



COSMO METALS LIMITED
ABN 17 653 132 828

INTERIM FINANCIAL REPORT
31 DECEMBER 2021

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CORPORATE DIRECTORY

DIRECTORS

Mr Peter Bird	Non-Executive Chairman
Mr James Merrillees	Managing Director
Mr Andrew Paterson	Non-Executive Director
Mr Zbigniew Lubieniecki	Non-Executive Director

COMPANY SECRETARY

Mrs Melanie Ross

REGISTERED OFFICE & CONTACTS

Level 1, 51 Colin Street

WEST PERTH WA 6005

Ph: +61 8 6400 5301

Web: www.cosmometals.com.au

Securities Exchange Listing - ASX Code: CMO

ABN: 17 653 132 828

SOLICITORS

Blackwall Legal LLP

Level 26, 140 St Georges Terrace

PERTH WA 6000

AUDITORS

RSM Australia Partners

Level 32, Exchange Plaza

2 The Esplanade

PERTH WA 6000

SHARE REGISTRY

Automic Group

Level 2, 267 St Georges Terrace

PERTH WA 6000

Ph: 1300 288 664

Web: www.automicgroup.com.au

DIRECTORS' REPORT

Your directors present their report, together with the interim financial report on the Company, Cosmo Metals Ltd at the end of, or during the period 26 August 2021 (date of incorporation) to 31 December 2021 ('period').

DIRECTORS

The names of directors in office at any time during or since the end of the period are listed below. Directors have been in office since incorporation to the date of this report unless otherwise stated.

NAME OF PERSON	POSITION
Mr Peter Bird	Non-Executive Chairman (appointed 10 November 2021)
Mr James Merrillees	Managing Director (appointed 10 November 2021 as Non-Executive Director until appointment to Managing Director on 4 January 2022)
Mr Andrew Paterson	Non-Executive Director
Mr Zbigniew Lubieniecki	Non-Executive Director
Mrs Melanie Ross	Non-Executive Director (resigned 10 November 2021)

PRINCIPAL ACTIVITIES

During the financial half year, the principal activities of the Company consisted of mineral exploration.

REVIEW OF OPERATIONS

Operating Result

The loss from continuing operations for the period after providing for tax amounted to \$761,680.

During the half year to December 2021, the Company primarily undertook work toward the Initial Public Offer (IPO) for an ASX listing. A Prospectus was lodged with ASIC on 22 November 2021 to raise a minimum of \$5million and maximum of \$7million in order to list on the ASX.

The Prospectus was closed on 24 December 2021 successfully raising \$5.1million before share issue costs. The proceeds from issue of shares were received in full on 25 January 2022.

On the 12 November 2021, 5,000,000 options with an exercise price of \$0.25 and an expiry date of 12 November 2024 were issued to Directors of the Company under the Prospectus.

On 19 November 2021 the Company issued 25,000,000 shares at a deemed issued price of \$0.20 to Great Boulder Resources Ltd (GBR), the parent Company of Cosmo Metals Limited, as consideration for tenements comprising the Yamarna Project.

Subsequent to the end of the period the Company commenced trading on the ASX on 31 January 2022.

Exploration

During the period, the following projects were acquired by the Company.

Yamarna Project

The Yamarna Project is located approximately 130km east of Laverton in the Eastern Goldfields District of Western Australia (refer Figure 1). The Project consists of nine exploration licences and two prospecting leases. All the tenements are granted except for applications for one exploration licence and one prospecting licence¹.

The Yamarna Project is comprised of two separate areas: Winchester to the north (two exploration licences); and Yamarna to the southeast (seven exploration licences and two prospecting leases).

Yamarna, immediately west of the 6.7Moz Gruyere gold mine owned by Gold Road Resources Ltd (ASX:GOR) and Gold Fields Ltd, is the more advanced exploration project and includes the Mt Venn and Eastern Mafic Cu-Ni-Co discoveries¹.

In recent years Yamarna has been the focus of exploration work by Great Boulder, leading to the discovery of magmatic-hosted Cu-Ni-Co sulphide accumulations at Mt Venn in 2017 and at the Eastern Mafic Complex in 2018. In 2018 Great Boulder entered into a farm-in and joint venture agreement with Ausgold Ltd (ASX:AUC) for the Winchester area, where subsequent drilling programs confirmed the presence of Cu-Ni-Co sulphides in 2019¹.

