Cobre Montana

ABN 29 126 129 413

(Formerly Midwinter Resources NL)

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

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CORPORATE DIRECTORY

DIRECTORS

Adrian Griffin (Managing Director)
Bryan Dixon (Non-executive Director)
Eduardo Valenzuela (Non-executive Chairman) *(appointed 19 August 2013)*
Martin Pyle *(resigned 3 October 2013)*
David Seymour *(resigned 3 October 2013)*
Philip Miolin *(resigned 3 October 2013)*

COMPANY SECRETARY

Julie Hill *(resigned 26 July 2013)*
Amanda Wilton-Heald *(appointed 26 July 2013)*

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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AUDITORS

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WEST PERTH WA 6005

SHARE REGISTRY

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

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STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Limited.
Home Exchange: Perth
ASX Codes: CXB

DIRECTORS' REPORT

Due to the Company's intention to farm-in to the Chilean Mantos Grandes Project, the directors proposed to change the company name to Cobre Montana NL (formerly known as Midwinter Resources NL) and resolution to do so was passed by shareholders at the General Meting held I August 2013. On 12 September 2013, ASIC has issued the Certificate of Registration on Change of Name.

The Directors present their report on Cobre Montana NL and its controlled entities ("Consolidated Entity") for the half-year ended 31 December 2013**.**

BOARD OF DIRECTORS

The names and details of the Consolidated Entity directors in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Adrian Griffin	Managing Director
Eduardo Valenzuela	Non-executive Chairman *(appointed 19 August 2013)*
Bryan Dixon	Non-executive Director
Martin Pyle	Non-executive Chairman *(resigned 3 October 2013)*
David Seymour	Non-executive Director *(resigned 3 October 2013)*
Philip Miolin	Non-executive Director *(resigned 3 October 2013)*

COMPANY SECRETARY

Julie Hill (resigned 26 July 2013)
Amanda Wilton-Heald (appointed 26July 2013)

REVIEW OF OPERATIONS

INTRODUCTION

The period witnessed the change from South African mineral exploration to the commencement of exploration operations in Chile, which is now the main focus of the company.The transition to Chilean focus was heralded by shareholder approval to consummate the Mantos Grandes farm-in agreement.

South African operations were placed on care and maintenance with work reduced to the minimum required to meet the obligations under the relevant legislation and to service applications that are in progress. The Company is seeking purchasers for the project interests.

CHILE EXPLORATION OPERATIONS

The Company has interests in two exploration projects in Chile:

1. The Mantos Grandes copper/gold project, a farm-in with Southern Hemisphere Mining Limited (ASX:SUH) under which the Company has the right to earn 65% of an incorporated JV interest, and
2. Piedrecillas copper/silver project in which the Company has negotiated the option to acquire a 55% interest in the project (formal option agreement executed subsequent to the end of the period)

Mantos Grandes

The Mantos Grandes project consists of 5 copper/gold skarn deposits (including the Mantos Grandes copper/gold mine) and two porphyry copper targets located about 400km north of the capital, Santiago. The project was the subject of sporadic mining operations from the 1930s through to 2001. Production was predominantly small-scale, underground most of which occurred within the Mantos Grandes workings.

The following terms are applicable to the farm-in agreement:

- Cobre Montana will acquire its interest in the Mantos Grandes project by sole funding to earn 65% of an incorporated joint venture. Southern Hemisphere Mining Limited will retain 35%.

- Following the initial payment of $350,000 which was completed on 27 Septermber 2013, Cobre Montana will sole fund as follows:

    - $400,000 of sole funding expenditure on the Project within 6 months;
    - if Cobre Montana elects to proceed further it will sole fund an additional $600,000 of expenditure on the Project within a further 6 months ;
    - if Cobre Montana elects to proceed further it will sole fund an additional $500,000 of expenditure on the Project, within a further 6 months,; and

- Cobre Montana making a final payment of $1,000,000 to Southern Hemisphere at which time the 65% interest will be transferred to Cobre Montana and both Cobre Montana and Southern Hemisphere will contribute to funding, under the terms of a joint venture agreement, and in proportion to their respective interests .

Preparatory work for the first drilling program commenced in December 2013 and consisted of refurbishing on-site accommodation facilitates and preparing roads and river crossings for access by drilling equipment. Drilling subsequently commenced in January 2014.

A comprehensive 3D database was compiled which contains most of the historic data, including sampling, topography, geological plans and underground surveys.

