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Cobra Resources PLC
21 September 2022

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21 September 2022

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

Half Year Results for the Six Months Ended 30 June 2022

Cobra, a gold, rare earth and IOCG exploration company focused on the Wudinna Project in South Australia, announces its financial results for the six months ended 30 June 2022 ("H1 2022").

Highlights:

- Announced on 7 February results from November 2021 Reverse Circulation ("RC") drilling programme at the Clarke prospect, where:
  - The strike of intersected gold mineralisation was doubled to over 400m
  - All holes intersected Rare Earth Elements ("REE") within the weathered saprolite horizon above or proximal to gold mineralisation
  - Follow-up X-Ray Diffraction ("XRD") analysis supports crustal elution or Ionic Adsorption Clay ("IAC") style mineralisation, a highly desirable style of mineralisation owing to its favourable assemblage of REEs, minimal radioactive by-products, and amenability to low-cost extraction techniques
- Announced on 15 February a fundraise of £0.95 million through an accelerated and oversubscribed book build to help fund 2022 exploration activities
- Announced on 13 April and 25 July the granting of extensive additional exploration tenements, consolidating Cobra's position as a major landholder in the Gawler Craton tier 1 mining and

exploration jurisdiction with a 3,261 km^2 land tenure

- Implemented a low-cost approach to confirming and spatially testing the extent of REE mineralisation through a staged re-analysis of retained samples from historic drillholes, confirming exceptional clay-hosted REE mineralisation proximal to gold resources and defining a regionally scalable 4 km^2 footprint of REE mineralisation

- Confirmed the presence of leachable REE mineralisation, with leach recoveries of up to 34.1% Total Rare Earth Element ("TREE")(+Y), with H2SO4 as lixiviant pH1

- Executed an extensive 91-hole regional aircore drilling programme designed to de-risk follow-up RC drilling and to test prioritised areas for clay hosted REEs. Results reported post period demonstrate:

  - Further along-strike gold mineralisation

  - An expanding high-grade REE footprint at Clarke

  - Regionally extensive and high-grade REE mineralisation

- Received South Australian Landing Pad grant, part funding website improvements and the publication of a maiden Sustainability Plan, reflecting the Board's commitment to developing an industry-leading approach to Environmental, Social and Governance

- Received South Australian Accelerated Discovery Initiative ("ADI") grant to co-fund Loupe TEM and Controlled Source Audio-frequency Magneto-tellurics ("CSAMT") geophysical surveys at the Clarke prospect aimed at identifying low-cost techniques to further define REE and gold mineralisation under cover

Greg Hancock, Chairman of Cobra, commented:

"The first half of 2022 has been transformational. The work executed across our 2022 exploration programme has us poised to increase our gold resources and establish a potentially world-class rare earth asset.

The Company is well placed to achieve its Wudinna Project 75% earn-in milestone in H2 2022 through delivering further exploration. I commend the team for their ongoing efforts and success in advancing the project and look forward to our upcoming RC drilling programme.

The growing strategic, environmental, and economic importance of rare earth metals, coupled with gold's unparalleled fiscal stability, places Cobra in the enviable position of defining a unique multi-mineral inventory within a tier 1 mining jurisdiction serviced with exceptional infrastructure."

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

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About Cobra
Cobra is defining a unique multi-mineral resource at the Wudinna Project in South Australia's Gawler Craton, a tier one mining and exploration jurisdiction which hosts several world-class mines. Cobra's Wudinna tenements, totalling 3,261 km^2, contain extensive orogenic gold mineralisation and are characterised by potentially open-pitable, high-grade gold intersections, with ready access to infrastructure. Cobra has 22 orogenic gold targets outside of a current 211,000 Oz JORC Mineral Resource Estimate. In 2021, Cobra discovered rare earth mineralisation proximal to and above gold mineralisation. The grades, style of mineralogy and intersect widths are highly desirable while the mineralisation has been demonstrated to be regionally scalable. The Company is also advancing a pipeline of IOCG targets.

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Operational Review

The November 2021 RC drilling programme delivered further exceptional gold metrics from the Clarke prospect, demonstrating the further growth potential to existing gold resources, with the programme effectively doubling the intersected strike of gold mineralisation to over 400m at the prospect that lies outside of the Company's current mineral estimate.

