed during the financial period/year, and the options outstanding at balance date, refer to Note 12 Share-based Payments. The total number of options on issue are as follows:

5.2.1 <i>Unlisted options</i>	6 months to	12 months to	6 months to	12 months to
	31 Dec 2020	30 June 2020	31 Dec 2020	30 June 2020
	No.	No.	\$	\$
At the beginning of the period/year	80,000,000	110,000,000	1,023,443	1,059,524
Options issued during the period/year:				
🌐 Expired unexercised – Ex. Date: 19.11.19 Ex. Price: \$0.0363	-	(30,000,000)	-	(100,521)
🌐 Expired unexercised – Ex. Date: 8.11.20 Ex. Price: \$0.06	(55,000,000)	-	(825,000)	-
🌐 Amortisation of options issued to directors – Note 12	-	-	17,856	64,440
At end of the period/year	25,000,000	80,000,000	216,299	1,023,443

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 5 EQUITY (CONT.)

5.3 Reserves	Note	31 Dec 2020 \$	30 June 2020 \$
Foreign currency translation reserve	5.3.1	(100,785)	(97,638)
Share-based payment reserve	5.3.2	216,300	1,023,444
		115,515	925,806

5.3.1 Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

	31 Dec 2020 \$	30 June 2020 \$
Balance at beginning of the period/year	(97,638)	(61,381)
Change in reserve	(3,147)	(36,257)
Balance at end of the period/year	(100,785)	(97,638)

5.3.2 Share-based payment reserve

The share-based payment reserve records the value of options issued to Directors, employees or consultants.

	31 Dec 2020 \$	30 June 2020 \$
Balance at beginning of the period/year	1,023,444	1,059,525
Amortisation of options issued to directors in 30 June 2019 financial year	17,856	64,440
Options expired	(825,000)	(100,521)
Balance at end of the period/year	216,300	1,023,444

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

SECTION B. GROUP STRUCTURE






This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about:

- (a) changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation*
- (b) transactions with non-controlling interests, and*
- (c) interests in joint operations.*

A list of significant subsidiaries is provided in Note 6.

NOTE 6 INTEREST IN SUBSIDIARIES

Shares in controlled entities are unlisted and comprise:

	Country of Incorporation	Percentage Owned	
		31 December 2020	30 June 2020
 Alvis-Crest Holdings (Pty) Ltd	Botswana	100	100
 Ashmead Holdings (Pty) Ltd	Botswana	100	100
 Icon-Trading Company (Pty) Ltd	Botswana	100	100
 Global Exploration Technologies Pty Ltd	Australia	100	100
 Trans-Kalahari Copper Namibia (Pty) Ltd ¹	Namibia	-	-
 Kopore (WA) Pty Ltd	Australia	100	100

¹ *Trans-Kalahari Copper Namibia (Pty) Ltd ceased being subsidiary on 27 May 2020.*

Investments in subsidiaries are accounted for at cost and have been written down to nil.

The Group has no equity accounted investments at 31 December 2020 (30 June 2020: Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

SECTION C. UNRECOGNISED ITEMS

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTE 7	COMMITMENTS	31 Dec 2020	30 June 2020
		\$	\$
7.1	Operating expenditure commitments payable:		
	Within one year	524,251	292,379
	After one year but not more than five years	178,224	608,419
	After five years	-	-
	Total exploration tenement minimum expenditure requirements	702,475	900,798

The commitments of the Group above are the same as those for Kopore Metals Limited.

The Group has reduced all exploration activities in Botswana due to significant lock down protocols as a result of the COVID-19 pandemic.

NOTE 8 CONTINGENT ASSETS AND LIABILITIES

8.1 Virgo Licence Acquisition

In accordance with the agreement between Kopore Metals Limited, Alvis Crest (Proprietary) Limited and Virgo Business Solutions CO (**Virgo**).