In 2021 Great Boulder consolidated 100% ownership of all Yamarna Tenements, other than E38/2129, in which Ausgold retains a 25% interest¹.

DIRECTORS' REPORT

The Yamarna Tenements are easily accessible via the Great Central Road from Laverton, with local gravel tracks heading north to Winchester and a combination of the Gruyere mine access road and borefield access roads providing direct access to Yamarna¹.

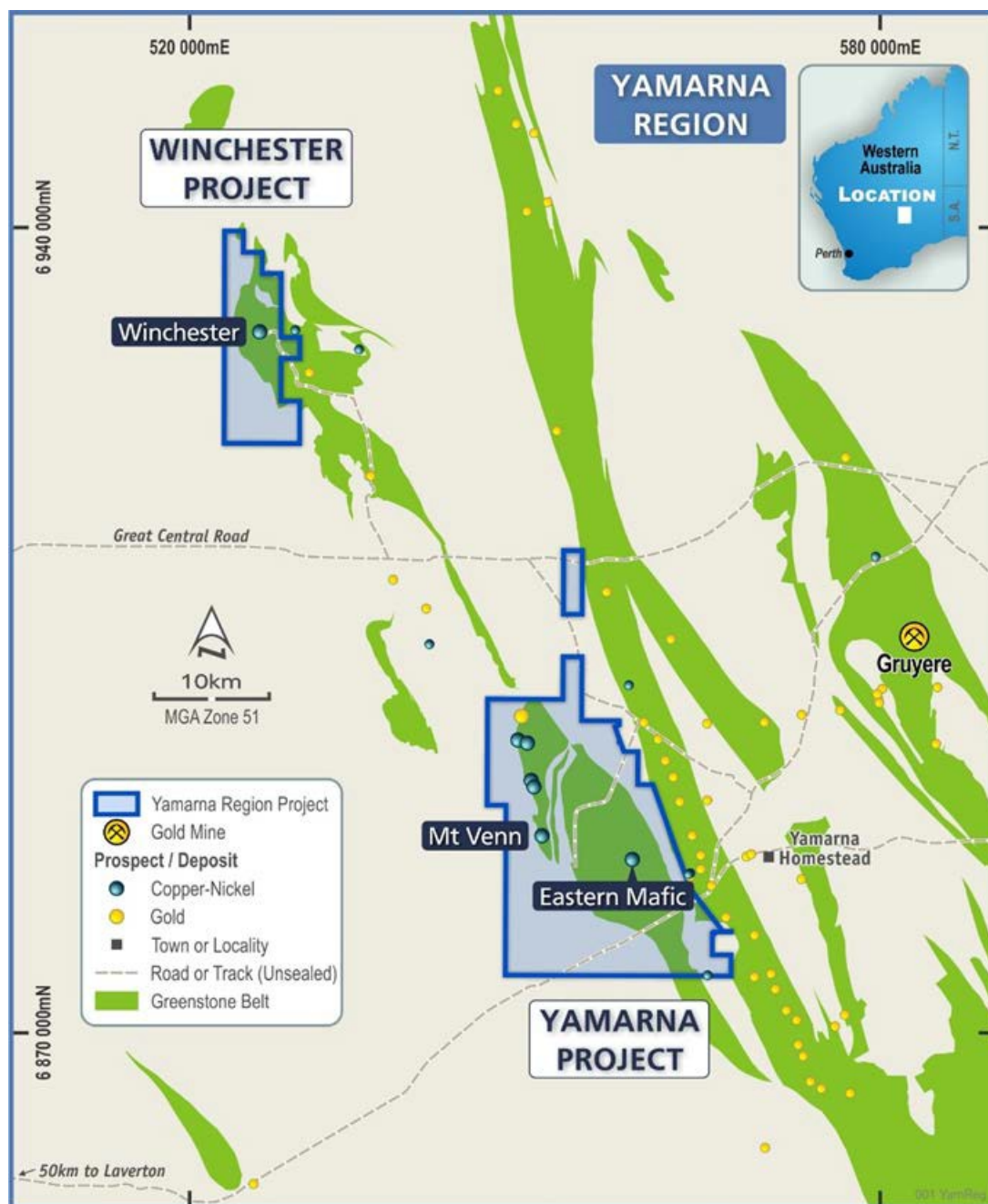


Figure 1: Yamarna Project Location

Pingrup Project

The Pingrup Project applications E70/5955 (6 blocks) and E70/5956 (16 blocks) overlie farmland south of Lake Grace. The tenements are considered to be prospective for possible Cu-Ni-PGE mineralisation associated with interpreted mafic-ultramafic intrusions within high metamorphic grade rocks of the South West Terrane.