The growing strategic, environmental, and economic importance of rare earth metals, particularly magnet rare earth metals, last year prompted Cobra to submit pulps from drilling at its Wudinna Project for REE analysis. Significant intersections of TREO assays in excess of 500 ppm were recognised within the kaolinised clays of the saprolite across all 14 RC drillholes. In the first six months of 2022, Cobra pursued the opportunity these results presented by confirming the economic potential of mineralisation through:

- **Mineral identification**: XRD analysis performed by the CSIRO supports that a component of REE bursary is adsorbed to the primary clay particles, being kaolin and montmorillonite, in similar fashion to the highly desirable IAC hosted deposits of southern China

- **Lithological analysis**: HyLogger Spectral analysis performed by GSSA on chips of five Clarke RC holes demonstrated strong associations between elevated rare earths, kaolinite quantity, and reducing crystallinity. The results also demonstrated strong associations between muscovite and phengite to gold mineralisation

- **Diagnostic metallurgical testing**: test-work carried out by ANSTO focused on extraction techniques adopted to ionic phase mineralisation using H_2SO_4 as a lixiviant, yielded recoveries of up to 34% TREE from samples across two holes at Clarke

- **Demonstrating scalable resource potential**: systematically expanded the recovery through the cost-effective re-analysis of historic drillhole samples, where a total of 2,231 samples have been re-analysed for lanthanides from over 190 drillholes that have produced significant intersections at 11 different prospects and defined a 4 km^2 mineralisation footprint across the Baggy Green and Clarke prospects

In June 2022, the Company executed a regionally extensive aircore drilling programme aimed at:

- De-risking follow-up RC drilling at Clarke through refining along-strike targeting
- Testing priority regional rare earth mineralisation
- Providing basement rock pathfinder chemistry to advance targeting at regional gold and IOCG targets

Through this programme, Cobra has:

- Defined further gold mineralisation at Clarke, where CBAC0014 intersected 12m at 1.25 g/t gold from 18m, increasing the intersected strike extent at Clarke beyond 500m

- Refined further gold targets at Clarke, where broad zones of gold in saprolite has been defined north of previously intersected gold mineralisation. In comparison to drilled mineralisation zones, the anomalous zones northwest of Clarke are more significant, supporting further mineralisation down-dip and along-strike

- Expanded the zone of high-grade rare earth mineralisation at Clarke, with significant intersections demonstrating basket assemblages, lithologies and environmental conditions supportive of ionic adsorption mineralisation

- Yielded numerous rare earth intersections across nine regional targets demonstrating regional scalability and prospectivity for clay hosted rare earth mineralisation

- Tested saprolite above three of the Company's IOCG geophysical targets, where geochemical analysis demonstrates prospectivity for copper/gold porphyry style mineralisation

The work completed in H1 2022 has yielded an exceptional opportunity for Cobra to establish a potentially world-class rare earth asset. The work completed to date has demonstrated potential crustal elution style mineralisation at 18 prospects, where the following prospects report exceptional metrics of grade, width, and scale:

- At Clarke, 85% of 88 holes drilled or re-analysed yield a length weighted intersection of 15m at 707 ppm TREO

- At Baggy Green, 90% of 71 holes re-analysed yield a length weighted intersection of 16.3m at 521 ppm TREO

- At Thompson, 65% of 26 holes drilled or re-analysed yield a length weighted intersection of 15.2m at 839 ppm TREO

- At Anderson, the re-analysis of six holes yields a length weighted intersection of 17m at 995 ppm TREO

Further historic drillhole re-analysis is planned for Thompson and Anderson to test the spatial continuity of mineralisation. The Company will endeavour to incorporate these prospects into a maiden rare earth resource before year-end.

Considerable research and sample testing has been conducted by the technical team to best understand the genesis processes and the exodermic conditions that best promote and maintain ionic adsorption style mineralisation. The compiled dataset of sample acidity/alkalinity and detailed interpretation of saprolite clays puts the Company in a strong position to optimise REE metallurgy.

Post Period-End

In July 2022, the Company carried out a Loupe TEM geophysical survey at the Clarke prospect which was co-funded by a South Australian ADI grant. The results of this survey will inform follow-up RC drilling at the Clarke prospect. A further CSAMT geophysical survey is planned as part of the ADI co-funding to test deeper structural associations between gold and rare earth mineralisation.

The Clarke prospect poses as a low-risk target to add to the Company's current Gold Mineral Resource Estimate. A ~2,000m drilling programme is scheduled to commence in the coming weeks to test strike extensions and validate lode interpretations with the intention of informing a resource update by year end. Bulk samples of defined REE mineralisation zones will also be taken to advance metallurgical optimisation studies.