🌐 To issue fully paid shares in the Company to Virgo with a deemed value of A\$650,000 (with the deemed issue price being the higher of \$0.04 or the 30-day VWAP of the shares at the date of the Announcement, as defined below upon satisfaction of the following performance-based milestones:

- (i) First announcement by the Company of a JORC Code 2012 Compliant Measured or Indicated Mineral Resource, on any of the licences, of greater than 1 million tonnes of contained copper at a grade of greater than 1.2%.

8.2 Contingent liabilities

The Directors are not aware of any other contingent liabilities that may have arisen from the Groups operations as at 31 December 2020 (30 June 2020: Nil).

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2020






NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 9 EVENTS SUBSEQUENT TO REPORTING DATE






On 28 January 2021, the Company announced that its wholly owned subsidiary, Kopore (WA) Pty Ltd has executed a binding earn in and joint venture agreement (Agreement) with Murchison Copper Mines Pty Ltd (MCM), a subsidiary of Horseshoe Metals Limited (ASX:HOR) (HML) providing for an earn in and joint venture in relation to the tenements surrounding the historical Horseshoe Lights Copper-Gold Mine (Horseshoe Lights Mine).

The material terms of the Agreement are:

-  Upfront Payment: \$50,000 is payable by Kopore upon satisfaction of certain conditions precedent by MCM.
-  Stage one: Earn in of \$1.45 million expenditure to earn a 51% beneficial interest in the Agreement Area over a two-year period. Stage one includes a minimum expenditure amount of \$250,000 to be spent in year 1 (Minimum Expenditure). Kopore must expend this minimum expenditure amount before it is able to withdraw from the earn-in.
-  Joint Venture: Upon completion of the stage, one earn-in, Kopore and MCM will form an unincorporated joint venture in relation to the exploration of the Agreement Area. The parties' initial respective interest in the Joint Venture will be Kopore 51% and MCM 49%.
-  Stage two: Kopore can elect to expend an additional \$1.5 million within a further 2 years to earn into an additional 19% beneficial interest in the Agreement Area. If Kopore completes the stage 2 earn in, the parties' respective interest in the Joint Venture will be Kopore 70% and MCM 30%.
-  Joint Venture expenditure: Following the earn-in, the parties must each contribute to Joint Venture expenses in proportion to their respective percentage interest in the Joint Venture or their interest will be diluted in accordance with a prescribed formula.

On 29 January 2021, the Company issued 2,500,000 ordinary shares at \$0.019 per share in accordance with the joint corporate advisory mandate with Merchant Capital and Ironside Capital (Advisors).

The material terms of the mandate are:




-  Shares: 2.5 million shares in Kopore upon execution of the Agreement and 2.5 million shares upon Kopore meeting the Minimum Expenditure under the Agreement and Kopore electing to proceed with earn-in.
-  Options - Tranche 1: 12.5 million unlisted options to acquire shares in Kopore, with an exercise price of 2 cents and expiring 4 years after the date of issue.
-  The tranche 1 options will vest subject to:
 - Kopore earning a 51% interest in the Agreement Area under the Agreement; or
 - Kopore commencing exploration on the Agreement Area and the 20-day VWAP of Kopore's shares being greater than 3 cents.
-  Options - Tranche 2: 12.5 million unlisted options to acquire shares in Kopore, with an exercise price of 2 cents and expiring 4 years after the date of issue.
-  The tranche 2 options vest subject to:
 - Kopore earning a 70% interest in the Agreement Area under the Agreement; or
 - Kopore commencing an exploration drilling program on the Agreement Area and the 20-day VWAP of Kopore's shares being greater than 4 cents.

There were no other significant events after the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

SECTION D. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTE	10 RELATED PARTY TRANSACTIONS	6 months to 31 Dec 2020	6 months to 31 Dec 2019
		\$	\$
10.1	KMP and related party transactions		
	Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
	 Evolution Corporate Services Pty Ltd		
	Evolution Corporate Services Pty Ltd, a company associated with Ms. Shannon Coates (former director), provides company secretarial services in accordance with a service agreement.	-	27,000
	 The Steele Group		
	The Steele Group, a Company where Mr Grant Ferguson is a director, provides consulting services in accordance with a service agreement.	36,798	90,750
10.2	KMP and related party balances		
	a. Contained within other creditors and accruals are the following accruals for fees payable to KMP:		
	 The Steele Group, a Company where Mr Grant Ferguson is a director	8,140	-

There are no other related party transactions other than those payments to Directors as disclosed above.

