



ABN 73 149 230 811

INTERIM FINANCIAL REPORT

For the 6 months ended
31 December 2018

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 30 June 2018 and any public announcements made by Kopore Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CORPORATE DIRECTORY**Current Directors**

| | |
|----------------|---|
| Peter Meagher | <i>Non-executive Chairman</i> |
| Grant Ferguson | <i>Managing Director</i> |
| Shannon Coates | <i>Non-executive Director</i> |
| Simon Jackson | <i>Non-executive Director (Appointed on 6 March 2019)</i> |

Company Secretary

Sarah Wilson

Registered Office

Suite 5, 62 Ord Street
WEST PERTH WA 6005

Telephone: +61 (0)8 9322 1587

Facsimile: +61 (0)8 9322 5230

Website: <http://www.koporemetals.com>

Share Registry

Automic Pty Ltd
Level 2, 267 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664

Email: hello@automic.com.au

Website: <http://automic.com.au>

Securities Exchange

Australian Securities Exchange
Level 40, Central Park, 152-158 St Georges Terrace
PERTH WA 6000
ASX Code: KMT

Solicitors to the Company

Bellanhouse
Level 19, Alluvion
58 Mounts Bay Road
PERTH WA 6000

Auditors

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

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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity, consisting of Kopore Metals Limited (**Kopore** or **the Company**) and its controlled entities (collectively **the Group**), for the half-year ended 31 December 2018.

1. Directors

The names of Directors in office at any time during or since the end of the half-year are:

- Mr Peter Meagher Non-executive Chairman
- Mr Grant Ferguson Managing Director
- Ms Shannon Coates Non-executive Director
- Mr Simon Jackson Non-executive Director (*Appointed 6 March 2019*)

The Directors have been in office since the start of the half-year to the date of this report.

2. Company Secretary

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

- Ms Sarah Wilson Company Secretary (*Appointed 1 November 2018*)
- Mr Andrew Metcalfe Company Secretary (*Resigned 1 November 2018*)

3. Operations and financial review**3.1. Operations review****REVIEW OF OVERVIEW**

The following is a summary of the activities of Kopore Metals during the period 1 July 2018 to 31 December 2018. It is recommended that this half-yearly report be read in conjunction with the 30 June 2018 Annual Report and any public announcements made by the Company during the period.

In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding the activities of the Company.

EXPLORATION OVERVIEW

Kopore and its subsidiary companies experienced significant growth in the knowledge and exploration potential across its Kalahari Copper Belt prospecting licence portfolio. During the second half of 2018, Kopore commenced its first drilling campaign in Botswana on the highest priority Korong and Kara Domes¹ (Figure 1). Further detailed investigations of the geological and geophysical data confirm that the prospective D'Kar/Ngwako Pan Formation and a favourable zone for copper-silver mineralisation is closer to the surface than historical interpretations. The Company will continue to aggressively explore its Botswana licences.

¹ ASX Announcement 29 June 2018 – Kopore Commences Maiden Drill Program On The Kalahari Copper Belt
<https://www.asx.com.au/asxpdf/20180629/pdf/43w4gvnj299mbp.pdf>

DIRECTORS' REPORT

Kopore greatly expanded its highly prospective ground holding in the Kalahari Copper Belt, with the granting of eight prospecting licences for a total of 5,705km². In addition, the Company was granted access to an extensive historical database of drilling, geochemical and geophysical data. This database is estimated to represent A\$4-5 million in historical exploration activities and includes full assay results for 59 drill holes, greater than 8,300 soil samples and detailed geophysical surveys. The new data is providing the Company with a foundation to fast-track exploration across these licences, identifying surface and subsurface dome shaped structures which will be drill tested.

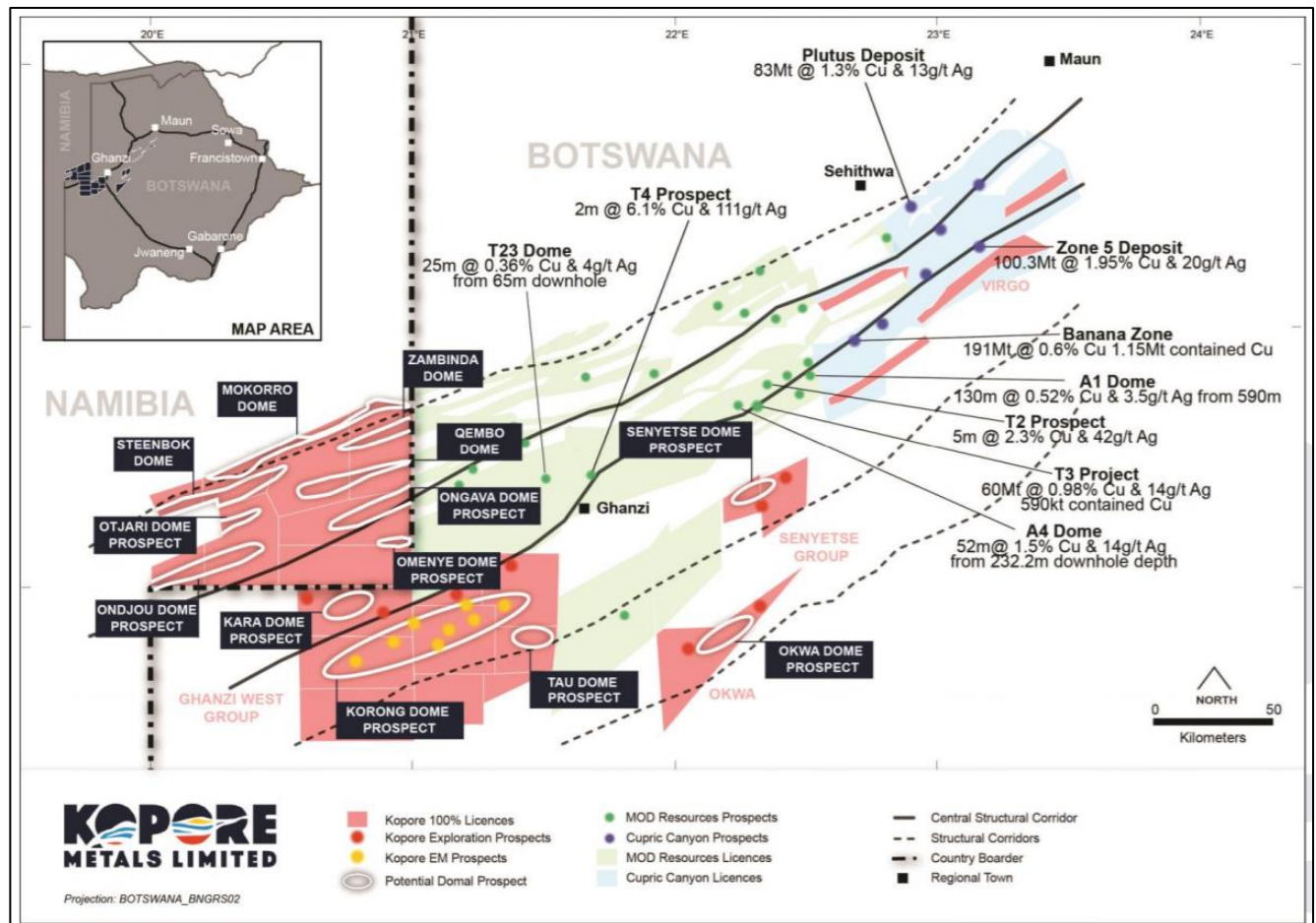


Figure 1 - Kopore Metals Limited Project Portfolio on the Kalahari Copper Belt (source: <https://www.cupriccanyon.com/developmentexploration/exploration> and <https://www.asx.com.au/asxpdf/20181016/pdf/43z90dkfrgy792.pdf>)

