30 JANUARY 2023

ASX RELEASE

QUARTERLY REPORT FOR THE PERIOD ENDING DECEMBER 31 2022

HIGHLIGHTS

- **Nine hole, 1,627m RC drilling program confirmed a Zn-Pb-Cu-Ag discovery at the Minjina prospect**
- **Laboratory analyses confirm pXRF results from hole MIRC003 where mineralisation is unconstrained within a >1km x 750m zone of elevated Zn including a higher-grade zone of:**
  - **7m @ 3.20% Zn, 0.82%Pb (4.02% Zn + Pb) & 11.84 g/t Ag from 73m *including***
    - **2m @ 5.0% Zn, 1.4% Pb (6.4% Zn + Pb) & 18.83g/t Ag from 76m**
- **MIRC003 drilled 80m east of 2017 hole 17MVRC004 withd up to 2.52% Zn + Pb & 3.56g/t Ag**
- **'Off-hole' DHEM target at MIRC003 presents a compelling follow up drill target analogous to Jaguar-Bentley Zn-Cu deposit with a deeper hole planned to test this target in the coming quarter**
- **The Zn mineralisation intersected in MIRC003 is inferred to 'overprint' the Mt-Venn style mineralisation in MIRC008, validating the Company's interpretation of a new deposit style**
- **'Mt Venn style' Cu-Ni-Co mineralisation - including highest grade cobalt intersections in the Yamarna project to date - in holes MIRC004 and MIRC008**
- **Results in line with reported pXRF data with further downhole and surface geophysical surveys planned to commence later this month in preparation for further drilling next month**
- **Minjina potentially extends the strike length of the shallow Mt Venn Cu-Ni-Co system to >2.4km**
- **1,550m RC drilling program at the Mt Venn intersected copper mineralisation including:**
  - **18m @ 0.48% Cu, 0.12% Ni, 340ppm Co from 142m in YARC021**
  - **13m @ 0.46% Cu, 0.11% Ni from 179m including 1m @ 1.27% Cu from 191 in YARC023**
  - **17m @ 0.26% Cu from 132m in YARC017**
- **The Company completed a heritage survey surrounding drillhole MVRC010 at the Narragene project, north of Mt Venn, 4m @ 1.3% Cu and 0.7% Ni from 33m, the highest nickel grades drilled in the Mt Venn Igneous Complex [1]:**

[1] *Refer Independent Geologist's Report in CMO's Prospectus 22/11/2021*

Cosmo Metals

Level 3, 33 Ord Street
West Perth WA 6005
cosmometals.com.au

Telephone: +61 (8) 6400 5301
Email: admin@cosmometals.com.au
ASX: CMO

Shares on Issue: 50.5M
Market Cap: $8.1M (at $0.16)
Cash: $1.6M (31 December 2022)

Cosmo Metals Ltd ("**Cosmo**" or **"the Company**") exploration program during the quarter focussed on the newly discovered Minjina Zn-Pb-Ag prospect as well as the advanced Mt Venn Cu-Ni-Co project. Regional target generation is ongoing, including review of the recently granted Narragene tenement, featuring a further nine kilometres of the Mt Venn mineralised horizon, with several high priority targets defined for drill testing with heritage surveys completed to support ground geophysical surveys to commence in the coming quarter.

At the end of the December quarter, the Company had a cash balance of $1.6 million.

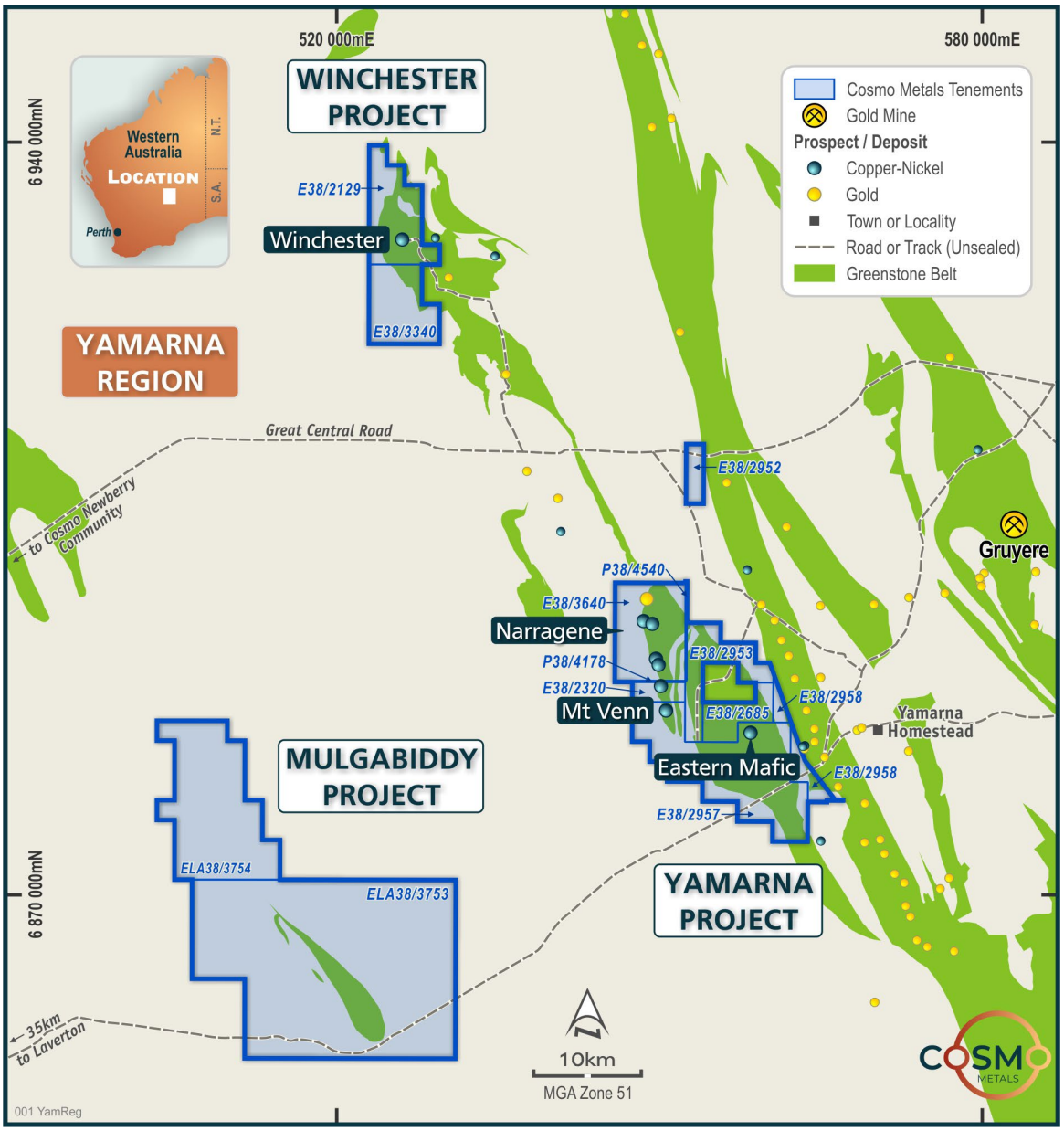


Figure 1: *Cosmo Metals' Yamarna Region Projects, Eastern Goldfields Western Australia.*

YAMARNA PROJECT (CMO 100%)

Cosmo Metals' Yamarna Project, ~130km east of Laverton in Western Australia, includes the Mt Venn, Minjina and Eastern Mafic prospects. With the granting of the Narragene tenement E38/3640 Yamarna now comprises nine granted exploration licences with a total area of 370km^2 (*refer Figure 2*).

The Mt Venn Cu-Ni-Co prospect has been the primary focus of exploration by Cosmo since listing, with drilling by the Company defining a continuous zone of Cu-Ni-Co mineralisation up to 2.5km in length to a maximum depth of 240m. Mineralisation has been defined and is sparsely tested for a further nine kilometres of strike, highlighting the potential for the discovery of large-scale deposits.

During the quarter the Company's focus has shifted to the Minjina Zn-Pb-Ag discovery, ~1km north of Mt Venn, with shallow Zn-Pb-Ag mineralisation intersected in drill hole MIRC003. Ground geophysics surveys are currently underway in preparation for a significant drill program to commence in the coming quarter.