The Pingrup tenements represent conceptual targets generated from desktop analysis of regional magnetic data. Stakeholder engagement and initial field work will commence once the tenements are granted.

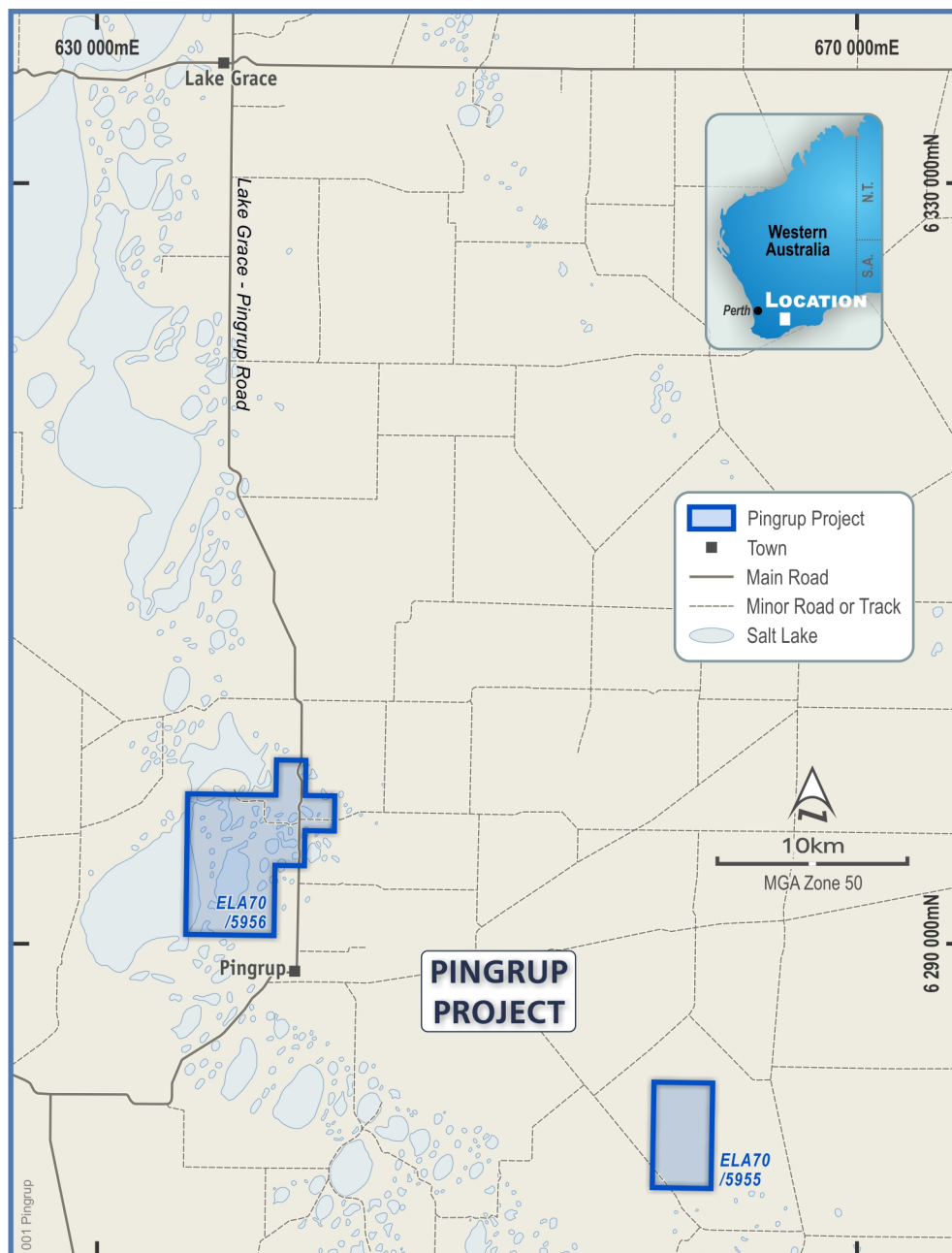


Figure 2: Pingrup Project Location

EVENTS AFTER THE REPORTING DATE

Exploration

Following the Company's listing in January 2022, the Company received the results from a six-hole, 1,116m reverse circulation (RC) drillholes drilled by Great Boulder in December 2021. The RC program targeted extensions of the Mt Venn deposit, within the Company's Yamama Cu-Ni-Co Project.

