

HALLGARTEN & COMPANY

Coverage Update

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Cobre

(ASX: CBE)
Strategy: LONG

Key Metrics	
Price (AUD)	\$0.155
12-Month Target Price (AUD)	\$0.44
Upside to Target	184%
12mth hi-low	\$0.02-\$0.25
Market Cap (AUD mn)	\$32.87
Shares Outstanding (millions)	212.07
(Fully Diluted)	240.52
Insiders (including MTR)	28%

Cobre

Africa becomes Prime Focus

- + Cobre is targeting copper potential in the Kalahari Copper Belt (KCB) of Botswana
- + The KCB is the hottest new location for discoveries in a metal where it was often said there is “nothing left to find”
- + Kalahari Metals has the second largest land position in Botswana’s KCB, after Sandfire Resources
- + In recent weeks, Cobre has solidified its control over Kalahari Metals, buying out Metal Tiger
- + Recent drill results on step-out targets have proven exciting and fired up the stock price
- + Botswana has reputation as one of the best mining jurisdictions in Africa
- + Copper took a long while to climb back above the key \$3 per lb mark and then soared to over US\$4, underpinned by good demand and a skimpy new project pipeline, before pulling back in recent months
- + The company also has a strategic foothold in a venture, Armada Metals Ltd, with Resource Capital and Metal Tiger, seeking Nickel and other base metals in Gabon
- ✗ Exploration in the Kalahari frequently involves having to deal with extensive cover
- ✗ Copper and Nickel have pulled back recently but still stand at levels substantially above their average prices over the last ten years
- ✗ The environment for funding projects has been strong of late but is, as ever, subject to the whims of the marketplace

Into Africa

Cobre (the Spanish word for copper) was originally launched in 2020 based upon copper targets in the state of Western Australia. Since listing though, Cobre has refocused onto the highly prospective Kalahari Copper Belt in Botswana. Recent discoveries have made the Belt into a significant emerging Cu district, with various recent transactions highlighting the prospectivity of what the United States Geological Survey (USGS) is calling one of the most prospective for new copper discoveries in the world.

In this coverage update we shall look at progress in Botswana and the recent simplification of the management/control structure there. Then there is the investment in Armada Metals in Gabon to be discussed. We also look at the copper price.

Some Background

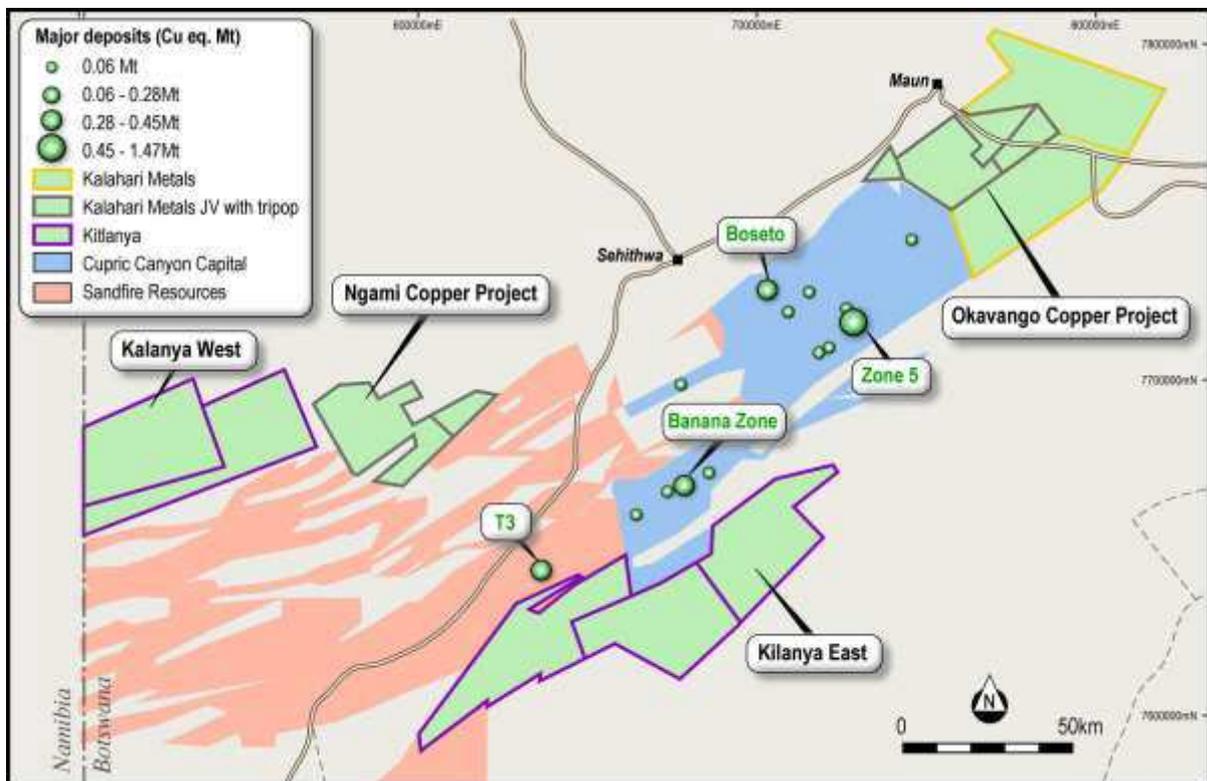
Cobre was listed on the Australian Stock Exchange in January of 2020 with its previous sole focus being copper exploration in Western Australia.

In late August of 2020 the company announced the signing of a binding Heads of Agreement (HOA) for

the proposed scrip-based acquisition of 51% of the equity of Kalahari Metals Limited (KML). KML is a private UK company which controls approximately 8,100 km² of tenements within the Kalahari Copper Belt (KCB) in Botswana (with 6,650 km² owned 100%, and 1,450 km² in JVs).

KML's 8,100 km² of licences are separated in to four project areas:

- Okavango (2,720 km²)
- Ngami (720 km²)
- Kitlanya East (2,750 km²)
- Kitlanya West (1,900 km²)



Kalahari Copper Belt – Elephant Country?