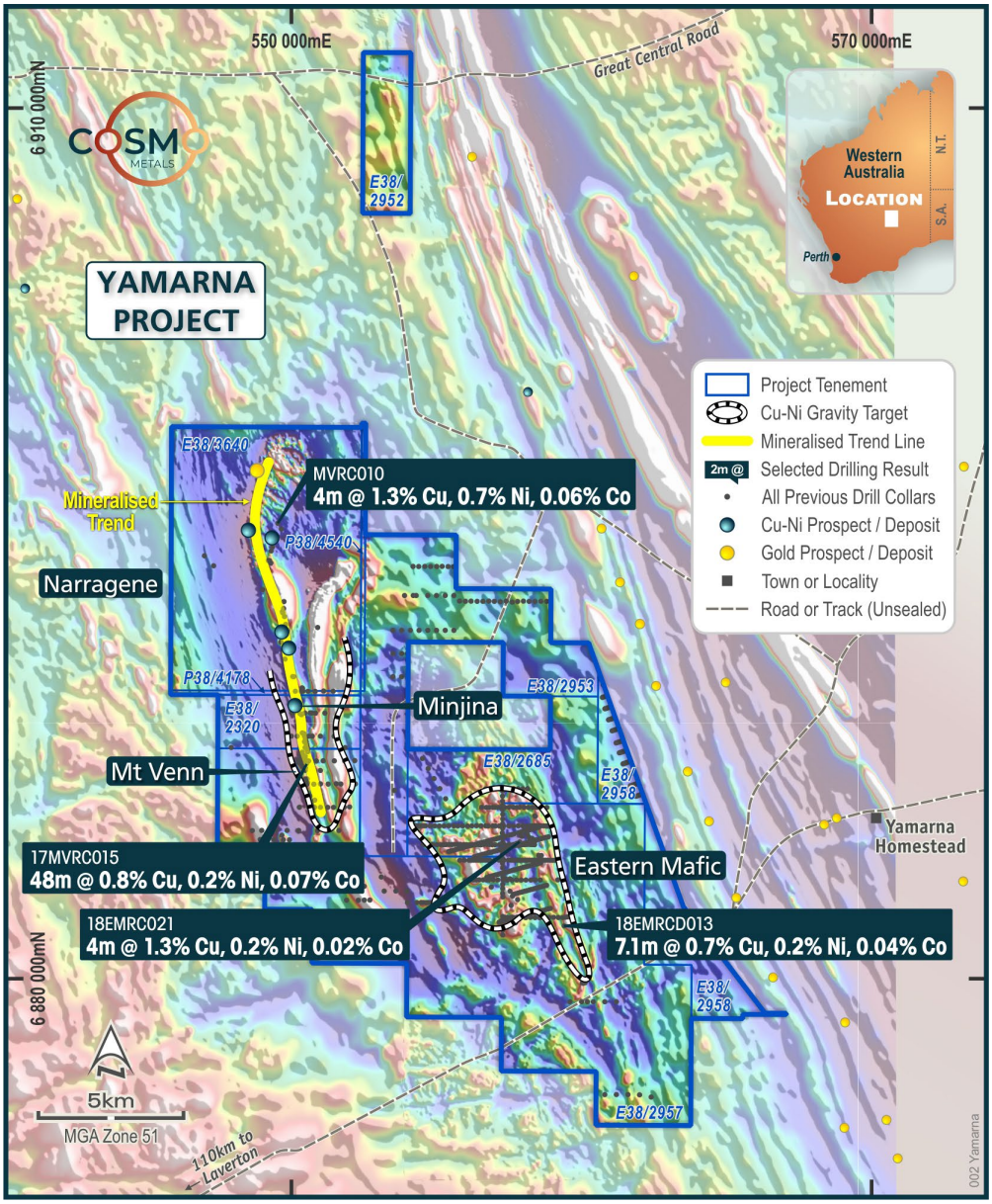


Figure 2: *Cosmo Metals' Yamarna Project, Eastern Goldfields Western Australia, prospects and selected historical intersections on regional airborne magnetic imagery (RTP TMI)*

Minjina (Zn-Pb-Ag)

The Minjina Prospect, ~1km north of Mt Venn, was recognised as a base metals target from a review of historical drillhole 17MVRC004, drilled in 2017, which intersected [2]:

- 12m @ 0.8% Zn, 3.3g/t Ag & 0.16% Pb from 48m *including*
    - 2m @ 2.13% Zn, 3.56g/t Ag and 0.39% Pb from 58m

Mineralisation at Minjina is significantly different to previous sulphide intersections in the area, with red-orange sphalerite (zinc sulphide) intergrown with subordinate galena (lead sulphide) and chalcopyrite (Cu-sulphide). This contrasts with the pyrrhotite-chalcopyrite hosted mineralisation at Mt Venn, supporting the interpretation of a new mineralisation style in the Yamarna project.

Minjina, originally drilled in 2017, had seen no follow up until DHEM surveying by the Company during the last quarter identified a strong off-hole conductor untested by drilling (*refer Figures 4 & 5*).

During the quarter the Company completed a nine-hole (1,627m) RC drilling program at Minjina targeting:

1. Volcanogenic Massive Sulphide (VMS) Zinc (Zn) - Lead (Pb) - Silver (Ag) mineralisation similar to the deposits of the Teutonic Bore District north of Leonora which includes the Teutonic Bore, Jaguar and Bentley deposits

2. Magmatic Copper (Cu) – Nickel (Ni) – Cobalt (Co) analogous to the Company's Mt Venn deposit, and associated with massive pyrrhotite, which is typically magnetic and conductive, representing a relatively straightforward target for surface geophysics in the region.

Volcanogenic Massive Sulphide (VMS) Zinc (Zn) - Lead (Pb) - Silver (Ag)

VMS Zn-Pb-Ag mineralisation at Minjina, first identified in 2017 from hole 17MVRC004 is non-magnetic and very weakly conductive and therefore difficult to detect with traditional electromagnetic (EM) surveying.

To test the target model, the Company drilled a step-out hole, MIRC003 collared ~80m east of 17MVRC004 (*refer Figures 3 & 4*).

MIRC003 intersected significantly broader and higher-grade Zn-Pb-Ag mineralisation compared with 17MVRC004 including:

- 4m @ 0.37% Zn, 0.34% Pb, 4.81g/t Ag from 28m *and*
- 8m @ 0.53% Zn, 0.12% Pb, 2.77 g/t Ag from 48m *and*
- **7m @ 3.20% Zn, 0.82% Pb, 11.84 g/t Ag from 73m *which included***
    - **2m @ 5.0% Zn, 1.4% Pb, 18.83g/t Ag from 76m**
- 4m @ 0.49% Zn, 0.10 % Pb, 2.74 g/t Ag from 116m

Mineralisation in MIRC003 is open down dip and along strike with the above significant intersections contained within a broad zone of anomalous (>0.1%) Zn extending most of the entire length of the hole.

The Company interprets the 'stringer' or vein style mineralisation intersected in MIRC003 to be within the footwall zone of a deeper, potentially more massive, mineralised system.

[2] *Refer CMO ASX Announcement 16/02/22*

A review of down hole EM (DHEM) in MIRC003 identified a ~1,500S conductor off the end of the hole at ~250m to the top of the model. This deeper target fits the above interpretation and represents a compelling target for follow up drill testing.

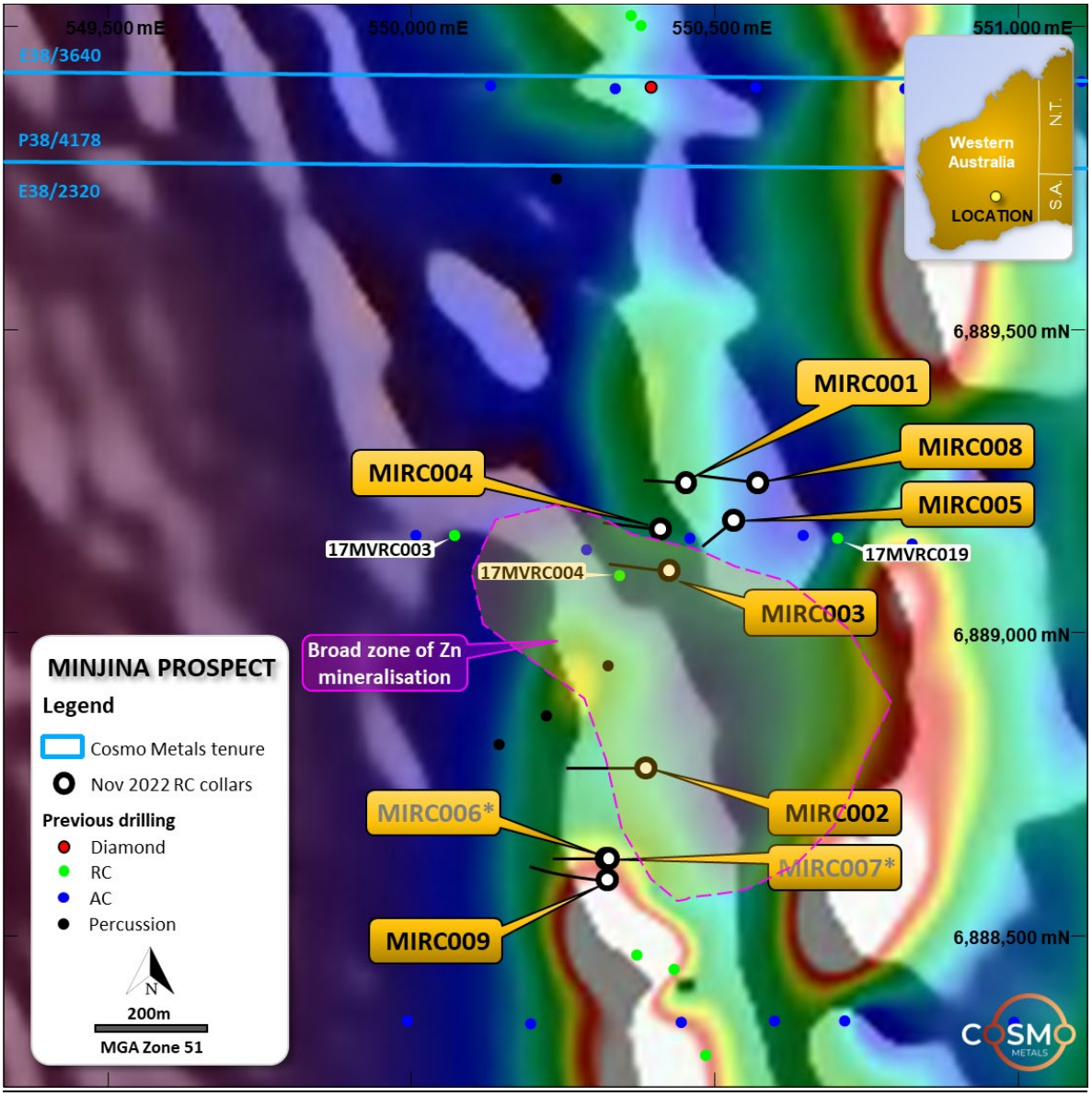


Figure 3: *Cosmo Metals' Minjina Prospect, drilling on regional airborne magnetic image (RTP TMI) with broad zone of Zn mineralisation outlined. *MIRC006 and 007 abandoned short of target.*