Significant intersections from the drilling program included (refer Figure 3 and CMO ASX Announcement dated 15 February 2022)²:

- **46m @ 0.80% Cu, 0.06%Ni from 141m in 21MVRC001 including**
 - 1m @ 1.40% Cu from 151m and
 - 12m @ 1.26% Cu from 155m and
 - 13m @ 1.06% Cu from 170m
- **23m @ 0.74% Cu, 0.06%Ni from 158m in 21MVRC002 including**
 - 1m @ 1.81% Cu from 158m and

DIRECTORS' REPORT

- 1m @ 1.01% Cu from 162m and
- 2m @ 1.26% Cu from 170m and
- 1m @ 1.83% Cu from 175m and
- 1m @ 1.66% Cu from 180m and
- **67m @ 0.50% Cu, 0.13% Ni from 47m in 21MVRC003** *including*
 - 1m @ 1.31% Cu from 64m and
 - 1m @ 2.05% Cu from 70m and
 - 1m @ 1.40% Cu from 94m and
 - 1m @ 1.23% Cu from 97m and
 - 3m @ 1.11% Cu from 101m and
- **15m @ 0.29% Cu, 0.06%Ni from 154m in 21MVRC004**

The above holes were drilled into the 'Western (footwall) Zone' at Mt Venn and successfully expanded the grades and widths of mineralisation in the earlier reported drilling including the higher-grade zones noted above in hole 21MVRC001.

Mineralisation in 21MVRC001 is interpreted to be associated with a 'flexure' in the target basal contact zone and work is ongoing to target this position along strike and repeats of it at depth (refer Figure 4).

Holes 21MVRC005 and 21MVRC006 tested northern extensions to Mt Venn and intersected narrow zones of copper and nickel including numerous narrow intervals with >0.15% Cu such as (refer Figure 3):

