



# Cosmo Metals Limited

ACN 653 132 828

## Notice of General Meeting and Explanatory Memorandum

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Date of Meeting: Friday, 13 December 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 11 December 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 13 December 2024 at 10.00am AWST.**

## Agenda

### 1. Resolution 1: Approval for issue of Convertible Notes

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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, approval is given for the Company to issue 500,000 Convertible Notes on the terms and conditions set out in the Explanatory Statement.”*

### 2. Resolution 2: Approval for issue of Lead Manager Options

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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 5,000,000 Lead Manager Options to the Lead Managers and/or their respective nominee(s), on the terms and conditions set out in the Explanatory Statement.”*

# Notice of General Meeting

## 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
Resolution 1	Subscribers, being the persons to whom the Convertible Notes are proposed to be issued, and any person who will obtain a material benefit as a result of the proposed issue of Convertible Notes (except a benefit solely by reason of being a Shareholder).
Resolution 2	Discovery Capital Partners Pty Ltd and Cumulus Wealth Pty Ltd, or any of their respective nominees who may be granted Lead Manager Options, 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 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
  - (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 4 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**  
13 November 2024

# Notice of General Meeting

## 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 11 December 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:

<b>Individual:</b>	Where the holding is in one name, the holder must sign.
<b>Joint Holding:</b>	Where the holding is in more than one name, either holder may sign.
<b>Power of Attorney:</b>	To sign under Power of Attorney, please attach a certified photocopy of the Power of Attorney to this form when you return it.
<b>Companies:</b>	<p>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.</p> <p>Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.</p> <p>Please indicate the office held by signing in the appropriate place.</p>

# Explanatory Memorandum

## 1. Introduction

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This Explanatory Memorandum is provided to Shareholders of 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 13 December 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 4.

## 2. Resolution 1: Approval for issue of Convertible Notes

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### 2.1 General

On 28 October 2024, the Company announced it had engaged with Cumulus Wealth Pty Ltd (ACN 634 297 279) (AFSL 524 450) (**Cumulus**) and Discovery Capital Partners Pty Ltd (ACN 615 635 982) (AFSL 500223) (**Discovery**) (the **Joint Lead Managers**) for a capital raising of up to \$500,000 by way of a proposed issue of convertible notes, each with a face value of \$1.00 (**Convertible Notes**).

The Convertible Notes will be convertible into ordinary shares (**Conversion Shares**) and options in the Company upon:

- (a) the occurrence a capital raising undertaken by the Company to raise a minimum of \$1,000,000 by a placement of Shares (**Capital Raising Event**); or
  - (b) the date 6 months after the issue of the Convertible Notes (**Maturity Date**),
- whichever occurs first.

The Convertible Notes may be converted at a price determined as follows (**Conversion Price**):

- (a) if the Convertible Notes convert on the occurrence of a Capital Raising Event, each Convertible Note will be convertible into Convertible Shares at a conversion price equal to a 20% discount to the capital raising issue price of the relevant Capital Raising Event, subject to a maximum price of \$0.025 and a minimum price of \$0.007; and
- (b) 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 from 28 October 2024 to the Maturity Date, subject to a ceiling price of \$0.025 and a floor price of \$0.007.

Subscribers converting Convertible Notes will also be entitled to one (1) free attaching option for every one (1) share issued upon conversion of the Convertible Notes, exercisable at a 25% premium to the Conversion Price with a three (3) year expiry from the date of issue (**Conversion Options**), on the terms stated in Schedule 2.

The terms of the Convertible Notes are contained in the agreement for the issue of the Convertible Notes (**Convertible Note Agreement**), the material terms of which are summarised in Schedule 1.

### 2.2 Circumstances behind the issue of the Convertible Notes

In accordance with ASX requirements, the Company provides the following information to Shareholders regarding the issue of the Convertible Notes pursuant to the Convertible Note Agreement:

# Explanatory Memorandum

(a) **The need to issue the Convertible Notes**

The Company has a relatively small market capitalisation, a reasonable retail investor following and modest liquidity in the current market environment. As a result, it is difficult in these current circumstances to raise funds from more traditional means through equity raisings. Further, given current market volatility, the Company has experienced lower than usual investor interest in participating in equity raisings.

(b) **Alternative fund-raising options considered**

The Company has considered alternative forms of fund-raising, however, given the current market environment and modest liquidity of the Company's securities, the Company has formed the view that there may be limited investor demand for an equity raising in these more traditional forms.