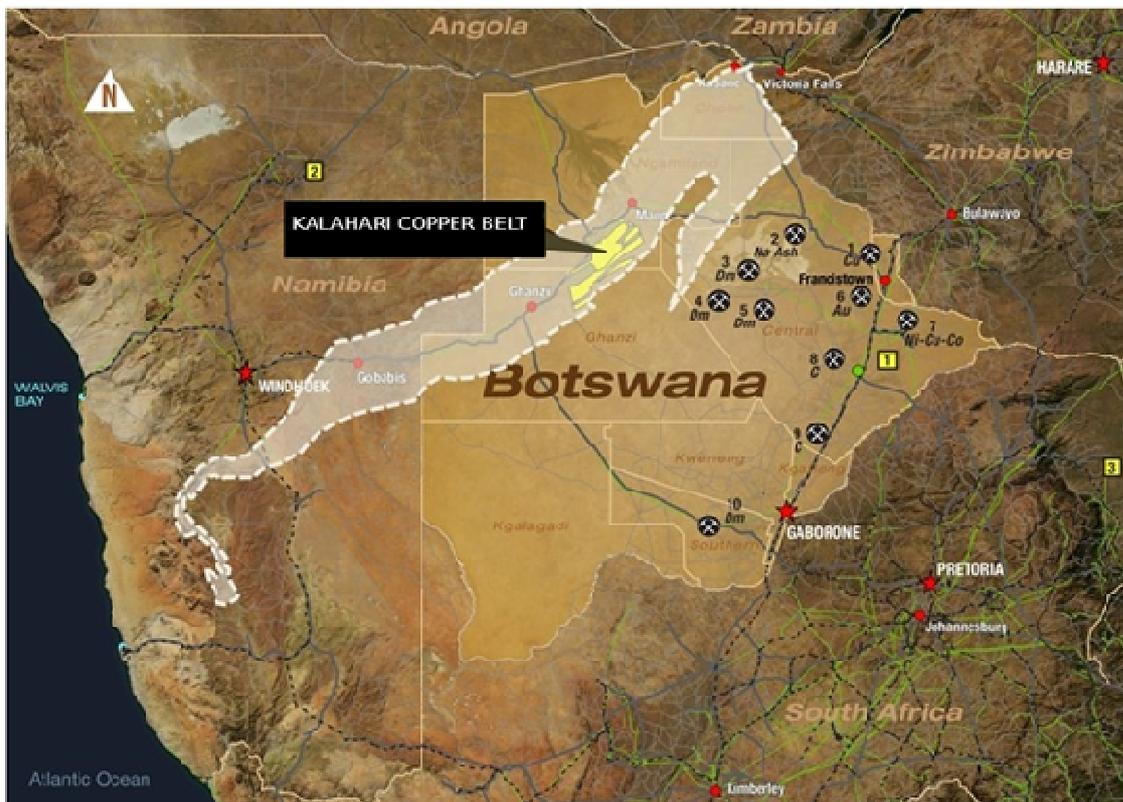
The KCB comprises a thousand kilometre-long linear belt of north-east to south-west trending volcanic sedimentary rocks extending from Klein Aub in Namibia to the Shinamba Hills in northern Botswana. The region has been highlighted by the USGS as the world's most prospective area for yet-to-be discovered sediment hosted copper deposits.

In geological terms, copper mineralisation in the KCB is typically hosted above the contact between the D'Kar Formation (reduced sediments) and the Ngwako Pan Formation (oxidised continental red beds).

Early exploration campaigns carried out by US Steel, AngloVaal, Anglo American and BHPB focused primarily on identifying and delineating large, shallow, low-grade, stratabound Cu resources.

From the early 2000s, exploration models changed with a greater emphasis on moderate-sized, higher-grade, structurally controlled targets which may be amenable to underground mining. This led to a number of discoveries which were largely attributed to the effective use of high resolution geophysics and better understanding of the geological and structural controls to mineralisation.

The issue of cover is important in the KCB, as much of the prospective geology sits below younger sediments. However, this is not universally the case, as in some areas the basement rocks are actually subcropping, or the cover is very shallow, while in other areas cover can be much deeper. Historical exploration in the Belt was based on aeromagnetic surveys and soil sampling, used to locate the Ngwako/D'kar Formation contact which was then tested by inclined drilling, usually core and occasionally reverse circulation drilling.



While still applied, this methodology has been refined. KML have re-processed historic aeromagnetics and acquired new datasets and soil sampling now uses more advanced partial extraction techniques such as Terraleach™.

The last 10 years has also seen more reliance has been placed on airborne EM systems (AEM), especially helicopter borne systems such as New Resolution Geophysics's "Xcite" system. AEM surveys are widely

used in the KCB and are credited with the discovery of Sandfire's A4 deposit.

Past Exploration at KML

In recent years, KML has undertaken a systematic exploration program across its Kalahari tenements. This included Airborne Electromagnetic (AEM) surveys to identify conductive carbonaceous marker units within the lower D'Kar Formation stratigraphy, which are critical in determining the underlying D'Kar/Ngwako Pan contact position, combined with magnetic survey interpretations of the geological structure, which together identify favourable locations for exploration drilling.

Okavango includes tenements immediately along strike from Cupric Canyon's Zone 5 and Zone 5N copper deposits. KML has utilised high resolution magnetics and AEM surveys to map out target areas for exploration drilling. Of the six core holes drilled in 2019 as an initial test of these targets, KML has reported that five holes intersected the mineralised D'Kar/Ngwako Pan contact. The Okavango tenements are a mix of 100%-owned and JV holdings.

Similarly at Ngami, KML has reported that early-stage exploration drilling based on magnetic and AEM survey interpretation has resulted in successful intercepts of the copper mineralised D'Kar/Ngwako Pan contact.

The Ngami tenements are held as JVs.

Kitlanya East includes tenements in close proximity to Cupric Canyon's Banana Zone and Sandfire's T3 and A4 copper deposits. Recent magnetic and AEM data interpretation by KML has identified a number of prospective anticlinal fold hinge targets. Initial drill testing commenced in Q1 2020 confirmed the presence of lower D'Kar stratigraphy.

These tenements are 100% owned by KML.

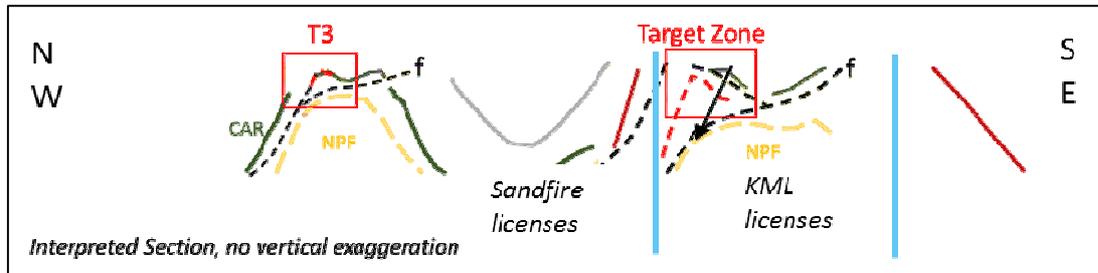
The Kitlanya West target, located proximal to the Ngami tenements, includes three conductive dome targets considered analogous to Sandfire's T3 and A4 deposits as identified in recent AEM surveys. Soil sampling by KML has displayed positive base metal responses in this location.