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 11	LOSS PER SHARE	6 months to 31 Dec 2020 \$	6 months to 31 Dec 2019 \$
11.1	Reconciliation of loss to profit or loss		
	Loss for the half-year	(501,435)	(1,398,661)
	Loss used in the calculation of basic and diluted loss per share	(501,435)	(1,398,661)
11.2	Reconciliation of loss to profit or loss from continuing operations		
	Loss for the half-year from continuing operations	(501,435)	(1,398,661)
	Loss used in the calculation of basic and diluted EPS continuing operations	(501,435)	(1,398,661)
		6 months to 31 Dec 2020 No.	6 months to 31 Dec 2019 No.
11.3	Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share	642,888,900	642,576,400
11.4	The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than the average market price during the period (out of the money). In addition, the Group does not report diluted earnings per share on annual losses generated by the Group. At the end of the half-year, the Group had no unissued shares under options that were out of the money which are anti-dilutive (31 December 2019: nil).		

NOTE 12	SHARE-BASED PAYMENTS	6 months to 31 Dec 2020 \$	6 months to 31 Dec 2019 \$
	The following share-based payment arrangements were entered into during the period:		
	Amortisation of options issued to Directors in 30 June 2019 financial year	17,856	39,497
	Total shares-based payments included in statement of profit or loss and other comprehensive income.	17,856	39,497

Total share-based payments recognised in reserves is \$17,856 (31 December 2019: \$39,497)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 13 SEGMENT REPORTING

13.1 Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of business category and geographical areas. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics. The Group considers that it has only operated in one segment, being the exploration business.

13.2 Basis of accounting for purposes of reporting by operating segments

13.2.1 Accounting policies adopted

The accounting policies used by the Group in reporting segments are in accordance with the measurement principles of Australian Accounting Standards.

13.2.2 Inter-segment transactions

All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

13.2.3 Segment assets

During the half-year ended 31 December 2020 and the year ended 30 June 2020, all assets were in the same business segment, which is the Group's exploration business.

13.2.4 Segment liabilities

During the half-year ended 31 December 2020 and the year ended 30 June 2020, all liabilities were in the same business segment, which is the Group's exploration business.

13.3 Revenue by geographical region

There is no revenue attributable to external customers for the half-year ended 31 December 2020 and the half-year ended 31 December 2019.

13.4 Assets by geographical region

During the half-year ended 31 December 2020 and the year ended 30 June 2020, all reportable segment assets are located in Africa, with the Group's financial assets located in Africa and Australia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 14 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

14.1 Basis of preparation**14.1.1 Reporting Entity**

Kopore Metals Limited is a listed public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at Suite 5, 62 Ord Street, West Perth, Western Australia. These are the consolidated financial statements and notes of Kopore Metals Limited (the Company) and controlled entities (collectively the Group). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

The separate financial statements of Kopore Metals Limited, as the parent entity, have not been presented with this financial report as permitted by the Corporations Act 2001 (Cth).

14.1.2 Basis of accounting

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The financial statements were authorised for issue on 10 March 2021 by the Directors of the Company.

14.1.3 Comparative Figures

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

14.2 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

14.3 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in 14.3.1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 14 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**14.3.1 Critical Accounting Estimates and Judgements**

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed further at Note 4.2.3.

14.3.2 Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

14.4 New Accounting Standards and Interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting period have not been early adopted by the Group. These standards are not expected to have a material impact on the Group.

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2020

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the financial position as at 31 December 2020 and of the performance for the half-year ended on that date of the Group.
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Simon Jackson
Managing Director

Dated this Wednesday, 10 March 2021

**RSM Australia Partners**

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 8 9261 9100
F +61 8 9261 9111
www.rsm.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
KOPORE METALS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Kopore Metals Limited which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Kopore Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Kopore Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kopore Metals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 10 March 2021