- **2m @ 0.48% Cu, 0.10% Ni from 56m in 21MVRC005**

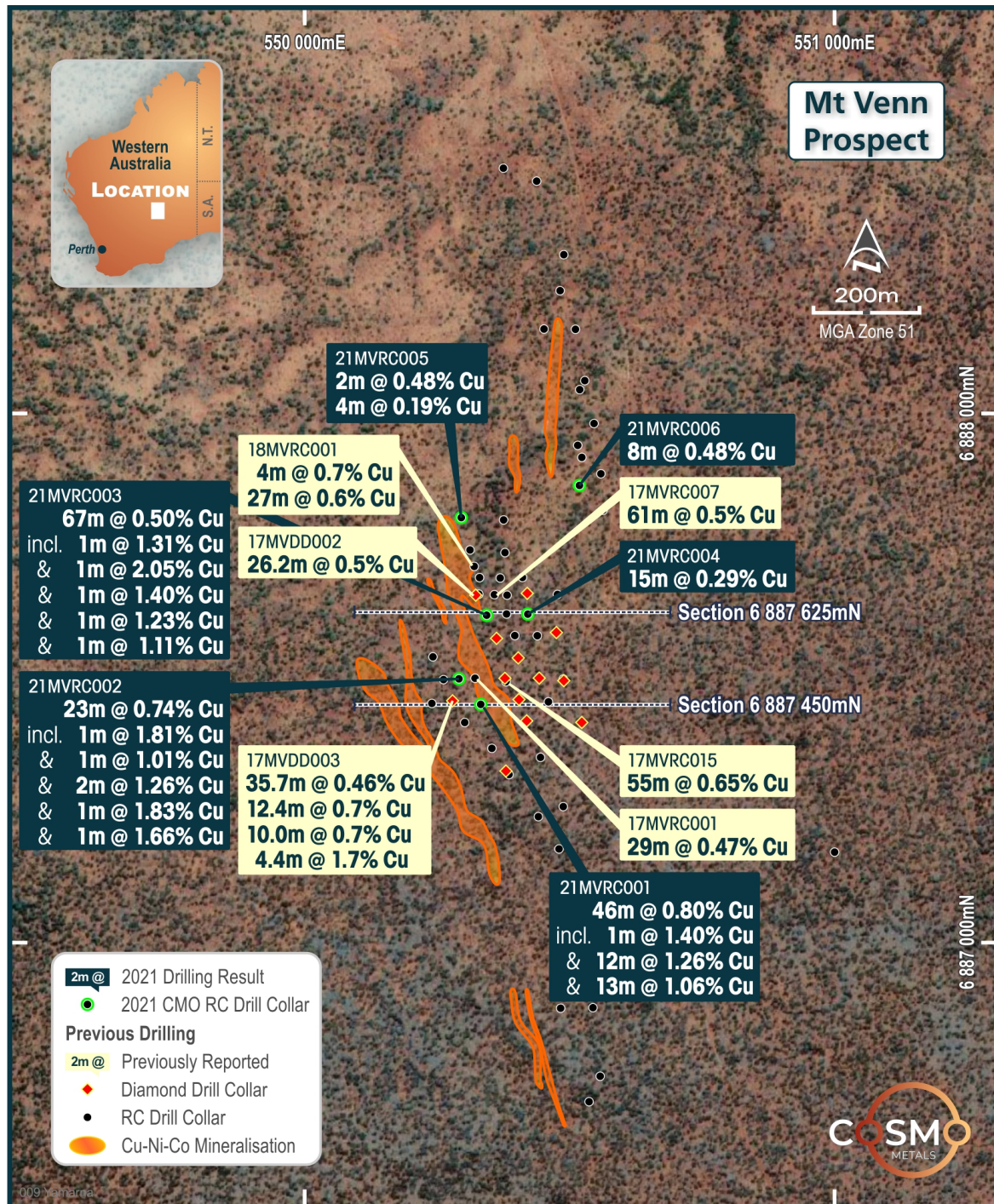


Figure 3: Cosmo Metals' Mt Venn Project. 2021 RC drilling with selected historical drill intersection on aerial photo background¹.

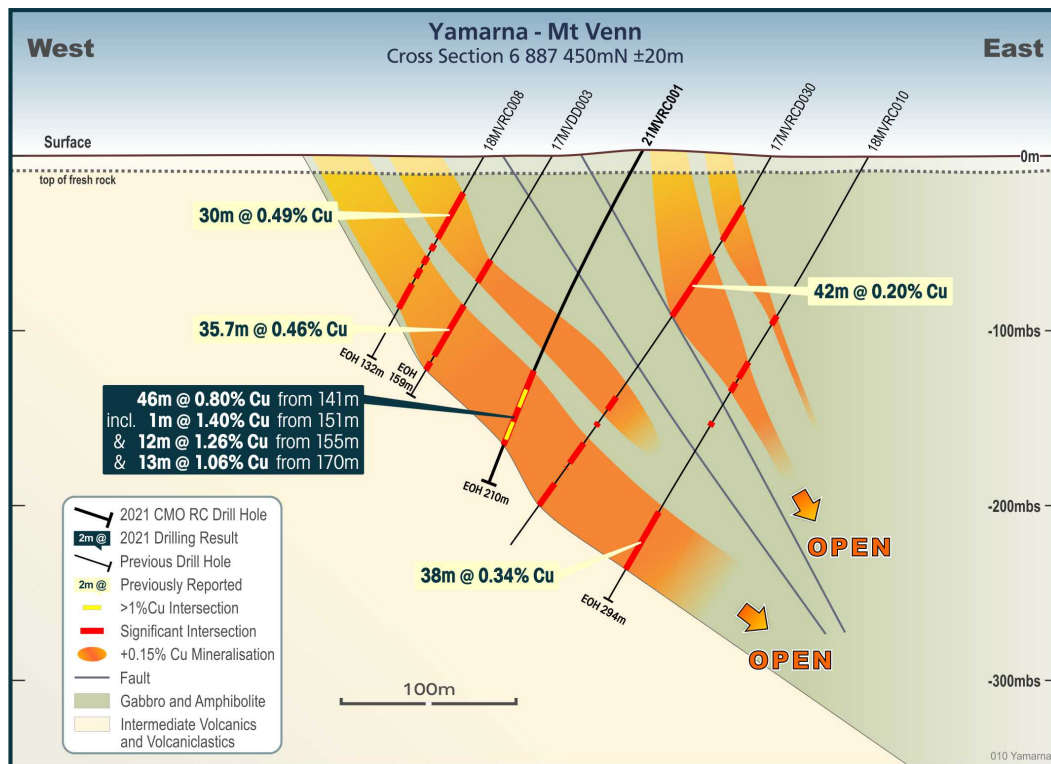


Figure 4: Cross section 6 887 450 (view looking north) with hole 21MVR001 with higher grade zone coincident with a 'flexure' in the basement contact.

