



Cosmo Metals Limited

ACN 653 132 828

Notice of General Meeting and Explanatory Memorandum

Date of Meeting: Thursday, 28 March 2024

Time of Meeting: 10.00am AWST

Place of Meeting: Level 2, 22 Mount Street, Perth WA 6000

This is an important document. Please read it carefully.

If you are unable to attend the Meeting, please complete the proxy form **enclosed** and return it in accordance with the instructions set out on that form.

In compliance with ASX guidelines, each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the General Meeting. Shareholders are strongly encouraged to vote by lodging the proxy form attached to this Notice of Meeting in accordance with the instructions set out on that form by no later than 10.00am AWST on 26 March 2024.

Notice of General Meeting

Notice is given that a General Meeting of shareholders of Cosmo Metals Limited ACN 653 132 828 (Company) will be held at **Level 2, 22 Mount Street, Perth WA 6000 on 28 March 2024 at 10.00am AWST.**

Agenda

1. **Resolution 1: Ratification of prior issue of First Placement Shares under Listing Rule 7.1**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 30,334 First Placement Shares to the First Placement Participants on 24 January 2024 at an issue price of \$0.050 each made under the Company’s Listing Rule 7.1 placement capacity, on the terms and conditions set out in the Explanatory Statement.”

2. **Resolution 2: Ratification of prior issue of First Placement Shares under Listing Rule 7.1A**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 5,969,666 First Placement Shares to the First Placement Participants on 24 January 2024 at an issue price of \$0.050 each made under the Company’s Listing Rule 7.1A placement capacity, on the terms and conditions set out in the Explanatory Statement.”

3. **Resolution 3: Approval for issue of attaching First Placement Options to First Placement Participants**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 3,000,000 First Placement Options on the terms and conditions set out in the Explanatory Statement.”

4. **Resolution 4: Approval for issue of First Lead Manager Options**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company of 1,000,000 First Lead Manager Options to the Lead Managers and/or their respective nominee(s), on the terms and conditions set out in the Explanatory Statement.”

5. **Resolution 5: Approval for issue of Shares to acquire La Zarza Minerals Pty Ltd**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company to Andrew James Wood and Bianca Jae Wood as trustees for the Wood Family Trust, and to Robbie Wayne Parr and Ana Karina Reis Parr as trustees for the Reis Family Trust (or their respective nominees) of 8,000,000 Shares as consideration for the acquisition by the Company of 100% of the issued shares in La Zarza Minerals Pty Ltd (and

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effective ownership of the Kanowna Gold Project) on the terms and conditions set out in the Explanatory Statement.”

6. Resolution 6: Ratification of prior issue of Second Placement Shares under Listing Rule 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 8,900,000 Second Placement Shares to the Second Placement Participants on or about 29 February 2024 at an issue price of \$0.040 each made under the Company’s Listing Rule 7.1 placement capacity, on the terms and conditions set out in the Explanatory Statement.”

7. Resolution 7: Approval for issue of attaching Second Placement Options to Second Placement Participants

To **consider** and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 2,966,667 Second Placement Options to the Second Placement Participants on the terms and conditions set out in the Explanatory Statement.”

8. Resolution 8: Approval for issue of Second Lead Manager Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company of 4,000,000 Second Lead Manager Options to the Lead Managers and/or their respective nominee(s), on the terms and conditions set out in the Explanatory Statement.”

9. Resolution 9: Approval for issue of Sub-underwriter Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company of 13,565,556 Sub-underwriter Options to the Sub-underwriters and/or their respective nominee(s), on the terms and conditions set out in the Explanatory Statement.”

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Voting Exclusion Statements

ASX voting exclusion statements

For the purposes of Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the following persons or an Associate of those persons:

Resolution	Excluded Parties
Resolutions 1 and 2	First Placement Participants, being the persons to whom the First Placement Shares were issued.
Resolution 3	First Placement Participants, being the persons to whom the First Placement Options are proposed to be issued, and any person who will obtain a material benefit as a result of the proposed issue of First Placement Options (except a benefit solely by reason of being a Shareholder).
Resolutions 4 and 8	Discovery Capital Partners Pty Ltd and Cumulus Wealth Pty Ltd, or any of their respective nominees who may be granted First Lead Manager Options and Second Lead Manager Options respectively, and any other person who will obtain a material benefit as a result of the proposed issues (except a benefit solely by reason of being a holder of Shares).
Resolution 5	Andrew James Wood, Bianca Jae Wood, Robbie Wayne Parr and Ana Karina Reis Parr, their respective nominees and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of Shares).
Resolution 6	Second Placement Participants, being the persons to whom the Second Placement Shares were issued.
Resolution 7	Second Placement Participants, being the persons to whom the Second Placement Options are proposed to be issued and any person who will obtain a material benefit as a result of the proposed issue of Second Placement Options (except a benefit solely by reason of being a Shareholder).
Resolution 9	Sub-underwriters, being the persons to whom the Sub-underwriter Options are proposed to be issued, and any person who will obtain a material benefit as a result of the proposed issue of Second Placement Options (except a benefit solely by reason of being a Shareholder).

However, the above restrictions do not apply to a vote cast in favour of the above Resolutions by:

1. the person as proxy or attorney for a person who is entitled to vote on a Resolution, in accordance with directions given to the proxy or attorney to vote on a Resolution in that way; or
2. the chair of the meeting as proxy or attorney for a person who is entitled to vote on a Resolution, in accordance with a direction given to the chair to vote on a Resolution as the chair decides; or
3. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary providing the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on a Resolution; and

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- (b) the holder votes on a Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Notes

Terms used in this Notice of Meeting are defined in Section 10 of the accompanying Explanatory Memorandum.

A detailed summary of the Resolution(s) is contained within the Explanatory Memorandum.

The resolution(s) at this Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting.

By order of the board

Melanie Ross
Company Secretary
27 February 2024

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Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a Shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the Shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a Shareholder of the Company.

