



ABN 73 149 230 811

INTERIM FINANCIAL REPORT

For the 6 months ended
31 December 2021

KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2021

CORPORATE DIRECTORY

Directors

James Eggins	<i>Non-executive Chairman</i>
Caroline Keats	<i>Managing Director</i>
Quinton de Klerk	<i>Non-executive Director</i>

Company Secretaries

Sarah Wilson
Shannon Coates

Head Office and Registered Office

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WEST PERTH WA 6005
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Securities Exchange Listing

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PERTH WA 6000
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Telephone: +61 (0)2 9338 0000
Facsimile: +61 (0)2 9227 0885
Website: <https://www.asx.com.au>
ASX Code: KMT

Share Registry

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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 2021

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KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2021 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 2021.

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.

-  **JAMES EGGINS** Non-executive Chairman (*appointed 15 November 2021*)
-  **CAROLINE KEATS** Managing Director (*appointed 4 October 2021*)
-  **QUINTON DE KLERK** Non-executive Director (*appointed 14 January 2022*)
-  **GRANT FERGUSON** Non-executive Director (*resigned 14 January 2022*)
-  **PETER MEAGHER** Non-executive Chairman (*resigned 15 November 2021*)
-  **SIMON JACKSON** Non-executive Director (*resigned 15 November 2021*)

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

Proposed acquisition of Agadez Project, Niger

On 9 December 2021, the Company announced it had entered into a binding share sale agreement with Endeavour Financial AG (**Endeavour**) to acquire 100% of Endeavour's uranium project in the Agadez region of Niger (**Agadez Project**) (**Transaction**).

The Project comprises three (3) granted exploration permits (**Permits**) and one (1) exploration licence application in the highly prospective Tim Merso Basin, considered one of the world's major uranium producing areas.

The Company has agreed to purchase 100% of the issued capital in EF Niger Exploration SARL (**Target**), a wholly owned subsidiary of Endeavour that holds the Agadez Project Permits. In consideration, the Company will pay US\$100,000 to Endeavour (as reimbursement for historic shareholder loans) and issue Endeavour (or its nominees) 120,000,000 Company shares at a deemed issued price of \$0.02 (**Consideration Shares**). These Consideration Shares will be subject to a cascading voluntary escrow regime, with shares escrowed for 3, 6 and 12 months. The agreement contains orderly sales provisions in relation to the sale of the Consideration Shares.

Under the terms of the Transaction, the Company has agreed to spend a minimum of US\$2,000,000 on the Permits within the first 24 months (subject to any force majeure extension), with US\$1,500,000 of that amount to be spent on a drilling program. This obligation falls away if the Company declares a Mineral Resource of at least 16Mlb of U3O8 at a minimum grade of 200ppm U3O8 on any of the permits (prepared and reported in accordance with the JORC Code).

The Company has also agreed to issue Endeavour (or its nominees) 80,000,000 performance shares with a 5-year expiry date, and 50,000,000 performance options with an exercise price of \$0.03 and a 3-year expiry date, with the vesting of those performance shares and options linked to the Target having declared a Mineral Resource of at least 16Mlb of U3O8 at a minimum grade of 200ppm U3O8 on any of the permits.

Completion of the Transaction was conditional upon:

- the Company raising at least A\$1,000,000 (before costs). This condition was met on 17 December 2021;
- the Company being satisfied around its due diligence on the Target and the Project. This condition was met on 4 January 2022;
- the Target obtaining a 2-year extension on the Project permits (on terms satisfactory to it) taking the Permit term to November 2024;
- the Company obtaining all necessary regulatory, government and shareholder approvals in respect of the Transaction; and
- the Target terminating certain contracts.

DIRECTORS' REPORT

Post the end of the period and as announced on 31 January 2022, the remaining conditions for completion of the Transaction are; the Target obtaining a two-year extension on the three granted exploration permits ("Permits") to November 2024 (on satisfactory terms), and the Target terminating certain contracts.

On 2 February 2022, the Company issued a Notice of Meeting to seek Shareholder approval for the Transaction and the associated issues of equity securities. Subsequently, on 4 March 2022, the Company received Shareholder approval of the Transaction.

