



28 OCTOBER 2024
ASX RELEASE

COSMO METALS RAISES \$500,000

Cosmo Metals Ltd (“Cosmo” or the “Company”) (ASX: CMO) announces the Company has entered into an agreement with Joint Lead Managers Cumulus Wealth Pty Ltd and Discovery Capital Partners Pty Ltd (JLMs) to raise \$500,000 through the issue of Convertible Notes to sophisticated and institutional investors as arranged by the JLMs.

The Board of Cosmo has conducted a detailed strategic review of the business with key outcomes being:

- Board changes to ensure leadership is fit for purpose;
- a detailed evaluation of the existing project portfolio; and
- actively assessing new project generation opportunities.

Whilst recognising the prospectivity and value of the existing project portfolio, there is a clear opportunity in the current market environment to augment the portfolio with one or more high quality projects. The key driver of the strategic review process is to ensure the Company’s resources are applied in areas with the greatest potential to deliver success for stakeholders.

The Board is taking a very active, hands-on approach and has reviewed a range of project opportunities in the past few months, rapidly determining projects that do not fit the corporate strategy and progressing assessment and vendor engagement on others. This is an iterative process, so whilst there are project opportunities that the Company is actively assessing, at this stage there is no certainty that a project acquisition will occur in the near term.

Funds raised through the capital raising ensure that the Company is appropriately resourced to pursue this refined strategy, whilst maintaining a clear focus on capital management.

Convertible Note Summary

The key commercial terms of the Convertible Notes are set out as follows:

- 1) **Security Description:** Convertible Note.
- 2) **Issue condition:** Issue is subject to shareholder approval by shareholders at a general meeting expected mid-December.
- 3) **Tranche drawdown:** \$500,000 following shareholder approval.
- 4) **Security:** Unsecured.

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- 5) **Interest Rate:** 12% per annum, accruing on daily balances on the basis of a year of 365 days. Interest on the Principal Amount will accrue from the Subscription Date until the Convertible Notes are either redeemed or converted into Shares.
- 6) **Maturity:** The Convertible Notes are to be converted on or before the date which is 6 months from the Subscription Date (**Maturity Date**) unless the Maturity Date is otherwise extended by written agreement between the Company and the JLMs.
- 7) **Converting:** The Convertible Notes will convert into ordinary shares at a 20% discount to the next capital raise price, subject to a ceiling price of \$0.025 and a floor price of \$0.007, or if the Convertible Notes convert on the Maturity Date, each Convertible Note will be convertible into shares at a conversion price of an amount equal to a 20% discount to the lowest 5-day VWAP during the period of the execution date of a binding terms sheet to the Maturity Date, subject to a ceiling price of \$0.025 and a floor price of \$0.007. Additionally, the notes will attract one (1) option for every one (1) share issued upon conversion of the Notes, exercisable at a 25% premium to the conversion price with a three (3) year expiry from the date of issue.
- 8) **Fees:** A management fee of 2% and a selling fee of 4% on funds raised by the Company during the Engagement Term. Subject to receipt of shareholder approval, the Company will also issue 5,000,000 options on the same terms as the attaching options granted under the Convertible Notes.

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

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About Cosmo Metals Ltd

Cosmo Metals Ltd (Cosmo; ASX: CMO) is an ASX-listed, gold and base metals exploration company with key projects located in Western Australia.

In early CY 2024, Cosmo announced the intention to acquire the Kanowna Gold Project (KGP) located adjacent to the 7m ounce Au Kanowna Belle gold mine some 13km north of Kalgoorlie.

Cosmo is also active in the underexplored Yamarna Belt in the Eastern Goldfields region which is considered highly prospective for copper-nickel-cobalt (Cu-Ni-Co) and platinum group elements (PGE).

Cosmo's activities are supported by a well-regarded technical team who are advancing exploration on multiple fronts to unlock the potential of both the KGP and Yamarna Projects.