(c) **Reasons why entry into the Convertible Note Agreement was preferable to alternative fund-raising**

The arrangement to enter into the Convertible Note Agreement was considered the most preferable to other funding options because it offered the Company the highest level of funding certainty to assist with assessing project acquisition opportunities and for general working capital in the short term with the view of completing a traditional equity raise as the Company's strategy was further advanced.

(d) **If alternative fund-raising options were not considered, why not**

Not applicable.

(e) **Issue of any "collateral shares"**

The Company confirms that the Convertible Note Agreement is not a deed or charge or a form of security agreement, therefore there are no 'collateral shares' to be issued.

## 2.3 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.

The proposed issue of the Convertible Notes 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.

## 2.4 Technical Information required by Listing Rule 14.1A

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Convertible Notes, increasing the total numbers of Shares on issue once converted. In addition, the Convertible Notes 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 1 is not passed, then the \$500,000 cash amount received by the Subscribers would be repaid immediately under the terms of the Convertible Note Agreement.

## 2.5 Listing Rules information requirements

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

# Explanatory Memorandum

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

The Convertible Notes are proposed to be issued to the Subscribers, being professional and sophisticated investors who are clients of the Joint Lead Managers.

The Subscribers 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 Subscribers are Related Parties of the Company.

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

The Company proposes to issue a maximum of 500,000 Convertible Notes. The maximum number of Conversion Shares and Conversion Options which may be issued on conversion of the Convertible Notes is dependent on the Conversion Price.

The Conversion Price is also dependent upon the occurrence of the below, whichever occurs first:

- (i) if the Convertible Notes convert on the occurrence of a Capital Raising Event, each Convertible Note will be convertible into Shares at a conversion price equal to a 20% discount to the capital raising issue price of the relevant Capital Raising Event, subject to a maximum price of \$0.025 and a minimum price of \$0.007; or
- (ii) 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 from 28 October 2024 to the Maturity Date, subject to a maximum price of \$0.025 and a minimum price of \$0.007.

Based on the above metrics, the maximum number of securities that may be issued on conversion of the Convertible Notes is as follows:

Conversion Price	Conversion Shares	Conversion Options
\$0.025 (maximum)	21,200,000	21,200,000
\$0.007 (minimum)	75,714,286	75,714,286

The Conversion Shares, and Shares issued on exercise of the Conversion Options, will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

The Conversion Options will be issued on the terms stated in Schedule 2.

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

Subject to Shareholder approval, the Company will issue the Convertible Notes on a date which will not be more than 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).

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

The face value of each Convertible Note is \$1.00.

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

The proceeds raised from the proposed issue of the Convertible Notes will be used to assess project acquisition opportunities and for general working capital.

# Explanatory Memorandum

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

The Convertible Notes are proposed to be issued pursuant to the Convertible Note Agreement, the material terms of which are summarised in Schedule 1.

(g) **Information for the purposes of section 5.9 of ASX Guidance Note 21 and Listing Rule 6.1**

Information explaining the circumstances for the proposed issue of Convertible Notes is included at Section 2.2 above.

The terms of the proposed Convertible Notes contain the following features:

- if the Convertible Notes convert on the Maturity Date, the Convertible Notes convert at a price determined by reference to the market price of Shares at the relevant time, subject to a maximum price of \$0.025 and a minimum price of \$0.007;
- in circumstances where the Convertible Notes convert on the occurrence of a Capital Raising Event, the conversion price will be determined by reference to the capital raising issue price of the relevant Capital Raising Event (which may or may not be determined by reference to the market price of Shares at the relevant time), subject to a maximum price of \$0.025 and a minimum price of \$0.007; and
- on conversion, the Convertible Notes do not convert only to fully paid ordinary securities; on conversion the Convertible Notes convert to fully paid ordinary securities (Shares) and to other convertible securities (i.e. Conversion Options), with one Conversion Option to be issued with every one Share issued on conversion.

The table below identifies the potential conversion following the occurrence of a Capital Raising Event or on Maturity Date based on assumed conversion prices.

Conversion Event	Issue Price	Conversion Price	Conversion Shares <sup>5</sup>	Conversion Options
Capital Raising Event	\$0.014 <sup>1</sup>	\$0.011 <sup>3</sup>	48,181,818	48,181,818
Maturity Date	\$0.018 <sup>2</sup>	\$0.014	37,857,143	37,857,143

<sup>1</sup> Assumes a 25% discount to the current market price being the closing price at which Shares were traded on 7 November 2024 (being \$0.018)

<sup>2</sup> Reflects the current market price being the closing price at which Shares were traded on 7 November 2024 (being \$0.018)

<sup>3</sup> 20% discount on the assumed capital raising issue price

<sup>4</sup> 20% discount to lowest 5-day VWAP (assumes current market price equates to lowest 5-day VWAP)

<sup>5</sup> Conversion amount is inclusive of accumulated interest equating to 6 months from the issue of Convertible Notes

(h) **Voting exclusion**

A voting exclusion statement for Resolution 1 is included at page 2 of this Notice.