Shareholders who are a body corporate may appoint representatives to attend and vote at the meeting under section 250D of the Corporations Act. The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at, posted to, scanned and emailed or sent by facsimile transmission to the Company's share registry not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 5.00pm AWST on 26 March 2024.

Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Individual:	Where the holding is in one name, the holder must sign.
Joint Holding:	Where the holding is in more than one name, either holder may sign.
Power of Attorney:	To sign under Power of Attorney, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to Shareholders Cosmo Metals Limited ACN 653 132 828 (the **Company** or **Cosmo**) to explain the resolutions to be put to Shareholders at the General Meeting to be held at Level 2, 22 Mount Street, Perth WA 6000 on 28 March 2024 commencing at 10.00am AWST.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend that Shareholders vote in favour of all Resolutions. The Chair of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Terms used in this Explanatory Memorandum are defined in Section 10.

2. Resolutions 1 and 2: Ratification of issue of First Placement Shares to First Placement Participants

2.1 General

On 17 January 2024, the Company announced a placement of 6,000,000 Shares at an issue price of \$0.050 per Share (**First Placement Shares**) to various professional and sophisticated investors (**First Placement Participants**) to raise \$300,000 (before costs) (**First Placement**).

The First Placement Shares were issued on 24 January 2024 using the Company's issuing capacities under Listing Rule 7.1 and 7.1A as follows:

- (a) 30,334 Shares using its placement capacity under Listing Rule 7.1; and
- (b) 5,969,666 Shares using its placement capacity under Listing Rule 7.1A.

Resolutions 1 and 2 are ordinary resolutions seeking ratification and approval by Shareholders of the prior issue of the First Placement Shares under its Listing Rules 7.1 and 7.1A placement capacities respectively.

2.2 Regulatory requirements

Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without approval of its shareholders over any 12-month period to 15% of the fully-paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A

Listing Rule 7.1A provides that, in addition to the 15% placement capacity permitted without prior shareholder approval under Listing Rule 7.1 described above, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue, during the period the approval is valid, a number of quoted Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period as adjusted in accordance with the formula in Listing Rule 7.1.

The Company obtained approval from its Shareholders to refresh its Listing Rule 7.1A capacity at its last annual general meeting held on 30 November 2023.

Listing Rule 7.2

The First Placement did not fit within any of the exceptions to Listing Rules 7.1 or 7.1A set out in Listing Rule 7.2 and, as it has not yet been approved by the Company's shareholders, it uses up part of the Company's placement capacities, effectively reducing the Company's capacity to issue further Equity Securities without shareholder approval.

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Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities that have reduced the listed company's placement capacities under Listing Rule 7.1 (15% limit) and Listing Rule 7.1A (10% limit). If Shareholders approve an issue under Listing Rule 7.4, the issue is taken to have been approved under Listing Rule 7.1 or Listing Rule 7.1A and does not reduce the Company's placement capacities under those rules.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. To this end, Resolutions 1 and 2 seek shareholder approval to the First Placement under and for the purposes of Listing Rule 7.4.

2.3 Technical Information required by Listing Rule 14.1A

If Resolutions 1 and/or 2 are passed, the First Placement Shares will be excluded in calculating the 15% and 10% limits in Listing Rules 7.1 and 7.1A respectively, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the issue date.

If Resolutions 1 and/or 2 are not passed, the First Placement Shares will be included in calculating the 15% and 10% limits in Listing Rules 7.1 and 7.1A respectively, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the issue date.

2.4 Listing Rules information requirements

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

(a) The names of the persons to whom the securities were issued or the basis on which those persons were determined

The First Placement Shares were issued to the First Placement Participants, being professional and sophisticated investors who are clients of Discovery Capital Partners Pty Ltd (ACN 615 635 982) (AFSL 500223) (**Discovery**) and Cumulus Wealth Pty Ltd (ACN 634 297 279) (AFSL 524 450) (**Cumulus**) (the **Joint Lead Managers**).

The First Placement Participants were identified through a bookbuild process, which involved the Joint Lead Managers seeking expressions of interest to participate in the capital raising process from non-related parties of the Company.

None of the First Placement Participants are Related Parties of the Company.

(b) The number and class of securities

The Company issued a total of 6,000,000 First Placement Shares using its issuing capacities under Listing Rule 7.1 and 7.1A as follows:

- (i) 30,334 First Placement Shares using its placement capacity under Listing Rule 7.1 (the subject of Resolution 1); and
- (ii) 5,969,666 First Placement Shares using its placement capacity under Listing Rule 7.1A (the subject of Resolution 2).

All First Placement Shares are fully-paid ordinary shares in the Company which rank equally with all other Shares on issue.

(c) The date on which the securities were issued

The First Placement Shares were issued on 24 January 2024.

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(d) **The price or consideration the entity has received or will receive for the issue**

The First Placement Shares were issued for \$0.050 per Share, raising \$300,000 (before costs).

(e) **The purpose of the issue, including use or intended use of the funds raised**

As announced to ASX on 17 January 2024, the funds raised are being used to part fund the acquisition and completion of due diligence of the Kanowna Gold Project; initial exploration and drill planning at the Kanowna Gold Project; and general working capital.

(f) **If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement**

The First Placement Shares were not issued under any agreement.

(g) **A voting exclusion statement**

Voting exclusion statements for Resolutions 1 and 2 are included at page 3 of this Notice.

2.5 Board recommendation

The Board recommend that Shareholders vote in favour of Resolutions 1 and 2.

3. Resolution 3: Approval for issue of attaching First Placement Options to First Placement Participants

3.1 General

In connection with the First Placement described in Section 2.1 above, the Company has agreed to issue the First Placement Participants one (1) attaching option (exercisable at \$0.060 on or before 31 March 2027) for every two (2) First Placement Shares subscribed for and issued (**First Placement Options**). The terms and conditions of the First Placement Options are set out in Schedule 1.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the First Placement Options.

