



Cosmo Metals Limited

ACN 653 132 828

Entitlement Offer Prospectus

For a non-renounceable accelerated institutional and retail entitlement offer of 2 (two) New Shares for every 3 (three) Shares held by Eligible Shareholders registered at 4.00pm (AWST) on the Record Date, together with 1 attaching New Option for every 3 New Shares subscribed for, at an issue price of \$0.04 per New Share (**Entitlement Offer**), and for the offer of the shortfall to the Entitlement Offer (**Shortfall Offer**), (together, the **Offers**) to raise up to approximately \$1.75 million before costs.

The Entitlement Offer comprises two components:

an accelerated offer to Eligible Institutional Shareholders which opens on 19 February 2024 and closes on 21 February 2024 (**Institutional Offer**); and
an offer to Eligible Retail Shareholders which opens on 26 February 2024 and closes on 21 March 2024 (unless extended) (**Retail Offer**).

The Entitlement Offer is partially underwritten to the Underwritten Amount on underwriting conditions.

Joint Lead Managers

Discovery Capital Partners Pty Ltd (AFSL 500223)

Cumulus Wealth Pty Ltd (AFSL 524450)

Underwriter

Discovery Capital Partners Pty Ltd (AFSL 500223)

Important Notice

This document contains important information about the Offers. You should read the entire document. Please read the instructions in this document and the accompanying Entitlement and Acceptance Form regarding your Entitlement. If you have any questions about the Offers or this Prospectus, you should speak to your professional adviser.

The Securities offered by this Prospectus should be considered speculative.

Important information

Prospectus

This Prospectus is dated 19 February 2024 and was lodged with ASIC on that date. Neither ASIC, ASX nor their officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for the offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

No Securities will be issued on the basis of this Prospectus later than 13 months after the Prospectus Date. Application for quotation of the New Shares will be made to ASX within 7 days after the Prospectus Date.

Electronic prospectus

This Prospectus may be viewed in electronic form at www.cosmometals.com.au by Australian investors only. The electronic version of this Prospectus is provided for information purposes only. A paper copy of the Prospectus may be obtained free of charge on request during the Offer Period by contacting the Company. The information on www.cosmometals.com.au does not form part of this Prospectus.

Risk factors

Investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors are set out in Sections 1.6 and 6 of this Prospectus. These risks together with other general risks applicable to all investments in quoted securities not specifically referred to, may affect the value of the Securities in the future. An investment in the Company should be considered speculative. Investors should consider these risk factors in light of personal circumstances and should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

Overseas Shareholders

This Prospectus is not, and is not intended to constitute, an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. By applying for New Shares, including by submitting an Entitlement and Acceptance Form, a Shortfall Application Form or making a payment using BPay® or EFT, you represent and warrant that there has been no breach of such laws.

The distribution of this Prospectus and accompanying Entitlement and Acceptance Form (including electronic copies) outside Australia and New Zealand may be restricted by laws and persons who come into possession of it should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liability to such persons.

No action has been taken to register or qualify this Prospectus, the New Securities or the Offers, or otherwise to permit a public offering of the New Securities, in any jurisdiction outside Australia and New Zealand.

Please refer to Sections 2.3 and 3.10 for further details of requirements applicable to certain countries in which Shareholders may reside.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website www.asx.com.au). The contents of any website or ASIC or

ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in New Securities of the Company.

No person is authorised to give any information or make any representation in connection with the Offers that is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company in connection with this Prospectus.

Forward-looking statements

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements have been prepared with all reasonable care and attention, based on an evaluation of current economic, financial and operating conditions, as well as assumptions regarding future events. These events are, as at the Prospectus Date, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside the Company's control. They may be affected by matters such as those outlined in Section 6. This may result in the actual circumstances being materially different to those anticipated. Potential Applicants are cautioned not to place undue reliance on any forward-looking statements.

The Company and its Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur as and when stated. Except to the extent required by law (including the ASX Listing Rules), the Company does not give any undertaking to update or revise any forward-looking statements after the Prospectus Date to reflect any changes in expectations in relation to forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

Potential Applicants should note that past performance (including past share price performance) cannot be relied on as an indicator of, and does not provide any guidance as to, future performance, including future share price performance.

Privacy

Potential Applicants who apply for New Securities will provide 'personal information' (within the meaning given to that term in the Privacy Act) to the Company and the Share Registry. By applying for New Securities under the Offers, an Applicant will be taken to have consented to the Company and the Share Registry collecting, holding and using the Applicant's personal information in order to assess their Application, process the Applications, service their needs as a Shareholder, provide facilities and services that the Applicant request, and carry out appropriate administrative functions. Corporate and taxation laws require the Company to collect some personal information. Applicants who do not provide the information requested may not have their Application processed efficiently, or at all.

Accepting the Offers

Applications for New Shares may only be made pursuant to an application form as sent with this Prospectus. The Entitlement and Acceptance Form sets out the Entitlement of an Eligible Shareholder to participate in the Entitlement Offer. Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement. Applications

for New Securities under the Shortfall Offer must be made in accordance with the Entitlement and Acceptance Form if you are an Eligible Shareholder, or on a Shortfall Application Form if you are a new investor in the Company.