The Company has now engaged a well-credentialed resource consulting group to define an initial Exploration Target at Mt Venn in line with the JORC Code (2012). According to the JORC Code an Exploration Target is defined as:

"... a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource."

The definition of this Exploration Target, planned for late this quarter, will be fundamental to planning further drilling required to upgrade Mt Venn to a JORC compliant resource as well as testing the mineralisation potential beyond the current drilling limits.

A drilling contractor has been sourced to commence this program in March to avoid potential weather-related delays in the current fire season.

Corporate

On the 20 January 2022, 25,510,000 fully paid ordinary shares at an issue price of \$0.20 per share were issued under the Initial Public Offer (IPO) Prospectus (Prospectus) dated 22 November 2021, raising \$5,102,000, before costs. The funds raised will primarily be used for funding the exploration of the Company's projects.

On the 20 January 2022, 5,000,000 options with an exercise price of \$0.25 and an expiry date of 20/01/2025 were issued to the lead managers managing the IPO under the Prospectus with a subscription price of \$0.00001 per Option.

On 31 January 2022, the Company was admitted to the Official List on the Australian Securities Exchange.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial period, which significantly affected or may significantly affect the operations of the Company the results of those operations, or the state of affairs of the Company in future financial years.

¹ Refer Cosmo Metals Prospectus dated 22 November 2021

² Refer Cosmo Metals ASX Announcement dated 15 February 2022

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial period.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' Independence declaration as required under section 307C of the *Corporations Act 2001* is included within this interim financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in dark ink, appearing to read "J. Merrillees", written in a cursive style.

James Merrillees
Managing Director

Date: 11 March 2022
Perth

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 26 AUGUST 2021 TO 31 DECEMBER 2021**



	Notes	For the period 26 August 2021 to 31 December 2021 \$
Depreciation expense		(324)
Administration expenses		(275,356)
Share based payments	6	(486,000)
Loss before income tax		(761,680)
Income tax expense		-
Loss after income tax expense for the period		(761,680)
Other comprehensive income		-
Total comprehensive loss for the period		(761,680)
 Loss per share		
Basic and diluted loss per share (cents)	10	(13)

The accompanying notes form part of this interim financial report.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021



	Notes	31 December 2021 \$
ASSETS		
Current assets		
Trade and other Receivables	2	101,539
Total current assets		101,539
Non-current assets		
Plant and equipment		3,566
Exploration and evaluation expenditure	3	5,132,037
Total non-current assets		5,135,603
Total assets		5,237,142
LIABILITIES		
Current liabilities		
Trade and Other Payables	4	512,821
Total current liabilities		512,821
Total liabilities		512,821
Net assets		4,724,321
EQUITY		
Issued capital	5	5,000,001
Reserves	7	486,000
Accumulated losses		(761,680)
Total equity		4,724,321

The accompanying notes form part of this financial report.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 26 AUGUST 2021 TO 31 DECEMBER 2021**



	Issued Capital	Share based payment reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at incorporation 26 August 2021	1	-	-	1
Total Income and expenses for the period	-	-	(761,680)	(761,680)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(761,680)	(761,680)
Transactions with owners in their capacity as owners				
Share Issue	5,000,000	-	-	5,000,000
Share Issue Costs	-	-	-	-
Share based payments	-	486,000	-	486,000
Balance at 31 December 2021	5,000,001	486,000	(761,680)	4,724,321

The accompanying notes form part of this financial report.

STATEMENT OF CASH FLOWS

FOR THE PERIOD 26 AUGUST 2021 TO 31 DECEMBER 2021

	Notes	For the period 26 August 2021 to 31 December 2021
		\$
Cash flows from operating activities		
Payments to suppliers and employees		(234,091)
Net cash outflow from operating activities		(234,091)
Cash flows from investing activities		
Payments for exploration and evaluation		(6,531)
Net cash inflow from investing activities		(6,531)
Cash flows from financing activities		
Capital raising costs		(86,897)
Proceeds from loan (Great Boulder Resources Ltd)		327,519
Net cash inflow from financing activities		240,622
Net increase in cash held		-
Cash at the beginning of the financial period		-
Cash at the end of the financial period		-

The accompanying notes form part of this financial report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 26 AUGUST 2021 TO 31 DECEMBER 2021



1. Summary of significant accounting policies

Basis of Preparation

The interim financial report is a general purpose financial report that have been prepared for the period 26 August 2021 to 31 December 2021 in accordance with Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this interim financial report be read in conjunction with any public announcements made by Cosmo Metals Limited during the period in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise indicated.