Piedrecillas

Piedrecillas is a manto style copper target located 80km south west of Santiago in the ChileanCoastalRange.

Cobre Montana conducted a site inspection of the project areas and confirmed the existence of both underground and open pit workings within the project area which has not been subjected to any recent exploration (the workings are thought to date back to the 1940s).

The Company negotiated the terms of an option to acquire 65% of the project. Subsequent amendments to the terms reduced the proportion to be acquired to 55% to meet the legal requirements of both Chilean and Australian jurisdictions and the final agreement was executed subsequent to the end of the period. The vendors are associated with Eduardo Valenzuela, Chairman of Cobre Montana.

RESULTS OF OPERATIONS

The operating loss after income tax of the Consolidated Entity for the half-year ended 31 December 2013 was $ 902,879 (31 December 2012: $454,322).

No dividend has been paid during or is recommended for the financial period ended 31 December 2013.

FINANCIAL POSITION

The Consolidated Entity's working capital, being current assets less current liabilities was $ 200,782 at 31 December 2013 (30 June 2013: $770,339).

In the Directors' opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

SUBSEQUENT EVENTS

On 21 January 2014, the Company has issued 200,000 ordinary fully paid shares at $0.055 per share forming part of the shortfall from the Share Purchase Plan announced to the ASX on 6 September 2013, raising total $11,000 before costs.

On 24 January 2014, the Company has issued further 3,635,445 ordinary fully paid shares at $0.055 per share to sophisticated investors, raising total $199,949.50 before costs.

On 10 Feburary 2014, the Company has issued further 363,000 ordinary fully paid shares at $0.055 per share to sophisticated investors, raising total $19,965 before costs.

There have not been any other material events subsequent to the end of the reporting date and the date of this report that have not been included in this financial report.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Bentleys, to provide the directors of the Consolidated Entity with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for the half-year ended 31 December 2013.

This report has been made in accordance with a resolution of the Board of Directors.

Adrian Griffin
Managing Director

Dated at Perth this 11th day of March 2014

Competent Person's Statement

The information contained in the report relates to Exploration Results of projects owned by Cobre Montana NL and is based on information compiled or reviewed by Mr Adrian Griffin, an employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr Griffin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person, as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Griffin has given consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Bentleys
THINKING AHEAD

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Cobre Montana NL for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Director

DATED at PERTH this 11th day of March 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Note	31 December 2013 $	30 June 2013 $
Current Assets			
Cash and cash equivalents		213,037	885,184
Trade and other receivables		60,492	26,327
Other assets		16,401	4,081
Total Current Assets		289,930	915,592
Non Current Assets			
Financial assets		5,680	5,900
Other assets	7	655,048	-
Property, plant and equipment		650	813
Total Non Current Assets		661,378	6,713
TOTAL ASSETS		951,308	922,305
Current Liabilities			
Trade and other payables		89,148	145,253
Total Current Liabilities		89,148	145,253
TOTAL LIABILITIES		89,148	145,253
NET ASSETS		862,160	777,052
Equity			
Issued capital	8	7,681,571	6,727,631
Reserves		409,097	375,050
Accumulated losses		(7,110,042)	(6,244,441)
Controlling entity interest		980,626	858,240
Non controlling interest		(118,466)	(81,188)
TOTAL EQUITY		862,160	777,052

The above statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Half-Year Ended 31 December 2013

	Note	31 December 2013 $	31 December 2012 $
Continuing Operations			
Revenue		6,303	31,667
Occupancy costs		(16,750)	(6,139)
Professional fees		(105,816)	(11,735)
Corporate fees		(91,040)	(41,353)
Employee benefits expense		(381,707)	(193,267)
Option expense		(50,004)	-
Administration costs		(52,821)	(79,570)
Share of net losses of associates		-	(60,517)
Fair value of investments adjustment		(220)	3,065
Impairment of loans to associated companies		-	(16,265)
Exploration and evaluation costs written off		(210,824)	(80,208)
Loss before income tax		(902,879)	(454,322)
Income tax expense		-	-
Loss from continuing operations		(902,879)	(454,322)
Other comprehensive income		-	-
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operation		(15,957)	-
Total comprehensive income for the period		(918,836)	(454,322)
Loss for the year attributable to:			
Members of the controlling entity		(865,601)	(454,322)
Non controlling interest		(37,278)	-
		(902,879)	(454,322)
Total comprehensive income attributable to:			
Members of the controlling entity		(881,558)	(454,322)
Non controlling interest		(37,278)	-
		(918,836)	(454,322)
Basic loss per share (cents per share)		1.89	1.2