## 2.6 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1.



# Explanatory Memorandum

## 3. Resolution 2: Approval for issue of Lead Manager Options

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### 3.1 General

The Company engaged the Joint Lead Managers, Cumulus and Discovery, as joint lead managers to the Convertible Notes 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 5,000,000 Options, on the same terms as the Conversion Options, to the Joint Lead Managers (or their nominee/s) in part consideration for services provided in relation to the Convertible Notes (the **Lead Manager Options**), as follows:

- (a) 2,500,000 Lead Manager Options to be issued to Cumulus; and
- (b) 2,500,000 Lead Manager Options to be issued to Discovery.

Resolution 2 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Lead Manager 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 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.

### 3.3 Technical Information required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the 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 2 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options and consequently the Company will not potentially raise up to \$156,250 on any exercise of Lead Manager Options.

### 3.4 Listing Rules information requirements

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 2:

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

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

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

5,000,000 Lead Manager Options are to be issued (2,500,000 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 Lead Manager Options are set out in Schedule 3.

# Explanatory Memorandum

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

The 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 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 Convertible Notes. The issue of the Lead Manager Options will raise a nominal amount of \$50.

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

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

If all the Lead Manager Options are exercised prior to expiry, the Company will raise up to \$156,250 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 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 4.

(h) **Voting exclusion**

A voting exclusion statement for Resolution 2 is included at page 2 of this Notice.

## 3.5 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2.

# Explanatory Memorandum

## 4. Interpretation

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**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.

**Convertible Notes** has the meaning given in Section 2.1.

**Convertible Notes Agreement** has the meaning given in Section 2.1, the material terms of which are set out in Schedule 1.

**Conversion Options** has the meaning given in Section 2.1.

**Conversion Price** has the meaning given in Section 2.1.

**Conversion Shares** has the meaning given in Section 2.1.

**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).

**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.

**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).

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

**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.

**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.

**Resolution** means a resolution proposed at the Meeting.

**Section** means a Section of the Explanatory Statement.

**Securities** has the meaning given to that term in the Corporations Act.

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

# Explanatory Memorandum

**Shareholder** means a holder of Shares in the Company.

**Subscribers** has the meaning given in Section 2.4.

**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](mailto:MRoss@consiliumcorp.com.au)**

# Explanatory Memorandum

## Schedule 1 – Terms and Conditions of Convertible Notes

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The following are the terms and conditions applicable to the Convertible Notes.

### 1. Principle

- (a) The Subscriber agrees to subscribe for the number of convertible notes in the with a face value of \$1.00 each.
- (b) The Convertible Notes will be unsecured.
- (c) The Convertible Notes will not be quoted on the Australian Securities Exchange (ASX) or any other financial market.

### 2. Shareholder Approval and Subscription Date

- (a) The issue of the Convertible Notes is subject to receipt of all necessary shareholder approval, including, for the avoidance of any doubt, in accordance with Listing Rule 7.1.
- (b) The Company must issue to the Subscriber the Convertible Notes and register the Subscriber as the holder of the Convertible Notes within 2 business days of receipt of shareholder approval (**Subscription Date**).
- (c) In the event that Shareholder Approval is not obtained, the Terms Sheet shall automatically terminate and the Company must return the Principal Amount to the Subscriber immediately.

### 3. Interest

Interest on the Principal Amount will accrue from the Subscription Date until the Convertible Notes are either redeemed or converted into Shares at a rate of 12% per annum (Interest Rate), accruing on daily balances on the basis of a year of 365 days.

### 4. Maturity Date

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 Joint Lead Managers (Maturity Extension Event).