Sale of 75% of Virgo Project, Botswana

On 11 November 2021, the Company announced completion of the sale of 75% of the issued capital in its wholly owned subsidiary, Alvis-Crest (Proprietary) Limited, to ARC Minerals Limited (**ARC**) (the "**ARC Transaction**"). The ARC Transaction was first announced on 25 March 2021. 35,488,259 fully paid ordinary shares in ARC, based upon a 10-day VWAP of 3.3814 pence per share for a total consideration value of £1.2 million (approx. A\$2.2 million) were issued to Kopore ("**Consideration Shares**") and subject to customary orderly sale provisions. As at 31 December 2021, the Company had sold 11,100,000 ARC shares for consideration of approx. A\$568K (before costs).

ARC retains an option to acquire the remaining 25% of Alvis for consideration of US\$5 million. The option is valid until a Final Investment Decision (FID) is reached by ARC and the option consideration is payable in cash or ARC Shares (or a combination of the two) at the election of ARC. ARC is responsible for sole funding Alvis up to FID, ensuring that Kopore's remaining 25% interest in Alvis is not diluted in this period, and will spend an average of a minimum of US\$200,000 per year on exploration drilling and resources definition on the Licences over any rolling three-year period prior to FID.

Kopore will receive a 1% net smelter royalty over the Virgo Project, capped at a maximum of US\$30 million. ARC has the option to purchase the royalty for US\$5 million at any time up to FID, on terms included in the royalty agreement.

Horseshoe West Project, Western Australia

In January 2021, Kopore announced that its wholly owned subsidiary, Kopore (WA) Pty Ltd had entered into binding earn in and joint venture agreement with Murchison Copper Mines Pty Ltd, 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 West Project). Kopore is investigating the Horseshoe West Project area for potential Horseshoe Lights style copper-gold and shear-zone hosted gold mineralisation exploration targets.

The Horseshoe West Project area totals 32.4km² and comprises 1 exploration licence, 9 prospecting licences and part of 1 mining lease (M52/743). On 17 November 2021, the Company announced it had received confirmation from Horseshoe Metals that the 9 prospecting licenses had received a four-year extension of term. Horseshoe Metals also advised the Company that mining lease ML52/743, where the Horseshoe Lights Mine is situated, had been renewed for a further 21 years.

Activity during the reporting period at Horseshoe West included the delineation of a coherent copper-gold soil anomaly in a largely unexplored area of the Horseshoe West Prospect, located approximately 1,500m west of the Horseshoe Lights Mine and 140km north of Meekatharra, as announced on 15 November 2021. Based upon the auger sampling results received, the Company is in the process of redesigning its planned next program to incorporate electrical geophysical methods (e.g. induced polarisation) over the coincident soil and magnetic anomalies.

As announced on 7 February 2022, post the end of the reporting period, Kopore met the first-year minimum expenditure Milestone for the Horseshoe West Project.

Botswana

No activities were undertaken in Botswana during the reporting period as exploration continued to be hampered by the COVID-19 pandemic. On 15 November 2021, the Company advised that three of its Botswana Prospecting Licenses had been renewed for a further two years. The recently renewed licenses cover the Company's high priority Kara Dome target.

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DIRECTORS' REPORT

Corporate

During the reporting period, the Board underwent a number of changes, with the appointment of Ms Caroline Keats as Managing Director, Mr James Eggins as Non-Executive Chairman with the resignations of Messrs Simon Jackson and Peter Meagher. Post the end of the reporting period on 14 January 2022, Mr Quinton de Klerk was appointed as Non-Executive Director to replace Mr Grant Ferguson.

As announced on 9 December 2021, the Company received firm commitments from investors for a share placement totalling \$1.2 million (before costs), through the issue of up to 40 million Shares at an issue price of \$0.03 per Share (**Placement**). On 17 December 2021, the Company issued 36,500,000 Shares pursuant to the Placement under Listing Rule 7.1. The balance of 3,500,000 Shares, being the securities subscribed for by Directors Mr Eggins and Ms Keats, were subject to Shareholder approval which was received on 4 March 2022.