The main exploration focus is upon concealed anticlinal closures or domes (especially Kitlanya East and Kitlanya West). The dome targets are described as analogues of Sandfire Resources' T3 project,



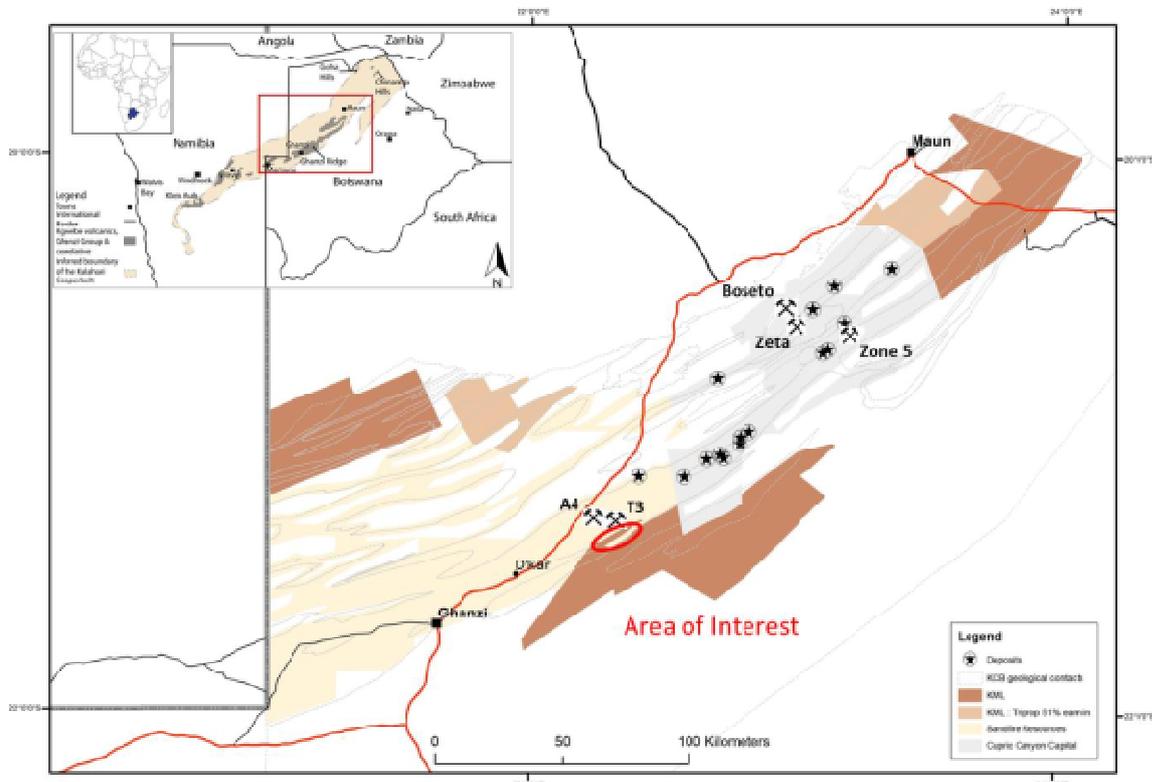
immediately west of the Kitlanya East project. Drilling has already commenced at Kitlanya East.

Below can be seen an interpreted AEM layered earth section with magnetic modelling through T3 and the northern portion of Kitlanya East with target structures highlighted.



In the past other exploration companies have targeted sub-outcropping mineralisation at the Ngwako/D'kar contact on the limbs and closures of anticlines. These structures can often be traced along strike for many kilometers, but typically are only mineralized for short distances.

The focus is now turning to anticlinal closures or domes which do not sub-outcrop but can be concealed beneath hundreds of meters of D'kar Formation. These domes are found in the deeper parts of the Ghanzi Group basin, towards to southwest. The uneroded anticlinal closures may be overlain by several zones of mineralisation in hydraulic breccias containing mineralisation as a network of veins.



Exploration Results in 2021

In April the company reported the final drill core and Reverse Circulation (RC) results on the Endurance Prospect located on the Kitlanya East Project. The Endurance Prospect covers an area over 25 kilometres containing an extensive elongated fold structure with numerous smaller doubly-plunging anticlinal structures superimposed, offering excellent trap-sites for Cu-Ag mineralisation. The company regards this as analogous to Sandfire Resources' (ASX: SFR) neighbouring T3 and A4 deposits.

Drilling was very broadly spaced to provide an initial insight into multiple targets across the large prospect area. A total of 3,345m of diamond and 1,701m of RC drilling were completed on the Endurance Prospect in two stages. The first stage demonstrated key alteration assemblages at Endurance, which are known to be associated with major deposits across the KCB.

Second stage drilling successfully refined the targeting model and involved an initial test of new targets and broad step out around some first stage holes (aimed at assessing alteration vectors).

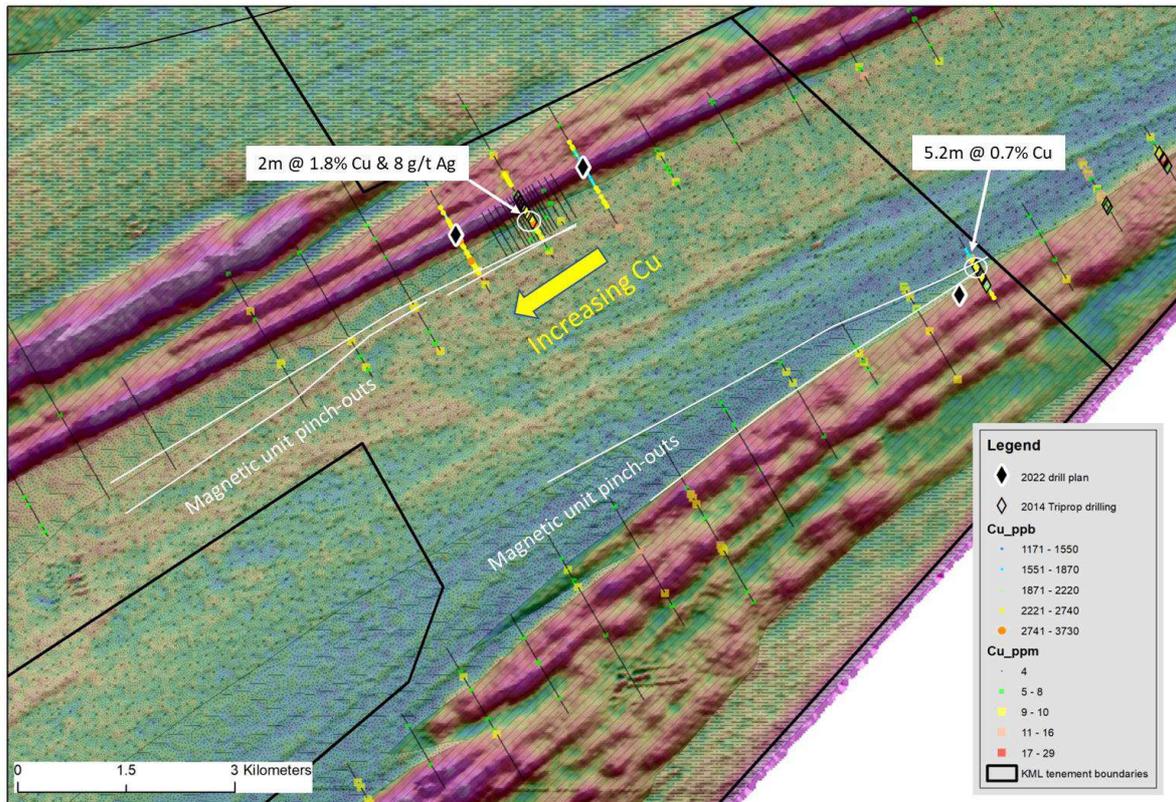
Drill results provided several intersections displaying signs of encouraging alteration and intense veining with accompanying visible trace Cu, Pb and Zn mineralisation. The 5km x 2km central portion of the Endurance Prospect was deemed particularly interesting with evidence for a degree of stratigraphic uplift in this area supported by magnetic data and drill results to date. This is important because any mineralisation will be closer to surface and therefore more likely to be economically mined

