RNS Number : 3694M
Cobra Resources PLC
21 September 2021

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU WHICH IS PART OF DOMESTIC UK LAW PURSUANT TO THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS (SI 2019/310) ("UK MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION (AS DEFINED IN UK MAR) IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

21 September 2021

Cobra Resources plc
("Cobra" or "the Company")

Half Year Results

Cobra, a gold exploration company focused on the Wudinna Gold Project in South Australia, announces its results for the six months ended 30 June 2021 ("H1 2021").

Key Highlights:

- Rupert Verco, a highly experienced South Australian mining specialist, appointed as Chief Executive Officer in July 2021
- Executed a successful geochemical sampling programme in H1 2021, providing more detailed information on the orientation and continuity of known mineralisation, as well as refining drill targets for priority exploration targeting
    - The drilling programme in H1 2021 included 138 holes across two targets
    - Post period-end, the Company has drilled a further 875 holes across eight priority targets
- The results of the geochemical sampling programme are being assayed and interpreted. They will underpin the design of the Reverse Circulation ("RC") drilling programme, expected to commence around late-October

- The Company's ongoing exploration activities are progressing to plan, with Cobra well-placed to achieve the stage 2 earn-in for the Wudinna Gold Project before the end of 2021, resulting in the Company increasing its ownership of the project to 65%

Greg Hancock, Chairman of Cobra, commented:

"The first half of 2021 has been a period of detailed data collection and analysis. It has helped consolidate the geological models and will provide an excellent springboard for planned exploration activities. The determination of key pathfinder elements and their confirmation in saprolite provides a cost-effective and strategic exploration methods from which we can prioritise our exploration targets, including some exciting IOCG prospects. The Company has executed material progress in the first half and is now very well positioned as we move into the next phase of exploration."

The full financial statements can be viewed on the Company's website: https://cobraplc.com/category/financial-reports/

Enquiries:

Cobra Resources plc — via Vigo Consulting
Rupert Verco (Australia) — +44 (0)20 7390 0234
Dan Maling (UK)

SI Capital Limited (Joint Broker) — +44 (0)1483 413 500
Nick Emerson
Sam Lomanto

Peterhouse Capital Limited (Joint Broker) — +44 (0)20 7469 0932
Duncan Vasey
Lucy Williams

Vigo Consulting (Financial Public Relations) — +44 (0)20 7390 0234
Ben Simons
Fiona Hetherington
Kendall Hill

About Cobra

Cobra's Wudinna Gold Project is located in the Gawler Craton which is home to some of the largest IOCG discoveries in Australia including Olympic Dam, as well as Prominent Hill and Carrapateena. Cobra's Wudinna tenements contain extensive orogenic gold mineralisation and are characterised by potentially open-pitable, high-grade gold intersections, with ready access to nearby infrastructure. In total Cobra has over 22 orogenic gold prospects, with grades of between 16 g/t up to 37.4 g/t outside of the current 211,000 oz JORC resource, as well as one copper-gold prospect, and four IOCG targets.

Wudinna Project Description

The Eyre Peninsula Gold Joint Venture comprises a 1,928 km^2 land holding in the Gawler Craton. The Wudinna Gold Project within the Joint Venture tenement holding comprises a cluster of gold prospects which includes the Barns, White Tank and Baggy Green deposits.

OPERATIONAL REVIEW

In the first six months of 2021, Cobra focused on building on the encouraging results of the 2020 RC drilling programme, which realised one of the largest high-grade intersections in the Wudinna Gold Project's history. The Company has progressed in the first half of 2021 with advanced geochemical sample collection and analysis in order to quantify the orientation and continuity of known mineralisation, as well as to further refine priority exploration targets.

Despite a booming exploration market in Australia, combined with travel restrictions related to the COVID-19 pandemic, making access to sampling rigs challenging, the Company successfully completed the following sampling programmes in the period:

Calcrete infill sampling multi-element analysis of Barns and White Tank Resources:

- Successfully obtained 99 samples at Barns deposit, confirming the orientation of mineralisation
- Executed drilling of 39 holes at White Tank, also confirming orientation of mineralisation

The drilling programme continued into the second half, with the following results:

- Drilling of 185 holes [for 2,548 metres] at Clarke via RAB drilling, confirming the orientation and continuity of mineralisation
- Drilling of 252 holes [for 1,299 metres] at Baggy Green via sonic/RAB drilling, confirming current geological interpretations at Baggy Green North and South
- Drilling of 130 holes [for 1,963 metres] at Benaud via aircore, to define priority RC drill targets
- Drilling of 192 holes [for 302.5 metres] at Barns via aircore, to test east-west calcrete anomaly and define resource extensions
- Drilling of 51 holes [for 453 metres] at Laker via aircore, to test for granitoid margins, define RC targets and test for anomolus copper
- Drilling of 67 holes [for 766.5 metres] at lOCGs 1-3 via aircore, to test baseline IOCG geochemistry

The data collected from this programme is currently undergoing detailed geochemical analysis and will be used in the design of the 4,000 metre RC drilling programme, which the Company expects to commence in late-October.