3.2. Financial Review

a. Operating results

For the half-year ended 31 December 2021 the Group delivered a loss before tax of \$1,297,856 (31 December 2020: \$445,003 loss), representing an increase from the previous comparable period.

Following the sale of Alvis-Crest (Proprietary) Limited to ARC as part of the ARC Transaction, the Company made a net Profit of \$1,488,757 as at 31 December 2021. This is compared to a net loss of \$501,435 for the same period in the previous year.

b. Financial position

The net assets of the Group have increased from 30 June 2021 by \$2,553,282 to \$3,135,853 at 31 December 2021 (30 June 2021: \$582,571).

As at 31 December 2021, the Group's cash and cash equivalents increased from 30 June 2021 by \$880,402 to \$1,434,197 at 31 December 2021 (30 June 2021: \$553,795) and had working capital of \$2,457,347 (30 June 2021: \$582,525.)

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 10.

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.

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 7.

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



Caroline Keats

Managing Director

Dated this Friday, 11 March 2022

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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 2021, 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.

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 11 March 2022

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RSM Australia Partners ABN 36 965 185 036

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
Other income	1	16	26,923
Share of loss of associate accounted for using the equity method	7.2	(795)	-
Administration expense		(27,526)	(23,270)
Compliance and regulatory		(131,775)	(93,122)
Consulting and legal		(166,681)	(124,116)
Depreciation and amortisation		(46)	(59)
Employee benefit expense	2.1	(245,429)	(183,198)
Exploration expense		(241,682)	(12,044)
Travel and accommodation		(31,932)	(1,047)
Share based payments	13	(8,995)	(17,856)
Other expenses		(62,195)	(16,716)
Impairment losses on financial assets		(380,680)	-
Unrealised loss on foreign exchange		(136)	(498)
Loss before income tax		(1,297,856)	(445,003)
Income tax expense		-	-
Loss for the half-year		(1,297,856)	(445,003)
Discontinued Operations			
Profit / (loss) from discontinued operations (attributable to equity holders of the Company)	6	2,786,613	(56,432)
Net profit / (loss) for the year		1,488,757	(501,435)
<i>Other comprehensive income for the half-year:</i>			
 Items that may be reclassified subsequently to profit or loss:			
 Exchange differences on translation of foreign operations		46,507	(3,147)
Other comprehensive income for the half-year, net of tax		46,507	(3,147)
Total comprehensive income/(loss) for the half-year		1,535,264	(504,582)
Total Comprehensive income/(loss) is attributable to:			
 Equity holders of the Company		1,535,264	(504,582)
		1,535,264	(504,582)
Total comprehensive income/(loss) attributable to owners of the Company arises from:			
 Continuing operations		(1,251,349)	(448,150)
 Discontinuing operations		2,786,613	(56,432)

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
<i>Earnings/(loss) per share:</i>		¢	¢
Basic earnings/(loss) per share	12	0.230	(0.078)
Basic loss per share from continuing operations	12	(0.200)	(0.069)
Basic earnings/(loss) per share from discontinued operations	12	0.430	(0.009)

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 2021

	Note	31 Dec 2021 \$	30 June 2021 \$
Current assets			
Cash and cash equivalents	3.1	1,434,197	553,795
Other receivables	3.2	277,571	61,229
Other current assets	3.3	37,443	14,012
Financial assets	3.5	1,088,842	-
Assets classified as held for sale		-	68,947
Total current assets		2,838,053	697,983
Non-current assets			
Plant and equipment		-	46
Investments accounted for using the equity method	7.1	678,506	-
Total non-current assets		678,506	46
Total assets		3,516,559	698,029
Current liabilities			
Trade and other payables	3.4	380,706	115,458
Total current liabilities		380,706	115,458
Total liabilities		380,706	115,458
Net assets		3,135,853	582,571
Equity			
Contributed equity	4.1.1	10,112,360	9,103,337
Reserves	4.3	201,234	145,732
Accumulated losses		(7,177,741)	(8,666,498)
Total equity		3,135,853	582,571