DIRECTORS' REPORT**BOTSWANA EXPLORATION ACTIVITY**

During the period, the Company advanced its greenfield projects in Botswana, undertaking the maiden reconnaissance drilling program, comprising a combined 5,390.88m of Reverse Circulation (RC = 3373.30m), Rotary Air Blast (RAB = 1775.00m) and Diamond drilling (DD = 442.81m) at its Korong North, Korong Central and Kara Domal Prospects². No previous exploration had been carried out over the Korong and Kara Domes. Kopore's drilling program therefore achieved multiple key exploration milestones and identified the following:

1. D'Kar/Ngwako Pan Formation geological contact shallower than previously interpreted (<350m). The D'Kar Formation hosts the known copper-silver mineralisation across the Kalahari Copper Belt
2. D'Kar Formation within 5m of surface, where previously believed to be deeper than 500m below surface.
3. Pathfinder alteration and sulphides (pyrrhotite, pyrite) at the Korong Central and Kara Domal Prospects.³

Continued exploration success by our Kalahari Copper Belt neighbouring resource developer and explorer MOD Resources (ASX:MOD), along strike and within 60km from Kopore's Namibian prospecting licences boundary (Figure 1). Kopore will continue its drilling campaign at the Korong Central Project.

The acquisition of the Virgo Group prospecting licences⁴, provides the Company with highly prospective exploration licence areas, adjacent to the Cupric Canyon (US: Private) Zone 5 Copper-Silver Project. Construction is currently underway at the Zone 5 Copper-Silver Project. Kopore conducted an initial soil sampling program over two licence areas and has delineated two coherent copper-nickel in soils anomalies, coincident to the interpreted Ngwako Pan/D'Kar Formation(s) geological contact (Figure 4).

² ASX Announcement 15 November 2018 – Drilling Commences at The New Kalahari Copper Belt High Priority Korong Central Prospect <https://www.asx.com.au/asxpdf/20181115/pdf/4409lltlv0g9x9.pdf>

³ ASX Announcement 29 November 2018 - Korong Central Intersects Shallow Footwall Contact in Botswana <https://www.asx.com.au/asxpdf/20181129/pdf/440rndz5v2nls2.pdf>

⁴ ASX Announcement 11 July 2018 – Kopore Consolidates the Namibian Extensions of the Kalahari Copper Belt <https://www.asx.com.au/asxpdf/20180711/pdf/43wfw6bj4v90n0.pdf>