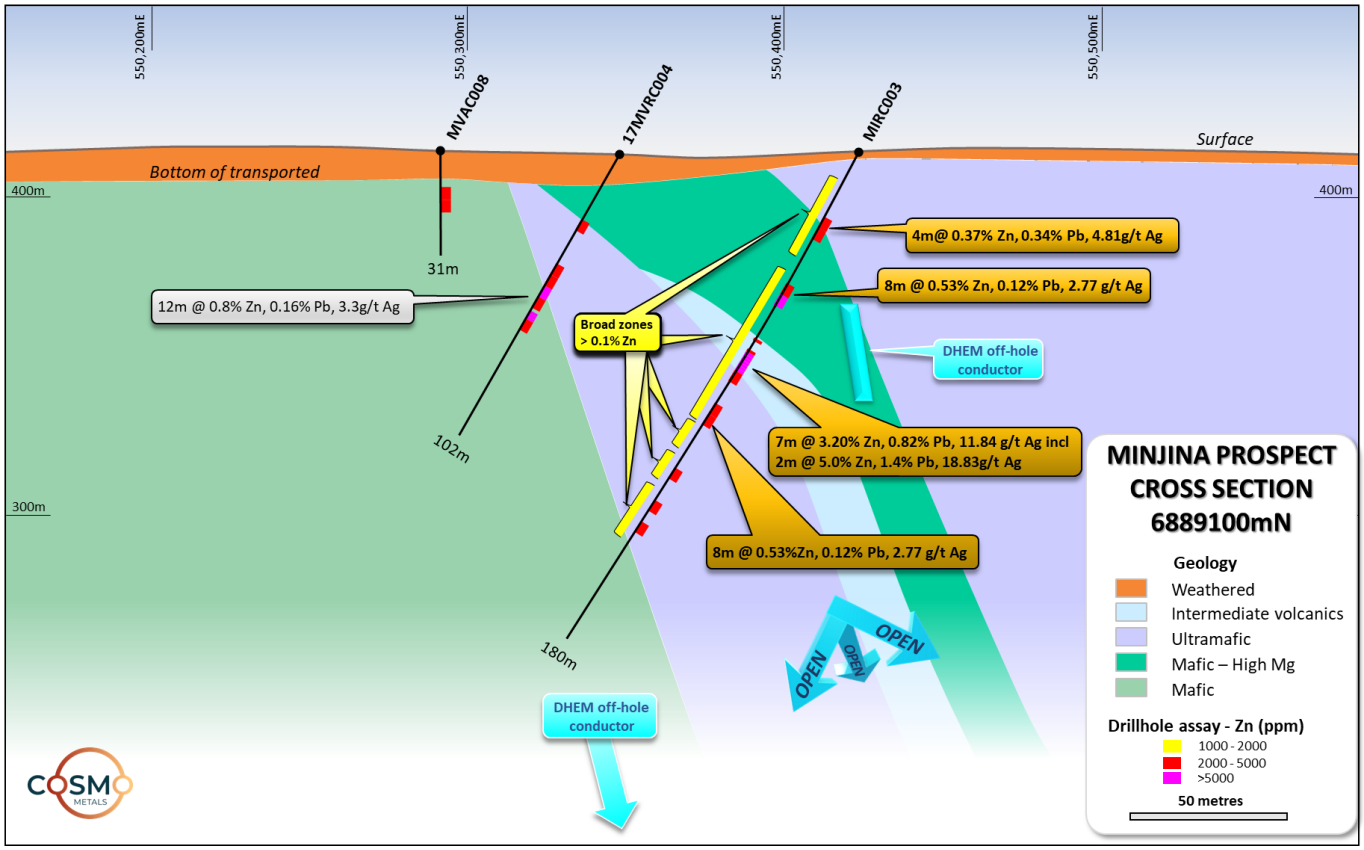


Figure 4: *Section 6889100, MIRC003 testing downdip ~80m east of historical hole 17MVRC004 with significant grade (>0.5% Zn) intervals within broad zones of >0.1% Zn. Off-end conductor ~50m below section (~260m from surface to top).*

Magmatic Copper (Cu) – Nickel (Ni) – Cobalt (Co)

The Cu-Ni-Co system at Minjina is analogous to mineralisation at the Company's Mt Venn deposit, and associated with massive pyrrhotite, which is typically magnetic and conductive, representing a relatively straightforward target for surface electromagnetic (EM) surveys.

During the quarter Cosmo completed a systematic program of moving loop and downhole EM (MLEM & DHEM) surveying in several campaigns between August and November and which identified two strong, discrete, late-time EM conductors at Minjina which were the initial focus of the RC program.

The MLEM survey over Minjina was collected with an ARMIT sensor which is designed to operate with lower noise levels than other EM technologies and is considered better able to penetrate conductive cover and potentially to deeper levels below the surface. This is the first time that an ARMIT sensor has been used at Yamarna and modelling and interpretation of the MLEM survey was completed in collaboration with the Company's geophysical consultants Newexco Exploration Pty Ltd.

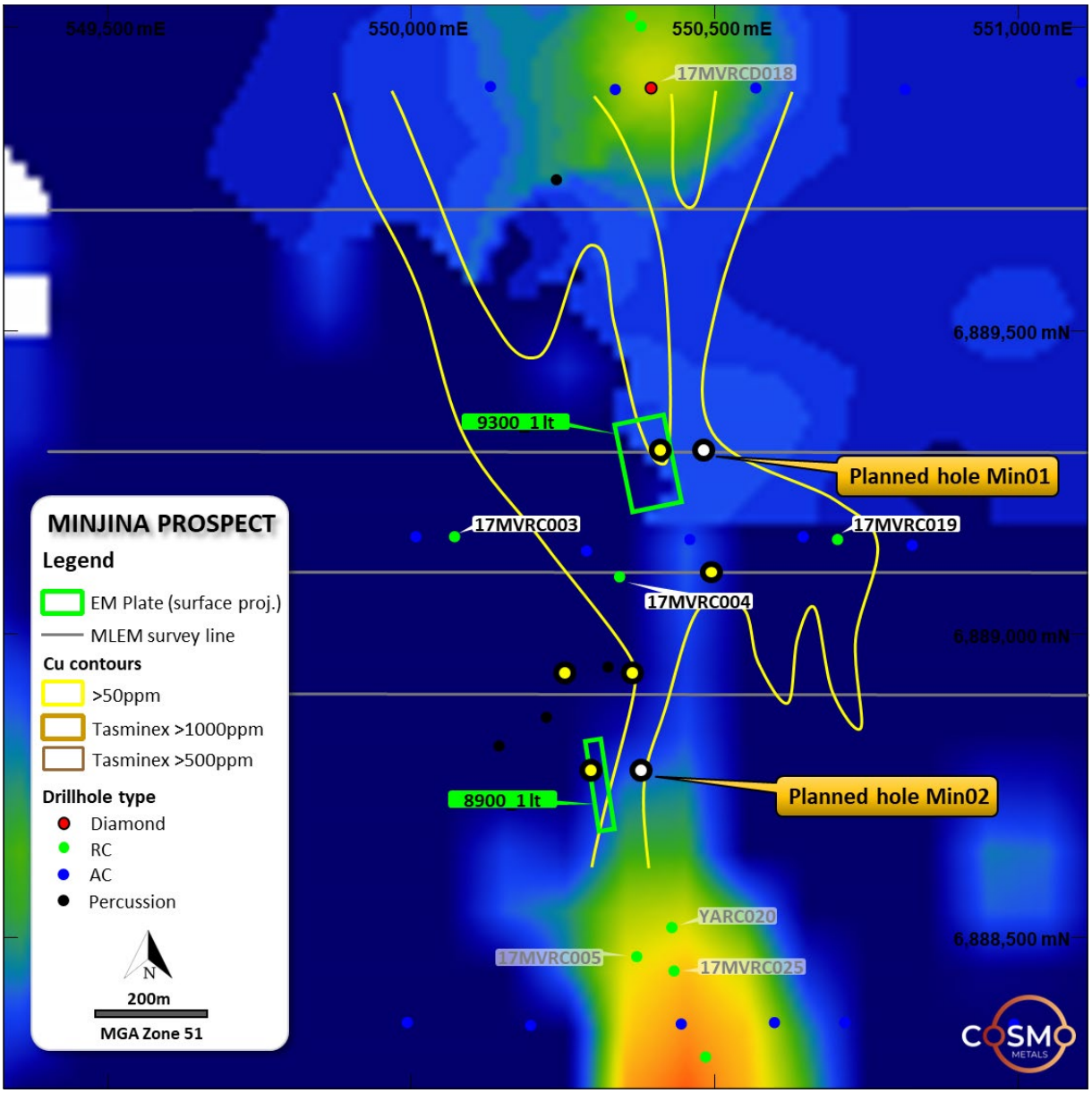


Figure 5: *Cosmo Metals' Minjina Prospect, MLEM anomalies, surface Cu anomalism, historical and planned drilling on regional airborne electromagnetics (Bz late-time).*

Modelling of the MLEM defined several distinct plates at Minjina (*refer Table 1 below*) and two drillholes (MIRC001 & MIRC002) were planned to test these targets, with an additional five holes sited to test for less conductive (but potentially mineralised) positions up-dip of and along strike from the two modelled conductors (*refer Figures 3 & 5*).