As a result, a total of 34 drill holes have been planned to test these refined targets with an initial 14 holes (approximately 4,000m) prioritised for the next phase of drilling.

In early July 2022 the company announced the start the next stage of drilling at the Ngami Copper target. This target includes significant strike of sub-cropping Ngwako-Pan/D'Kar Formation contact at which the majority of the known deposits in the KCB occur. The project is located immediately east of KML's Kitlanya West licenses- collectively covering a significant portion of prospective KCB stratigraphy.

It's worth noting that this area has relatively shallow Kalahari Group cover (between 0m and ~60m thick).

This initial phase of drilling is designed to test the first of several prospective areas identified on the northern margin of the KCB. The program is comprised of four diamond drill holes each approximately 300m in length, totalling ~1200m.



These will test for extensions to encouraging Copper (Cu)-Silver (Ag) mineralisation previously intersected at two separate historical drill targets. Historically two phases of diamond drilling intersected Cu (Ag) mineralisation above the Ngwako-Pan/D'Kar Formation contact. Intersections included 2m @ 1.8% Cu and 8 g/t Ag and 5.2m @ 0.7% Cu₂, which are considered highly anomalous relative to typical background Cu intersections along the KCB and may represent the halo of more significant mineralisation.

The First Results in for 2022 Campaign

In late July the company announced the first intersection of significant copper mineralisation from its ongoing drill program on the Ngami Copper Project (NCP) licenses. This fired up the price massively, moving the company into the same category, in our estimation, as some of the more advanced players in the Botswana space such as Sandfire.

Based on visual estimates, confirmed with pXRF readings, diamond drill hole NCP07 intersected a broad zone of copper mineralisation starting from 214m and continuing for approximately 59m downhole to 273m. The mineralisation included vein and fracture fill chrysocolla, as well as fine-grained copper sulphides, which increase in abundance between 250m and 260m downhole.

NCP07 was designed 1km away along strike to test the extent of anomalous chalcocite mineralisation

intersected in historical hole TRDH14-16a (2m @ 1.8% Cu and 8 g/t Ag), proving that mineralisation increases and thickens out significantly along strike.



Intersections at NCP07 and TRDH14-16a are considered anomalous for the KCB, typical of intersections on the margins of copper deposits.

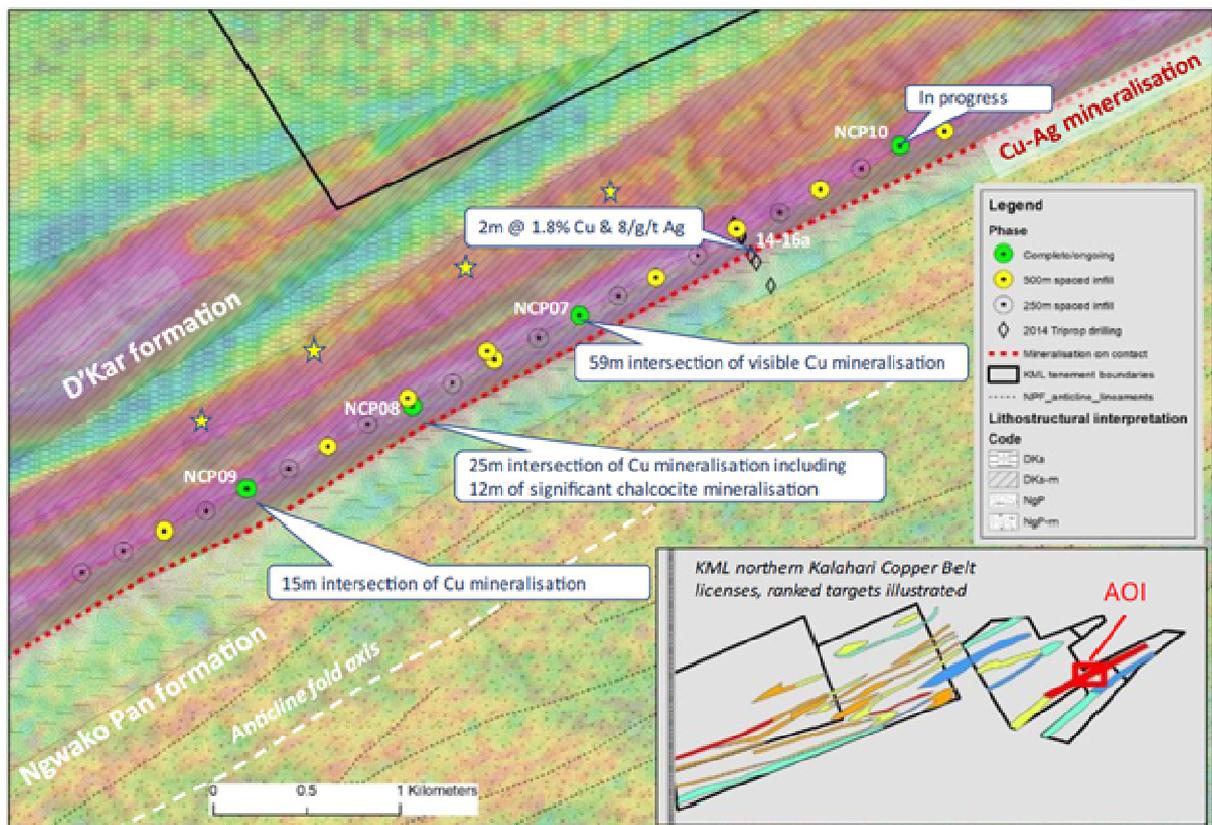
Drill core samples of mineralised intersections from completed drill holes NCP07, NCP08 & NCP09 have been prepared and will be shipped to ALS laboratories in Johannesburg, with assay results expected in September 2022.