As we move into the second half, drilling and exploration is progressing well, and in line with the Company's expectations. As such, the Company expects to achieve the Stage 2 expenditure commitment, as agreed in the Heads of Terms agreement with Andromeda Pty Ltd ("Andromeda"), that will result in Cobra increasing its ownership of the Wudinna Project from 50% to 65%. The Company hopes to have confirmed this milestone by the end of Q4 calender year 2021.

During the first half of 2021, an Electronic Programme for Environmental Protection & Reconciliation ("EPEPR") application was prepared for the Company's Prince Alfred Copper project, to enable ongoing exploration. The EPEPR has been submitted and is currently being assessed.

Corporate Development

Global gold markets have remained strong during the COVID-19 pandemic and the economic outlook is favourable. Furthermore, there is a strong economic outlook for copper, a key metal in green technologies such as electric vehicles.

The Company is focused on the Wudinna Project. However, being an active explorer with a substantial tenement holding in the Central Gawler Craton, management receives and reviews additional project opportunities on an ongoing basis as they arise. The Company will continue to be highly selective in these opportunities, and only look for those that are best in class and deliver long-term shareholder value.

In the period, the Company completed a planned move of the technical office from Perth to Adelaide. The new office location - in closer proximity to Cobra's key South Australian assets - will provide a strategic footing when managing its operations.

Financial Review

Cobra reported an unaudited operating loss for the six months ended 30 June 2021 of £842,631 which equates to a loss per share for the period of £0.0025. This compares to a loss for the six month period to 30 June 2020 of £296,424 which equated to a loss per share for the period of £0.0019.

In April 2021, 1,445,713 shares were issued to Hagstrom Drilling following drilling on the Wudinna Project across 2019 and 2020, and in line with the Hagstrom Equity agreement which was announced in August 2020.

As at 30 June 2021, the Company had available cash of £1.12m (30 June 2020: £627,696), sufficient for the Company to execute its

planned exporation activities.

Outlook

Cobra's immediate focus for the second half is to execute its planned exploration activites. Initially this will involve the completion of the 875 hole geochemical Reverse Air Core (RAB) sampling programme. The results of the geochemical programme, coupled with a ground gravity survey, will inform the design of a 4,000m RC programme commencing late-October that will follow up previous results at Clarke, resource extensions at Barns and Baggy Green and, pending results, the maiden drilling of IOCG targets to confirm their prospectivity.

The first half of 2021 has been a period of detailed data collection and analysis. It has helped us consolidate our geological models and will provide an excellent springboard for our planned exploration activities. The determination of key pathfinder elements and their confirmation in saprolite provides a cost-effective and strategic exploration method from which we can prioritise our exploration targets. The Company has executed material progress in the first half and we are now very well positioned as we move into the next phase of exploration.

Greg Hancock
Chairman
21 September 2021

CONSOLIDATED INCOME STATEMENT

	6 months to 30 June 2021 Unaudited £	6 months to 30 June 2020 Unaudited £	Year ended 31 December 2020 Audited £
Revenue	-	-	-
Other income	-	-	50,280
Administrative expenses	(232,626)	(296,424)	(1,057,030)
IPO expenses	-	--	--
Operating loss	(232,626)	(296,424)	(1,006,750)
Loss on derecognition of financial liability*	(610,005)	-	-
Loss on ordinary activities before taxation	(842,631)	(296,424)	(1,006,750)
Tax on loss on ordinary activities	-	-	-

Loss for the financial period attributable to equity holders	(842,631)	(296,424)	(1,006,750)
Loss per share - see note 4			
Basic and diluted	£(0.0025)	£(0.0019)	£(0.0035)