The northern anomaly (modelled plate 9300_1 lt) is associated with a discrete magnetic high which is interpreted to represent more pyrrhotite-rich part of the Minjina target. The southern anomaly (8900_1 lt) was interpreted to be a continuation of the Mt Venn mineralisation, ~300m north of the nearest drilling at Mt Venn.

Neither anomaly is visible in airborne EM (AEM) surveys (*refer Figure 3*) - largely reflecting shortcomings of the airborne systems in detecting buried massive sulphide targets –which supports the Cosmo technical teams' view that AEM historically flown in the region has only been partially effective, potentially opening other areas in the Mt Venn region for targeted ground surveys.

TABLE 1: *October 2022 Moving Loop Electromagnetic*

Plate Name	x	y	z	Dip	Dip Direction	Length	Depth Extent	Conductance (S)	Planned Drillhole
9300_1 lt	550352	6889339	267	65	100	150	150	1,214	Min01
DHEM Model of 17MVRC004,19	550483	6889317	283	66	147	361	106	1,153	Model superseded
8900_1 lt	550300	6888745	260	80	83	150	150	2,000	Min02

MIRC001 & MIRC002 targeting these strong conductors were drilled to the target depths, however failed to intersect geology or mineralisation that could explain the conductors, with MIRC002 intersecting an 11m-wide zone of elevated arsenic, copper, zinc and silver from 72m down hole within a broad, 76m-wide zone of disseminated sulphide (pyrrhotite-pyrite) mineralisation from 7m down hole.

Cosmo was able to mobilise a DHEM crew to probe MIRC001 and MIRC002 while the rig remained on site with survey data confirming the presence of strong off-hole conductors.

a) MIRC001 Follow up

Two off-hole conductors were modelled from the DHEM in MIRC001. A strong conductor ~70m to the south was tested by MIRC004, and another anomaly ~120m east of MIRC001 was tested by hole MIRC008 (*refer Figure 3*).

MIRC004 intersected a 55m-wide zone of highly magnetic, 'Mt Venn style' Cu mineralisation from 7m down hole with significant mineralisation including:

- 3m @ 0.37% Cu, 0.06% Ni, 0.18% Co from 7m *and*
- 12m @ 0.44% Cu, 0.08% Ni, 0.02% Co from 16m *including*
    - **1m @ 1.31% Cu, 0.28% Ni, 0.08% Co from 24m**
- 20m @ 0.21% Cu, 0.10% Ni, 0.03% Co from 45m.

The 0.18% cobalt (Co) intersection in MIRC004 is the highest-grade Co intersected to date in the Yamarna Project, which may reflect interaction with the VMS system intersected in MIRC003 ~70m to the south.

MIRC008, ~115m east of MIRC001 intersected a wide zone of 'Mt Venn style' massive and disseminated sulphide (pyrrhotite>>chalcopyrite) mineralisation from 172m downhole including:

- 5m @ 0.19% Cu, 0.09% Ni, 0.02% Co from 172m and
- 7m @ 0.58% Cu, 0.29% Ni, 0.06% Co from 182m and
- 12m @ 0.60% Cu from 196m.

MIRC008 was cased for DHEM and a survey crew is mobilising to site later this month to survey this hole to determine the potential for stronger conductors at depth and along strike.

b) *MIRC002 Follow-up*

A strong (>7,000S) off-hole conductor modelled ~150m south of MIRC002 was tested by holes MIRC006, 007 and 009.

MIRC006 was abandoned short of the target depth at 168m and an attempted redrill of this hole (MIRC007) failed at 19m when the collar 'blew out' in the void created by MIRC006.

Stepping ~30m to the south to avoid interaction with MIRC006 and 007, MIRC009 was drilled to planned depth however failed to intersect a conductor where modelled, with the target remaining unexplained, although the hole intersected several zones of anomalous arsenic, copper, zinc and silver, potentially representing a near miss.

Further review of the EM modelling using the geology intersected in MIRC002 and MIRC009 has resolved a new model which neither hole intersected.

This a compelling target for drill testing given the association with broad elevated base metals and pathfinder elements in MIRC002 and MIRC009.

MIRC009 was unable to be cased for DHEM due to blockages in the hole and prior to further drilling the Company is planning further ground EM (Fixed Loop EM) as well as probing the adjacent hole MIRC006 for potential survey with DHEM.

Next Steps at Minjina

The Company has engaged geophysical crews to commence ground surveys at Minjina later this month including:

- Downhole EM at MIRC008 and MIRC006
- Fixed loop EM (FLEM) over MIRC009 and MIRC003
- Ground gravity survey over the entire Minjina system to better map geology and potentially denser, mineralised zones.

The Company has also received proposals from drill contractors to mobilise to site next month to test targets identified from the above geophysical surveys as well as:

- Test the compelling off-hole DHEM target at MIRC003
- Grid drilling on sections to the north and south around the discovery hole at MIRC003 to identify vectors and potential controls and vectors to the system
- Test the off-hole conductor associated with the 'near-miss' in holes MIRC002 and MIRC009.

Mt Venn (Cu-Ni-Co)

Copper-rich sulphide mineralisation at Mt Venn is hosted within mafic-ultramafic rocks of the Mt Venn Igneous Complex. Mt Venn is characterised by widespread, thick, and shallow copper mineralisation, with

reverse circulation (RC) drilling by the Company since listing on the ASX 12 months ago extending the known mineralisation at Mt Venn including[3] (*refer Figures 2 & 6)*:

- 46m @ 0.80% Cu from 141m in 21MVRC001 *including*
    - **12m @ 1.26% Cu from 155m; and**
    - **13m @ 1.06% Cu from 170m.**
- 22m @ 0.48% Cu, 0.16% Ni and 0.06% Co from 135m in YARC008 *including*
    - **1m @ 1.56% Cu, 0.15% Ni and 0.05% Co from 147m**
- 18m @ 0.40% Cu from 202m in YARC013 *including*
    - **1m @ 1.05% Cu from 215m**
- 23m @ 0.30% Cu from 147m in YARC006 *including*
    - **1m @ 1.25% Cu from 154m**

During the quarter the Company announced the results of a seven-hole (1,550m) RC program. This program targeted further extensions of the shallow, thick Cu mineralisation at Mt Venn, and all holes intersected significant (>0.15%) copper mineralisation at targeted depths, with mineralised intervals comprising disseminated to massive and semi-massive sulphides (pyrrhotite>>chalcopyrite) hosted within a mafic (gabbro) to ultramafic (pyroxenite) unit adjacent to the contact with felsic-intermediate volcanics and volcaniclastics (*refer Figures 1 & 2*).

A brief description of the targets and results are presented in Table 2 below with selected new intersections at Mt Venn intersected[4]**:**:

YARC017

- 17m @ 0.26% Cu from 132m in YARC017

YARC018

- 2m @ 0.38% Cu from 195m *and*
- 1m @ 0.19% Cu, 0.29%Ni, 558ppm Co from 229m

YARC020

- 4m @ 0.23% Cu from 54m *and*
- 4m @ 0.17% Cu from 74m *and*
- 3m @ 0.26% Cu, 0.21%Ni, 463ppm Co from 97m

YARC021 (*refer Figure 7*)

- 18m @ 0.48% Cu, 0.12% Ni, 340ppm Co from 142m

YARC022

- 14m @ 0.23% Cu from 221m

[3] *Refer CMO ASX Announcement 16/02/22 & 25/07/22 & Independent Geologist's Report in CMO's Prospectus 22/11/2021*
[4] *Refer CMO ASX Announcement 04/11/2022*

YARC023 (refer Figure 8)

- 13m @ 0.46% Cu, 0.11% Ni from 179m *including*
    - **1m @ 1.27% Cu from 191**