These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Share based payment transactions

The Company measures the cost of equity-settled transactions with suppliers and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate fair value pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

In the opinion of the Directors, there have been no other significant estimates or judgements used in the preparation of this financial report.

Comparative figures

There were no comparatives as the Company was incorporated on 26 August 2021.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Exploration and evaluation

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward where the right of tenure of the area of interest is current and they are expected to be recouped through successful development on the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserve.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture and equipment	3 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next reporting period but may impact profit or loss and equity.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Cosmo Metals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

The Company incurred a loss after income tax of \$761,680 and had cash out flows from operating activities of \$234,091 for the period ended 31 December 2021. As at that date, the Company had net current liabilities of \$411,282.

The directors believe that it is reasonably foreseeable that the Company will continue as a going concern, after consideration that subsequent to the reporting date (Note 11), the Company successfully raised \$5,102,000 (before costs) from an initial public offering to the Official List of the Australian Securities Exchange ('ASX').

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

New and Revised Accounting Standards and Interpretations

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 26 AUGUST 2021 TO 31 DECEMBER 2021 (continued)**



31 Dec 2021
\$

2. Trade and other receivables

GST receivable	14,641
Prepayments	86,897
Other	1
	101,539

Prepayments relate to share issue costs incurred during the period relating to the shares issued under the IPO Prospectus, which occurred subsequent to the end of the period on 31 January 2022.

3. Exploration and Evaluation

Opening balance	-
Acquisitions during the period	5,000,000
Expenditure incurred during the period	132,037
Closing balance	5,132,037

The Company currently holds seven tenements (Yamarna and Winchester Projects) located 130km northeast of Laverton in the Eastern Goldfields District of Western Australia. During the period, the Company entered into an agreement to acquire the Yamarna Project Assets from Great Boulder Resources Limited (ASX:GBR), the original parent company of Cosmo Metals. As consideration for these projects, Great Boulder Resources Limited received 25,000,000 fully paid ordinary shares in the Company at a deemed issue price of \$0.20.

4. Trade and Other Payables

Trade creditors	161,044
Accrued expenses	24,258
Loan payable to Great Boulder Resources Ltd	327,519
	512,821

5. Issued Capital

Ordinary shares – fully paid	5,000,001
	5,000,001

Ordinary Shares

Date	No. of shares	Issue price	
		\$	\$
At the beginning of the reporting period:	1	1.00	1.00
Issued as consideration for the Yamarna projects (refer note 3)	25,000,000	0.20	5,000,000
At the end of the reporting period	25,000,001		5,000,001

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 26 AUGUST 2021 TO 31 DECEMBER 2021 (continued)



31 Dec 2021
\$

6. Share Based Payment Transactions

Options – Recognised as a Share Based Payment Expense

486,000

486,000

For the options issued during the current period, a Binomial Lattice ESO option pricing model was used with the valuation model inputs used to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date \$	Exercise price \$	Expected volatility %	Dividend yield %	Number of Options	Value per Option \$	Total Value \$
12/11/2021	12/11/2024	0.20	0.25	100	-	5,000,000	0.0972	486,000

All options vested upon issue.

7. Reserves

Reserves

Share Based Payments Reserve

486,000

486,000

Movements

Balance at beginning of period

-

Share based payments expense for the period

486,000

Balance at end of period

486,000

8. Related Party Transactions

On 3 September 2021, the Company entered into an Agreement with Consilium Corporate Pty Ltd for the provision of CFO and Corporate Secretarial Services. Prior to that, Melanie Ross was appointed as a director to the Company on incorporation, 26 August 2021, and subsequently resigned on 10 November 2021. Ms Ross is a director of Consilium Corporate Pty Ltd. During the period Ms Ross was appointed as a director, Consilium Corporate Pty Ltd invoiced the Company \$4,020 for CFO and Corporate Secretarial Fees. As at 31 December 2021, all amounts owing to Consilium Corporate was paid through the loan payable to Great Boulder Resources Ltd.

9. Commitments for Expenditure

Exploration and Evaluation

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial periods. Under certain circumstances, these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however they are expected to be fulfilled in the normal course of operations.