By returning an acceptance or application form or lodging an acceptance form with your stockbroker or otherwise arranging for payment for your New Shares in accordance with the instructions on an acceptance or application form, you acknowledge that you have received and read this Prospectus, you have acted in accordance with the terms of the Offers detailed in this Prospectus and you agree to all of the terms and conditions as detailed in this Prospectus.

Governing law

This Prospectus and the accompanying Application Form are governed by the laws applicable in the State of Western Australia. Applicants submit to the non-exclusive jurisdiction of the courts of the State of Western Australia and the Commonwealth of Australia.

Target Market Determination

A “Target Market Determination” (TMD) in respect of the Offers of Options made under this Prospectus has been prepared by the Company and is available on the Company’s website at <https://cosmometals.com.au/investor/>. The TMD seeks to offer potential investors with an understanding of the class of investors for which the offers of Options under this Prospectus has been designed, having regard to the objectives, financial situation and needs of the target market.

Meaning of terms

Certain capitalised terms and other terms used in this Prospectus are defined in the Glossary of defined terms in Section 10.

References to “our”, “us” and “we” are references to the Company.

References to “I”, “you” and “your” are references to an Applicant.

Currency

References to “\$”, “AUD” or “dollar” are references to Australian currency unless otherwise indicated.

Time

All references in this document to time relate to Australian Western Standard Time (AWST) in Perth, Western Australia.

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Key Information

Indicative Timetable

Event	Date
Request for trading halt Announcement of Entitlement Offer and Placement to ASX Lodgement of Appendix 3B notices with ASX Lodgement of Prospectus with ASIC and ASX	Monday, 19 February 2024
Institutional Offer opens	Monday, 19 February 2024
Announcement of results of Institutional Offer	Wednesday, 21 February 2024
Trading halt lifted Trading resumes on an ex-entitlement basis	Wednesday, 21 February 2024
Record Date for the Retail Offer	Wednesday, 21 February 2024
Prospectus with Entitlement and Acceptance Forms sent to Eligible Shareholders. Retail Offer and Shortfall Offer opens	Monday, 26 February 2024
Issue of 8,900,000 New Shares under the Placement	Thursday, 29 February 2024
Settlement of Institutional Offer	Thursday, 29 February 2024
Issue of New Securities under Institutional Offer and Lodgement of Appendix 2A	Thursday, 29 February 2024
Quotation of New Shares issued under the Institutional Offer	Friday, 1 March 2024
Last day to extend Retail Offer Closing Date	Monday, 18 March 2024
Retail Offer Closing Date (the last day for receipt of acceptances under the Retail Offer)	Thursday, 21 March 2024
Shortfall Offer Closing Date	Monday, 25 March 2024
Announcement to ASX of the results of the Retail Offer and any shortfall to the offer	Thursday, 28 March 2024
Issue date (New Securities issued under the Retail Offer entered into the Securities Registry)	Thursday, 28 March 2024
New Shares issued under Retail Offer expected to commence normal trading on ASX	Tuesday, 2 April 2024

The above events, dates and times are indicative only and may be subject to change. The Company reserves the right to amend any of these events, dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to extend a Closing Date and to accept late applications. The Directors may extend a Closing Date by giving at least 3 Business Days' notice to ASX before a Closing Date. The commencement of trading of New Shares on ASX is subject to confirmation by ASX.

Key Details of Entitlement Offer	
Ratios	2 (two) New Shares for every 3 (three) Shares held at the Record Date and 1 (one) New Option for every 3 (three) New Shares issued
Offer Price	\$0.04 per New Share
Maximum number of New Shares to be issued under the Entitlement Offer	43,797,779 New Shares (estimated)
Maximum number of New Options to be issued under the Entitlement Offer	14,599,260 New Options (estimated)
Maximum funds to be raised (before costs)	\$1,751,911 (estimated)
Minimum subscription	There is no minimum subscription to the Entitlement Offer

Delivery of Prospectus and Entitlement and Acceptance Forms

Shareholders who wish to participate in the Entitlement Offer are encouraged to provide their email address to the Company's share registry to permit electronic delivery of their Entitlement and Acceptance forms for participation in the Entitlement Offer. If you have not provided your email address to the share registry, Automic Group, or if you are unsure, please contact the Company's Company Secretary via mross@consiliumcorp.com.au before the Entitlement Offer Closing Date noted above to receive a copy of the Prospectus and a personalised Entitlement and Acceptance form.