DIRECTORS' REPORT

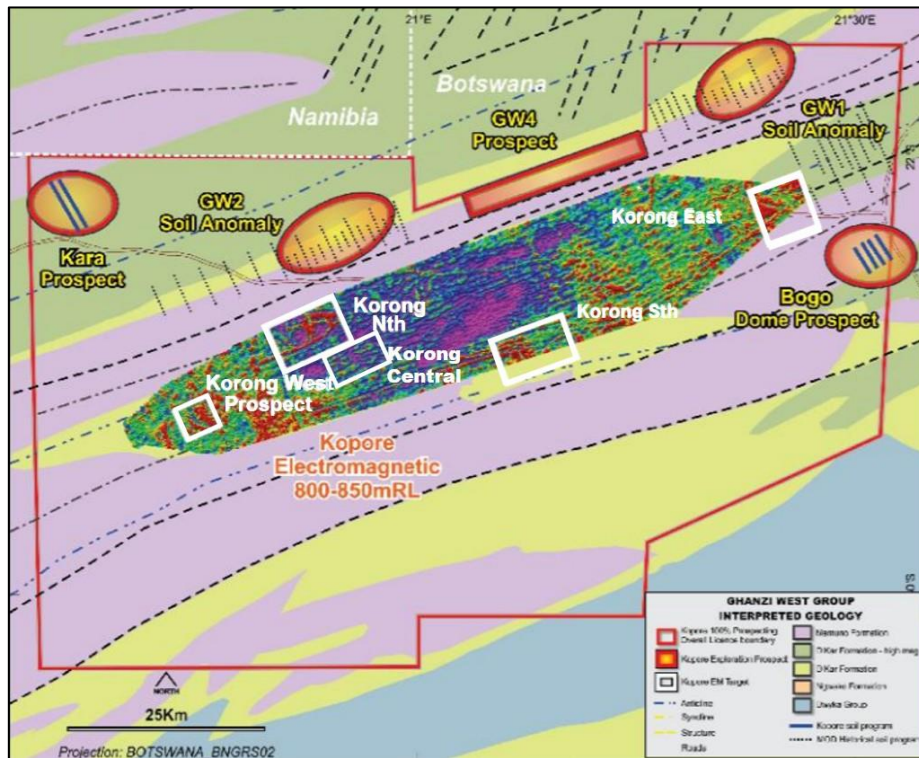


Figure 2 -Korong and Kara Prospects with Completed and Planned Drilling

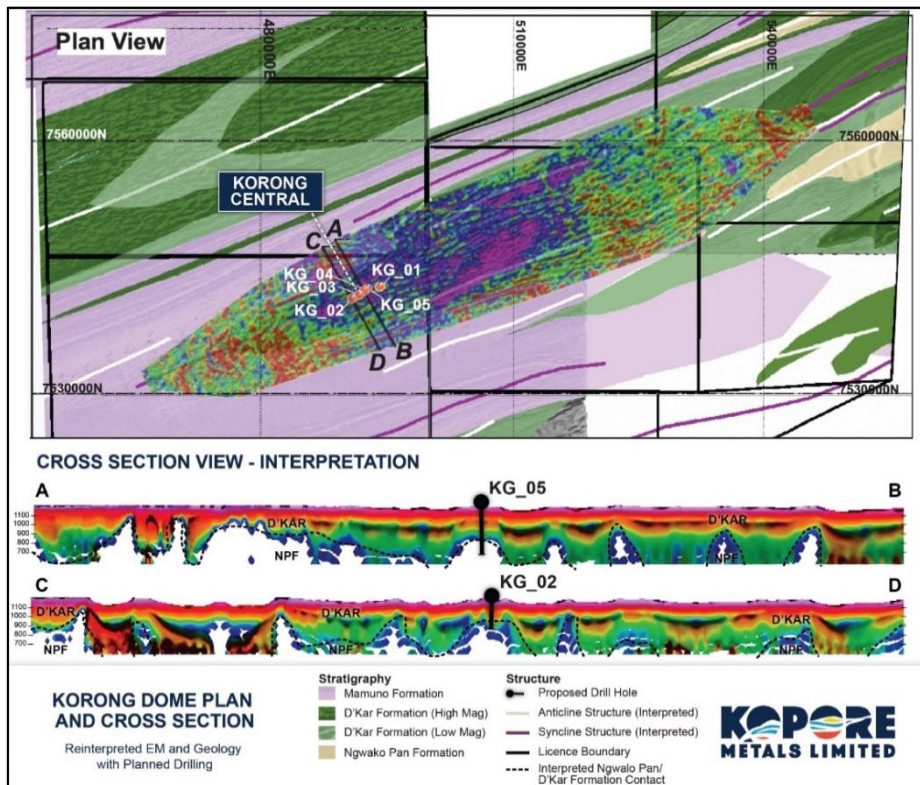


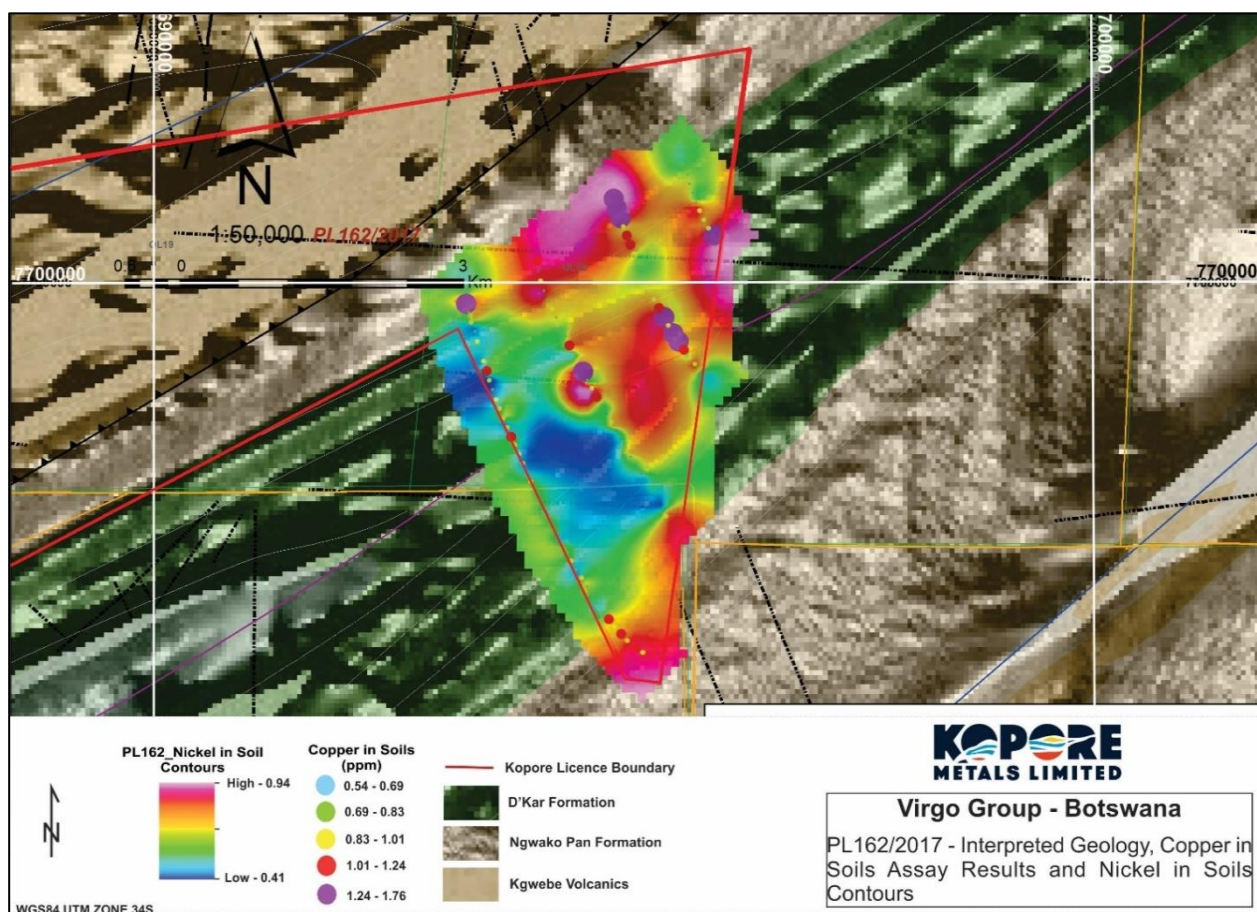
Figure 3 - Ghanzi West Group - Korong Central Reprocessed Airborne EM Cross Section View

DIRECTORS' REPORT

Environmental waiver received to conduct a soil sampling program across recently acquired Virgo prospecting licences (PL135/2017, PL162/2017, PL163/2017 and PL164/2017) in Botswana.

During the period Kopore received an environmental authorisation to conduct a soil sampling program across its recently acquired Virgo licences. The waiver allows the Company to potentially delineate copper soil anomalies before progressing to Environmental Management Plan (EMP) submission stage. The Company is planning to conduct a targeted regional soil sampling program concurrent to its continuing historical data collation and ground reconnaissance mapping programs.

Historical exploration in the Virgo Project area has been limited, however the licence areas are located within 30km of Cupric Canyon's regionally significant Banana Zone (~1.15Mt contained copper) and the Zone 5 Project (~2Mt contained copper), 15km away.



DIRECTORS' REPORT

NAMIBIAN EXPLORATION ACTIVITY

During the period, the Company received a total of eight approved prospecting licences (PL7049, PL7050, PL7051, PL7052, PL7053, PL7054, PL7055 and PL7056)⁵, from the Namibian Ministry of Mines and Energy (MME), for a total of 5,705km². The prospecting licences cover highly prospective areas of the Kalahari Copper Belt including four identified structural domes at surface, comparable to Cupric Canyons Banana Zone & Zone 5 Projects and four interpreted subsurface structural domes similar to MOD Resources T3 style of deposit (Figure 5).

In addition to the granting of the eight Namibian prospecting licences, Kopore received access to an extensive database of historical percussion, RC and diamond drill holes, ground and airborne magnetic geophysical surveys and soil sample results from the Namibian Department of Mines. The company believes the value of the geological database is in excess of A\$4.5million. The database contains drilled copper intersections which combined with the Company's geological knowledge allows the Company to accelerate its exploration plans.