***** The loss on derecognition of financial liabilities is a reflection of the Consideration shares paid to the previous Lady Alice Mines unit holders upon completion of Stage 1 earn-in as agreed upon at time of acquisition, and the value of the 31,049,819 shares issued at 2.4p per share as settlement of the liability during the period.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 June 2021 Unaudited £	6 months to 30 June 2020 Unaudited £	Year ended 31 December 2020 Audited £
Loss after tax	(842,631)	(296,424)	(1,006,750)
Items that may subsequently be reclassified to profit or loss:			
- Exchange differences on translation of foreign operations	(66,640)	25,498	66,916
Total comprehensive loss attributable to equity holders of the parent company	(909,271)	(270,926)	(939,834)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	6 months to 30 June 2021 Unaudited £	6 months to 30 June 2020 Unaudited £	Year ended 31 December 2020 Audited £
Non-current assets			
Intangible assets	1,556,680	701,676	1,495,519
Property, plant and equipment	2,040	2,693	2,400
Total non-current assets	1,558,720	704,369	1,497,919

Current assets			
Trade and other receivables	26,911	46,143	69,408
Cash and cash equivalents	1,121,787	627,694	1,338,851
Total current assets	1,148,698	673,837	1,408,259
Non-current liabilities			
Deferred consideration	(187,500)	(350,066)	(322,691)
Current liabilities			
Trade and other payables	(85,414)	(74,785)	(169,314)
Deferred consideration	(135,191)	(28,867)	(188,721)
Total current liabilities	(220,605)	(453,718)	(358,035)
Net assets/(liabilities)	2,299,313	924,488	2,225,451
Capital and reserves			
Share capital	3,283,845	1,872,692	2,829,566
Share premium	1,093,027	497,376	564,173
Share based payment reserve	993,448	69,038	1,006,239
	(3,069,823)	(1,538,655)	(2,239,982)
Retained losses	(1,184)	24,037	65,456
Foreign currency reserve			
Total equity	2,299,313	924,488	2,225,451

CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months to 30 June 2021 Unaudited £	**6 months to 30 June 2020 Unaudited £**	**Year ended 31 December 2020 Audited £**
Cash flow from operating activities			
Operating loss	(842,631)	(296,424)	(1,006,750)
Equity settled share based payment	20,000	-	265,189
Depreciation	360	735	1,028
Foreign exchange	(66,640)	25,498	66,916
Change in estimate of contingent consideration	-	-	161,346
Loss on derecognition of financial			

liability	610,005	-	-
Decrease/(increase)/ in receivables	42,496	(8,710)	(31,975)
(Decrease)/increase in payables	(137,431)	(548,386)	(482,725)
Net cash used in operation activities	(373,841)	(827,288)	(1,026,971)
Cash flows from investing activities			
Payments for exploration and evaluation activities	(61,161)	(89,433)	(883,277)
Net cash (used)/generated in investing activities	(61,161)	(89,433)	(883,277)
Cash flows from financing activities			
Proceeds from issue of shares	128,044	1,508,514	3,428,384
Transaction costs of issue of shares	-	(59,960)	(186,961)
Shares issued in lieu of fees	-	88,188	-
Shares issued in lieu of cash	89,894	-	-
Net cash generated from financing activities	217,938	1,536,742	3,241,423
Net (decrease)/increase in cash and cash equivalents	(217,064)	620,021	1,331,176
Cash and cash equivalents at the beginning of period	1,338,851	7,675	7,675
Cash and cash equivalents at end of period	1,121,787	627,696	1,338,851

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Share based payment reserve	Retained earnings	Foreign currency reserve	Total
	£	£	£	£	£	£
At 31 December 2019	**672,335**	**160,992**	**69,038**	**(1,242,232)**	**(1,461)**	**(341,328)**
					-	
Loss for the period	-	-	-	(296,424)		(296,424)
Total comprehensive income	**-**	**-**	**-**	(296,424)	-	(296,424)

At 30 June 2020	**672,335**	**160,992**	**69,038**	**(1,538,656)**	**(1,461)**	**(637,752)**
Loss for the period	-	-	-	(710,326)	-	(710,326)
Translation differences	-	-	-	-	66,917	66,917
Total comprehensive income	-	-	-	(710,326)	66,917	(643,409)
Share capital issued	2,157,231	1,537,142	-	-	-	3,694,373
Cost of share issue	-	(1,133,961)	-	-	-	(1,133,961)
Share based payment expired	-	-	(3,833)	3,833	-	-
Exercise of options & warrants	-	-	(17,967)	5,167	-	(12,800)
Share warrant charge	-	-	947,000	-	-	947,000
Share option charge	-	-	12,000	-	-	12,000
At 31 December 2020	**2,829,566**	**564,173**	**1,006,238**	**(2,239,982)**	**65,456**	**2,225,451**
Loss for the period	-	-	-	(842,631)	-	(842,631)
Translation differences	-	-	-	-	(66,640)	(66,640)
Total comprehensive income	-	-	-	(842,631)	(66,640)	(909,271)
Share capital issued	454,279	528,854	-	-	-	983,133
Cost of share issue	-	-	-	-	-	-
Transfer of warrants exercised	-	-	(12,790)	12,790	-	-
Total contributions by and distributions to owners of the Company	**454,279**	**528,854**	**(12,790)**	**12,790**	**-**	**983,133**
At 30 June 2021	**3,283,845**	**1,093,027**	**993,448**	**(3,069,823)**	**(1,184)**	**2,299,313**