A fourth one-km step out diamond drill hole is currently in progress.

The promising drill results highlight the district scale opportunity which includes 57 priority targets across the company's extensive license holding on the northern margin of the KCB.

Further Exploration Plans Revealed

In the first days of August with the financing arranged the company started to elaborate on its next plans for exploration in the near future.



The infill diamond drilling will be undertaken on the copper target at the NCP with the map above detailing the proposed 500m and 250m infill drill program at the NCP copper target.

This will take place in two stages:

- 2,400m diamond drilling program to infill the existing 1 kilometre-spaced intersections at a 500m spacing, along with selected step-out holes to establish vertical continuity of mineralisation
- On completion of the first phase of infill, and subject to results, 250m-spaced infill diamond drilling will continue (with selected step-out holes) for an estimated further 4,800m. This phase of work is expected to be completed by year-end

The company is planning a campaign of low detection mobile metal-ion geochemistry (Terraleach™ TL1). This technique has proven highly effective in delineating soil anomalies associated with the drill confirmed mineralisation at NCP, providing an ideal targeting tool for the remaining untested ~100km of prospective contact within the NCP licenses. A selection of ~5,300 historical soil samples will be sent for TL1 analysis.

Over and beyond that a large 7,000 sample soil program, covering targets in the 2,000 km² Kitlanya West (KITW) licences, has been commissioned and is scheduled to commence in late August. In light of

the relatively thin Kalahari cover in these licenses, soil sampling presents a cost-effective layer for further prioritising the 34 KITW targets for follow-up drill testing.

Simplifying the Ownership Structure

The London-listed Metal Tiger's involvement with this project in Botswana dates back to a binding agreement to acquire up to 50% of KML in June 2018, for a total consideration of US\$1.6mn, with the right to appoint two non-executive directors to the board of KML. In May 2019, Metal Tiger made an additional US\$1.1mn investment to provide full funding for KML to complete its planned first round drilling at both the Ngami Copper Project and the Okavango Copper Project.

In mid-June of 2022, the somewhat labyrinthine ownership structure was clarified and simplified when Cobre entered into a Share Purchase Deed to acquire up to all of Metal Tiger's 49% interest in Kalahari Metals Limited (KML). Up until then Cobre held a 51% interest in KML, via its wholly owned subsidiary, Cobre Kalahari Pty Ltd.

The transaction consists of Cobre (or its nominee) acquiring 24.5% of the shares in KML from Metal Tiger (increasing its interest to 75.5%) for total cash consideration of £750,000. This is expected to be payable in September 2022. The MTR directors at KML shall be replaced by Cobre appointees.

Metal Tiger is granting Cobre a call option for it, or its nominee, to acquire the remaining 24.5% of its shares in KML, exercisable for either £750,000 cash or the equivalent in Cobre shares (based on a 90-trading day VWAP), at the sole election of Cobre, opening up a pathway for Cobre to move to 100% ownership of KML. The call option will lapse 12 months after completion of the initial deal, and if not exercised by Cobre, Metal Tiger will remain a 24.5% shareholder in KML and will retain certain rights in KML until such time as the call option has been exercised.

Metal Tiger retains a conditional 2% net smelter royalty over all KML's wholly-owned licences. The five exploration licences owned by Triprop (in which KML has a 51% interest and a right to 100% ownership) do not form part of the royalties.

The MTR Loan

It is worth noting that there will remain extant a ~US\$1.3m in shareholder loans from MTR to KML. The loan agreement has been amended such that, on completion of the Initial Acquisition, Cobre will guarantee KML's obligation to repay the outstanding Shareholder Loans, plus any interest accruing at a rate of 7% per annum. The Shareholder Loan is for a five-year period with an automatic extension for an additional five years in the event that no JORC Resource Declaration over any of KML's tenements (or indeed by a third-party in the event of a Farm-in) has been made within the initial 5-year period.

The loan can be repaid in cash or shares at any time by Cobre Limited, at Cobre's sole election, and is only required to be repaid early if certain exit events occur (inter alia: a JORC Resource Declaration, the occurrence of mining production, an IPO of KML, Cobre's disposal of 75% or more of its shares in KML, an Asset Sale, or a Change of Control of Cobre Limited). The shareholder loan may be repaid in cash or in

Cobre shares, based on a 90-trading day VWAP.

Tweaking the Triprop Deal

In recent weeks, the earn-in agreement regarding KML was extended. The agreement provided KML with an option to acquire 75% of Triprop after incurring USD\$800,000 of exploration costs on the Triprop licenses and issuing of £60,000 of Cobre shares to the non-KML shareholders. KML will then have the option to acquire the remaining 25% of Triprop based on an independent market valuation.