Corporate Development

The Company has matured in 2022 which has enabled us to secure alternate funding from two grants awarded by the South Australian Government. Cobra is grateful to be operating in a jurisdiction that is not only rich in resources, but supportive of ethical mineral exploration and mining.

Funding has been used to brand Cobra in alignment with its values and ambitions: to develop a high-value, multi-mineral resource capable of supporting global decarbonisation. Reflecting our commitment to ethical and environmentally conscious exploration, we published our maiden Sustainability Plan in June 2022, which introduces the Company's approach and vision for ESG through its exploration activities.

The Company has expanded its landholding within the Southern Gawler Craton to 3,261 km^2 through the successful application of two additional exploration tenements. These tenements complement our exploration strategy, which aims to provide shareholders with a considered methodological approach enabling low-cost discoveries across a range of commodities within a world-class mineral province.

Cobra is positioned to achieve its Stage 3 earn-in under the Wudinna Heads of Agreement in H2 2022, entitling the Company to 75% of the Wudinna Project.

Financial Review

Cobra reported an unaudited operating loss for the six months ended 30 June 2022 of £226,953 which equates to a loss per share for the period of £0.0005. This compares to a loss for the six-month period to 30 June 2021 of £842,631, which equated to a loss per share for the period of £0.0025.

In February 2022, Cobra raised £0.95 million through an accelerated placement of 63,000,000 new Ordinary Shares at £0.015.

As at 30 June 2022, the Company had available cash of £788,192 (30 June 2021: £1.12 million), sufficient for the Company to execute its planned exploration activities.

Outlook

Cobra's immediate focus for H2 2022 is a continuation of exploration activities. This will involve further historic drillhole re-analysis for rare earths at the Thompson and Anderson prospects, followed by the execution of a 2,000m RC drilling programme at the Clarke prospect.

Exploration success to date should enable an update to the Company's 211,000 Oz Gold Mineral Resource and a maiden Rare Earth Resource Estimate before year-end. This will demonstrate the value of the exploration activities that the Company has executed and will act as a platform for further future growth.

Greg Hancock
Chairman
20 September 2022

CONSOLIDATED INCOME STATEMENT

	6 months to 30 June 2022 Unaudited £	6 months to 30 June 2021 Unaudited £	Year ended 31 December 2021 Audited £
Administrative expenses	(226,953)	(232,626)	(567,213)
IPO expenses	-	-	-
Operating loss	(226,953)	(232,626)	(567,213)
Loss on derecognition of financial liability*	-	(610,005)	(1,110,298)
Loss on ordinary activities before taxation	(226,953)	(842,631)	(1,677,511)
Tax on loss on ordinary activities	-	-	-
Loss for the financial period attributable to equity holders	(226,953)	(842,631)	(1,677,511)
Loss per share - see note 4			
Basic and diluted	£(0.0005)	£(0.0025)	£(0.0073)

***** 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 Stages 1 and 2 earn-in as agreed upon at time of acquisition, and the market value of shares issued at the time of settlement of the liability during the period.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 June 2022 Unaudited £	6 months to 30 June 2021 Unaudited £	Year ended 31 December 2021 Audited £
Loss after tax	(226,953)	(842,631)	(1,677,511)
Items that may subsequently be reclassified to profit or			

loss:			
- Exchange differences on translation of foreign operations	145,374	(66,640)	(81,246)
Total comprehensive loss attributable to equity holders of the parent company	(81,579)	(909,271)	(1,758,757)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	6 months to 30 June 2022 Unaudited £	6 months to 30 June 2021 Unaudited £	Year ended 31 December 2021 Audited £
Non-current assets			
Intangible assets	2,329,471	1,556,680	2,012,405
Property, plant and equipment	1,428	2,040	1,680
Total non-current assets	2,330,899	1,558,720	2,014,085
Current assets			
Trade and other receivables	57,724	26,911	36,891
Cash and cash equivalents	788,192	1,121,787	264,480
Total current assets	845,916	1,148,698	301,371
Non-current liabilities			
Deferred consideration	-	(187,500)	-
Current liabilities			
Trade and other payables	(48,272)	(85,414)	(50,336)
Deferred consideration	(187,500)	(135,191)	(187,500)
Total current liabilities	(235,772)	(220,605)	(237,836)
Net assets/(liabilities)	2,941,043	2,299,313	2,077,620
Capital and reserves			
Share capital	4,231,103	3,283,845	3,601,104
Share premium	1,693,563	1,093,027	1,378,561
Share based payment reserve	962,201	993,448	962,201
Retained losses	(4,075,408)	(3,069,823)	(3,848,456)
Foreign currency reserve	129,584	(1,184)	(15,790)
Total equity	2,941,043	2,299,313	2,077,620

CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months to 30 June 2022 Unaudited £	6 months to 30 June 2021 Unaudited £	Year ended 31 December 2021 Audited £
Cash flow from operating activities			
Operating loss	(226,952)	(842,631)	(1,677,511)
Equity settled share-based payment	-	20,000	45,000
Depreciation	250	360	719
Foreign exchange	145,374	(66,640)	(78,137)
Loss on derecognition of financial liability	-	610,005	1,077,607
Decrease/(increase)/ in receivables	(20,833)	42,496	32,517
(Decrease)/increase in payables	(2,064)	(137,431)	(118,978)
Shares issued in lieu of cash	-	-	33,251
Net cash used in operation activities	(104,224)	(373,841)	(685,532)
Cash flows from investing activities			
Payments for exploration and evaluation activities	(317,066)	(61,161)	(516,886)
Net cash (used)/generated in investing activities	(317,066)	(61,161)	(516,886)
Cash flows from financing activities			
Proceeds from issue of share	945,000	128,044	128,044
Shares issued in lieu of cash	-	89,894	-
Net cash generated from financing activities	945,000	217,938	128,044
Net (decrease)/increase in cash and cash equivalents	523,712	(217,064)	(1,074,371)
Cash and cash equivalents at the beginning of period	264,480	1,338,851	1,338,851
Cash and cash equivalents at end of period	788,192	1,121,787	264,480

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Share based payment reserve	Retained earnings	Foreign currency reserve	Total

	£	£	£	£	£	£
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
Transfer of warrants exercised	-	-	(12,790)	12,790	-	-
At 30 June 2021	**3,283,845**	**1,093,027**	**993,448**	**(3,069,823)**	**(1,184)**	**2,299,313**
Loss for the period	-	-	-	(834,880)	-	(834,880)
Translation differences	-	-	-	-	(14,606)	(14,606)
Total comprehensive income	-	-	-	(834,880)	(14,606)	(849,486)
Share capital issued	317,259	285,534	-	-	-	602,793
Transfer of warrants lapsed	-	-	(56,247)	56,247	-	-
Share options charge	-	-	25,000	-	-	25,000
At 31 December 2021	**3,601,104**	**1,378,561**	**962,201**	**(3,848,456)**	**(15,790)**	**2,077,620**
Loss for the period	-	-	-	(226,953)	-	(226,953)
Translation differences	-	-	-	-	145,374	145,373
Total comprehensive income	-	-	-	(226,953)	145,374	(81,579)
Share capital issued	629,999	315,002	-	-	-	945,001
At 30 June 2022	**4,231,103**	**1,693,563**	**962,201**	**(4,075,408)**	**129,584**	**2,941,043**

HALF-YEARLY REPORT NOTES

1. Half-yearly report

This half-yearly report was approved by the Directors on 20 September 2022.

The information relating to the six-month periods to 30 June 2022 and 30 June 2021 are unaudited.

The information relating to the year to 31 December 2021 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 year ended 31 December 2021, 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 2022, the Company had £788K 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 2021, 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 2022.

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 2021 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 2022 Unaudited £	6 months to 30 June 2021 Unaudited £	Year ended 31 December 2021 Audited £
At Beginning of the period	2,012,406	1,495,519	1,495,519
Additions	317,066	61,161	516,886
At End of the period	**2,329,471**	**1,556,680**	**2,012,406**

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 2022.

Half-yearly report notes, continued

4. Earnings per share

	6 months to 30 June 2021 Unaudited £	6 months to 30 June 2021 Unaudited £	Year ended 31 December 2021 Audited £
These have been calculated on a loss of:	(226,953)	(842,631)	(1,677,511)

The weighted average number of shares used was:	423,110,510	328,384,591	360,110,510
Basic and diluted loss per share:	£(0.0005)	£(0.0025)	£(0.0047)

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 20 September 2022.

By order of the Board

Rupert Verco
Managing Director
20 September 2022

Half-yearly Report

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 UK;
- 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.

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