3.2 Regulatory requirements

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the First Placement Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

3.3 Technical Information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the First Placement Options. In addition, the issue of the First Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the First Placement Options and consequently the Company will not potentially raise up to \$180,000 on any exercise of First Placement Options.

3.4 Listing Rules information requirements

In accordance with the requirements of Listing Rule 7.3, the following information is provided in relation to Resolution 3:

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(a) **The names of the persons to whom the securities were issued or the basis on which those persons were determined**

The First Placement Options will be issued to the First Placement Participants, who are professional and sophisticated investors identified by the Lead Managers as described in Section 2.4(a) above. None of the First Placement Participants are:

- (i) a Related Party of the Company;
- (ii) a member of Key Management Personnel;
- (iii) a substantial Shareholder in the Company;
- (iv) an advisor of the Company; or
- (v) an Associate of any of the above.

(b) **The number and class of securities**

A maximum of 3,000,000 First Placement Options are to be issued, being Options to subscribe for Shares in the Company.

(c) **A summary of the material terms of the securities**

The material terms and conditions of the First Placement Options are set out in Schedule 1.

(d) **The date on which the securities will be issued**

The First Placement Options will be issued no later than three (3) months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(e) **The price or consideration the entity has received or will receive for the issue**

The First Placement Options will be issued at a nil issue price as attaching options to First Placement Participants. The Company will not receive any other consideration for the issue of the First Placement Options (other than in respect of funds received on exercise of the First Placement Options).

(f) **The purpose of the issue, including use or intended use of the funds raised**

The purpose of the issue of the First Placement Options is to incentivise participation in the First Placement.

If all the First Placement Options are exercised prior to expiry, the Company will raise up to \$180,000 and anticipates it will use those funds for general working capital purposes.

(g) **The material terms of any agreement relating to the proposed issue of securities**

The First Placement Options will not be issued under any agreement.

(h) **Voting exclusion**

A voting exclusion statement for Resolution 3 is included at page 3 of this Notice.

3.5 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3.

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4. Resolution 4: Approval for issue of First Lead Manager Options

4.1 General

The Company engaged the Joint Lead Managers, Discovery and Cumulus, as joint lead managers to the First Placement described in section 2.1 above.

The Company has entered into a joint mandate with the Joint Lead Managers, the terms of which are summarised in Schedule 3 (**JLM Mandate**). Under the JLM Mandate, the Company has agreed to issue 1,000,000 Options (exercisable at \$0.060 on or before 31 March 2027) to the Joint Lead Managers (or their nominee/s) in part consideration for services provided in relation to the First Placement (the **First Lead Manager Options**), as follows:

- (a) 500,000 First Lead Manager Options to be issued to Discovery; and
- (b) 500,000 First Lead Manager Options to be issued to Cumulus.

Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the First Lead Manager Options.

4.2 Regulatory Requirements

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the First Lead Manager Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

4.3 Technical Information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the First Lead Manager Options. In addition, the issue of the First Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the First Lead Manager Options and consequently the Company will not potentially raise up to \$60,000 on any exercise of First Lead Manager Options.

4.4 Listing Rules information requirements

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) **The names of the persons to whom the securities were issued or the basis on which those persons were determined**

The First Lead Manager Options will be issued to the Joint Lead Managers, Discovery Capital Partners Pty Ltd and Cumulus Wealth Pty Ltd.

- (b) **The number and class of securities**

1,000,000 First Lead Manager Options are to be issued (500,000 to each of the Joint Lead Managers), being Options to subscribe for Shares in the Company.

- (c) **A summary of the material terms of the securities**

The material terms and conditions of the First Lead Manager Options are set out in Schedule 2.

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(d) **The date on which the securities will be issued**

The First Lead Manager Options will be issued no later than three (3) months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(e) **The price or consideration the entity has received or will receive for the issue**

The First Lead Manager Options will be issued at a nominal subscription price of \$0.00001 per Option, in consideration for the lead manager services provided by the Joint Lead Managers in relation to the First Placement. The issue of the First Lead Manager Options will raise a nominal amount of \$10.

(f) **The purpose of the issue, including use or intended use of the funds raised**

The purpose of the issue of the First Lead Manager Options is to satisfy the Company's obligations under the JLM Mandate.

If all the First Lead Manager Options are exercised prior to expiry, the Company will raise up to \$60,000 and anticipates it will use those funds for general working capital purposes.

(g) **The material terms of any agreement relating to the proposed issue of securities**

The First Lead Manager Options are being issued to the Joint Lead Managers under the JLM Mandate. A summary of the material terms of the JLM Mandate is set out in Schedule 3.

(h) **Voting exclusion**

A voting exclusion statement for Resolution 4 is included at page 3 of this Notice.

4.5 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4.

5. Resolution 5: Approval for issue of Shares to acquire La Zarza Minerals Pty Ltd

5.1 General

On 19 February 2024, the Company announced it had entered into an agreement to acquire 100% of issued Shares in La Zarza Minerals Pty Ltd (**La Zarza**) (and effective ownership of the Kanowna Gold Project). Further information about the Company's proposed acquisition of La Zarza is set out in the Company's announcements to ASX released on 17 January 2024 and 19 February 2024. The Company and Andrew James Wood and Bianca Jae Wood as trustees for the Wood Family Trust, and Robbie Wayne Parr and Ana Karina Reis Parr as trustees for the Reis Family Trust (the **Sellers**) have executed a share purchase agreement under which the Company acquires the Shares in La Zarza (the **La Zarza Acquisition Agreement**), the material terms of which are outlined in Schedule 4.

To acquire a 100% of the shares in La Zarza (**Sale Shares**), the Company must pay a total consideration of \$800,000 to the Sellers as follows:

As consideration for purchase of the Sale Shares, the Company agrees to pay to the Sellers (in proportion to their respective holding in La Zarza) total consideration of \$800,000, as follows:

- (a) **Deposit:** \$50,000 cash (which the Company has already paid to the Sellers);
- (b) **Initial cash consideration:** \$50,000 cash (which the Company has already paid to the Sellers on signing the Agreement);
- (c) **Completion cash consideration:** \$100,000 cash payable at completion of the transfer of the Sale Shares to the Company;

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- (d) **Scrip consideration:** \$400,000 in Shares – being 8,000,000 Shares to be issued at a deemed issue price of \$0.050 per share (**La Zarza Consideration Shares**), half of which will be subject to voluntary escrow restrictions for a period of 6 months; and
- (e) **Deferred cash consideration:** \$200,000 cash payable six months after the execution of the Agreement.