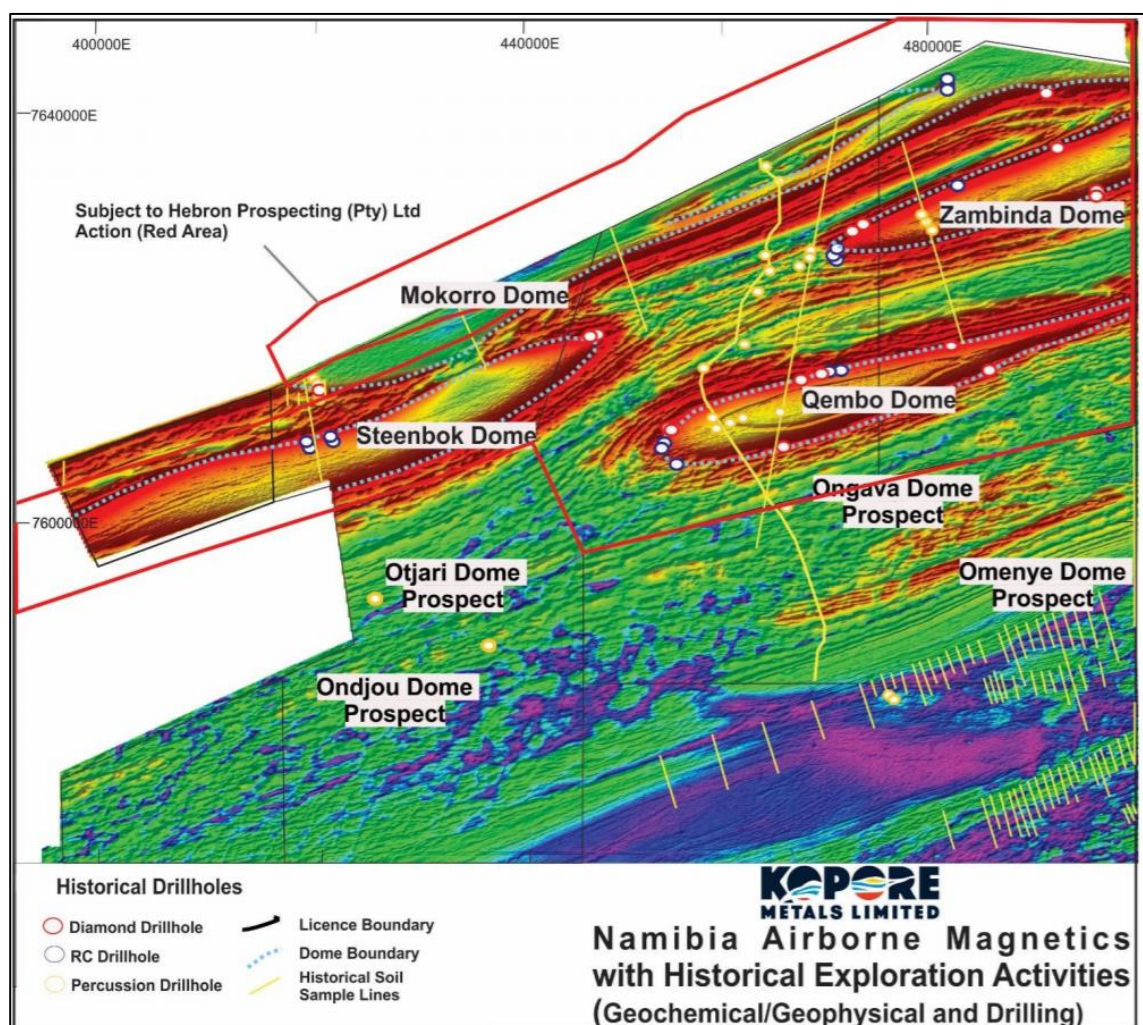


Figure 5 - Reprocessed historical airborne magnetic geophysical survey

⁵ ASX Announcement 11 July 2018 – Kopore Consolidates the Namibian Extensions of the Kalahari Copper Belt

<https://www.asx.com.au/asxpdf/20180711/pdf/43wfw6bj4v90n0.pdf>

DIRECTORS' REPORT

The historical database included:

- A total of 59 drill holes (diamond, RC and percussion) totalling 12.35km across the 5,705km² of Namibian prospecting licence area.
- 5,705km² of historical airborne magnetic geophysical survey data, which has been reprocessed and identified approximately 390km of prospective target horizons around the perimeters of the identified domal structures.
- 8,300 soil samples received with a current program to identify potential coincident copper-zinc anomalies, with additional samples undergoing the QA/QC process.

Following a review of the recently granted historical exploration database the Company was pleased to announce it had identified high-grade copper at its Qembo Dome prospect, with identified copper-silver mineralisation of greater than 1%, including: 3m @ 1.11%Cu and 127.19g/t Ag at 159-162m downhole

On 13 December 2018, Kopore announced that it had received all eight of the Environmental Clearance Certificates (ECC's) that cover the Company's Namibian prospecting licences⁶.

The Company has prioritised its exploration targets and will commence exploration drilling on the Omenye and Ongava Domes during Q1, 2019.

SIGNIFICANT CHANGES

There have been no changes in the state of affairs of the consolidated entity that occurred during the half-year under review not otherwise disclosed in this report.

EVENTS SUBSEQUENT TO BALANCE DATE

In early February 2019, the Company announced it had commenced its first ever field program in Namibia, initiating a Natural Source Audio Magnetotellurics (NSAMT) ground geophysics program at the Omenye and Ongava Domes.

By late February the Company had identified two key drill targets at its Omenye prospect following the completion of an 8-line km NSAMT ground geophysical survey. The drill targets comprise dome shaped structures, interpreted as anticlinal folds consisting of D'Kar Formation sediments overlying Ngwako Pan Formation sediments, with associated thrust faulting.

Also post reporting period, the Company announced it had identified two copper and nickel soil anomalies on its Botswana Virgo licences. One copper-nickel soil anomaly extends across 3km in strike length and is interpreted to overlay the southern end of an identified dome straddling the anticlinal axis, the other soil anomaly extends 2.5km along the D'Kar/Ngwako Pan Formations contact, approximately 38km south west of the Cupric Canyon Zone 5 Copper Project. The Virgo soil sampling program consisted of 326 samples over a combined area of 28.3km².

⁶ ASX Announcement 13 December 2018 – Namibian Environmental Certificate Received – Exploration to Commence

<https://www.asx.com.au/asxpdf/20181213/pdf/4415vw9gsj7cy1.pdf>

DIRECTORS' REPORT

CORPORATE

Oversubscribed placement to raise \$2.67m

On 11 July, the Company announced it had raised \$2.67 million (before costs) via a placement to professional and sophisticated investors at \$0.025 per share. The funds have been used to accelerate the Company's exploration programs in Botswana and Namibia.

