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Cobra Resources PLC
30 September 2020

30th September 2020

Dissemination of a Regulatory Announcement that contains inside information according to REGULATION (EU) No 596/2014 (MAR).

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

Interim Results

Cobra Resources plc (LSE:COBR), an exploration and mining company, announces its results for the six months ended 30 June 2020.

Operational Highlights

The first half of 2020 has been a transformational period for the Company, having relisted on the LSE following the completion of the Reverse Take Over (RTO) on 16th January 2020. Since that time, the Company has successfully progressed exploration activities at its flagship Wudinna Gold Project. The highlights of the Company's exploration activities during the period included:

- Completion of the 3-phase geochemical sampling and re-assay programme to establish key pathfinder relationships and define high priority drilling targets;
- Structural interpretation and integration of geophysical and geochemical data to establish primary controls on mineralisation;
- Application for an Ongoing PEPR to facilitate exploration programmes across all 22 orogenic gold prospects and 4 IOCG prospects. The exploration permit was subsequently approved post period end; and
- Definition of priority drill targets at Baggy Green, Baggy Green North, Clarke and Laker prospects.

As a result of the above activities, the Company is on track to complete its Stage-1 JV earn-in during the second half of 2020. This will see the Company secure a 50% interest in the Wudinna Gold Project.

Corporate and Financial Highlights

- The Company completed a RTO and was readmitted to the Main Market of the LSE on the 16th January 2020, following the successful acquisition of the now wholly owned subsidiary Lady Alice Mines in 2019.
- Since relisting, a significant improvement in the gold market enabled the Company to raise funds to support its planned exploration programmes. The Company was able to place its available headroom raising gross

proceeds of approximately £677,145 in May. These funds enabled the Company to commence detailed planning for drilling activities scheduled for the second half of 2020.

- The transformation to an operational company saw changes to the Company's Board with the resignation of Mr Rolf Gerritsen, and the appointment of Mr Daniel Mailing and Mr David Clarke as non-executive directors. Mr Greg Hancock was also appointed as non-executive Chairman.

Craig Moulton, Executive Director, commented:

The first half of 2020 has been transformational for the Company which is now well funded for a major drilling campaign during the second half of the year. The new Board members bring with them complimentary skills and experience and are focused on growing the Wudinna Gold project to its full potential.

Operational Review

The first six months of 2020 have been transformational for the business, having evolved from a cash shell to a sustainable operating business. Having completed the acquisiton of Lady Alice Mines Pty Ltd the Company was immediately focused on early exploration activities at the Wudinna Gold project, completing a three-stage geochemical programme:

- Stage 1 - Calibration samples to establish mineralization / pathfinder relationships
- Stage 2 - Identify possible extensions to existing mineralisation
- Stage 3 - Drill targeting / prioritisation

The results of this geochemical analyses combined with the interpretation of geological and geophysical data delivered excellent results including:

- Establishing Au-Bi-Te-W-Ag-Cu pathfinder elements as the key signature for mineralization
- Identified high mobility of gold and copper in weathering profile
- Demonstrating large scale prospectivity and continuity of geochemical anomalies, particularly in the Baggy Green, where highly anomalous pathfinders extend over 1.2km to the north
- Establishing the importance of regional structures as a control on mineralisation
- Prioritisation of initial drilling targets at Baggy Green, Baggy Green North, Clarke and Laker

During the period, the Company submitted a detailed exploration permit known as an Ongoing PEPR. This permit does not need to be renewed like normal permits which are only valid for 12 months, and commits the Company to operating at industry best levels with regards to its impact on the environment. The Ongoing PEPR cover all 22 orogenic gold prospects and 4 IOCG targets at Wudinna and will significantly reduce the time required to commence exploration programmes going forward. This permit was approved by the South Australian Government subsequent to the reporting period.

Based on the above activity the Company forecasts that it will complete Stage 1 of the Wudinna Gold Project - Farm-In and Joint Venture with Andromeda Metals Limited during the second half of 2020. The Stage 1 earn-in will see the Company secure a 50% interest in the Wudinna Gold Project.

Corporate Development

Due to the uncertainty around the future impacts of the COVID-19 virus, global gold markets saw significant improvement.

Several potential project opportunities were reviewed by the Board during the reporting period, however, none were found to be compelling in terms of both technical merit and potential value-add to shareholders.

There were also several changes to the Company's board during the first half of 2020. Firstly, Mr Rolf Gerritsen resigned and Mr Daniel Maling and Mr David Clarke were appointed.