La Zarza will grant a 0.5% net smelter royalty over gold won from the Kanowna Gold Project tenements to the Sellers.

Resolution 5 is an ordinary resolution seeking approval from Shareholders for the issue of the La Zarza Consideration Shares under the La Zarza Acquisition Agreement.

5.2 Regulatory requirements

Listing Rule 7.1 is summarised in Section 2.2 above. The proposed issue of the La Zarza Consideration Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires approval of Shareholders under Listing Rule 7.1.

5.3 Technical Information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the acquisition of 100% of the Shares in La Zarza and issue of the La Zarza Consideration Shares, increasing the total numbers of Shares on issue. In addition, the La Zarza Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, then completion of the La Zarza Acquisition Agreement will not occur and the Company:

- (a) will not acquire La Zarza and effective ownership of the Kanowna Gold Project; and
- (b) would forego the \$100,000 cash amount already paid to the vendors of La Zarza under the terms of the La Zarza Acquisition Agreement.

5.4 Listing Rules information requirements

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) **The names of the persons to whom the securities were issued or the basis on which those persons were determined**

The La Zarza Consideration Shares are proposed to be issued to the Sellers, being:

- (i) Andrew James Wood and Bianca Jae Wood as trustees for the Wood Family Trust; and
- (ii) Robbie Wayne Parr and Ana Karina Reis Parr as trustees for the Reis Family Trust.

None of the Sellers are Related Parties of the Company.

- (b) **The number and class of securities**

The Company proposes to issue 8,000,000 La Zarza Consideration Shares, which are fully paid ordinary shares ranking equally with all other Shares on issue.

- (c) **The date on which the securities will be issued**

Subject to Shareholder approval, the Company will issue the La Zarza Consideration Shares at 'completion' of the La Zarza Acquisition (as that term will be defined in a formal share sale agreement between the Company and the Sellers). The date of completion of the La Zarza Acquisition is expected to be no later than three (3) months after the date of

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the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(d) **The price or consideration the entity has received or will receive for the issue**

The La Zarza Consideration Shares are to be issued to satisfy \$400,000 of part-consideration for the acquisition of 100% of the Shares in La Zarza, as described in Section 5.1 above. The La Zarza Consideration Shares will be issued at a deemed issue price of \$0.050 per Share.

(e) **The purpose of the issue, including use or intended use of the funds raised**

The La Zarza Consideration Shares are to be issued as part-consideration for the acquisition of 100% of the Shares in La Zarza Minerals Pty Ltd. No funds will be raised by the issue of the La Zarza Consideration Shares.

(f) **The material terms of any agreement relating to the proposed issue of securities**

The La Zarza Consideration Shares are proposed to be issued pursuant to the La Zarza Acquisition Agreement, the material terms of which are summarised in Schedule 4.

(g) **Voting exclusion**

A voting exclusion statement for Resolution 5 is included at page 3 of this Notice.

5.5 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

6. Resolution 6: Ratification of issue of Second Placement Shares to Second Placement Participants

6.1 General

On 19 February 2024, the Company announced a placement of 8,900,000 Shares at an issue price of \$0.040 per Share (**Second Placement Shares**) to various professional and sophisticated investors (**Second Placement Participants**) to raise \$356,000 (before costs) (**Second Placement**).

The Second Placement Shares will be issued on or about 29 February 2024 using the Company's issuing capacity under Listing Rule 7.1.

Resolution 6 is an ordinary resolution seeking ratification and approval by Shareholders of the prior issue of the Second Placement Shares under its Listing Rule 7.1 placement capacity.

6.2 Regulatory requirements

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. Listing Rule 7.4 allows the shareholders of a listed company to retroactively approve an issue of Equity Securities that have reduced the listed company's placement capacity under Listing Rule 7.1.

The Second Placement did not fit within any of the exceptions to Listing Rules 7.1 set out in Listing Rule 7.2 and, as it has not yet been approved by the Company's shareholders, it uses up part of the Company's placement capacity, effectively reducing the Company's capacity to issue further Equity Securities without shareholder approval.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 6 seeks shareholder approval to the Second Placement under and for the purposes of Listing Rule 7.4.

Explanatory Memorandum

6.3 Technical Information required by Listing Rule 14.1A

If Resolution 6 is passed, the Second Placement Shares will be excluded in calculating the 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the issue date.

If Resolution 6 is not passed, the Second Placement Shares will be included in calculating the 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the issue date.

6.4 Listing Rules information requirements

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 6:

(a) **The names of the persons to whom the securities were issued or the basis on which those persons were determined**

The Second Placement Shares were issued to the Second Placement Participants, being professional and sophisticated investors who are clients of the Joint Lead Managers.

The Second Placement Participants were identified through a bookbuild process, which involved the Joint Lead Managers seeking expressions of interest to participate in the capital raising process from non-related parties of the Company.

None of the Second Placement Participants are Related Parties of the Company.

(b) **The number and class of securities**

The Company issued a total of 8,900,000 Second Placement Shares using its issuing capacity under Listing Rule 7.1.

All Second Placement Shares are fully-paid ordinary shares in the Company which rank equally with all other Shares on issue.

(c) **The date on which the securities were issued**

The Second Placement Shares will be issued on or about 29 February 2024.

(d) **The price or consideration the entity has received or will receive for the issue**

The Second Placement Shares were issued for \$0.040 per Share, raising \$356,000 (before costs).