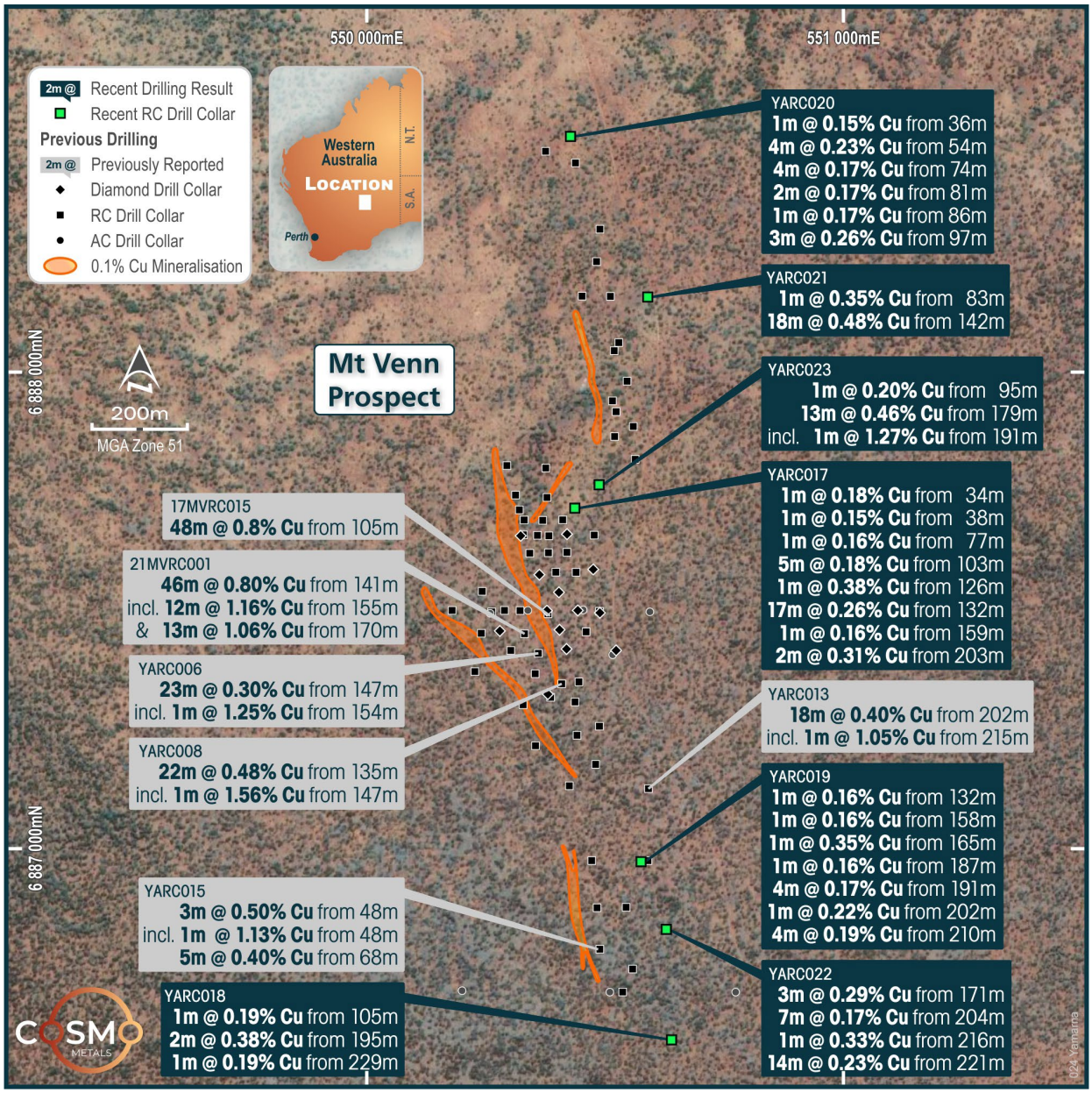


Figure 6: *Cosmo Metals' Mt Venn Project. August-September 2022 RC drilling including selected historical drill intersection on aerial photo background. For details of historical intersections, including JORC Table 1, refer CMO ASX Announcement 20 June 2022 and Independent Geologist's Report within Cosmo Metals' Prospectus dated 22 November 2021[1].*