The Placement involved the issuance of approximately 106.9 million new fully paid ordinary shares in the Company ('New Shares') which took place as a single tranche and fell within the Company's placement capacity under ASX Listing Rules 7.1 (comprising 63,497,710 New Shares) and 7.1A (comprising 43,415,140 New Shares).

New Licence Acquisitions (Namibia)

During the period, the Company announced the approval of eight contiguous exclusive prospecting licences (EPLs) in the republic of Namibia, totalling 5,705km². The Namibia Licences are located approximately 350km Northeast of the Namibian capital city of Windhoek and are bound by the Namibian border on the eastern and southern boundaries.

Annual General Meeting

Kopore Metals Annual General Meeting was held on 19 November 2018 with all resolutions put to shareholders passed without amendment on a show of hands.

Key Appointments

In early October, the Company announced the appointment of Ms Sarah Wilson as Company Secretary, effective 1 November 2018.

Ms Wilson is a Corporate Advisor with Evolution Corporate Services Pty Ltd and has over 8 years' experience in company secretarial, corporate advisory and corporate governance roles.

Simultaneously with Ms Wilson's appointment, the Company advised that Mr Andrew Metcalfe ceased as Company Secretary on 1 November 2018.

Hebron Action

On the 21 November 2018, the Company advised that it became aware of an application to set aside the grant of four of the Company's eight recently granted Namibian exclusive prospecting licences.

A formal legal review by Kopore's Namibian legal counsel has been completed and the Company filed a submission to oppose the Application instigated by Hebron against the Namibian Department of Mines. Formal advice received from the Company's legal counsel is that, in their opinion, the Namibian Minister of Mines and Energy has correctly issued the prospecting licenses to a subsidiary of the Company.

A majority of the Company's high-priority subsurface interpreted 'intact' prospects are on prospecting licenses 100% owned by Kopore and not the subject of the application, the four licences involved in the action are:

| | |
|------------|------------|
| 1. EPL7050 | 3. EPL7051 |
| 2. EPL7052 | 4. EPL7056 |

DIRECTORS' REPORT**3.2. Financial Review****a. Operating results**

For the half-year ended 31 December 2018 the Group delivered a loss before tax of \$1,642,554 (31 December 2017: \$3,582,004 loss), representing a 54% decrease from the previous comparable period.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

b. Financial position

The net assets of the Group have increased from 30 June 2018 by \$900,864 to \$2,380,401 at 31 December 2018 (30 June 2018: \$1,479,537).

As at 31 December 2018, the Group's cash and cash equivalents had increased from 30 June 2018 by \$1,040,596 to \$2,548,765 (30 June 2018: \$1,508,169) and the consolidated entity had working capital of \$2,242,033 (30 June 2018: \$1,342,770).

3.3. Events Subsequent to Reporting Date

There are no significant after balance date events that are not covered in this Directors' Report or within the financial statements at Note 16 Events subsequent to reporting date.

3.4. Future Developments, Prospects and Business Strategies

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.

4. Auditor's independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2018 is located on page 12 of the interim financial report.

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

**GRANT FERGUSON**

Managing Director

Dated this Tuesday, 12 March 2019

COMPETENT PERSONS STATEMENT

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

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



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

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 2018, 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: 12 March 2019

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AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2018

| | Note | 31 December 2018 \$ | 31 December 2017 \$ |
|--|------|---------------------------|---------------------------|
| <i>Continuing operations</i> | | | |
| Revenue | 2 | 18,588 | 3,497 |
| Other income | 2 | 3,329 | (150) |
| | | 21,917 | 3,347 |
| Corporate and compliance fees | | (116,531) | (48,549) |
| Consultancy and legal fees | | (111,780) | (67,231) |
| Administrative expenses | | (40,125) | (14,460) |
| Employee benefits expense | 3 | (177,500) | (92,867) |
| Exploration expense | | (830,031) | (487,959) |
| Depreciation expense | | (261) | (15) |
| Other expenses | | (198,872) | (36,680) |
| Finance expense | | - | (623) |
| Share based payments | 12 | (104,853) | - |
| Non-recurring items relating to acquisition | | - | (2,836,967) |
| Impairment of other receivables | | (84,518) | - |
| Loss before tax | | (1,642,554) | (3,582,004) |
| Income tax benefit / (expense) | | - | - |
| Net loss for the period | | (1,642,554) | (3,582,004) |
| Other comprehensive loss | | | |
| Exchange differences on translation of foreign operations | | (32,666) | (1,438) |
| Other comprehensive loss for the period, net of tax | | (32,666) | (1,438) |
| Total comprehensive loss attributable to members of the parent entity | | (1,675,220) | (3,583,442) |
| <i>Earnings per share:</i> | | ¢ | ¢ |
| Basic loss per share (cents per share) | 4 | (0.31) | (2.85) |

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 2018

| | Note | 31 December 2018 \$ | 30 June 2018 \$ |
|--|------|---------------------------|-----------------------|
| <i>Current assets</i> | | | |
| Cash and cash equivalents | 5 | 2,548,765 | 1,508,169 |
| Trade and other receivables | 6 | 29,511 | 134,528 |
| Total current assets | | 2,578,276 | 1,642,697 |
| <i>Non-current assets</i> | | | |
| Plant and equipment | 7 | 30,962 | 30,824 |
| Exploration and evaluation assets | 8 | 107,406 | 105,943 |
| Total non-current assets | | 138,368 | 136,767 |
| Total assets | | 2,716,644 | 1,779,464 |
| <i>Current liabilities</i> | | | |
| Trade and other payables | 9 | 336,243 | 299,927 |
| Total current liabilities | | 336,243 | 299,927 |
| Total liabilities | | 336,243 | 299,927 |
| Net assets | | 2,380,401 | 1,479,537 |
| <i>Equity</i> | | | |
| Issued capital | 10a | 8,126,126 | 5,755,416 |
| Reserves | 11 | 995,842 | 823,134 |
| Accumulated losses | | (6,741,567) | (5,125,938) |
| Equity attributable to the owners of Kopore Metals Limited | | 2,380,401 | 1,452,612 |
| Non-Controlling Interest | | - | 26,925 |
| Total equity | | 2,380,401 | 1,479,537 |