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Contributed equity \$	Reserve \$	Accumulated Losses \$	Total Equity \$
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	13	-	17,856	-	17,856
Options expired during the half-year		-	(825,000)	825,000	-
Balance at 31 December 2020		9,055,837	115,515	(7,924,858)	1,246,494
Balance at 1 July 2021		9,103,337	145,732	(8,666,498)	582,571
Profit for the half-year		-	-	1,488,757	1,488,757
Other comprehensive loss for the half-year		-	46,507	-	46,507
Total comprehensive loss for the half-year		-	46,507	1,488,757	1,535,264
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	4.1.1	1,009,023	-	-	1,009,023
Share-based payments – Directors’ options	13	-	8,995	-	8,995
Balance at 31 December 2021		10,112,360	201,234	(7,177,741)	3,135,853

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 2021

Note	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
Cash flow from operating activities		
Payments to suppliers and employees	(545,715)	(402,257)
Interest received	16	3,535
Payments for exploration expenditure	(297,210)	(97,178)
Net cash outflow from operating activities	(842,909)	(495,900)
Cash flow from investing activities:		
Proceeds from disposal of financial assets net of costs	559,311	-
Net cash inflow from investing activities	559,311	-
Cash flow from financing activities:		
Proceeds from issue of shares	1,095,000	-
Cost of capital raising	(36,000)	-
Proceeds from Share application monies received in advance	105,000	-
Net cash inflow from financing activities	1,164,000	-
Net decrease in cash held	880,402	(495,900)
Effect of foreign exchange movement on cash	-	(3,147)
Cash and cash equivalents at the beginning of the half-year	553,795	1,673,029
Cash and cash equivalents at the end of half-year	1,434,197	1,173,982
3.1		

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

In preparing the 31 December 2021 financial statements, Kopore Metals Limited has grouped notes into sections under four key categories:

 Section A: How the numbers are calculated.....	14
 Section B: Group structure	18
 Section C: Unrecognised items	23
 Section D: Other Information	24

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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.

NOTE	1	OTHER INCOME	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
1.1		From continuing operations:		
		Interest – unrelated parties	16	3,535
		Other income	-	23,388
		Total revenue and other income	16	26,923

NOTE	2	LOSS BEFORE INCOME TAX	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
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Loss before income tax has been determined after including the following expenses:

2.1		Employment costs:		
		 Directors' fees (including Managing Director)	190,081	135,000
		 Superannuation expenses	16,392	11,400
		 Other employment related costs	38,956	36,798
			245,429	183,198

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 3 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

		31 Dec 2021	30 June 2021
		\$	\$
3.1	Cash and cash equivalents		
	Cash at bank and on hand	1,429,197	548,795
	Bank term deposits	5,000	5,000
		1,434,197	553,795
3.2	Other receivables		
3.2.1	<i>Current</i>		
	GST refundable	29,945	25,198
	Other receivables	247,626	36,031
		277,571	61,229
3.3	Other Assets		
3.3.1	<i>Current:</i>		
	Prepayments	37,443	14,012
		37,443	14,012
3.4	Trade and other payables		
3.4.1	<i>Current:</i>		
	Unsecured		
	Trade payables	120,225	19,958
	Other payables and accruals	155,481	95,500
	Share application monies received in advance	105,000	-
	Total unsecured liabilities	380,706	115,458
3.5	Financial assets		
3.5.1	<i>Financial assets at fair value through profit or loss:</i>		
	UK listed equity securities	1,088,842	-
		1,088,842	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 4 EQUITY

4.1 Issued capital	Note	6 months to 31 Dec 2021 No.	12 months to 30 June 2021 No.	6 months to 31 Dec 2021 \$	12 months to 30 June 2021 \$
Fully paid ordinary shares at no par value	4.1.1	681,888,900	645,388,900	10,112,360	9,103,337
4.1.1 <i>Ordinary shares</i>					
At the beginning of the period/year		645,388,900	642,888,900	9,103,337	9,055,837
Shares issued during the period/year:					
🌐 Shares issued @ \$0.019 per share		-	2,500,000	-	47,500
🌐 Shares issued @ \$0.030 per share		36,500,000	-	1,095,000	-
<i>Transaction costs relating to share issues:</i>					
🌐 Share issue costs		-	-	(85,977)	-
At end of the period/year		681,888,900	645,388,900	10,112,360	9,103,337