### 5. Conversion

- (a) Subject to compliance with the *Corporations Act 2001 (Cth)*, the Company must automatically convert the Convertible Notes into Shares in accordance with this clause at the relevant Conversion Price (**Conversion Shares**) upon:
  - (i) the occurrence of a Capital Raising Event; or
  - (ii) the Maturity Date,unless the Convertible Notes are to be redeemed pursuant to an event of default.
- (b) Subject to the Company being able to issue the Conversion Shares (and any Shares to be issued on conversion of accrued interest, if applicable) in compliance with clause 9, the Company must, as soon as is reasonably practicable:
  - (i) issue the Conversion Shares (and any Shares to be issued on conversion of accrued interest, if applicable); and
  - (ii) procure that a holding statement or certificate for the Conversion Shares (and any Shares to be issued on conversion of accrued interest, if applicable) is sent to the Subscriber.
- (c) The Subscriber agrees to receive Conversion Shares issued on conversion of Convertible Notes (and any Shares issued on conversion of accrued interest) subject to the constitution of the Company and to becoming a member of the Company.

# Explanatory Memorandum

- (d) Conversion Shares issued on conversion of the Convertible Notes will be fully paid, will be unencumbered and will rank pari passu in all respects with the fully paid ordinary shares in the capital of the Company on issue.
- (e) Fractional entitlements to Conversion Shares will be rounded up to the nearest whole number.
- (f) The Company must give ASX a notice that complies with ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82) (Instrument) on the same day as, or within 2 business days before, the first day on which the Convertible Notes are issued.
- (g) If the Company fails to give a notice in accordance with clause 7(f) or such notice is given but not effective for any reason, the Company must, within five Business Days after the issue of the Conversion Shares 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.
- (h) The Company and the Subscriber agree that the Subscriber shall be issued 1 option each to acquire a share in the Company (Options) for every Conversion Share issued. The Options will be issued on the terms and conditions set out in Schedule 2.

For the purposes of this Terms Sheet, **Capital Raising Event** means a capital raising undertaken by the Company subsequent to 28 October 2024 to raise a minimum of \$1,000,000 by a placement of Shares.

## 6. Conversion Price

- (a) If the Convertible Notes convert on the occurrence of a Capital Raising Event, each Convertible Note will be convertible into Shares at a conversion price equal to a 20% discount to the capital raising issue price of the relevant Capital Raising Event, subject to a maximum price of \$0.025 and a minimum price of \$0.007.
- (b) 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 from 28 October 2024 to the Maturity Date, subject to a maximum price of \$0.025 and a minimum price of \$0.007.

## 7. Reconstruction of capital

If there is a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Maturity Date, then the number of Conversion Shares into which each Convertible Note is convertible will be adjusted in a manner consistent with the Corporations Act and, if applicable, the ASX Listing Rules or the listing rules of such other applicable financial market at the time of such reconstruction so that the Convertible Notes are convertible into the same percentage of the issued ordinary share capital of the Company as the percentage into which they are convertible immediately before the relevant reconstruction and in a manner which will not result in any additional benefits being conferred on the Subscriber which are not conferred on the shareholders of the Company.

## 8. Participation rights

There will be no participation rights or entitlements inherent in the Convertible Notes (including rights to dividends or other payments) and the Subscriber will not be entitled to participate in new issues of capital (including rights issues, returns of capital, bonus issues or otherwise) offered to shareholders, unless and until the Convertible Notes are converted.

# Explanatory Memorandum

## Schedule 2 – Terms and Conditions of Conversion Options

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The following are the terms and conditions applicable to the Conversion 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 9, the amount payable upon exercise of each Option will be a 25% premium to the Conversion Price of the Convertible Notes (**Exercise Price**).

**3. Expiry Date**

Each Option will expire at 5:00 pm (AEDT) on or before the date that is three years from the date of issue (**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. Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

## **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. 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.

## **12. 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 – Terms of Lead Manager Options

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The following are the terms and conditions applicable to the 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 a 25% premium to the Conversion Price of the Convertible Notes (**Exercise Price**).

**4. Expiry Date**

Each Option will expire at 5:00 pm (AEDT) on or before the date that is three years from the date of issue (**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. Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

## **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. 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 4 – Summary of JLM Mandate

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

### 1. Fee payable to Discovery and Cumulus

#### (a) Capital Raise:

During the engagement Discovery and Cumulus shall have the exclusive right to act as Joint Lead Managers to any capital raise 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 \$30,000). 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 5 million Lead Manager Options, on the same terms as the Conversion Options (**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 and clause 5 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.



Cosmo Metals Limited | ABN 17 653 132 828

# Proxy Voting Form

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

Your proxy voting instruction must be received by **10.00am (AWST) on Wednesday, 11 December 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 Key Management Personnel.

### 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://automicgroup.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](mailto: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 Friday, 13 December 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 Approval for issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval for issue of Lead Manager 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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY)

/

/

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