(e) **The purpose of the issue, including use or intended use of the funds raised**

As announced to ASX on 19 February 2024, the funds raised are being used to part fund the acquisition of La Zarza, undertake a maiden exploration program at the Kanowna Gold Project, and satisfy ongoing corporate overheads and working capital requirements.

(f) **If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement**

The Second Placement Shares were not issued under any agreement.

(g) **A voting exclusion statement**

A voting exclusion statements for Resolution 6 is included at page 3 of this Notice.

6.5 Board recommendation

The Board recommend that Shareholders vote in favour of Resolution 6.

Explanatory Memorandum

7. Resolution 7: Approval for issue of attaching Second Placement Options to Second Placement Participants

7.1 General

In connection with the Second Placement described in Section 6.1 above, the Company has agreed to issue the Second Placement Participants one (1) attaching option (exercisable at \$0.060 on or before 31 March 2027) for every three (3) Second Placement Shares subscribed for and issued (**Second Placement Options**). The terms and conditions of the Second Placement Options are set out in Schedule 1.

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Second Placement Options.

7.2 Regulatory requirements

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the First Placement Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

7.3 Technical Information required by Listing Rule 14.1A

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Second Placement Options. In addition, the issue of the Second Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Second Placement Options. Therefore, the Company will be in breach of the terms of the Second Placement and may be required to renegotiate the terms of the Placement.

7.4 Listing Rules information requirements

In accordance with the requirements of Listing Rule 7.3, the following information is provided in relation to Resolution 7:

(a) **The names of the persons to whom the securities were issued or the basis on which those persons were determined**

The Second Placement Options will be issued to the Second Placement Participants, who are professional and sophisticated investors identified by the Lead Managers as described in Section 6.4(a) above. None of the Second Placement Participants are:

- (i) a Related Party of the Company;
- (ii) a member of Key Management Personnel;
- (iii) a substantial Shareholder in the Company;
- (iv) an advisor of the Company; or
- (v) an Associate of any of the above.

(b) **The number and class of securities**

A maximum of 2,966,667 Second Placement Options are to be issued, being Options to subscribe for Shares in the Company.

Explanatory Memorandum

(c) **A summary of the material terms of the securities**

The material terms and conditions of the Second Placement Options are set out in Schedule 1.

(d) **The date on which the securities will be issued**

The Second Placement Options will be issued no later than three (3) months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(e) **The price or consideration the entity has received or will receive for the issue**

The Second Placement Options will be issued at a nil issue price as attaching options to Second Placement Participants. The Company will not receive any other consideration for the issue of the Second Placement Options (other than in respect of funds received on exercise of the Second Placement Options).

(f) **The purpose of the issue, including use or intended use of the funds raised**

The purpose of the issue of the Second Placement Options is to incentivise participation in the Second Placement.

If all the Second Placement Options are exercised prior to expiry, the Company will raise up to \$178,000 and anticipates it will use those funds for general working capital purposes.

(g) **The material terms of any agreement relating to the proposed issue of securities**

The Second Placement Options will not be issued under any agreement.

(h) **Voting exclusion**

A voting exclusion statement for Resolution 7 is included at page 3 of this Notice.

7.5 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

8. Resolution 8: Approval for issue of Second Lead Manager Options

8.1 General

The Company engaged the Joint Lead Managers as joint lead managers to:

- (a) the Second Placement described in section 6.1 above; and
- (b) the accelerated non-renounceable entitlement offer announced by the Company on 19 February 2024 and conducted pursuant to the Company's prospectus dated 19 February 2024 (**Entitlement Offer**).

The Company has entered into an offer management and underwriting agreement with the Joint Lead Managers (**Offer Management and Underwriting Agreement**), the terms of which are summarised in Schedule 5.

Under the Offer Management and Underwriting Agreement, the Company has agreed to issue 4,000,000 Options (exercisable at \$0.060 on or before 31 March 2027) to the Joint Lead Managers (or their nominee/s) in part consideration for services provided in relation to the Second Placement (the **Second Lead Manager Options**), as follows:

- (a) 2,000,000 Second Lead Manager Options to be issued to Discovery; and
- (b) 2,000,000 Second Lead Manager Options to be issued to Cumulus.

Resolution 8 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Second Lead Manager Options.

Explanatory Memorandum

8.2 Regulatory Requirements

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Second Lead Manager Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

8.3 Technical Information required by Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Second Lead Manager Options. In addition, the issue of the Second Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Second Lead Manager Options and consequently the Company will not potentially raise up to \$240,000 on any exercise of Second Lead Manager Options.

8.4 Listing Rules information requirements

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 8:

(a) **The names of the persons to whom the securities were issued or the basis on which those persons were determined**

The Second Lead Manager Options will be issued to the Joint Lead Managers, Discovery Capital Partners Pty Ltd and Cumulus Wealth Pty Ltd.

(b) **The number and class of securities**

4,000,000 Second Lead Manager Options are to be issued (2,000,000 to each of the Joint Lead Managers), being Options to subscribe for Shares in the Company.

(c) **A summary of the material terms of the securities**

The material terms and conditions of the Second Lead Manager Options are set out in Schedule 2.

(d) **The date on which the securities will be issued**

The Second Lead Manager Options will be issued no later than three (3) months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(e) **The price or consideration the entity has received or will receive for the issue**

The Second Lead Manager Options will be issued at a nominal subscription price of \$0.00001 per Option, in consideration for the lead manager services provided by the Joint Lead Managers in relation to the Second Placement. The issue of the Second Lead Manager Options will raise a nominal amount of \$40.

(f) **The purpose of the issue, including use or intended use of the funds raised**

The purpose of the issue of the Second Lead Manager Options is to satisfy the Company's obligations under the Offer Management and Underwriting Agreement.

If all the Second Lead Manager Options are exercised prior to expiry, the Company will raise up to \$240,000 and anticipates it will use those funds for general working capital purposes.

Explanatory Memorandum

(g) **The material terms of any agreement relating to the proposed issue of securities**

The Second Lead Manager Options are being issued to the Joint Lead Managers under the Offer Management and Underwriting Agreement. A summary of the material terms of the Offer Management and Underwriting Agreement is set out in Schedule 5.