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

KOPORE METALS LIMITED

AND CONTROLLED ENTITIES

ABN 36 124 541 466

INTERIM FINANCIAL REPORT

31 December 2018

Consolidated statement of change in equity

for the half-year ended 31 December 2018

| | Note | Issued Capital \$ | Reserves | Accumulated Losses \$ | Non- controlling Interest \$ | Total \$ |
|---|------|-------------------------|-----------|-----------------------------|---------------------------------------|-------------|
| <i>Balance at 1 July 2017</i> | | 120,646 | (258,621) | (139,761) | - | (277,736) |
| Loss for the year attributable owners of the parent | | - | - | (3,582,004) | - | (3,582,004) |
| Other comprehensive income for the period attributable owners of the parent | | - | (1,438) | - | - | (1,438) |
| Total comprehensive income for the year attributable owners of the parent | | - | (1,438) | (3,582,004) | - | (3,583,442) |
| <i>Transaction with owners, directly in equity</i> | | | | | | |
| Shares issued in capital raising (Placement at \$8.04 per share) | 10a | 475,084 | - | - | - | 475,084 |
| Share issued for repayment of borrowing | 10a | 25,004 | - | - | - | 25,004 |
| Acquisition of subsidiary | 10a | 2,708,028 | - | - | 26,925 | 2,708,028 |
| Share-based payments – Director and advisors shares | 10a | 337,500 | - | - | - | 337,500 |
| Share-based payments – Directors and advisors shares | 10b | - | 825,000 | - | - | 825,000 |
| Share issued in capital raisings (Placement at \$0.02 per share) | 10a | 3,000,000 | - | - | - | 3,000,000 |
| Share issue costs – Share-based payments | 10a | (750,000) | - | - | - | (750,000) |
| Share issue costs – Cash-based | 10a | (229,096) | - | - | - | (229,096) |
| Cancellation of shares bought back | | - | 258,621 | (258,621) | - | - |
| Balance at 31 December 2017 | | 5,687,166 | 823,562 | (3,980,386) | 26,925 | 2,557,267 |
| <i>Balance at 1 July 2018</i> | | 5,755,416 | 823,134 | (5,125,938) | 26,925 | 1,479,537 |
| Loss for the period attributable owners of the parent | | - | - | (1,642,554) | - | (1,642,554) |
| Other comprehensive income for the period attributable owners of the parent | | - | (32,666) | - | - | (32,666) |
| Total comprehensive income for the period attributable owners of the parent | | - | (32,666) | (1,642,554) | - | (1,675,220) |
| <i>Transaction with owners, directly in equity</i> | | | | | | |
| Transfer of NCI for Disposal of Subsidiary | | - | - | 26,925 | (26,925) | - |
| Shares issued during the period | 10a | 2,670,000 | - | - | - | 2,670,000 |
| Share-based payment during the period | 10b | - | 205,374 | - | - | 205,374 |
| Transaction costs | 10a | (299,290) | - | - | - | (299,290) |
| Balance at 31 December 2018 | | 8,126,126 | 995,842 | (6,741,567) | - | 2,380,401 |

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

INTERIM FINANCIAL REPORT

31 December 2018

KOPORE METALS LIMITED

AND CONTROLLED ENTITIES

ABN 73 149 230 811

Consolidated statement of cash flows

for the half-year ended 31 December 2018

| Note | 31 December 2018 \$ | 31 December 2017 \$ |
|---|---------------------------|---------------------------|
| <i>Cash flows from operating activities</i> | | |
| Payments for suppliers and employees | (587,993) | (373,620) |
| Other income | 333 | - |
| Interest received | 18,588 | 3,496 |
| Payments for exploration expenditure | (861,563) | (392,700) |
| Net cash used in operating activities | (1,430,635) | (762,824) |
| <i>Cash flows from investing activities</i> | | |
| Purchase of plant and equipment | - | (2,289) |
| Cash obtained from acquisition of subsidiary | - | 319,690 |
| Net cash provided by investing activities | - | 317,401 |
| <i>Cash flows from financing activities</i> | | |
| Proceeds from issue of shares | 2,670,000 | 3,475,084 |
| Payments for capital raising costs | (198,769) | (229,096) |
| Proceeds from borrowings | - | 3,000 |
| Repayment of borrowings | - | (251,661) |
| Net cash provided by financing activities | 2,471,231 | 2,997,327 |
| Net increase in cash held | 1,040,596 | 2,551,904 |
| Cash and cash equivalents at the beginning of the period | 1,508,169 | 444 |
| Cash and cash equivalents at the end of the period | 2,548,765 | 2,552,348 |

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

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 1 Statement of significant accounting policies

These are the condensed consolidated financial statements and notes of Kopore Metals Limited (**Kopore** or **the Company**) and controlled entities (collectively **the Group**). Kopore is a company limited by shares, domiciled and incorporated in Australia.

The financial statements were authorised for issue on 12 March 2019 by the Directors of the Company.

a. Basis of preparation

The interim financial report is intended to provide users with an update on the latest annual financial statements of Kopore Metals Limited and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group, for the year ended 30 June 2018, together with any public announcements made during the half-year.

i. Statement of compliance

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 should be read in conjunction with the most recent annual financial a report.

The financial statements have been prepared on an accrual basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

b. Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the annual report for the year ended 30 June 2018. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2018 but determined that their application to the financial statements is either not relevant or not material.

c. Critical Accounting Estimates and Judgments

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2018 annual financial report.

d. Changes in accounting policies, accounting standards and interpretations

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2018. All applicable new standards and interpretations issued since 1 July 2018 have been adopted. There was no significant impact on the Group.

Note 2 Revenue and other income**a. Revenue**

Interest

b. Other Income

Unrealised gain on foreign exchange
Realised gain on sale of subsidiary

| | 31 December 2018 \$ | 31 December 2017 \$ |
|-------------------------------------|---------------------------|---------------------------|
| Interest | 18,588 | 3,497 |
| | 18,588 | 3,497 |
| Unrealised gain on foreign exchange | 2,740 | (150) |
| Realised gain on sale of subsidiary | 589 | - |
| | 3,329 | (150) |

INTERIM FINANCIAL REPORT

31 December 2018

KOPORE METALS LIMITED

AND CONTROLLED ENTITIES

ABN 73 149 230 811

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 3 Profit / (loss) before income tax

The following significant revenue and expense items are relevant in explaining the financial performance:

a. Employment costs:

- Directors fees (including Managing Director)
- Superannuation expenses / (reimbursement)
- Other employment related costs

b. Non-recurring items relating to acquisition:

- Consultancy costs
- Director fees- share based payments
- Director options – share based payment
- ASX listing expense

| 31 December 2018 \$ | 31 December 2017 \$ |
|---------------------------|---------------------------|
| 151,867 | 92,867 |
| 4,633 | - |
| 21,000 | - |
| 177,500 | 92,867 |
| - | 150,000 |
| - | 112,500 |
| - | 300,000 |
| - | 2,274,467 |
| - | 2,836,967 |

Note 4 Earnings per share (EPS)

a. Reconciliation of earnings to loss

Loss for the period

Loss used in the calculation of basic and diluted EPS

| 31 December 2018 \$ | 31 December 2017 \$ |
|---------------------------|---------------------------|
| (1,642,554) | (3,582,004) |
| (1,642,554) | (3,582,004) |

b. Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS

| 31 December 2018 \$ | 31 December 2017 \$ |
|---------------------------|---------------------------|
| 529,153,449 | 125,731,719 |

c. Earnings per share

Basic loss per share (cents per share)

| 31 December 2017 ¢ | 31 December 2016 ¢ |
|--------------------------|--------------------------|
| (0.31) | (2.85) |

d. At the end of 31 December 2018, the Group had 102,007,500 unissued shares under options (31 December 2017: 55,029,250). The Group does not report diluted earnings per share on losses generated by the Group. During the half-year ended 31 December 2018 the Group's unissued shares under option were anti-dilutive.