Mr Maling, based in London, is a corporate finance and commercial advisor, with extensive experience in listed companies in the natural resources sector. Mr Clarke is based in Adelaide, South Australia and is an eminent Australian geologist, who has been instrumental in the discovery and development of several large mining operations. The addition of Mr Clarke and Mr Maling to the Company's Board has provided additional depth and experience and will be a significant advantage as the Company enters a busy operational period during the second half of 2020 and business development in the years ahead.

The Company is now well established, well-funded and on the verge of commencing its first major drilling campaign.

Financial Review

Cobra reported an unaudited operating loss for the six months ended 30 June 2020 of £296,424 which equates to a loss per share for the period of £0.0019. This compares to a loss for the six month period to 30 June 2019 of £361,284 which equates to a loss per share for the period of £0.0054.

In May the Board made a strategic decision to place the Company's available head room, raising gross proceeds of approximately £677,145 at a price of 2.25p. This had the advantage of minimising dilution for existing shareholders and enabled the Company to commence detailed planning for a drilling programme during the second half of 2020.

Post period end, in August 2020, the Company raised £1.5m in a placing of zero coupon convertible loan notes convertible at 2.3p, with warrants attached. This additional funding will enable the Company to develop its targeted exploration campaigns across its key projects over the next 12-18 months.

Outlook

As previously announced, Cobra's near-term focus will be on executing its planned exploration programmes, including two Reverse Circulation (RC) drilling programmes and a further Auger soil sampling programme during the second half of 2020. This will include 150 soil sample holes at Larwood, and a total 6750m RC

drilling at the Greater Baggy Green area, Laker, Larwood, and Barns. Exploration activity at Barns and Larwood is on farmland, so timing is subject to the completion of harvesting activities. The Company does not currently expect any delays due to the current COVID-19 travel restrictions.

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.

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Notes for Editors:

Cobra Resources plc (LSE:COBR) is an exploration and mining company whose securities are listed on the main market of London Stock Exchange plc.

The Company's primary strategy is to focus on the development of advanced resource exploration projects with potential, through the application of disciplined and structured exploration and analysis, to progress towards a sustainable mining operation.

On 7 March 2019, the Company announced that it had signed an acquisition agreement to acquire 100% of the units in the Lady Alice Trust and the entire issued share capital of the Lady Alice Mines Pty Ltd ("**LAM**"), an Australian exploration company, as a trustee of the Lady Alice Trust (the "**Proposed Acquisition**").

The Company will update the market as and when appropriate.

Consolidated Income Statement

	6 months to 30 June 2020 Unaudited £	6 months to 30 June 2019 Unaudited £	Year ended 31 December 2019 Audited £
Revenue	-	-	-
Administrative expenses	(296,424)	(299,284)	(544,500)
IPO expenses	-	(62,000)	(124,400)
Operating loss	(296,424)	(361,284)	(668,900)
Finance costs	-	-	-
Loss on ordinary activities before taxation	(296,424)	(361,284)	(688,900)
Tax on loss on ordinary activities	-	-	-
Loss for the financial period attributable to equity holders	(296,424)	(361,284)	(688,900)
Earnings per share - see note 4 Basic and diluted	£(0.0019)	£(0.0054)	£(0.0099)

Consolidated Statement of Comprehensive Income

	6 months to 30 June 2020 Unaudited £	6 months to 30 June 2019 Unaudited £	Year ended 31 December 2019 Audited £
Loss after tax	(296,424)	(361,284)	(668,900)
Items that may subsequently be reclassified to profit or loss:			
- Exchange differences on	25,498	-	(1,461)

translation of foreign operations			
Total comprehensive loss attributable to equity holders of the parent company	(270,926)	(361,284)	(670,361)

Consolidated Statement of Financial Position

	6 months to 30 June 2020 Unaudited £	6 months to 30 June 2019 Unaudited £	Year ended 31 December 2019 Audited £
Non-current assets			
Intangible assets	701,676	68,505	612,242
Property, plant and equipment	2,693	-	3,428
Total non-current assets	704,369	68,505	615,670
Current assets			
Trade and other receivables	46,143	2,503	37,433
Cash and cash equivalents	627,694	3,081	7,675
Total current assets	673,837	5,584	45,108
Non-current liabilities			
Deferred consideration	(350,066)	-	(350,066)
Current liabilities			
Trade and other payables	(74,785)	(106,340)	(436,553)
Deferred consideration	(28,867)	-	(215,486)
Total current liabilities	(453,718)	(106,340)	(652,039)
Net assets/(liabilities)	924,488	(32,251)	(341,327)
Capital and reserves			
Share capital	1,872,692	672,335	672,335
Share premium	497,376	160,992	160,992
Share based payment reserve	69,038	69,038	69,038
Retained losses	(1,538,655)	(934,616)	(1,242,231)
Foreign currency reserve	24,037	-	(1,461)
Total equity	924,488	(32,251)	(341,327)