4.2 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 13 Share-based Payments. The total number of options on issue are as follows:

4.2.1 <i>Unlisted options</i>	6 months to 31 Dec 2021 No.	12 months to 30 June 2021 No.	6 months to 31 Dec 2021 \$	12 months to 30 June 2021 \$
At the beginning of the period/year	50,000,000	80,000,000	250,847	1,023,443
Options issued during the period/year:				
🌐 Expired unexercised – Ex. Date: 8.11.20 Ex. Price: \$0.06	-	(55,000,000)	-	(825,000)
🌐 Issued - Ex. Date: 1.2.2025 Ex. Price: \$0.02	-	25,000,000	-	23,983
🌐 Amortisation of options issued to directors – Note 13	-	-	8,995	28,421
At end of the period/year	50,000,000	50,000,000	259,842	250,847

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 4 EQUITY (CONT.)

4.3 Reserves	Note	31 Dec 2021 \$	30 June 2021 \$
Foreign currency translation reserve	4.3.1	(58,608)	(105,115)
Share-based payment reserve	4.3.2	259,842	250,847
		201,234	145,732

4.3.1 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 2021 \$	30 June 2021 \$
Balance at beginning of the period/year	(105,115)	(97,637)
Change in reserve	46,507	(7,478)
Balance at end of the period/year	(58,608)	(105,115)

4.3.2 Share-based payment reserve

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

	31 Dec 2021 \$	30 June 2021 \$
Balance at beginning of the period/year	250,847	1,023,443
Options issued	-	23,983
Amortisation of options issued to directors	8,995	28,421
Options expired	-	(825,000)
Balance at end of the period/year	259,842	250,847

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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 5.

NOTE 5 INTEREST IN SUBSIDIARIES

Shares in controlled entities are unlisted and comprise:

	Country of Incorporation	Percentage Owned	
		31 December 2021	30 June 2021
 Alvis-Crest Holdings (Pty) Ltd ¹	Botswana	-	100
 Ashmead Holdings (Pty) Ltd	Botswana	100	100
 Icon-Trading Company (Pty) Ltd	Botswana	100	100
 Global Exploration Technologies Pty Ltd	Australia	100	100
 Kopore (WA) Pty Ltd	Australia	100	100

¹ Alvis-Crest Holdings (Pty) Ltd ceased being wholly owned subsidiary on 11 November 2021. The Company sell down its 75% equity in Alvis-Crest Holdings (Pty) Ltd to 25% (refer Note 6). The remaining equity holding (of 25% at 31 December 2021) is recognised and measure as an associate (Refer Note 7).

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 6 DISCONTINUED OPERATIONS

6.1 Sale of Alvis-Crest (Proprietary) Limited (Alvis)

On 24 March 2021, the Company entered into a binding term sheet to sell 75% equity in Alvis to AIM listed ARC Minerals Limited (AIM: ARCM) (ARC).

On 11 November 2021, the Company has completed the sales of 75% of the issued capital in its wholly owned subsidiary, Alvis-Crest (Proprietary) Limited.

Comparative balances in the Statement of Profit or Loss and Other Comprehensive income have been adjusted for this disposal.

Operating results of the business are not included in operating segment disclosed in note 14 Segment Reporting.

Financial information relating to the discontinued operation to the date of sale is set out below:

	6 months to 31 Dec 2021	6 months to 31 Dec 2020
	\$	\$
6.1.1 The financial performance of the discontinued operation to the date of sale, which is included in the profit/(loss) from the discontinued operations per the statement of comprehensive income, is as follows:		
Revenue and other income	-	-
Expenses	(30,154)	(56,432)
Loss before income tax	(30,154)	(56,432)
Income tax expense	-	-
Loss after income tax of discontinued operation	(30,154)	(56,432)
Gain on sale of the subsidiary after income tax	2,816,767	-
Gain/(loss) from discontinued operation	2,786,613	(56,432)
6.1.2 The net cash flows of the discontinued operation, which have been incorporated into the statement of cash flows, are as follows:		
Net cash outflow from operating activities	(30,154)	(53,899)
Net cash flow generated by the discontinued operations	(30,154)	(53,899)
Profit on disposal of the operation is included in discontinued operations per the statement of profit and loss and comprehensive income.		
6.1.3 Carrying amount of assets and liabilities disposed:		
Other assets	52,217	-
Motor vehicles	10,052	-
Total assets	62,269	-
Trade and other payables	846,381	-
Total liabilities	846,381	-
Net Liabilities	(784,112)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 6 DISCONTINUED OPERATIONS (CONT.)