Beyond Botswana

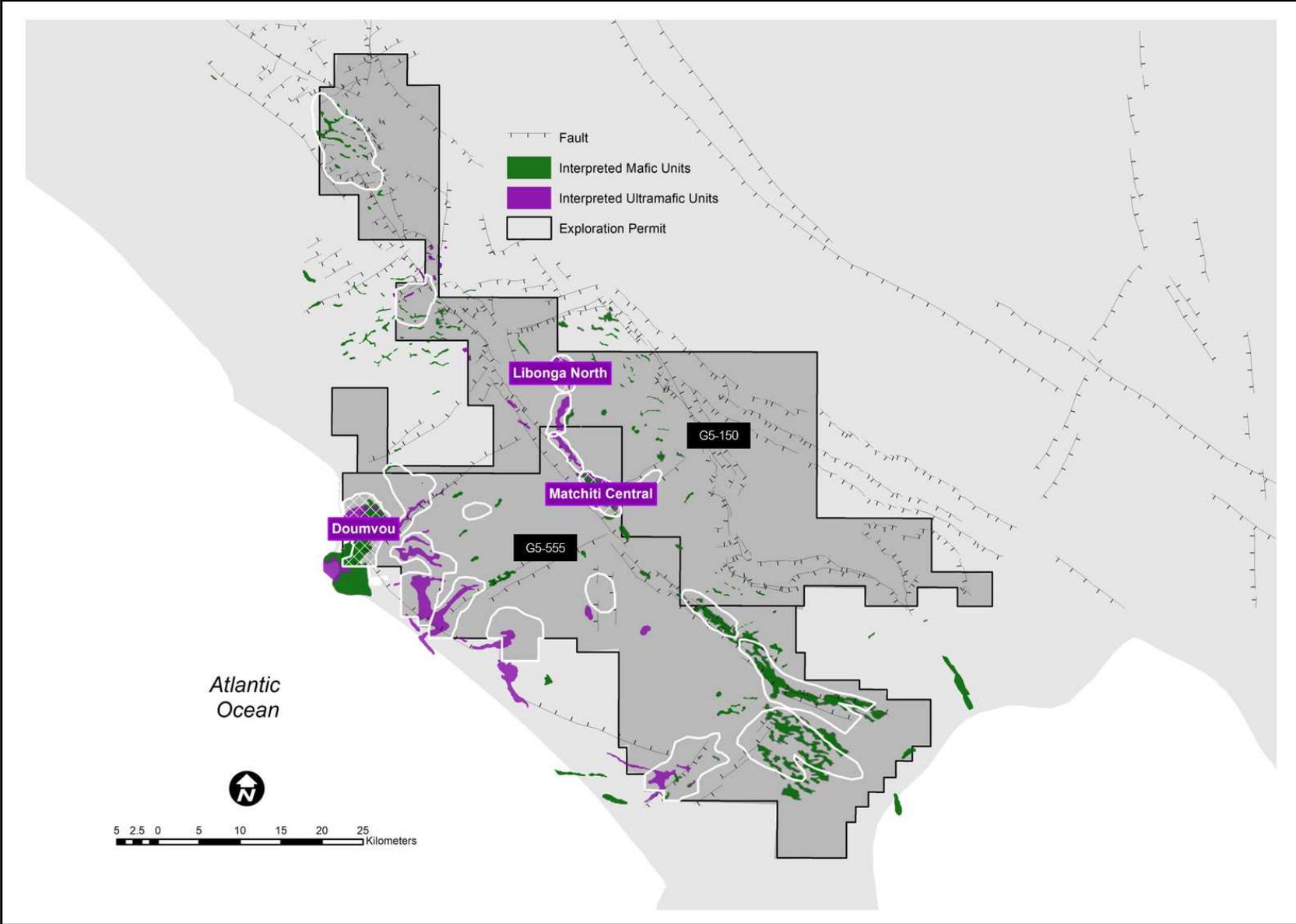
Cobre holds a 15% stake in Armada Metals Limited, a Mauritian holding company (which owns 100% of Armada Exploration (Gabon) SARL). Cobre is partnered in this venture with Metal Tiger and Resource Capital Funds.

Armada is the holder of two exploration licences, prospective for magmatic Ni-Cu sulphide, in Gabon. The Nyanga project, in the southern part of the country, consists of two exploration licences (G5-150 and G5-555) covering 2,991km² of ground associated with the Congo Craton margin. These are shown on the map on the following page.

Armada was established to define new belt-scale discovery opportunities for key commodities (principally nickel and copper) in under-explored regions of Africa. Over US\$10mn has been expended in targeting an area of over 16,000km² to narrow down to the current holdings.

The basement within the licence areas (as also shown in the map on the following page) has been intruded by a suite of mafic and ultramafic intrusions which represent the primary target for magmatic Ni-Cu mineralisation in this area.

The company is preparing to drill a multi-target project opportunity for magmatic Ni-Cu sulphides in the Nyanga area.



Copper Targets Downunder

Upon listing Cobre's two core assets were both base metals targets (with potential for precious metals). These were the Perrinvale and Sandiman properties which are shown on the map below. While work has continued in the background the clear focus of Cobre is the Botswanan positions it holds. One should therefore not be surprised if these assets were monetized for shareholder's benefit in some way of another.

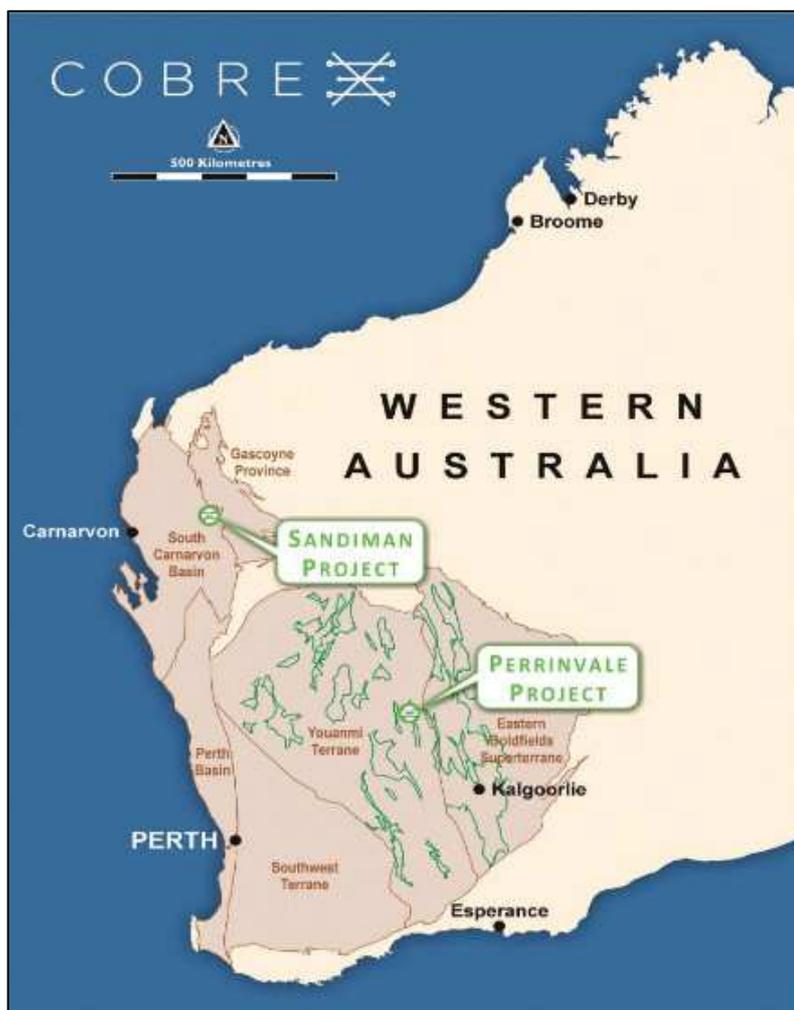
We would direct investors to our original initiation on Cobre for more extensive discussion of the geology and past exploration results at these prospects.