Note 5 Cash and cash equivalents

Current

Cash at bank

| 31 December 2018 \$ | 30 June 2018 \$ |
|---------------------------|-----------------------|
| 2,548,765 | 1,508,169 |
| 2,548,765 | 1,508,169 |

KOPORE METALS LIMITED

AND CONTROLLED ENTITIES

ABN 36 124 541 466

INTERIM FINANCIAL REPORT

31 December 2018

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 6 Trade and other receivables**Current**

GST/VAT receivable

Prepayments

| 31 December 2018 \$ | 30 June 2018 \$ |
|---------------------------|-----------------------|
| 22,916 | 105,964 |
| 6,595 | 28,564 |
| 29,511 | 134,528 |

Note 7 Plant, and equipment**a. Non-current**

Furniture and fittings

Accumulated depreciation

Computer equipment

Accumulated depreciation

Motor Vehicles

Accumulated depreciation

Total plant and equipment

| 31 December 2018 \$ | 30 June 2018 \$ |
|---------------------------|-----------------------|
| 594 | 434 |
| (220) | (45) |
| 374 | 389 |
| 5,109 | 5,109 |
| (217) | (145) |
| 4,892 | 4,964 |
| 27,278 | 26,858 |
| (1,582) | (1,387) |
| 25,696 | 25,471 |
| 30,962 | 30,824 |

Note 8 Exploration and evaluation assets**a. Non-current**

Exploration at cost:

Balance at beginning of period

Expenditure during the period

Foreign Exchange movements

Balance at the end of the financial half-year

| 31 December 2018 \$ | 30 June 2018 \$ |
|---------------------------|-----------------------|
| 105,943 | 13,429 |
| - | 92,514 |
| 1,463 | - |
| 107,406 | 105,943 |

Note 9 Trade and other payables**a. Current***Unsecured*

Trade payables

Other payables and accruals

| 31 December 2018 \$ | 30 June 2018 \$ |
|---------------------------|-----------------------|
| 265,599 | 257,195 |
| 70,644 | 42,732 |
| 336,243 | 299,927 |

INTERIM FINANCIAL REPORT

31 December 2018

KOPORE METALS LIMITED

AND CONTROLLED ENTITIES

ABN 73 149 230 811

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

| Note | 10 | Issued capital | Note | 31 December | 30 June | 31 December | 30 June |
|------|----|---|------|-------------|--------------|-------------|--------------|
| | | | | 2018 | 2018 | 2018 | 2018 |
| | | | | No. | No. | \$ | \$ |
| | | Fully paid ordinary shares at no par value | | 542,576,400 | 435,776,400 | 8,126,126 | 5,755,416 |
| | | | | 6 months to | 12 months to | 6 months to | 12 months to |
| | | | | 31 December | 30 June | 31 December | 30 June |
| | | | | 2018 | 2018 | 2017 | 2018 |
| | | | | No. | No. | \$ | \$ |
| a. | | Ordinary shares | | | | | |
| | | At the beginning of the period | | 435,776,400 | 61,000 | 5,755,416 | 120,646 |
| | | Shares issued during the year: | | | | | |
| | | ■ GET capital raising @ \$8.04 | | - | 59,090 | - | 475,084 |
| | | ■ Share issued for repayment of borrowings as part of the GET capital raisings @ \$8.04 | | - | 3,110 | - | 25,004 |
| | | ■ Elimination of existing GET shares | | - | (123,200) | - | - |
| | | ■ Kopore shares on acquisition | | - | 135,401,400 | - | - |
| | | ■ Issue of shares for acquisition of subsidiary | | - | 137,500,000 | - | 2,708,028 |
| | | ■ Placement @ \$0.02 per share | | - | 150,000,000 | - | 3,000,000 |
| | | ■ Shares issued to Directors | | - | 3,750,000 | - | 112,500 |
| | | ■ Shares issued to advisors | | - | 7,500,000 | - | 225,000 |
| | | ■ Shares issued as consideration for Virgo licences | | - | 1,625,000 | - | 68,250 |
| | | ■ Share issue costs – Share-based payments (Shares) | | - | - | - | (225,000) |
| | | ■ Share issue costs – Share-based payments (Options) | | - | - | - | (525,000) |
| | | ■ Share issue costs – Cash-Based | | - | - | - | (229,096) |
| | | ■ Placement @ \$0.025 per share | | 106,800,000 | - | 2,670,000 | - |
| | | ■ Share issue costs – Cash Based | | - | - | (198,769) | - |
| | | ■ Share issue costs – Share-Based payment (Options) | 12 | - | - | (100,521) | - |
| | | At reporting date | | 542,576,400 | 435,776,400 | 8,126,126 | 5,755,416 |

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

| Note | 10 | Issued capital (continued) | Note | 31 December 2018 No. | 30 June 2018 No. | 31 December 2018 \$ | 30 June 2018 \$ |
|------|----|--|------|----------------------------|------------------------|---------------------------|-----------------------|
| b. | | Options | | | | | |
| | | At the beginning of the period | | 55,029,250 | - | 825,000 | - |
| | | Options issued during the period/year: | | - | - | - | - |
| | | ■ Kopore options on acquisition | | - | 63,750 | - | - |
| | | ■ Options issued to Directors and advisors – expires on 8 November 2020 @ \$0.06 | | - | 55,000,000 | - | 825,000 |
| | | ■ Options expired unexercised – expired on 17 November 2017 @ \$7.44 | | - | (34,500) | - | - |
| | | ■ Options issued to Broker – expire on 19 November 2019 @ \$0.0363 | 12 | 30,000,000 | - | 100,521 | - |
| | | ■ Options issued to Directors – expire on 7 December 2023 @ \$0.045 | 12 | 14,000,000 | - | 72,203 | - |
| | | ■ Options issued to Consultants – expire on 19 November 2023 @ \$0.045 | 12 | 3,000,000 | - | 32,650 | - |
| | | ■ Options expired unexercised – expired on 16 July 2018 @\$2.92 | | (21,750) | - | - | - |
| | | At reporting date | | 102,007,500 | 55,029,250 | 1,030,374 | 825,000 |

Note 11 Reserves

Foreign exchange translation reserve

Option reserve

| Note | 31 December 2018 \$ | 30 June 2018 \$ |
|------|---------------------------|-----------------------|
| | (34,532) | (1,866) |
| 10b | 1,030,374 | 825,000 |
| | 995,842 | 823,134 |

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 12 Share-based payments

The following share-based payment arrangements were entered into during the period:

Shares issued to Directors in lieu of fees

Unlisted options issued to consultants in lieu of services

Unlisted options issued to Directors

Total shares-based payments included in statement of profit or loss and other comprehensive income.

