

## Cobra Resources

**Metals and mining**
**31 July 2025**

### Testing points to high recoveries

Cobra Resources has announced new metallurgical test results from its Boland rare earths deposit in South Australia. These indicate high recoveries of the higher-value rare earths within its planned mixed rare earth carbonate (MREC) product at low acid consumption levels. This is crucial as Cobra is optimising its planned flowsheet at Boland, which is targeted to be brought into production using in-situ recovery (ISR) methods. The company has also indicated high heavy rare earth concentrations are associated with higher overall recoveries, helping mine planning. Cobra's recent transaction with Barton Gold has highlighted the embedded value of its gold assets and Cobra has further catalysts in 2025, including a maiden mineral resource estimate (MRE) and a preliminary economic scoping analysis.

### Metallurgical testing focused on magnet metals

Cobra's strategy has focused on maximising the value of dysprosium and terbium (DyTb) within an MREC product, alongside neodymium and praseodymium (NdPr), as these are all higher value and critical for high-strength permanent magnet applications. The latest tests (undertaken by the Australian Nuclear Science and Technology Organisation) indicate recoveries of up to 93% NdPr and 89% DyTb using ammonium sulphate (AMSUL) at pH 2.5, with acid consumption as low as 6.9kg/t. At pH 3.0, recoveries stayed high (up to 86% NdPr and 84% DyTb), with low acid use of 2.6kg/t. Using magnesium sulphate (MAGSUL) at pH 3.0 recoveries were also high (83% DyTb and 84% NdPr), with very low acid consumption of 2.7kg/t. These acid consumption levels are relatively low for an ionic clay rare earth resource, which is important as acid is a key cost input. Low acid consumption is also a major factor that could put Boland near the bottom of the rare earth cost curve. The trials used both AMSUL and MAGSUL, suggesting Cobra could choose lixiviants, reducing its exposure to reagent price volatility.

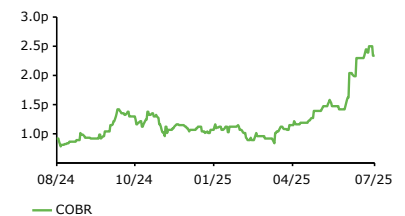
### DyTb could drive recoveries and mine planning

In 2024, Cobra produced an MREC grading 62.4% total rare earth oxides (TREO), with relatively low impurities, based on a bench-scale ISR test using a 0.44% TREO sample. Current tests are focused on optimising DyTb recoveries, while controlling costs by testing alternative lixiviants, varying acidity (pH), adjusting leach residence times and evaluating early removal of low-value cerium and lanthanum (CeLa) through preconditioning (pH 4.5–5.0) and membrane oxidation. CeLa are relatively low-value rare earths (3–4% the value of NdPr and c 0.4% the value of DyTb) and do not have the new applications of magnet rare earths, so Cobra's potential ability to remove them early in the process should make its MREC more marketable. If further testing proves successful, it is possible that Cobra could benefit from the Australian Government Critical Minerals Tax Incentive scheme to be introduced in July 2027, which provides a 10% tax offset on eligible Australian processing expenditure for critical minerals.

**Year end**

**Price** 2.30p  
**Market cap** £20m  
 A\$2.07/£

#### Share price performance



#### Share details

Code	COBR
Listing	LSE
Shares in issue	877.9m
Net cash at 31 December 2024	£0.8m

#### Business description

Cobra Resources is an LSE-listed minerals explorer with gold and rare earth deposits in the Gawler Craton in South Australia. It is developing flowsheet options for its Boland deposit, which appears to have the potential for in situ recovery, generally associated with lower capital and operating costs.

#### Bull points

- Breakthrough approach to rare earth extraction.
- Low-capex rare earth extraction method, with significantly lower funding needs and shorter time to market.
- Steady newsflow from processing and drilling results and expanding scale due to three new tenements.

#### Bear points

- No guarantee of success in moving to a maiden resource for in situ recovery.
- Potential long development pipeline; in need of additional capital (although the recent Barton transaction provides non-dilutive funds)
- Rare earth commodity price volatility.

#### Analysts

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Early results indicate overall recovery rates are more closely linked to DyTb content than overall grade, which Cobra has highlighted supports the notion that rare earth enrichment is a consequence of the relative abundance and the absorption capacity of fine organic 'clay' within the sandy matrix of the Pidinga Formation. This has implications for exploration, resource modelling and wellfield planning, as ore with higher DyTb ratios can be targeted in mine planning to boost overall TREO recoveries, which in turn benefits the overall economics of the deposit.

## **Boland project next steps**

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Cobra is working towards an MRE for its Boland project, which is unique in the rare earths industry as the mineralisation is in a permeable sand horizon confined by impermeable clays, making it well suited to ISR in a controlled manner. Once a maiden MRE is defined at Boland, the company can progress to economic scoping.

In May, Cobra announced a significant expansion of its 1,200km<sup>2</sup> of prospective geology across the Yaninee and Narlaby palaeochannel systems, a 36% increase in Cobra's palaeochannel holdings, with these new tenements infilling areas in Cobra's target geology. Historical uranium-focused drill cores are available to Cobra, which provides a low-cost pathway to further drill targeting. This is critical to a scaled resource definition drilling programme.

## **Cobra focused on rare earths with Barton transaction**

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In June 2025, Cobra completed the conditional sale of its Wudinna gold assets (279,000oz gold resource discovered in 2023) to Barton Gold Holdings (ASX: BDG) for a consideration of up to A\$15m (£7.2m at current exchange rates). The consideration structure includes A\$0.5m in staged cash payments (A\$0.05m deposit, A\$0.15m at completion and A\$0.3m at final settlement), A\$5m in Barton Gold shares paid in two tranches (A\$0.8m at completion, A\$4.2m at final settlement), A\$2m in shares contingent on expanding the resource to 500,000 ounces, and up to A\$7.5m in production-linked payments (A\$50 per ounce on 30% of declared ore reserves, capped at 150,000 ounces). Barton Gold shares issued to Cobra are subject to lock-up periods of one year for 40% of each tranche and two years for the remaining 60%. Cobra retained all rare earth mineral rights across the remaining Wudinna tenements, while assigning gold and base metal rights to Barton Gold.

The divestment allows Cobra to concentrate on advancing Boland, while retaining exposure to gold upside through its shareholding in Barton Gold. Cobra's share price rose sharply in early July from 1.40–1.50p per share to 2.45p per share, following the announcement of the Barton transaction, which lifted its market capitalisation to £21.5m. The Barton transaction has highlighted the embedded value of its gold assets, but Cobra is also likely to have further catalysts during 2025, with a maiden MRE and preliminary scoping economics.

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