Perrinvale

The West Australian assets of Cobre have taken somewhat of a backseat in the last year as Botswana has been evolving faster. The main Australian asset is the Perrinvale project which covers a 345 km² area, with ten exploration licences. It is located around the eastern side of Lake Barlee approximately 260kms NW of Kalgoorlie in the Yilgarn Craton of Western Australia. The project area is accessed from Kalgoorlie via the Goldfields Highway to Menzies, then via the Menzies – Sandstone Road.

Parts of the Perrinvale Project were previously owned by Fortescue Metals Group Limited (FMG) and includes three prospects, called Schwabe, Zinc Lago and Ponchiera, where FMG retains a 2% net smelter royalty on future copper production.

While base metals were identified in the area in the early 1970's, subsequent exploration has predominantly been focused on gold and iron ore, despite significant historic near-surface high-grade copper and zinc results. It is the copper potential that ultimately interests Cobre, understandably.



Sandiman Project

The second target in Australia is the Sandiman project, a conceptual base-metals project, located in Western Australia's Upper Gascoyne region. This consists of a single 202km² tenement.

Located in the Upper Gascoyne Shire on the eastern edge of the Southern Carnarvon Basin, the Sandiman tenement is judiciously selected on the complex boundary of two major tectonic units of Western Australia – the Proterozoic Gascoyne Province to the east, and the Palaeozoic Carnarvon Basin to the west.

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Prospectivity of Sandiman is based on the cluster of barite veins in sedimentary basin rocks in a craton-margin geological setting. Barite has known association with Mississippi and VHMS base-metal deposits, along with mention of locally observed galena and sphalerite in historic exploration reports, gives the project area base metal potential in management's view.

Our Take on Copper

For a few brief moments it looked like we might have been on the cusp of a Commodity Supercycle 2.0, but the Russian invasion of the Ukraine and the global outbreak of inflation (and the cure being higher interest rates) has put paid to that dream.

Nevertheless, we have definitely seen a lengthy period of underinvestment in copper exploration and capacity and this has laid the ground for a supply crunch. Below \$3 there was little incentive to build new mines and below \$2.50 (pre-November 2016) there was no incentive to explore either as despair was the only sentiment around.

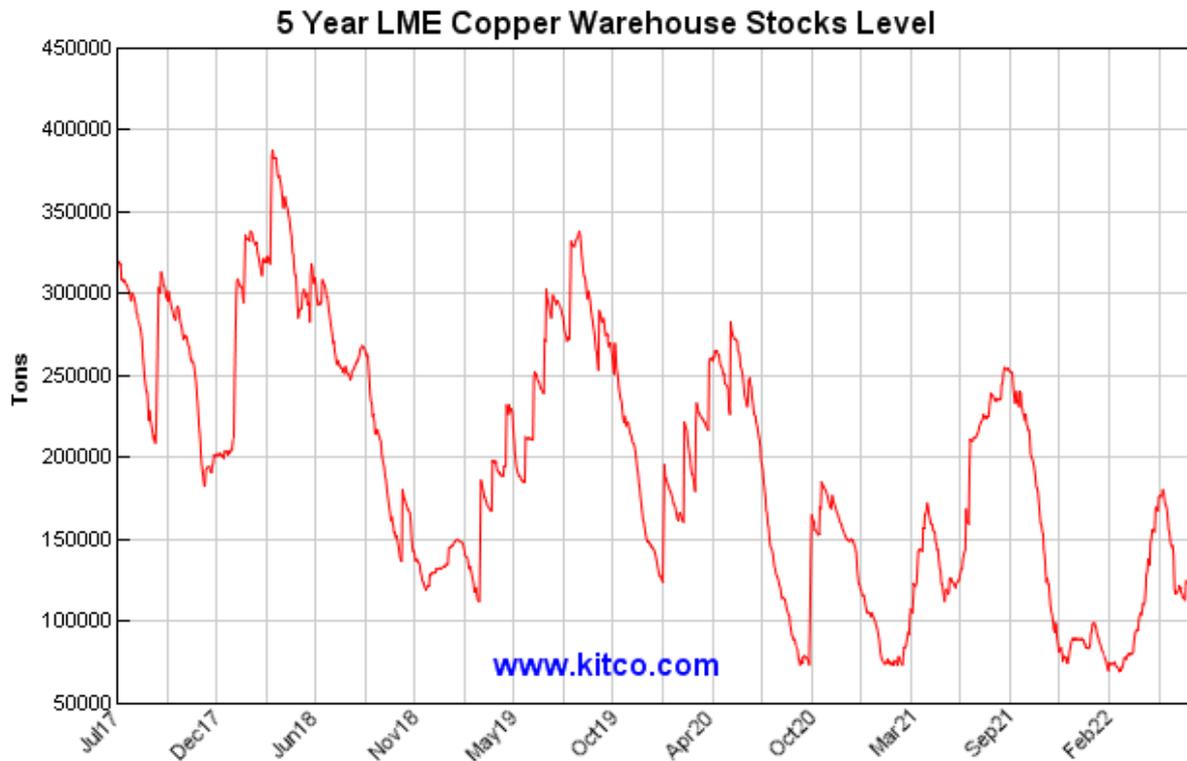
In 2016, the price started to pull out of the swoon it had been in largely since 2008. It started a virtually unchecked march higher until it breached the \$3 per lb level.

As the chart on the following page shows, after mid-2018, the price doodled about, but mainly lower. It plunged to a five-year low on the outbreak of the pandemic. In 2020 copper then "turned on a dime" going from a low of \$2.50 to over \$3.50, showing that the metal has the potential to move far and fast. It then powered on to nearly \$5 per lb.