Unlisted options issued to advisers in lieu of services

Shares issued to advisers in lieu of services

Total share-based payments included in statement of financial position as capital raising costs.

| 31 December 2018 \$ | 31 December 2017 \$ |
|---------------------------|---------------------------|
| - | 112,500 |
| 32,650 | - |
| 72,203 | 300,000 |
| 104,853 | 412,500 |
| 100,521 | 525,000 |
| - | 225,000 |
| 100,521 | 750,000 |

b. Share-based payment arrangements in effect during the half-year

i. Share-based payments recognised in profit and loss

ii. Consultant Options

In consideration for services, the Company has issued 3,000,000 Options with terms and summaries below:

| Number of Shares | Date of Expiry | Exercise Price |
|--------------------------|----------------|----------------|
| 3,000,000 ⁽¹⁾ | 19/11/2023 | \$0.045 |

(1) Unquoted options issued to the consultant in lieu of services provided were valued at \$32,650.

iii. Director Options

Following shareholder approval, the Company issued 14,000,000 Options to Directors on 7 December 2018, on the following terms :

| Number of Options | Date of Expiry | Exercise Price |
|--------------------------|----------------|----------------|
| 6,000,000 ⁽¹⁾ | 7/12/2023 | \$0.045 |
| 8,000,000 ⁽²⁾ | 7/12/2023 | \$0.045 |

(1) Unquoted options issued to the Directors were valued at \$66,016 and had no vesting conditions.

(2) Unquoted option issued to the Managing Director were valued at \$6,186 and had the following vesting conditions:

- 1/3 of options issued vest 12 months after the date of issue
- 1/3 of options issued vest 24 months after the date of issue
- 1/3 of options issued vest 36 months after the date of issue

iv. Share-based payments recognised in capital raising costs

v. Broker Options

In consideration for services provided by the lead manager for the \$2.67m raise, the Company issued 30,000,000 Options on the following terms:

| Number of Shares | Date of Expiry | Exercise Price |
|---------------------------|----------------|----------------|
| 30,000,000 ⁽¹⁾ | 19/11/2019 | \$0.0363 |

(1) Unquoted options issued to the lead manager in lieu of services provided were valued at \$100,521.

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 12 Share-based payments (continued)**a. Fair value of options grants during the half-year**

The fair value of the options granted were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued this year:

| | | | |
|----------------------------------|------------|------------|------------|
| Grant date: | 19/11/2018 | 19/11/2018 | 19/11/2018 |
| Grant date share price: | \$0.017 | \$0.017 | \$0.017 |
| Option exercise price: | \$0.045 | \$0.045 | \$0.0363 |
| Number of options issued: | 3,000,000 | 14,000,000 | 30,000,000 |
| Term (years): | 5 | 5.10 | 1 |
| Expected share price volatility: | 104% | 104% | 104% |
| Risk-free interest rate: | 2.29% | 2.29% | 2.29% |
| Value per option | \$0.0109 | \$0.0110 | \$0.0034 |

The expected life of the option is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcomes.

Note 13 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.

a. Expenses

- Key management personnel remuneration – salary, fees & leave
- Key management personnel remuneration – Share based payments
- Company secretary fees to Evolution Corporate Services Pty Ltd, a company associated with Shannon Coates

b. Accruals

- Key management personnel remuneration payable

| 31 December 2018 \$ | 31 December 2017 \$ |
|---------------------------|---------------------------|
| 151,867 | 92,867 |
| 72,203 | 382,500 |
| 11,930 | 30,000 |
| 27,150 | 10,000 |

Note 14 Commitments

The Company has tenements rental and expenditure commitments contracted for at the reporting date but not recognised as liabilities, payable:

- Within one year
- One to five years
- More than five years

| 31 December 2018 \$ | 30 June 2018 \$ |
|---------------------------|-----------------------|
| 565,447 | 307,500 |
| 829,129 | 771,875 |
| - | - |
| 1,394,576 | 1,079,375 |

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 15. Operating segments**a. Identification of reportable segments**

The Group has identified its operating segment 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 aggregated operating segments where the segments are considered to have similar economic characteristics. The consolidated entity considers that it has only operated in one segment, being the exploration business.

b. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statement of the Group.

c. Segment assets

During the period ended 31 December 2018 and the year ended 30 June 2018, all assets were in the same business segment, which is the consolidated entity's exploration business.

d. Segment liabilities

During the period ended 31 December 2018 and the year ended 30 June 2018, all liabilities were in the same business segment, which is the consolidated entity's exploration business.

(i) Revenue by geographical location

There is no revenue attributable to external customers for the period ended 31 December 2018 and 31 December 2017.

(ii) Assets by geographical location

During the period ended 31 December 2018 and the year ended 30 June 2018, all reportable segment assets are located in Africa, with the Group's financial assets located in Africa and Australia.

e. Intersegment transactions

There are no intersegment sales and purchase within the Group.

Intersegment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs.

Note 16. Events subsequent to reporting date

There have been no material events subsequent to reporting date that has significantly affected or may significantly affect the current operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 17. Contingent liabilities**Virgo Licence Acquisition**

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

- Upon year 2 of the acquisition the Company will issue fully paid shares in the Company to Virgo to a value of A\$6,250 multiplied by the number of Tenements held by Kopore as at that date.
- 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% ("Announcement").

The Directors are not aware of any other contingent liabilities that may have arisen from the Groups operations as at 31 December 2018.

Note 18. Disposal of subsidiaries

During the period the Company disposed of its 100% owned subsidiaries Comval Property Pty Ltd, Phil-Aust Holdings Pty Ltd and MNE Holdings Pty Ltd for the consideration of \$1.

The impact of the disposal on the Group's financial position and financial performance is immaterial.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 13 to 25, 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 2018 and of the performance for the half-year ended on that date of the Company.
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 pursuant to s303(5) of the *Corporations Act 2001* (Cth) and is signed for and on behalf of the Directors by:



GRANT FERGUSON

Managing Director

Dated this Tuesday, 12 March 2019

**RSM Australia Partners**

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

T +618 9261 9100

F +618 9261 9111

www.rsm.com.au

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

We have reviewed the accompanying half-year financial report of Kopore Metals Limited which comprises the statement of financial position as at 31 December 2018, 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 2018 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

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RSM Australia Partners ABN 36 965 185 036

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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 2018 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: 12 March 2019