Consolidated Statement of Cash Flows

	6 months to 30 June 2020 Unaudited £	6 months to 30 June 2019 Unaudited £	Year ended 31 December 2019 Audited £
Cash flow from operating activities			
Operating loss	(296,424)	(361,284)	(668,900)
Depreciation	735	-	979
Foreign exchange	25,498	-	5,950
(Increase)/decrease in receivables	(8,710)	25,644	(9,286)
(Decrease)/increase in payables	(548,386)	79,092	313,519
Net cash used in operation activities	(827,288)	(256,548)	(357,738)
Cash flows from investing activities			
Payments for exploration and evaluation activities	(89,433)	(68,506)	(5,660)
Payment for acquisition of subsidiary, net of cash	-	-	11,645
Payments for tangible assets	-	-	(4,407)
Net cash (used)/generated in investing activities	(89,433)	(68,506)	1,578
Cash flows from financing activities			
Proceeds from issue of shares	1,508,514	-	35,700
Transaction costs of issue of shares	(59,960)	-	-
Shares issued in lieu of fees	88,188	-	-
Net cash generated from financing activities	1,536,742	-	35,700
Net increase/(decrease) in cash and cash equivalents	620,021	(325,054)	(320,460)
Cash and cash equivalents at the beginning of period	7,675	328,135	328,135
Cash and cash equivalents at end of period	627,696	3,081	7,675

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Share based payment reserve	Retained earnings	Foreign currency reserve	Total
	£	£	£	£	£	£
At 31 December 2018	**672,335**	**160,992**	**69,038**	**(573,332)**	**-**	**329,033**
Loss for the period	-	-	-	(361,284)	-	(361,284)
Total comprehensive income	**-**	**-**	**-**	(361,284)	-	(361,284)
At 30 June 2019	**672,335**	**160,992**	**69,038**	**(934,616)**	**-**	**(32,251)**
Loss for the period	-	-	-	(307,616)	-	(307,616)
Translation differences	-	-	-	-	(1,461)	(1,461)
Total comprehensive income	-	-	-	(307,616)	(1,461)	(309,077)
At 31 December 2019	**672,335**	**160,992**	**69,038**	**(1,242,232)**	**(1,461)**	**(341,327)**
Loss for the period	-	-	-	(296,424)	-	(296,424)
Translation differences	-	-	-	-	25,498	25,498
Total comprehensive income	-	-	-	(296,424)	25,498	(270,926)
Share capital issued	1,112,170	396,344	-	-	-	1,508,514
Cost of share issue	-	(59,960)	-	-	-	(59,960)
Shares issued in lieu of fees	88,187	-	-	-	-	88,187
Total contributions by and distributions to owners of the Company	**1,200,357**	**336,384**	**-**	**-**	**-**	**1,536,741**
At 30 June 2020	**1,872,692**	**497,376**	**69,038**	**(1,538,656)**	**24,037**	**924,488**

Half-yearly report notes

1. Half-yearly report

This half-yearly report was approved by the Directors on 30 September 2020.

The information relating to the six month periods to 30 June 2020 and 30 June 2019 are unaudited.

The information relating to the year to 31 December 2019 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 2019, 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 August 2020 the Company raised £1.5m in a placing of zero coupon convertible loan notes with warrants attached. This additional funding will enable the Company to develop its targeted exploration campaigns across its key projects over the next 12-18 months and 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 2019, 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 2020.

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.

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.

Half-yearly report notes, continued

2. Basis of accounting, continued

Intangible assets

Exploration and development costs

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 2020 Unaudited £	Period to 30 June 2019 Unaudited £	Year ended 31 December 2019 Audited £
At 31 December 2019	612,242	-	-
Acquired at fair value	-	-	606,582
Additions	89,434	68,505	5,660
At 30 June 2020	**701,676**	**68,505**	**612,242**

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 2020.

Half-yearly report notes, continued

4. Earnings per share

	6 months to 30 June 2020 Unaudited £	Period to 30 June 2019 Unaudited £	Year ended 31 December 2019 Audited £
These have been calculated on a loss of:	(296,424)	(361,284)	(668,900)
The weighted average number of shares used was:	156,577,093	67,233,532	67,233,532
Basic and diluted loss per share:	£(0.0019)	£(0.0054)	£(0.0099)

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 30 September 2020.

By order of the Board

Craig Moulton
Executive Director

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. The report will also be made available on the Company's website: www.cobraplc.com.

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