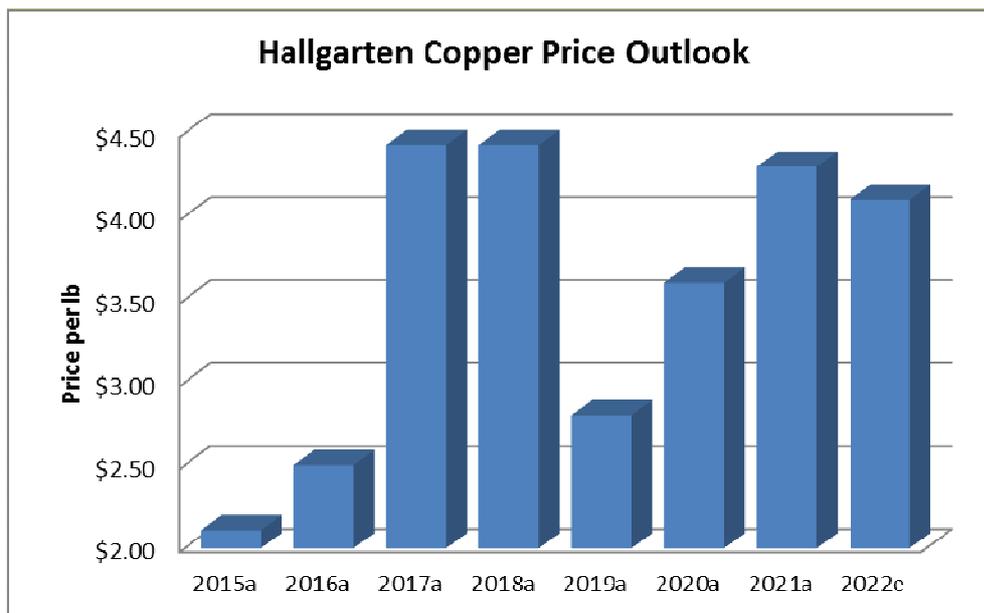


Unfortunately, the price was sustained above \$4 for only a year. If it had held longer it would have greenlit those few projects sitting on the launch pad without precipitating a production surge because there is not that much capacity to “turn on” and the unbuilt potential is small and a long way from actualization. It did however prompt the appearance of (and funding thereof) various explorers such as Cobre.

The following chart shows the LME warehouse stocks. This shows an interesting seesaw action in recent times. Anyone would think that the trend is down and someone keeps moving in stocks to make it look like a stock build and then it gets slapped down again. Perish the thought that the Chinese are manipulating the price by moving stocks around.



Unlike metals like Zinc/Lead and Nickel, there was some copper development during the downtime (e.g. Las Bambas, Constancia etc) but this was nowhere near sufficient to replace mines that have exited or reduced production and deal with even conservative forecasts of growth in consumption.



As the chart on the proceeding page shows we are still relatively bullish on the copper price outlook for the end of 2022, despite recent weakness. We have long mooted resistance at US\$4 per lb, not so much from the general marketplace, but from the Chinese. They do not want to be at the mercy of “Western” miners again in this metal. How the pushback might manifest itself is not clear, but the Chinese firepower is considerable and should not be underrated. It would appear that they took advantage of the onset of the Russo-Ukrainian war to set the copper price lower. Longer term we regard this as a Sisyphian exercise, but in the short term it always seems to work for them.

In any case, the Copper price lingering between the current levels and \$5 is a sound scenario and we view any price over \$3.50 as a good place to be for copper miners and it ensures that mines with fair grades and CapEx numbers “within the ball park” will be seen as doable and desirable. This then will have knock-on benefits for those junior explorers trying to fill the pipeline with new projects and resources.

Financing

The dramatically changed stock price has proven propitious for engineering a financing to further advance the exploration effort. In early August the company announced that it had completed a two-tranche placement of AUD\$7mn at \$0.15 per share. It is notable that the company received significant demand for the placement from international and domestic institutional and high net worth investors.

The placement was conducted at a price of \$0.15 per share representing:

- a 16.7 % discount to the close price of \$0.18 on 2 August 2022
- a 7.4% discount to the 5-day Volume Weighted Average Price (VWAP) of \$0.162
- a 5.7% discount to the 15-day VWAP of \$0.159

The placement is being undertaken in two tranches. Shareholder approval is not required for the first tranche which was undertaken within Cobre’s existing capacity to issue shares. This tranche will consist of a total of 18,651,224 new shares. All new shares issued will rank *pari passu* with the existing ordinary shares on issue.

Then in the second tranche, which is subject to shareholder approval (to be the subject of a meeting later in the year), Cobre will issue ~9.8 million new ordinary shares to Metal Tiger at a price of \$0.15 per share. Andrew Sissian, one of the directors has also subscribed for a total of ~0.2 million shares.

Settlement of the First Tranche is expected to occur on the 11th of August 2022.

Cobre and Mitchell Drilling (Cobre’s Botswana-focused drilling contractor) have separately entered into

a subscription deed under which Mitchell Drilling, or a related party nominee of Mitchell Drilling, has agreed to subscribe for US\$300,000 worth of fully paid ordinary shares in the capital of Cobre at an issue price of A\$0.15 per share, again this will be subject to shareholder approval.

This latest issue reinforces the bank account and cash position of the company as it ramps up drilling now that significant results have started to roll in.

Risks

There are a number of potential risks that should be taken into consideration:

- ✘ Global economic conditions deteriorate due to a rising interest rate scenario or slowing growth or both
- ✘ That the Copper price loses upward momentum
- ✘ Political risk in Botswana evolves against miners
- ✘ Financing difficulties for larger projects

The copper market has been stronger over the last few years, but doubts still exist as to whether this is a secular change prompted by long term lack of new projects & development or whether it is a surge in demand. We would still signal caution as the long-term economic effects of the current pandemic are still not clear. A number of Western economies have been severely battered and are showing decreased, or negative, growth.

The copper price could weaken again if it rises too far too fast, if interest rates perk up or if China shows significant slowdown due to the effects of retaliatory measures against the country or just slower exports to the West. As noted earlier, China has an interest in lower prices and has significant stockpiles and trading positions that it can exploit to play whackamole with the prices of metals it wishes to see lower.

Botswana is not a concern at the moment but African countries have long shown an ability to surprise to the downside, sometimes due to external effects beyond whatever the internal politics may be like. Mali and Burkina Faso are examples of two countries where political risk has risen steeply, with little warning, over the last five years.

The hope is that insufficient projects will appear to satisfy demand, thus extending the cycle and making a sustained period of higher copper prices more likely. At the moment this looks the most probable scenario.

Conclusion

The new territory in Botswana is the main attraction for, and of, Cobre. What was formerly a sound but rather obscure jurisdiction (mainly known for diamonds) has become a hot spot for copper prospecting

in the wake of several substantial transactions in the country in recent years and in particular, the immensely attractive exploration results that Sandfire has recorded.

One does not need to be a subscriber to apocalyptic views of shortages caused by the EV revolution to be nevertheless bullish on copper. The metal has not been as underinvested in recent times as say, Zinc, but the long period of quiescence in mining markets meant exploration was minimal and development to mining status was largely in the hands of the Chinese, (e.g. MMG at Las Bambas). While it is not said out loud in public “Peak Copper” in Chile is a real threat and now it is further complicated by confused signals out of the new government in Santiago.

Its early days on the exploration front in Botswana, with the pandemic having complicated matters considerably in mobilizing teams into the country. That is now behind us. However it is clear from the focus of resources and effort upon Botswana and less upon WA (as well as the strategic investment in Gabon) that Cobre sees itself evolving as an African base metals play.

We reiterate our **LONG** rating on Cobre with an adjusted 12-month target price of AUD\$0.44.



Important disclosures

I, Christopher Ecclestone, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

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