The Company has tenement expenditure commitments payable of:

- Not later than 12 months

523,290

- Between 12 months and 5 years

2,095,680

2,618,970

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 26 AUGUST 2021 TO 31 DECEMBER 2021 (continued)**



	31 Dec 2021
	\$
10. Earnings per share	
Profit/(Loss) after income tax	(761,680)
	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>5,842,392</u>
Basic and diluted earnings/(loss) per share (cents)	(13)

11. Events after the Reporting Date

EVENTS AFTER THE REPORTING DATE

Exploration

Following the Company's listing in January 2022, the Company received the results from a six-hole, 1,116m reverse circulation (RC) drillholes drilled by Great Boulder in December 2021. The RC program targeted extensions of the Mt Venn deposit, within the Company's Yamarna Cu-Ni-Co Project.

Significant intersections from the drilling program included (refer Figure 3 and CMO ASX Announcement dated 15 February 2022)²:

- **46m @ 0.80% Cu, 0.06%Ni from 141m in 21MVRC001 including**
 - 1m @ 1.40% Cu from 151m and
 - 12m @ 1.26% Cu from 155m and
 - 13m @ 1.06% Cu from 170m
- **23m @ 0.74% Cu, 0.06%Ni from 158m in 21MVRC002 including**
 - 1m @ 1.81% Cu from 158m and
 - 1m @ 1.01% Cu from 162m and
 - 2m @ 1.26% Cu from 170m and
 - 1m @ 1.83% Cu from 175m and
 - 1m @ 1.66% Cu from 180m and
- **67m @ 0.50% Cu, 0.13% Ni from 47m in 21MVRC003 including**
 - 1m @ 1.31% Cu from 64m and
 - 1m @ 2.05% Cu from 70m and
 - 1m @ 1.40% Cu from 94m and
 - 1m @ 1.23% Cu from 97m and
 - 3m @ 1.11% Cu from 101m and
- **15m @ 0.29% Cu, 0.06%Ni from 154m in 21MVRC004**

The above holes were drilled into the 'Western (footwall) Zone' at Mt Venn and successfully expanded the grades and widths of mineralisation in the earlier reported drilling including the higher-grade zones noted above in hole 21MVRC001.

Mineralisation in 21MVRC001 is interpreted to be associated with a 'flexure' in the target basal contact zone and work

is ongoing to target this position along strike and repeats of it at depth (refer Figure 4).

Holes 21MVRC005 and 21MVRC006 tested northern extensions to Mt Venn and intersected narrow zones of copper and nickel including numerous narrow intervals with >0.15% Cu such as (refer Figure 3):

- **2m @ 0.48% Cu, 0.10% Ni from 56m in 21MVRC005**

Corporate

On the 20 January 2022, 25,510,000 fully paid ordinary shares at an issue price of \$0.20 per share were issued under the Initial Public Offer (IPO) Prospectus (Prospectus) dated 22 November 2021, raising \$5,102,000, before costs. The funds raised will primarily be used for funding the exploration of the Company's projects.

On the 20 January 2022, 5,000,000 options with an exercise price of \$0.25 and an expiry date of 20/01/2025 were issued to the lead managers managing the IPO under the Prospectus with a subscription price of \$0.00001 per Option.

On 31 January 2022, the Company was admitted to the Official List on the Australian Securities Exchange.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial period, which significantly affected or may significantly affect the operations of the Company the results of those operations, or the state of affairs of the Company in future financial years.

12. Contingent Liabilities

The Company had no contingent liabilities as at 31 December 2021.

13. Operating segments

The Company is organised into one operating segment based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company operates as a single segment which is mineral exploration and in a single geographical location which is Australia.

14. Dividends

The Company has not declared nor paid a dividend for the period.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the financial period 26 August 2021 to 31 December 2021; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in dark ink, appearing to read "J. Merrillees".

James Merrillees
Managing Director

Date: 11 March 2022
Perth

RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Cosmo Metals Limited for the period 26 August 2021 to 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM

RSM AUSTRALIA PARTNERS

Al Whyte

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 11 March 2022

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RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

www.rsm.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
COSMO METALS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cosmo Metals Limited, which comprises the statement of financial position as at 31 December 2021, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period 26 August 2021 to 31 December 2021, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cosmo Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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Independence

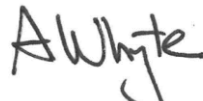
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Cosmo Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM
RSM AUSTRALIA PARTNERS



ALASDAIR WHYTE
Partner

Perth, WA
Dated: 11 March 2022