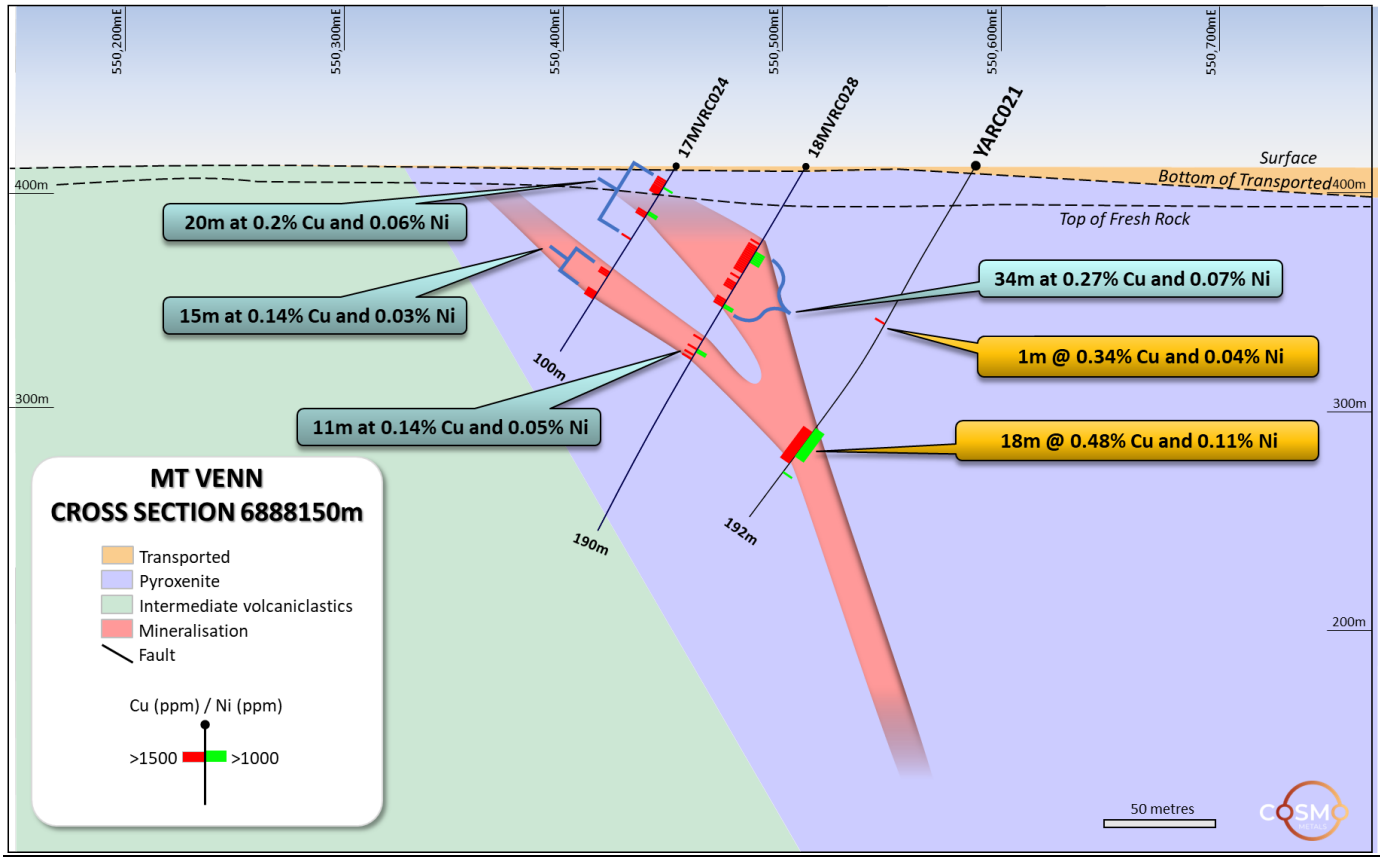


Figure 7: *Cross section 688150mN (view looking north).*

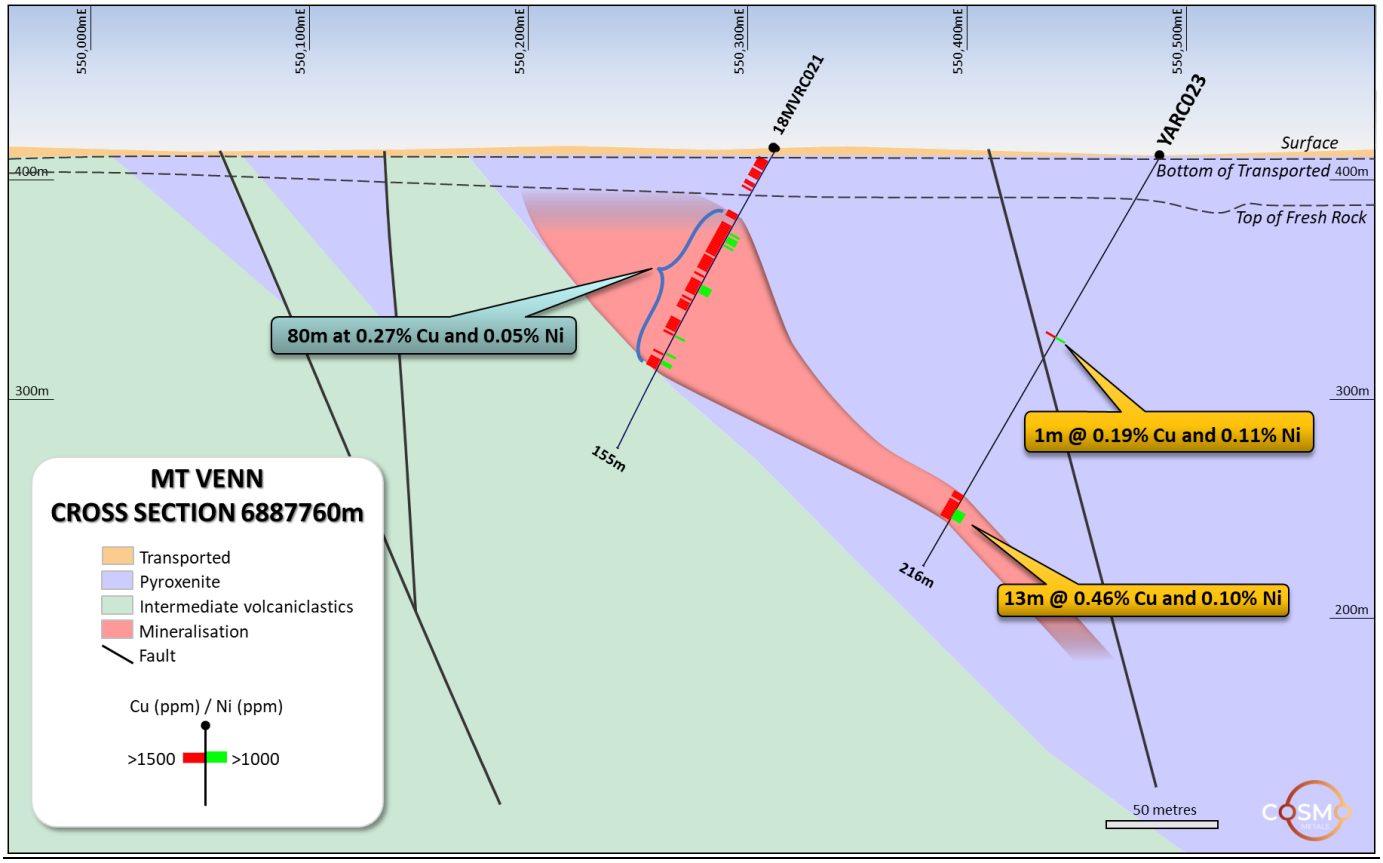


Figure 8: *Cross section 6887760mN (view looking north).*

TABLE 2: *RC Drilling Mt Venn, summary of geology and mineralisation*

HOLE ID	DEPTH (M)	TARGET	GEOLOGY	MINERALISATION
YARC017	246	Downdip extension of mineralisation in 18MVRC001	Overall mafic lithologies with gabbro to 194m, then 8m of diorite then mafic rock to the EOH.	Intersected three Cu mineralised zones with 2m mineralisation on contact between diorite and mafic unit.
YARC018	240	Southern extension of Mt Venn mineralisation – (southernmost YARC series hole)	Hole started in intermediates (Diorite) then Gabbro and alternating between the two until massive sulphides intercepted between 194 and 200m within Diorite	Narrow mineralisation with best intercept of 2m @ 3,785 ppm Cu, 833 Ni from 195m.
YARC019 (redrill of YARC016)	248	Downdip extension of mineralisation in YARC014 and the 'gap' between YARC013 to the north and YARC022 to the south	Hole started in gabbro and goes through two sections of diorite between 64 and 131m then gabbro until basal contact is intersected at 226m.	Mineralisation is located within a gabbro, mostly as thin bands, with the best 4m mineralised band close to the basal contact.
YARC020	168	Northern extension of Mt Venn and down dip continuation of mineralisation in 17MVRC005	Hole starts in mafic (gabbro) and then intersects two bands of diorite. The basal contact is intersected higher than interpreted.	Mineralisation is all within the mafic unit as thin discrete bands of massive to semi massive sulphides (dom. Pyrrhotite). A significant 12m shear zone is evident towards EOH (139 – 151m) which suggests some fault movement that may cut- or displace mineralisation.
YARC021	192	Downdip extension of flat dipping (15 degrees) mineralisation identified in holes 17MVRC024 and 18MVRC028	Gabbro from near surface then 5m of diorite at 28m. Shearing in the gabbro evident between 85 and 88m and again at 100 – 120m but doesn't appear related to any mineralisation. The basal contact was intersected at 170m.	A solid 18m band of massive and semi-massive sulphides was intersected at 142m indicating that the mineralisation seen in the other two holes on section continues at depth.

Eastern Mafic Complex (Cu-Ni-Co-PGE)

The Eastern Mafic Complex (EMC), ~7km east of Mt Venn, is defined by a 4.5km by 3.5km gravity anomaly discovered in 2018.

Limited exploration has been completed at EMC with only 36 holes drilled to date, targeting electromagnetic conductors identified by an airborne EM (AEM) survey flown in 2018, with all conductors drilled being associated with magmatic sulphides. Ni-Cu-Co (PGE) mineralisation at EMC is hosted within gabbro to anorthositic gabbro rocks with sulphides dominated by pyrrhotite - chalcopyrite with lesser pyrite.

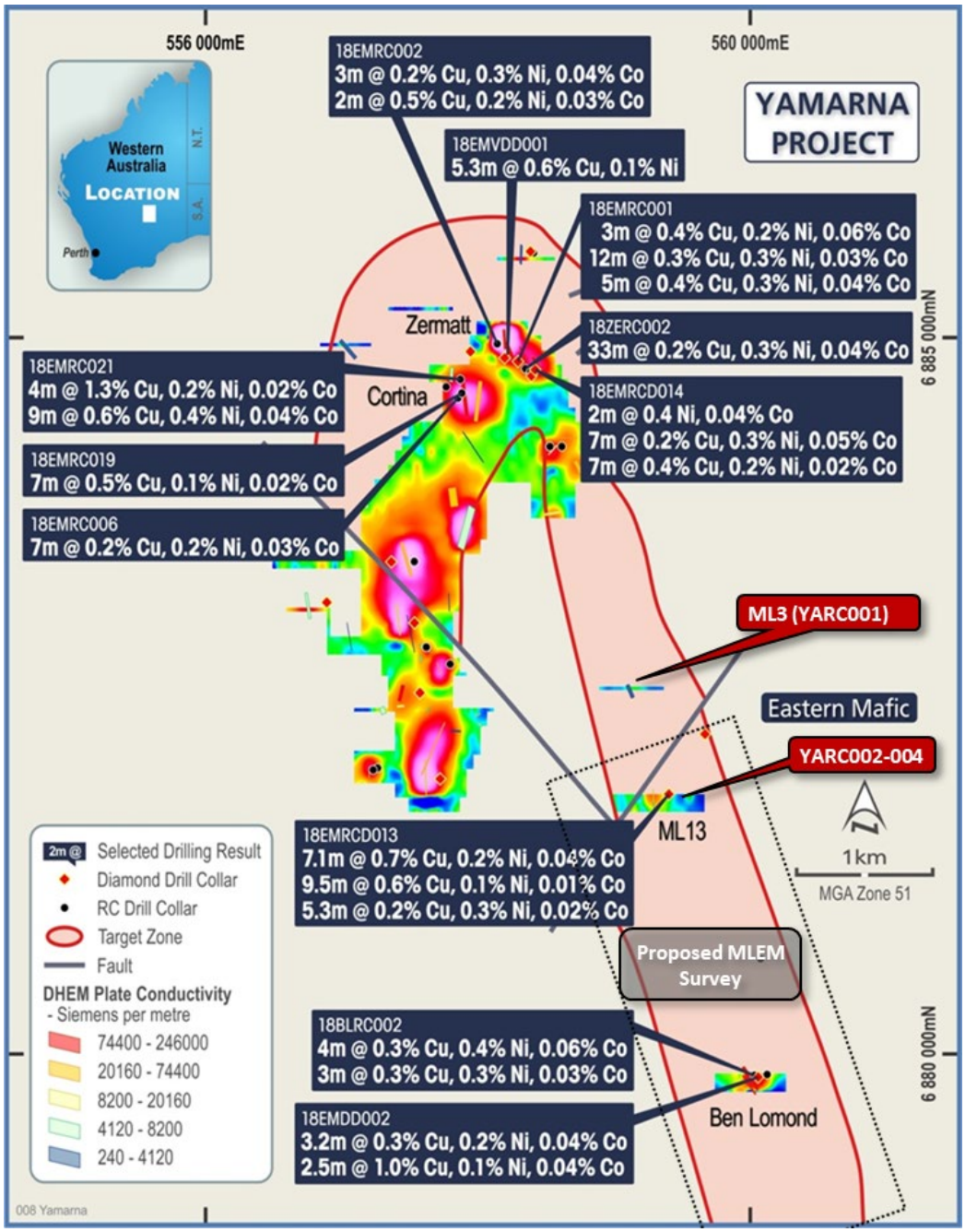


Figure 9: *Eastern Mafic Complex, prospects, 2022 RC drilling with selected historical drill intersections and proposed MLEM survey. For details of historical intersections, including JORC Table 1, refer Independent Geologist's Report within Cosmo Metals' Prospectus dated 22 November 2021[1].*

Historical exploration at EMC targeted potential 'feeder zones' of the mineralised system (i.e., the potential source to near-surface mineralisation), with the potential to host large zones of sulphide mineralisation analogous to other Cu-Ni-PGE deposits globally.

Several high-priority prospects have been identified at EMC, including Zermatt, Cortina, ML3 and ML13 (*refer Figure 9*). These prospects remain largely open along strike and at depth and of note within this system is the presence of Platinum Group Elements (PGE's) in contrast to Mt Venn.

During the quarter the Company completed MLEM surveying at several targets also covered targets at Eastern Mafic[5] however no compelling targets were identified in this survey. Further targeting work at Eastern Mafic is ongoing with a detailed review anticipated in the coming quarter.

Narragene (Cu-Ni-PGE)

The Company's Narragene tenement (E38/3640) covers the entire northern extension of the Mt Venn Complex. Historical drilling along this trend intersected wide (20-44m) zones of copper-dominant sulphide mineralisation with almost half the historical holes completed recording grades greater than 0.2% Cu including historical hole MVRC010, which intersected (*refer Figure 2)*:

- **4m @ 1.3% Cu and 0.7% Ni from 33m**

MVRC010 is coincident with a NNW-trending shear zone, and has never been followed up despite intersecting the highest nickel grades drilled to date in the Mt Venn Igneous Complex.