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2013

	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non Controlling Interest	Total
	$	$		$		$
Balance at 1 July 2012	5,995,131	407,090		(4,174,990)		2,227,231
Loss for the period	-	-		(454,322)	-	(454,322)
Total comprehensive loss for the year	-	-		(454,322)	-	(454,322)
Transaction with owner, directly recorded in equity:						
Issue of shares	367,500	-		-		367,500
Balance at 31 December 2012	**6,362,631**	**407,090**	**-**	**(4,629,312)**	**-**	**2,140,409**
Balance at 1 July 2013	6,727,631	407,090	(32,040)	(6,244,441)	(81,188)	777,052
Loss for the period	-	-		(865,601)	(37,278)	(902,879)
						-
Other comprehensive income						-
						-
Exchange differences on translation of foreign subsidiary			(15,957)			(15,957)
Total comprehensive loss for the period	-	-	(15,957)	(865,601)	(37,278)	(918,836)
Transaction with owner, directly recorded in equity:						
Issue of shares	1,028,300	-		-		1,028,300
Capital raising costs	(74,360)	-		-		(74,360)
Option valuation reserve		50,004				50,004
Share based payment reserve						-
Balance at 31 December 2013	**7,681,571**	**457,094**	**(47,997)**	**(7,110,042)**	**(118,466)**	**862,160**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2013

	31 December 2013	31 December 2012
	$	$
Cash Flows from Operating Activities		
Payments to suppliers and employees	(343,171)	(369,632)
Payments for exploration and evaluation	(567,458)	(80,208)
Interest received	5,325	31,277
Net cash outflow from operating activities	(905,304)	(418,563)
Cash Flows from Investing Activities		
Purchase of financial assets	-	-
Purchase of property, plant and equipment	-	-
Purchase of equity investment	(655,048)	-
Net cash outflow from investing activities	(655,048)	-
Cash Flows from Financing Activities		
Proceeds from issue of shares and options	962,565	-
Payment for capital raising costs	(74,360)	-
Net cash inflows from financing activities	888,205	-
Net decrease in cash held	(672,147)	(418,563)
Cash and cash equivalents at the beginning of the period	885,184	1,878,973
Cash and cash equivalents at the end of the period	213,037	1,460,410

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For The half-year ended 31 December 2013

1. CORPORATE INFORMATION

The financial report of Cobre Montana NL and controlled entities, previously known as Midwinter Resources NL ("the Consolidated Entity") for the half-year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 11 March 2014. Cobre Montana NL is a no liability company incorporated in Australia and its shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Consolidated Entity are described in the directors' report that is included in this report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The half-year financial report is a general-purpose financial statement, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The half-year financial report has been prepared on a historical cost basis, except where applicable for financial assets that have been measured at fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report of Cobre Montana NL as at 30 June 2013 and any public announcements made by the Consolidated Entity during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The half-year financial statements have been prepared in accordance with the accounting policies adopted in the consolidated entity's last annual financial statements for the year ended 30 June 2013.

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year.
New and revised Standards and amendments thereof and Interpretations effective for the current half-year include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities' AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'
- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'

The above standards have extensive disclosure requirements, however these do not effect this half year financial report apart from the impact of the application of AASB 13. The group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value is the exit price regardless of whether that price is directly observable or estimated using another valuation technique. AASB 13 has extensive disclosure requirements, which have been set out in Note 9: Financial Instruments.

The Group has not made any new disclosures required by AASB 13 for the comparative periods, the application of AASB 13 has not had a material impact on the amounts recognised in the consolidated financial statements.

The adoption of the other standards listed above have not had a material impact on this half year financial report.

Going concern

The interim financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity has incurred a net loss for the period ended 31 December 2013 of $902,879 (2012: $454,322) and experienced net cash outflows from operating activities of $905,304 (2012: $418,563).

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the ability of the Consolidated Entity to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern.

The directors have prepared a cash flow forecast, which indicates that the Consolidated Entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this interim financial report.

Subsequent to the end of the reporting date, the Company has successfully raised $230,914 before costs through the shortfall from the Share Purchase Plan and share placement to sophisticated investors.