(h) **Voting exclusion**

A voting exclusion statement for Resolution 8 is included at page 3 of this Notice.

8.5 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 8.

9. Resolution 9: Approval for issue of Sub-underwriter Options

9.1 General

The Company engaged Discovery as underwriter to the Entitlement Offer described in Section 8.1 above, under the Offer Management and Underwriting Agreement. Under the Offer Management and Underwriting Agreement, Discovery:

- (a) agreed to underwrite the Entitlement Offer up to an amount equivalent to the 'retail entitlement offer' (approximately \$1,085,245, or 27,131,112 Shares) (**Underwritten Amount**); and
- (b) is entitled to appoint sub-underwriters (**Sub-underwriters**) to assist in sub-underwriting the Underwritten Amount.

Under the Offer Management and Underwriting Agreement, the Company has agreed to issue 13,565,556 Options (exercisable at \$0.060 on or before 31 March 2027) to the Sub-underwriters (or their nominee/s) as consideration for services provided in relation to the Entitlement Offer (the **Sub-underwriter Options**).

Resolution 9 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Sub-underwriter Options.

9.2 Regulatory Requirements

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Sub-underwriter Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

9.3 Technical Information required by Listing Rule 14.1A

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Sub-underwriter Options. In addition, the issue of the Sub-underwriter Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the Sub-underwriter Options and consequently the Company will not potentially raise up to \$813,933 on any exercise of Sub-underwriting Options.

9.4 Listing Rules information requirements

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 9:

Explanatory Memorandum

(a) **The names of the persons to whom the securities were issued or the basis on which those persons were determined**

The Sub-underwriter Options will be issued to the Sub-underwriters, being persons who entered into a sub-underwriting agreement with Discovery for the purposes of sub-underwriting the Underwritten Amount in relation to the Entitlement Offer.

(b) **The number and class of securities**

13,565,556 Sub-underwriter Options are to be issued, being Options to subscribe for Shares in the Company.

(c) **A summary of the material terms of the securities**

The material terms and conditions of the Sub-underwriter Options are set out in Schedule 1.

(d) **The date on which the securities will be issued**

The Sub-underwriter Options will be issued no later than three (3) months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(e) **The price or consideration the entity has received or will receive for the issue**

The Sub-underwriter Options will be issued at a nil issue price pursuant to the terms of the Offer Management and Underwriting Agreement. The Company will not receive any other consideration for the issue of the Sub-underwriter Options (other than in respect of funds received on exercise of the First Placement Options).

(f) **The purpose of the issue, including use or intended use of the funds raised**

The purpose of the issue of the Sub-underwriter Options is to satisfy the Company's obligations under the Offer Management and Underwriting Agreement.

If all the Sub-underwriter Options are exercised prior to expiry, the Company will raise up to \$813,933 and anticipates it will use those funds for general working capital purposes.

(g) **The material terms of any agreement relating to the proposed issue of securities**

The Sub-underwriter Options are being issued to the Sub-underwriters under the Offer Management and Underwriting Agreement. A summary of the material terms of the Offer Management and Underwriting Agreement is set out in Schedule 5.

(h) **Voting exclusion**

A voting exclusion statement for Resolution 9 is included at page 3 of this Notice.

9.5 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

Explanatory Memorandum

10. Interpretation

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as applicable).

Board means the board of directors of the Company.

Company or **Cosmo** means Cosmo Metals Ltd ACN 653 132 828.

Chairperson means the chairperson of the Meeting.

Corporations Act means the *Corporations Act 2001 (Cth)* as amended, varied or replaced from time to time.

Cumulus means Cumulus Wealth Pty Ltd (ACN 634 297 279) (AFSL 524 450).

Director means a director of the Company.

Discovery means Discovery Capital Partners Pty Ltd (ACN 615 635 982) (AFSL 500223).

Entitlement Offer has the meaning given in Section 8.1.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Meeting.

First Lead Manager Options has the meaning given in Section 4.1.

First Placement has the meaning given in Section 2.1.

First Placement Options has the meaning given in Section 3.1.

First Placement Participants has the meaning given in Section 2.1.

First Placement Shares has the meaning given in Section 2.1.

General Meeting or **Meeting** means the General Meeting of the Company pursuant to this Notice of Meeting.

JLM Mandate has the meaning given in Section 4.1, the material terms of which are set out in Schedule 3.

Joint Lead Managers or **Lead Managers** means Discovery Capital Partners Pty Ltd (ACN 615 635 982) (AFSL 500223) and Cumulus Wealth Pty Ltd (ACN 634 297 279) (AFSL 524 450).

Kanowna Gold Project means prospecting licenses P 26/4680, P 26/4681, P 27/2536, P 27/2537, P 27/2538, P 27/2539, P 27/2540, P 27/2541, P 27/2542, P 27/2543, P 27/2564 and P 27/2565 located east of Kalgoorlie in the Eastern Goldfields of Western Australia

Key Management Personnel has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

La Zarza means La Zarza Minerals Pty Ltd ACN 660 901 146

La Zarza Acquisition Agreement has the meaning given in Section 5.1, the material terms of which are set out in Schedule 4.

La Zarza Consideration Shares has the meaning given in Section 5.1.

Listing Rules means the official listing rules of the ASX as amended from time to time.

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

Explanatory Memorandum

Offer Management and Underwriting Agreement has the meaning given in Section 8.1, the material terms of which are set out in Schedule 5.

Official List means the official list of the ASX.

Option means an option to acquire a Share.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Related Party has the meaning given in section 9 of the Corporations Act.

Resolution means a resolution proposed at the Meeting.

Second Lead Manager Options has the meaning given in Section 8.1.

Second Placement has the meaning given in Section 6.1

Second Placement Options has the meaning given in Section 7.1.

Second Placement Participants has the meaning given in Section 6.1.

Second Placement Shares has the meaning given in Section 6.1.