During the quarter the Company completed a heritage survey over an area associated with MVRC010 as a precursor to ground geophysical (MLEM) surveys planned to commence once final government approvals have been received.

WINCHESTER (CMO 75% - 100%)

The Winchester Project is located ~50km north of the Yamarna Project tenement package, comprising two tenements covering 91km^2 (*refer Figures 1 & 10*). Winchester contains magmatic hosted polymetallic (Cu-Ni-Co-PGE) mineralisation interpreted to be analogous to the Mt Venn deposit. Several phases of exploration have historically been completed at Winchester, however only 22 RC and DD holes have been drilled to date across the entire tenement area with numerous significant intercepts including[6]:

- 7m @ 1.1 % Cu, 0.2% Ni, 0.01% Co, 0.13ppm PGE and 0.19g/t Au from 123 m (18WNRC001)
    - including 2m @ Cu 1.8% Cu, 0.2 % Ni, 0.02% Co, 0.22ppm PGE and 0.25g/t Au from 126m
- 13m @ 0.9 Cu %, 0.3 % Ni, 0.02 % Co from 138 m (18WNRC002)
    - including 2m @ 1.5% Cu, 0.1% Ni, 0.01% Co and 0.12g/t Au from 138 m
    - and 5m @ 1.1% Cu, 0.7% Ni, 0.04% Co and 0.1ppm PGE from 144m
- 4.4m @ 0.8% Cu, 4.7g/t Ag from 201.86 m (20WNRCD002)
- 19m @ 0.6% Cu, 0.3% Ni, and 0.02% Co from 106m (YMRC010) 10

[5] *Refer CMO ASX Announcement 04/11/22*
[6] *Refer Independent Geologist's Report in CMO's Prospectus 22/11/2021*

- including 10m @ 0.8% Cu, 0.4% Ni, 0.03% Co

- 13m at 0.9% Cu, 0.3% Ni, 0.02% Co from 138m (18WNRC002) 10
  - including 5m at 1.1% Cu, 0.7% Ni, 0.04% Co, 0.10g/t PGE

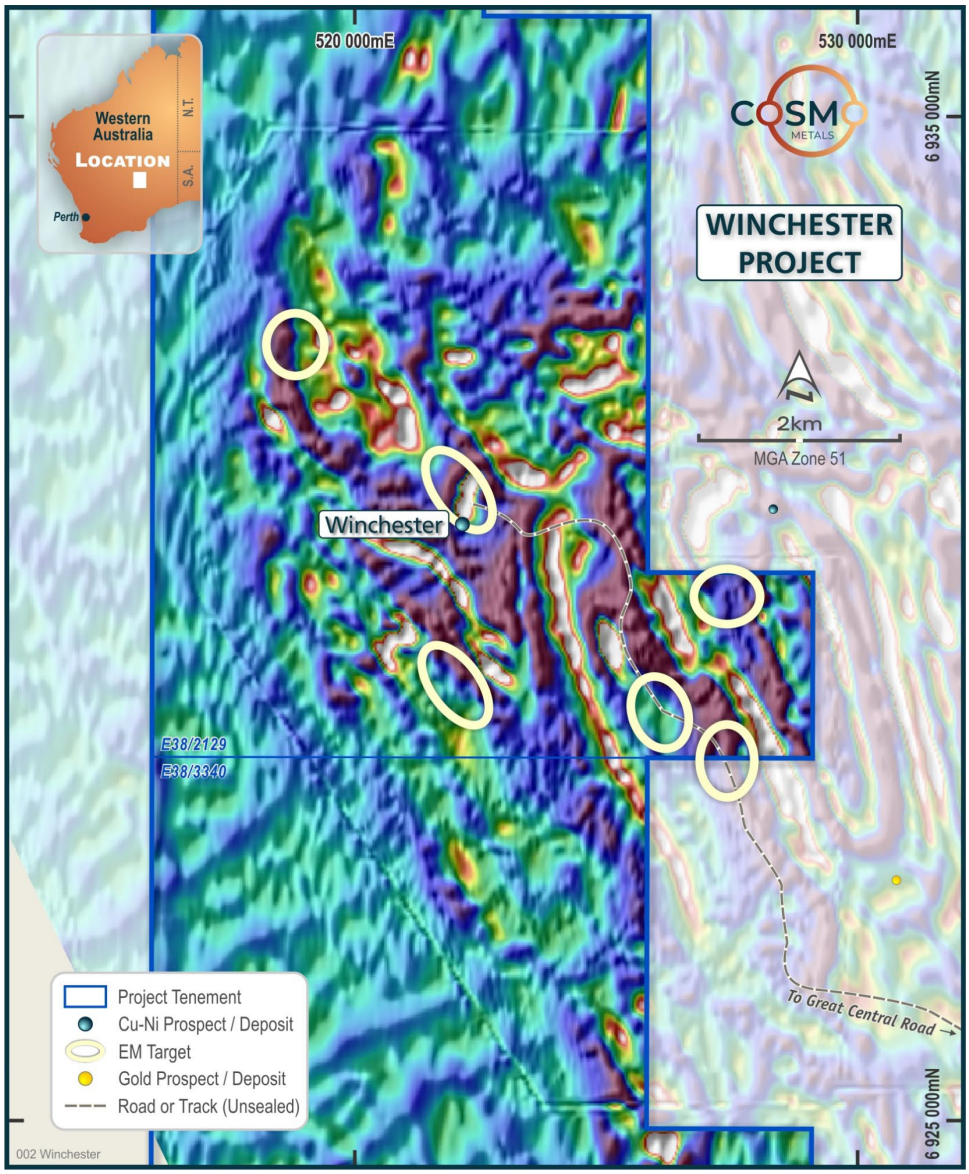


Figure 10: *Cosmo Metals' Winchester Project with EM targets and location of the Winchester Prospect on background airborne magnetics (VD1 TMI)*

December quarter program

During the quarter the Company completed review of the results from a downhole electromagnetic (DHEM) survey in four holes (20WMRC001-004) drilled in 2020.

The DHEM survey resolved several in-hole conductors adequately tested by the drilling. Two strong off-hole conductors at holes 20WNRCD002 and 003 are interpreted to reflect stratigraphic conductors (e.g. graphitic sediments) rather than mineralisation, and therefore downgraded as potential targets.

Ongoing review of the Winchester area has highlighted several regional targets for follow up with further ground geophysics.

PINGRUP (CMO 100%)

Cosmo Metals' Pingrup Project comprises two recently granted tenements in the southern Wheatbelt region of Western Australia (*refer Figure 11*).

The Pingrup tenements overlie farmland south of Lake Grace and are considered to be prospective for copper-nickel mineralisation associated with interpreted mafic-ultramafic intrusions within high metamorphic grade rocks of the South West Terrane (SWT) which also host Chalice Mining Limited's (ASX:CHN) Julimar deposit.

The Pingrup Project represents conceptual targets generated from desktop analysis of regional magnetic data with the positive meetings held by the Company with key landowners during the quarter.

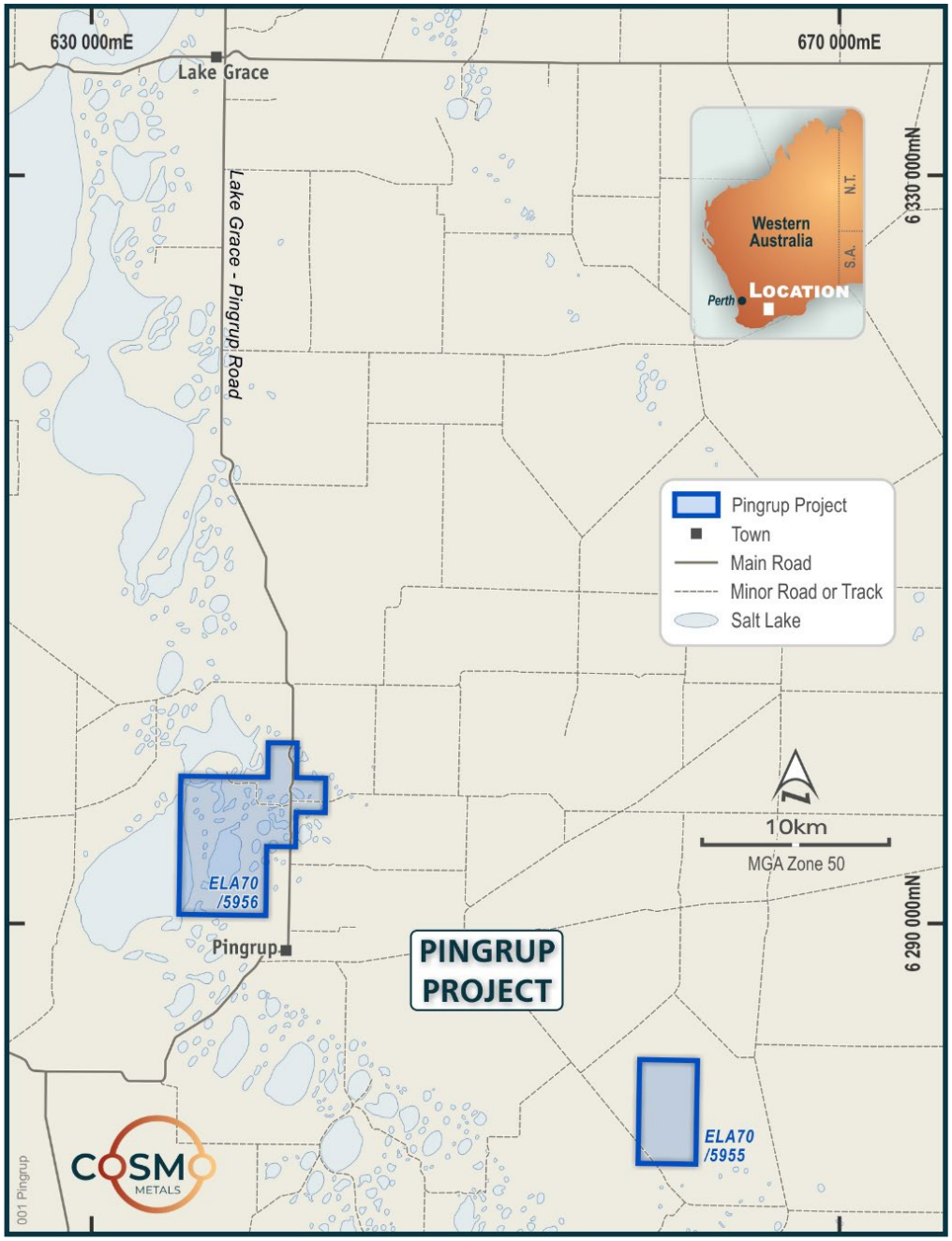


Figure 11: *Cosmo Metals' Pingrup Project, South West Terrane, Western Australia*