6.1 Sale of Alvis-Crest (Proprietary) Limited (Alvis) (cont.)

6.1.4 Details of the disposal

	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
Sales consideration – shares at fair value	2,037,904	-
Fair value of residual interest	679,301	-
Carrying amount of net liabilities disposed	738,612	-
Disposal costs	(639,050)	-
Gain on disposal before income tax	2,816,767	-
Gain on disposal after income tax	2,816,767	-

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Note	7	Investment accounted for using the equity method	31 Dec 2021	30 June 2021
			\$	\$
		Non-Current		
		Investment accounted for using the equity method	678,506	-
			678,506	-

7.1 Information about associates

7.1.1 Set out below are the investment accounted for using the equity method of the group as at 31 December 2021 which, in the opinion of the directors, is material to the group. The entity listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Associates	Country of Incorporation	Measurement method	Percentage Owned	
			31 December 2021	30 June 2021
			%	%
Alvis-Crest Holdings (Pty) Ltd	Botswana	Equity method	25%	100%

7.2 On 11 November 2021, the Company completed a Share Purchase Agreement (SPA) to sell down its 75% equity in Alvis to 25% (refer Note 6). The remaining equity holding (of 25% at 31 December 2021) is recognised and measured as an associate.

7.2.1 Summarised financial position

	31 Dec 2021	30 June 2021
	\$	\$
Current assets	5,735	-
Current liabilities	-	-
Current net assets	5,735	-
Non-current assets	59,864	-
Non-current liabilities	(841,611)	-
Non-current deficiency	(781,747)	-
Net deficiency	(776,012)	-

7.2.2 Summarised financial performance

	6 months to 31 Dec 2021	6 months to 31 Dec 2020
	\$	\$
Revenue	-	-
Loss for the period	(3,179)	-
Other comprehensive income	-	-
Total comprehensive income	(3,179)	-
Group's share of associate's loss after tax	(795)	-
Group's share of associate's other comprehensive income	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 7 Investment accounted for using the equity method (cont.)

	31 Dec 2021	30 June 2021
	\$	\$
7.2.3 Reconciliation to carrying amounts:		
Opening net assets at fair value	679,301	-
Share of loss for the period	(795)	-
Other comprehensive income	-	-
Closing net assets (carrying amount of investment)	678,506	-

7.3 Accounting policy

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equal or exceed its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

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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 8	COMMITMENTS	31 Dec 2021	30 June 2021
		\$	\$
8.1	Operating expenditure commitments payable:		
	Within one year	362,466	544,855
	After one year but not more than five years	608,065	229,789
	After five years	-	-
	Total exploration tenement minimum expenditure requirements	970,531	774,644

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

NOTE 9 CONTINGENT ASSETS AND LIABILITIES

9.1 Contingent liabilities

The Directors are not aware of any other contingent liabilities that may have arisen from the Groups operations as at 31 December 2021 (30 June 2021: Nil).

NOTE 10 EVENTS SUBSEQUENT TO REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Group up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 12 January 2022, the Company issued 20,000,000 ordinary shares to Ms Caroline Keats at \$0.023 per share as Loan Shares pursuant to the Company's Employee Securities Incentive Plan, as approved by shareholders on 11 January 2022.

On 14 January 2022, the Company appointed Mr Quinton de Klerk as non-executive director and Mr Grant Ferguson resigned as non-executive director.

On 31 January 2022, the Company announced that the Republic of Niger's Minister of Mines had approved the Company's Share Sale Agreement with Endeavour Financial Ag ("**Endeavour**") to acquire 100% of Endeavour's uranium project in the Agadez region of Niger via the acquisition of Endeavour's wholly-owned subsidiary, EF Niger Exploration SARL ("**Target**") ("**Transaction**").