Section means a Section of the Explanatory Statement.

Sellers has the meaning given in Section 5.1.

Share means a fully paid ordinary share in the issued capital of the Company.

Shareholder means a holder of Shares in the Company.

Sub-underwriter Options has the meaning given in Section 9.1.

Sub-underwriters has the meaning given in Section 9.1.

Underwritten Amount has the meaning given in Section 9.1.

WST means Australian Western Standard Time, being the time in Perth, Western Australia.

Any inquiries in relation to the Notice of Meeting or Explanatory Memorandum should be directed to:

Ms Melanie Ross

Company Secretary

Phone: 08 6188 8181

Email: MRoss@consiliumcorp.com.au

Explanatory Memorandum

Schedule 1 – Terms and Conditions of First Placement Options, Second Placement Options and Sub-underwriter Options

The following are the terms and conditions applicable to the First Placement Options, Second Placement Options, and Sub-underwriter Options (**Options**).

1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. Exercise Price

Subject to paragraph 10, the amount payable upon exercise of each Option will be \$0.060 (**Exercise Price**).

3. Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 March 2027 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

5. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

7. Timing of issue of Shares on exercise

Within five Business Days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

8. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

Explanatory Memorandum

9. Reorganisation of capital

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Optionholder (including the number of Options to which the Optionholder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

11. Bonus issues

If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for determining entitlements to the issue.

12. Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

13. Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Explanatory Memorandum

Schedule 2 – Terms of First Lead Manager Options and Second Lead Manager Options

The following are the terms and conditions applicable to the First Lead Manager Options and Second Lead Manager Options (**Options**).

1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. Subscription Price

A subscription price of \$0.00001 per option will be payable on the Lead Manager Options.

3. Exercise Price

Subject to paragraph 10, the amount payable upon exercise of each Option will be \$0.060 (**Exercise Price**).

4. Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 March 2027 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

5. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

6. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

7. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

8. Timing of issue of Shares on exercise

Within five Business Days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

Explanatory Memorandum

9. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

10. Reorganisation of capital

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Optionholder (including the number of Options to which the Optionholder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

11. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

12. Bonus issues

If the Company makes a bonus issue of Shares or other Securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for determining entitlements to the issue.

13. Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

14. Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Explanatory Memorandum

Schedule 3 – Summary of JLM Mandate

The material terms and conditions of the JLM Mandate are as follows:

1. Fee payable to Discovery and Cumulus

(a) Placement:

During the Engagement Discovery and Cumulus shall have the exclusive right to act as Joint Lead Managers to any Placement undertaken by the Company, for a management fee of 2% (**Management Fee**) and a selling fee of 4% (**Selling Fee**) on funds raised by the Company during the Engagement Term (total fee of \$18,000). The Management Fee and Selling Fee is to be split equally between the Joint Lead Managers.

(b) Reimbursement of Expenses

The Company will pay or reimburse the Joint Lead Managers for all out-of-pocket expenses, reasonably incurred in respect of the Engagement. The Joint Lead Managers will seek the Company's consent before incurring any individual expenses in excess of \$2,000.

2. Joint Lead Manager Option Entitlement

Subject to the successful completion of the Capital Raising, the Company agrees to give the Joint Lead Managers or its nominees the right, but not the obligation, to subscribe for 1 million Lead Manager Options, exercisable at \$0.06 per Option (**Lead Manager Options**). A subscription price of \$0.00001 per option will be payable on the Lead Manager Options. The Lead Manager Options shall be split equally between the Joint Lead Managers.

3. Engagement Term

This Engagement commenced on execution of the agreement and continues for a period of three (3) months on an exclusive basis in connection with the Transaction.

4. Termination

The Agreement and the Engagement will commence on the date of execution of the Agreement and continue in accordance with clause 3 of the Engagement Letter, unless extended by mutual agreement or terminated in accordance with that clause. In the case of the Company, except where the Company has terminated for cause, termination within the Engagement Period must be accompanied by the payment of the remainder of the fees to be paid under clause 4 of the Engagement Letter for the Engagement Term and any accrued rights with respect to payment shall continue to apply. If the Company terminates the Agreement and the Engagement with cause (including as a result material breach of the Agreement), or the Joint Lead Managers terminates the Agreement and the Engagement without cause, the Joint Lead Managers will only be entitled to any fees that have accrued under the Agreement as at the date of termination and no other fees.

Explanatory Memorandum

Schedule 4 – Terms and Conditions of La Zarza Acquisition Agreement

The material terms and conditions of the La Zarza Acquisition Agreement (**Agreement**) are as follows:

1. Sale and purchase of Sale Shares

The Sellers, being Andrew James Wood and Bianca Jae Wood as trustees for the Wood Family Trust, and Robbie Wayne Parr and Ana Karina Reis Parr as trustees for the Reis Family Trust (the **Sellers**) agree to sell, and the Company agrees to purchase, 100% of the issued capital in La Zarza (**Sale Shares**). The Sale Shares will be free and clear from any encumbrances.

2. Consideration

As consideration for purchase of the Sale Shares, the Company agrees to pay to the Sellers (in proportion to their respective holding in La Zarza) total consideration of \$800,000, as follows:

- (a) **Deposit:** \$50,000 cash (which the Company has already paid to the Sellers);
- (b) **Initial cash consideration:** \$50,000 cash (which the Company has already paid to the Sellers on signing the Agreement);
- (c) **Completion cash consideration:** \$100,000 cash payable at completion of the transfer of the Sale Shares to the Company;
- (d) **Scrip consideration:** \$400,000 in Shares – being 8,000,000 Shares to be issued at a deemed issue price of \$0.050 per share; and
- (e) **Deferred cash consideration:** \$200,000 cash payable six months after the execution of the Agreement.

3. Voluntary Escrow

Half of the La Zarza Consideration Shares will be subject to voluntary escrow restrictions for a period of 6 months.