Based on the cash flow forecasts, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Consolidated Entity's history of raising capital to date, the directors are confident of the Consolidated Entity's ability to raise additional funds as and when they are required.

Should the Consolidated Entity not achieve the matters set out above, there is material uncertainty whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Consolidated Entity not be able to continue as going concern.

3. SEGMENT INFORMATION

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board considers the business from both a functional and geographic perspective and has identified that since the acquisition of Mantos Grandes Project in 2013, there is only one reportable segment, being exploration and development of the Mantos Grandes Project in the Chile.

Refer to the relevant financial statements for details on assets, liabilities, revenues and expenses monitored by the Board.

(b) Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the previous reporting period end 31 December 2013 is as follows:

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Consolidated entity has tenements in South Africa and Chile. However, the Board, on a functional perspective, has identified that there is only one reportable segment, being exploration of minerals.

Refer to the relevant financial statements for details on assets, liabilities, revenues and expenses monitored by the Board.

4. OPERATING SEGMENTS

(i) Segment performance

31 December 2013

	Exploration	Total
	$	$
Revenue	-	-
Expenses	(210,824)	(210,824)
Total segment loss	**(210,824)**	**(210,824)**
Reconciliation of segment result to Company net loss		
i) Unallocated items		
- Interest revenue		5,313
- Other		(697,368)
Net loss from continuing operations		**(902,879)**

31 December 2012

	Exploration	Total
	$	$
Revenue	-	-
Expenses	(80,208)	(80,208)
Total segment loss	**(80,208)**	**(80,208)**
Reconciliation of segment result to Company net loss		
i) Unallocated items		
- Interest revenue		31,717
- Other		(405,831)
Net loss from continuing operations		**(454,322)**

4. OPERATING SEGMENTS (continued)

(ii) Segment Assets

31 December 2013

	Exploration $	Total $
Segment Assets	655,048	655,048
Unallocated assets:		
- Cash and cash equivalents		213,037
- Trade and other receivables		60,492
- Other Assets		22,731
Total Company Assets		**951,308**

30 June 2013

	Exploration $	Total $
Segment Assets	-	-
Unallocated assets:		
- Cash and cash equivalents		885,184
- Trade and other receivables		26,327
- Equity accounted investments		-
- Other Assets		10,794
Total Company Assets		**922,305**

5. SUBSEQUENT EVENTS

On 21 January 2014, the Company has issued 200,000 ordinary fully paid shares at $0.055 per share forming part of the shortfall from the Share Purchase Plan announced to the ASX on 6 September 2013, raising total $11,000 before costs.

On 24 January 2014, the Company has issued further 3,635,445 ordinary fully paid shares at $0.055 per share to sophisticated investors, raising total $199,949.50 before costs.

On 10 Feburary 2014, the Company has issued further 363,000 ordinary fully paid shares at $0.055 per share to sophisticated investors, raising total $19,965 before costs.

There have not been any other material events subsequent to the end of the reporting date and the date of this report that have not been included in this financial report.

6. CONTINGENT LIABILITIES

The Consolidated Entity has no known material contingent liabilities as at 31 December 2013 (31 December 2012: Nil).

7. OTHER ASSETS

	31December 2013 $	30 June 2013 $
Deposit	655,048	-

The ultimate recoupment of the deposit for Mantos Grandes Project in Chile is dependent on the successful development and commercial exploitation or scale of the project.

On 26 September 2013, the Company has entered a Farm-in Agreement with Southern Hemisphere Mining Limited ("Southern Hemisphere") under which the Company may earn a 65% interest in the Mantos Grandes project. Cobre Montana will undertake three stages of sole funding totalling $1.5 million, which time the Company may elect to pay the final $1 million to procure its 65% interest in a contributing joint venture. Upon satisfying the earn-in obligations of he Farm-in Agreement, Minera Mantos Grandes SCM, the current owner of the Mantos Grandes concessions and a subsidiary of Southern Hemisphere, will transfer the equity to Midwinter Chile, a subsidiary of Cobre Montana, at such time as the Company has earned its equity.

8. ISSUED CAPITAL

(a) Issued and paid up capital

	31 December 2013		30 June 2013	
	Number	**$**	**Number**	**$**
Share capital				
Ordinary Shares				
Fully paid of no par value	61,713,962	7,680,401	43,000,042	6,726,461

(b) Movement in ordinary shares on issue

Other equity securities				
Partly-paid contributing shares	11,700,000	1,170	11,700,000	1,170
Total contributed equity	**73,413,962**	**7,681,571**	**54,700,042**	**6,727,631**

8. ISSUED CAPITAL (continued)

Outstanding amount per partly paid ordinary shares at 31 December 2013 is $0.2499 (2012: $0.2499).