The Company advises that Endeavour has now received Ministerial Approval of the Transaction, which was a significant 'condition precedent' of the Transaction. To complete, Kopore requires the Target to obtain a two-year extension on the three granted exploration permits to November 2024 (on satisfactory terms), and the Target to terminate certain contracts.

At a general meeting held on 4 March 2022, the Company received shareholder approval for the Transaction.

Also on the 4 March 2022, the Company issued 6,000,000 and 4,000,000 ordinary shares respectively to Mr James Eggins and Mr Quinton de Klerk at \$0.023 per share as Loan Shares pursuant the Company's Employee Securities Incentive Plan, as approved by shareholders on 11 January 2022.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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	11 RELATED PARTY TRANSACTIONS	6 months to 31 Dec 2021	6 months to 31 Dec 2020
		\$	\$
11.1	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.  The Steele Group The Steele Group, a Company where Mr Grant Ferguson is a director, provides consulting services in accordance with a service agreement.	36,200	36,798
11.2	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.

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NOTE 12 EARNINGS/(LOSS) PER SHARE	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
12.1 Reconciliation of loss to profit or loss		
Profit/(loss) for the half-year	1,488,757	(501,435)
Less: loss attributable to non-controlling equity interest	-	-
Loss used in the calculation of basic and diluted loss per share	1,488,757	(501,435)
12.2 Reconciliation of loss to profit or loss from continuing operations		
Loss for the half-year from continuing operations	(1,297,856)	(445,003)
Loss used in the calculation of basic and diluted EPS continuing operations	(1,297,856)	(445,003)
12.3 Reconciliation of loss to profit or loss from discontinued operations		
Profit/(loss) for the half-year from discontinued operations	2,786,613	(56,432)
Profit/(loss) used in the calculation of basic and diluted EPS discontinued operations	2,786,613	(56,432)
	6 months to 31 Dec 2021 No.	6 months to 31 Dec 2020 No.
12.4 Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic loss per share	648,181,250	642,888,900
12.5 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 2020: nil).		

NOTE 13 SHARE-BASED PAYMENTS	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
The following share-based payment arrangements were entered into during the period:		
Amortisation of options issued to Directors in 30 June 2019 financial year	8,995	17,856
Total shares-based payments included in statement of profit or loss and other comprehensive income.	8,995	17,856

Total share-based payments recognised in reserves is \$8,995 (31 December 2020: \$17,856)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 14 SEGMENT REPORTING

14.1 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.

14.2 Basis of accounting for purposes of reporting by operating segments

14.2.1 Accounting policies adopted

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

14.2.2 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.

14.2.3 Segment assets

During the half-year ended 31 December 2021 and the year ended 30 June 2021, all assets were in the same business segment, which is the Group's exploration business.

14.2.4 Segment liabilities

During the half-year ended 31 December 2021 and the year ended 30 June 2021, all liabilities were in the same business segment, which is the Group's exploration business.

14.3 Revenue by geographical region

There is no revenue attributable to external customers for the half-year ended 31 December 2021 and the half-year ended 31 December 2020.

14.4 Assets by geographical region

During the half-year ended 31 December 2021 and the year ended 30 June 2021, all reportable segment assets are located in Africa, with the Group's financial assets located in Africa and Australia.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 15 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.

15.1 Basis of preparation

15.1.1 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).

15.1.2 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 principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The financial statements were authorised for issue on 11 March 2022 by the Directors of the Company.

15.1.3 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.

15.1.4 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.

15.2 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 2021 reporting period have not been early adopted by the Group. These standards are not expected to have a material impact on the Group.

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 2021 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:



Caroline Keats
Managing Director

Dated this Friday, 11 March 2022

The information in this Report that relates to exploration results is based on and fairly represents information compiled by Mr Grant Ferguson, a Competent Person and a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Ferguson is a former Director and Shareholder of Kopore and was engaged as a consultant geologist. Grant Ferguson 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). The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant announcement.



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**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 (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Group 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 2021 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.

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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 2021 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: 11 March 2022