4. Grant of Royalty

La Zarza will grant to the Sellers royalties totalling a 0.5% net smelter royalty over gold won from the Kanowna Gold Project tenements.

5. Conditions Precedent

The Agreement will not complete if:

- (a) no 'material adverse change' occurs in respect of La Zarza;
- (b) the parties obtaining all necessary legal, regulatory and shareholder consents to facilitate approval into the Agreement and the transactions contemplated by it; and
- (c) the Company's shareholders approving the issue of the La Zarza Consideration Shares (the subject of Resolution 5),

by 30 April 2024 (or such other date as the parties may agree).

6. Completion

Completion will occur five (5) business days after all of the conditions precedent have been satisfied (or waived), or on such other date as the parties agree in writing (**Completion Date**).

7. Termination

A party which has the benefit of a condition precedent that has not been satisfied (or waived) by the conditions precedent cut-off date may terminate the Agreement. The Company may terminate the Agreement if a 'material adverse change' or insolvency event occurs in respect of Sellers or La Zarza, or where a material breach of the Agreement has occurred and not been rectified.

Explanatory Memorandum

8. Warranties

The Sellers warrant (amongst other standard matters) that:

- (a) they have title to the Sale Shares;
- (b) there are no claims against La Zarza;
- (c) there are no debts owing from La Zarza to the Sellers;
- (d) La Zarza has all licenses and authorities to operate; and
- (e) the Kanowna Gold Project tenements held by La Zarza are in good standing.

9. Undertaking as to exploration on tenements

Following Completion, the Company undertakes to the Sellers to explore the tenements held by La Zarza by conducting reverse circulation drilling or diamond drilling operations on any of the tenements to a total aggregate length of 2,000 metres drilled within six (6) months after the Completion Date.

The terms and conditions of the Agreement are otherwise standard for a transaction of its kind.

Explanatory Memorandum

Schedule 5 – Summary of Offer Management and Underwriting Agreement

The material terms and conditions of the Offer Management and Underwriting Agreement (**Agreement**) is as follows:

A Lead management of Offers

1. Under the Agreement, the Joint Lead Managers have been engaged on an exclusive basis to:
 - (a) conduct a volume bookbuild to determine demand for the Placement from selected professional, sophisticated and other institutional investors;
 - (b) solicit bids from professional, sophisticated and other institutional investors to the Institutional Offer shortfall; and
 - (c) manage settlement of the Entitlement Offer.
2. For performing these services, the Company will pay:
 - (a) the Joint Lead Managers a sales fee equal to 4% of the amount calculated by multiplying the total number of New Shares issued under the Capital Raising, by the Offer Price (\$0.04), out of which the Joint Lead Managers shall pay all external broker or intermediary fees as agreed by the Joint Lead Managers; and
 - (b) each Joint Lead Manager a management fee equal to 2% of the amount calculated by multiplying the total number of Shares issued under the Capital Raising by the Offer Price (\$0.04).
3. In addition, the Company must pay or reimburse the Lead Managers for their reasonable costs, professional fees and expenses in relation, and incidental, to the Offers.
4. The Joint Lead Managers will also be entitled to be granted 4,000,000 Lead Manager Options.
5. On completion of the Entitlement Offer, the Company will grant to each Joint Lead Manager (or their nominee(s)) the right, but not the obligation, to subscribe for 2,000,000 Lead Manager Options. The subscription price for the Lead Manager Options is \$0.00001 per Option and the Lead Manager Options shall be allocated to each Joint Lead Manager on an equal basis.
6. Under the Agreement, the Company has:
 - (a) given the Lead Managers certain representations and warranties in respect of the company and the conduct of the Entitlement Offer which are considered usual for an agreement of this type; and
 - (b) provided certain indemnities to the Lead Managers for any breach by the Company of the agreement, which are which are considered usual for an agreement of this type.

B Underwriting of Entitlement Offer

1. Discovery Capital (**Underwriter**) has agreed to partially underwrite the Entitlement Offer up to the Underwritten Amount (\$1,085,245). In the event Eligible Shareholders do not subscribe for all New Shares offered under the Offers, the Underwriter agrees to procure subscriptions for the Shortfall up to a maximum aggregate amount equal to the Underwritten Amount, and being up to the number of Underwritten Shares, on the terms and conditions of the Agreement.
2. The Agreement also provides for the issue of 13,565,556 Options to sub-underwriters appointed by the Underwriter (**Sub-underwriter Options**). The Sub-underwriter Options will be issued on the same terms and condition as the Lead Manager Options, and their issue is subject to Shareholder approval.
3. Under the Agreement, the Company indemnifies the Underwriter and its related bodies corporate and their respective directors, officers, employees, agents, representatives and advisers (Indemnified Party) from and against any and all claims, actions, damages, losses, liabilities, costs

Explanatory Memorandum

and expenses which an Indemnified Party may incur or suffer in relation to the Offers or this Prospectus.



Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Cosmo Metals Limited | ABN 17 653 132 828

Your proxy voting instruction must be received by **10.00am (AWST) on Tuesday, 26 March 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au/>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 1 - How to vote

APPOINT A PROXY:

I/We being a Shareholder entitled to attend and vote at the General Meeting of Cosmo Metals Limited, to be held at **10.00am (AWST) on Thursday, 28 March 2024 at Level 2, 22 Mount Street, Perth WA 6000** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
 Unless indicated otherwise by ticking the "for," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

STEP 2 - Your voting direction

	Resolutions	For	Against	Abstain
1	Ratification of prior issue of First Placement Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Ratification of prior issue of First Placement Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval for issue of attaching First Placement Options to First Placement Participants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval for issue of First Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval for issue of Shares to acquire La Zarza Minerals Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Ratification of prior issue of Second Placement Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Approval for issue of attaching Second Placement Options to Second Placement Participants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Approval for issue of Second Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Approval for issue of Sub-underwriter Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Contact Name:		
Email Address:		
Contact Daytime Telephone	Date (DD/MM/YY)	
	<div style="display: flex; justify-content: space-around;"> / / </div>	

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).