HALF-YEARLY REPORT NOTES

1. Half-yearly report

This half-yearly report was approved by the Directors on 21 September 2021.

The information relating to the six month periods to 30 June 2021 and 30 June 2020 are unaudited.

The information relating to the year to 31 December 2020 is extracted from the audited financial statements of the Company which have been filed at Companies House and on which the auditors issued an unqualified audit report. The condensed interim financial statements have not been reviewed by the Company's auditor.

2. Basis of accounting

The report has been prepared using accounting policies and practices that are consistent with those adopted in the statutory financial statements for the period ended 31 December 2020, although the information does not constitute statutory financial statements within the meaning of the Companies Act 2006. The half-yearly report has been prepared under the historical cost convention.

Going concern

The Company's day-to-day financing is from its available cash resources.

Post period-end in July 2021, the Company had £1.12m of cash at hand. These funds will enable to Company to execute its planned exploration campaigns across its key projects within the second half of the year. The Directors are confident that adequate funding can be raised as required to meet the Company's current and future liabilities.

For the reasons outlined above, the Directors are satisfied that the Company will be able to meet its current and future liabilities, and continue trading for the foreseeable future, and, in any event, for a period of not less than twelve months from the date of approving this report. The preparation of these financial statements on a going concern basis is therefore considered to remain appropriate.

These half-yearly financial statements are prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union and the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

This half-year report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Company will report again for the full year to 31 December 2021.

Critical accounting estimates

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in the Company's 2019 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

Half-yearly report notes, continued

2. Basis of accounting, continued

Intangible assets

Exploration and development costs

All costs associated with mineral exploration and investments are capitalised on a project-by-project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If an exploration project is successful, the related expenditures will be transferred to mining assets and amortised over the estimated life of economically recoverable reserves on a unit of production basis.

Where a licence is relinquished or a project abandoned, the related costs are written off in the period in which the event occurs. Where the Group maintains an interest in a project, but the value of the project is considered to be impaired, a provision against the relevant capitalised costs will be raised.

The recoverability of all exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof.

3. Intangible assets

	6 months to 30 June 2021 Unaudited £	Period to 30 June 2020 Unaudited £	Year ended 31 December 2020 Audited £
At Beginning of the period	1,495,519	612,242	612,242
Additions	61,161	89,434	883,277
At End of the period	**1,556,680**	**701,676**	**1,495,519**

The Directors undertook an assessment of the following areas and circumstances that could indicate the existence of impairment:

• The Group's right to explore in an area has expired, or will expire in the near future without renewal;

• No further exploration or evaluation is planned or budgeted for;

• A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves; or

• Sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

Following their assessment, the Directors concluded that no impairment charge was necessary for the period ended 30 June 2021.

Half-yearly report notes, continued

4. Earnings per share

	6 months to 30 June 2021 Unaudited £	Period to 30 June 2020 Unaudited £	Year ended 31 December 2020 Audited £
These have been calculated on a loss of:	(842,631)	(296,424)	(1,006,750)
The weighted average number of shares used was:	328,384,591	156,577,093	282,956,585
Basic and diluted loss per share:	£(0.0025)	£(0.0019)	£(0.0035)

5. Events after the reporting period

There were no reportable events after the reporting period other than those highlighted in the 'Financial Review'.

The Condensed interim financial statements were approved by the Board of Directors on 21 September 2021.

By order of the Board

Rupert Verco
Chief Executive Officer
21 September 2021

Copies of this half-yearly report are available free of charge by application in writing to the Company Secretary at the Company's registered office: 9th Floor, 107 Cheapside, London, EC2V 6DN, or by email to info@london-registrars.co.uk.

Responsibility Statement

We confirm that to the best of our knowledge:

- The interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the EU;
- Give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- The interim report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the interim financial information, and a description of the principal risks and uncertainties for the remaining six months of the year; and
- The interim financial information includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

IR BLGDCCBDDGBG