CORPORATE

Exploration Expenditure

In accordance with ASX Listing Rule 5.3.1, the Company spent $460,000 on exploration work during the quarter, which comprised drilling, geophysical surveys, targeting and planning.

Mining Production and Development Activities

In accordance with ASX Listing Rule 5.3.2, there were no substantive mining production and development activities during the quarter.

Payments to Related Parties

In accordance with ASX Listing Rule 5.3.5, Cosmo advises that the payments to related parties of the Company and their associates, as advised in the Appendix 5B, for the quarter ended 31 December 2022 was $103,000 of which $43,000 was related to exploration consulting services and $60,000 to Directors' fees.

At the end of the quarter the Company had $1.6 million in cash.

Expenditure since Listing

In accordance with ASX Listing Rule 5.3.4, Cosmo provides the following comparison of its actual expenditure to 31 December 2022 since listing on 31 January 2022 against the "Use of Funds" statement in its prospectus dated 22 November 2021.

Item	Current Quarter	Project-to-Date	As per IPO Prospectus dated 22 November 2021**
Yamarna Project	$448,967	$1,955,657	$2,229,261
Winchester Project	$3,258	$124,081	$649,580
Pingrup (Wheatbelt) Project	$7,522	$32,709	$78,212
Mulgabiddy Project	-	$31,207	-
Capital and consulting	-	$68,912	$173,938
Working Capital	-	-	-
Corporate Costs	$149,746	$923,046	$1,303,209
Costs of the Offer	-	$407,815	$565,800
Total	**$609,494**	**$3,543,426**	**$5,000,000**

***Expenditure is over a two-year period*

The Company confirms that, in the period since re-listing on the ASX, it has incurred expenditures largely in line with the Use of Funds set out on page 27 of its Prospectus dated 22 November 2021.

Investor Relations

The Company continues to disseminate relevant company-specific and appropriate macro-related newsflow via social media platforms and directly via Cosmo's proprietary CRM database of shareholders, investors and corporate advisors.

During the quarter, the Company conducted its annual AGM where management and the board of directors addressed shareholders with a general company update. Management and key advisors continue to informally brief brokers and investors on general exploration and corporate activities.

Company newsflow has received coverage on Stockhead, Smallcaps, Finance News Network, Mining.com.au and MiningNews.net digital financial publishing platforms. Corporate Storytime also provided coverage of Cosmo Metals activities via the Life of Mine Podcast hosted by Matt Michael

This announcement is authorised for release to the ASX by the Board of Cosmo Metals Ltd.

For further information please contact:

James Merrillees (Managing Director)

Cosmo Metals

Phone +61 8 6400 5301

Email: admin@cosmometals.com.au

Website: cosmometals.com.au

Follow CMO on LinkedIn

Lucas Robinson

Corporate Storytime

Mobile +61 408 228 889

Email: lucas@corporatestorytime.com

Follow CMO on Twitter

Table 3 – Cosmo Metals' Tenement Schedule 31 December 2022

Tenement ID	Project	Status	Holder(s)	Interest at End of Quarter
E38/2129	Winchester JV	Granted	Cosmo Metals Ltd/Ausgold Exploration Pty Ltd	75%
E38/2320	Yamarna	Granted	Cosmo Metals Ltd	100%
E38/2685	Yamarna	Granted	Cosmo Metals Ltd	100%
E38/2952	Yamarna	Granted	Cosmo Metals Ltd	100%
E38/2953	Yamarna	Granted	Cosmo Metals Ltd	100%
E38/2957	Yamarna	Granted	Cosmo Metals Ltd	100%
E38/2958	Yamarna	Granted	Cosmo Metals Ltd	100%
E38/3340	Winchester	Granted	Cosmo Metals Ltd	100%
E38/3640	Yamarna	Granted	Cosmo Metals Ltd	100%
E38/3753	Mulgabiddy	Application	Cosmo Metals Ltd	
E38/3754	Mulgabiddy	Application	Cosmo Metals Ltd	
E70/5955	Pingrup	Granted	Cosmo Metals Ltd	100%
E70/5956	Pingrup	Granted	Cosmo Metals Ltd	100%
P38/4178	Yamarna	Granted	Cosmo Metals Ltd	100%
P38/4540	Yamarna	Granted	Cosmo Metals Ltd	100%

Competent Persons Statement

The information in this report that relates to Exploration Results is based upon and fairly represents information compiled by Mr James Merrillees, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Merrillees is a full-time employee of the Company.

Mr Merrillees 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 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Merrillees consents to the inclusion in the report of the matter based on his information in the form and context in which it appears.

Forward-Looking Statements

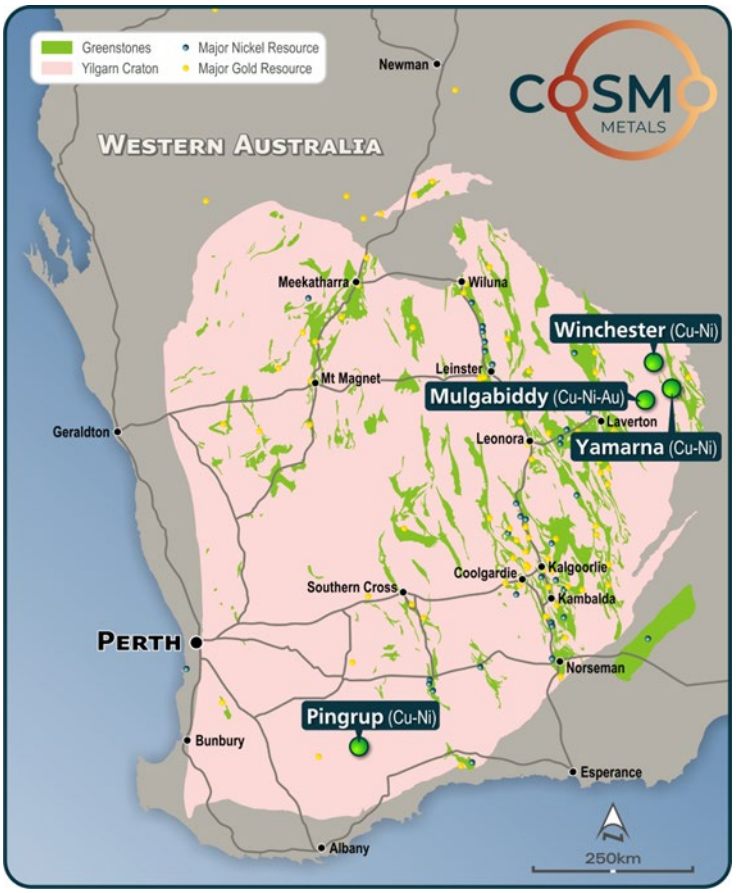
This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Cosmo's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Cosmo believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

About Cosmo Metals Ltd

Cosmo Metals Ltd (Cosmo; ASX: CMO) is an ASX-listed, base metals exploration company focused on the advancement of its flagship Mt Venn, Winchester and Eastern Mafic projects in the underexplored Yamarna Belt, in the Eastern Goldfields region of Western Australia.

The Yamarna Belt is considered highly prospective for copper-nickel-cobalt (Cu-Ni-Co) and platinum group elements (PGE) and Cosmo's well regarded technical team is advancing exploration on multiple fronts to unlock the potential of the region.

With previous drilling having identified sulphide Cu-Ni-Co mineralisation at Cosmo's key projects, the company has a unique opportunity to add value from this 460km^2 landholding



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
COSMO METALS LTD	
ABN	**Quarter ended ("current quarter")**
17 653 132 828	31 December 2022

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(56)	(166)
	(e) administration and corporate costs	(98)	(179)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(150)**	**(338)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(1)
	(d) exploration & evaluation	(460)	(1,213)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	51
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (security deposits paid)	-	-
2.6	**Net cash from / (used in) investing activities**	**(460)**	**(1,163)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,168	3,059
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(150)	(338)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(460)	(1,163)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,558**	**1,558**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,558	2,168
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,558**	**2,168**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	60
6.2	Aggregate amount of payments to related parties and their associates included in item 2	43

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(150)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(460)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(610)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,558
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,558
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.55
	Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2023

Authorised by: By the Board of Cosmo Metals Ltd
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.