The partly paid ordinary shares are issued with 11,700,000 outstanding calls of 24.99 cents each. The dates for the future calls are not before 31 December 2013. The partly paid shares carry a right to a dividend on the same basis as holders of Ordinary Shares. Partly paid shares carry the right to vote in proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). The company has the power to forfeit any shares, where the call remains unpaid 14 days after the call was payable. The company must then offer the shares forfeited for public auction within six weeks of the ball becoming payable.

Reconciliation of the number of Ordinary Shares

Movements in fully paid ordinary share capital of the Company during the period as follows:

	No. of shares	Value $
Opening balance 1 July 2013	**43,000,042**	**6,726,461**
Shares issued during the period:		
10 September 2013 (i)	13,546,603	745,063
11 September 2013 (ii)	100,000	5,500
26 September 2013 (iii)	827,275	45,500
16 October 2013 (iv)	159,688	10,765
4 November 2013 (v)	589,400	29,470
3 December 2013 (vi)	2,781,818	153,000
23 December 2013 (vii)	709,136	39,002
Less: Transaction costs		(74,360)
Closing balance 31 December 2013	**61,713,962**	**7,680,401**

(i) On 10 September 2013, the Company issued 13,546,603 ordinary shares at $ 0.055 each as a share placement.
(ii) On 11 September 2013, the Company issued 100,000 ordinary shares at $ 0.055 each as a share placement.
(iii) On 26 September 2013, the Company issued 827,275 ordinary shares at $ 0.055 each under Share Purchase Plan.
(iv) On 16 October 2013, the Company issued 159,688 ordinary shares at $ 0.0674 each under Director and Senior Management Fee & Remuneration Sacrifice Share Plan.
(v) On 4 November 2013, the Company issued 589,400 ordinary shares at $ 0.050 each under Director and Senior Management Fee & Remuneration Sacrifice Share Plan.
(vi) On 3 December 2013, the Company issued 2,781,818 ordinary shares at $ 0.055 each as shortfall shares under the Share Purchase Plan.
(vii) On 23 December 2013, the Company issued 709,136 ordinary shares at $ 0.055 each as shortfall shares under the Share Purchase Plan.

8. ISSUED CAPITAL (continued)

(c) Options as at 31 December 2013

Unlisted options on issue as at 31 December 2013 as follows:

	Number	Exercise Price	Weighted average exercise price
Options outstanding 1 July 2013	**5,650,000**		**$0.26**
Granted 3 September 2013, exercisable on or before 2 September 2015	2,750,000	$0.0875	
Granted 10 September 2013, exercisable on or before 9 September 2015	4,515,534	$0.10	
Granted on 11 September 2013, exercisable on or before 9 September 2015	33,333	$0.10	
Forfeited 27 September 2013	(100,000)	$0.14	
Forfeited 19 November 2013	(1,700,000)	$0.30	
Granted 15 November 2013, exercisable on or before 29 November 2015	500,000	$0.09	
Options outstanding as at 31 December 2013	**11,648,867**		**$0.15**

9. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of trade and other receivable and trade and other payables. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.

Financial assets

The Group's Held for trading financial assets are level-1 financial instruments and valued using the quoted bid prices from the Australian Securities Exchange as at the reporting date.

DIRECTORS' DECLARATION

The directors of Cobre Montana NL declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards AASB 134: *Interim Financial Reporting*; and

   (b) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2013 and of its performance as represented by the results of its operations, changes in equity and its cash flows for the half-year ended on that date; and

2. At the date of this statement there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Adrian Griffin
Managing Director

Dated at Perth this 11th day of March 2014

Bentleys
THINKING AHEAD

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Independent Auditor's Review Report

To the Members of Cobre Montana NL

We have reviewed the accompanying half-year financial report of Cobre Montana NL ("the Company") and its Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other selected explanatory information and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cobre Montana NL is not in accordance with the *Corporations Act 2001* including:

a. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the half-year financial report which indicates that the Consolidated Entity incurred a loss of $902,879 during the period ended 31 December 2013. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

BENTLEYS	**MARK DELAURENTIS** CA
Chartered Accountants	**Director**

DATED at PERTH this 11th day of March 2014