Corporate Directory

Directors

Mr Peter Bird
(Non-Executive Chairman)

Mr James Merrillees
(Managing Director)

Mr Andrew Paterson
(Non-Executive Director)

Company Secretary

Ms Melanie Ross

Registered and Principal Office

Level 3, 33 Ord Street
West Perth, Western Australia 6005
AUSTRALIA

Telephone: +61 8 6400 5301
Email: admin@cosmometals.com.au

ASX Code: CMO

Website

www.cosmometals.com.au

Share Registry*

Automic Group

Perth Office:
Level 5, 191 St Georges Terrace
Perth WA 6000

Sydney Office:
Level 5, 126 Phillip Street
Sydney NSW 2000

Correspondence:
GPO BOX 5193, Sydney NSW 2001

Telephone:

Within Australia: 1300 288 664
Outside Australia: +61 02 9698 5414

Web: www.automicgroup.com.au

Auditors*

RSM Australia Partners
Level 32, Exchange Plaza
2 The Esplanade
Perth, Western Australia 6000

Joint Lead Managers

Discovery Capital Partners Pty Ltd
Level 1, 3 Ord Street
West Perth, Western Australia 6005
AFSL: 500223

Cumulus Wealth Pty Ltd
Level 7, 330 Collins Street
Melbourne, Victoria 3000
AFSL: 524450

Solicitors

Blackwall Legal LLP
Level 26, 140 St Georges Terrace
Perth, Western Australia 6000

*Included for information purposes only. This entity has not been involved in the preparation of this Prospectus.

1. Investment overview

1.1 Introduction

Under this Prospectus the Company is making a pro rata offer of New Shares and attaching New Options to Eligible Shareholders to raise up to approximately \$1,750,000 before costs (**Entitlement Offer**).

Eligible Shareholders will be entitled to apply for 2 (two) New Shares for every 3 (three) Shares held at 4.00pm (AWST) on the Record Date, at an issue price of \$0.04 per New Share, together with 1 attaching New Option for every 3 New Shares subscribed for. Refer to Sections 2 and 3 of this Prospectus for information about how to apply for New Securities under the Entitlement Offer.

Each attaching New Option is exercisable at an exercise price of \$0.06 on or before 31 March 2027 and is to be issued on the terms set out in Section 5.2.

Eligible Shareholders and other eligible investors are also offered to the opportunity to apply for the Shortfall to the Entitlement Offer (**Shortfall Offer**) under this Prospectus. Refer to Section 2.7 for further details of the Shortfall Offer.

The Company has also announced on 19 February 2024 the proposed placement of 8,900,000 New Shares to sophisticated and professional investors at a proposed issue price of \$0.04 per New Share, together with 1 attaching New Option for every 3 New Shares issued, to raise \$356,000 (before costs) (**Placement**). The New Shares to be issued under the Placement will be issued after the Record Date.

1.2 Purpose of the Offers and use of funds

The purpose of the Offers and the Placement is to provide funds for exploration and working capital as follows:

- assuming Shareholders approve the acquisition La Zarza Minerals Pty Ltd (**La Zarza Acquisition**) (see Section 1.4 below under heading “Proposed project”), commencement of exploration activity at the Kanowna Gold Project; and
- exploration and drilling campaigns at the Company’s Yamama Region projects;
- corporate costs and general working capital requirements.

The Placement will raise funds of \$356,000 before costs.

The Offers will raise funds of:

- approximately \$1,750,000 at full subscription to the Offers and before costs of the Offers; or
- approximately \$1,085,000 at the Underwritten Amount of the Entitlement Offer (being approximately 62% subscription to the Offers),

before costs of the Offers.

The Company proposes to use the funds from the Offers as set out in the tables below (amounts are rounded to the nearest \$1,000) and based on two scenarios, being:

- (a) Scenario 1: shareholders approve the La Zarza Acquisition and a proportion of the funds raised under the Offers is allocated to commencement of

exploration activity at the Kanowna Project, to develop the Company's existing projects and for generation of future projects; and

- (b) Scenario 2: shareholders do not approve the La Zarza Acquisition and the funds raised under the Offers will be used to develop the Company's existing projects and for generation of future projects.

Notwithstanding the proposed allocation of funds to exploration activity at the Kanowna Project under Scenario 1 if shareholders approve the La Zarza Acquisition, the Offers are not conditional on shareholder approval for the La Zarza Acquisition, and if it is not approved, the funds raised will be allocated in accordance with the Scenario 2 table below.

Scenario 1

	Amount at 100% subscription	(%) of funds	Amount at Underwritten Amount	(%) of funds
Source of funds				
Existing cash reserves	84,000	4%	84,000	6%
Funds raised from Placement	356,000	16%	356,000	23%
Funds raised from Entitlement Offer	1,751,911	80%	1,085,244	71%
Total	2,191,911	100%	1,525,244	100%
Allocation of funds				
RC drilling	590,000	27%	386,308	25%
AC drilling	200,000	9%	136,746	9%
Auger and surface sampling	176,000	8%	115,217	8%
Geophysical surveys	90,000	4%	60,364	4%
Project generation/acquisition	450,000	21%	400,000	26%
Working capital and administration costs	551,673	25%	294,702	19%
Costs of the Offers	134,238	6%	131,907	9%
Total	2,191,911	100%	1,525,244	100%

Scenario 2

	Amount at 100% subscription	(%) of funds	Amount at Underwritten Amount	(%) of funds
Source of funds				
Existing cash reserves	84,000	4%	84,000	6%
Funds raised from Placement	356,000	16%	356,000	23%
Funds raised from Entitlement Offer	1,751,911	80%	1,085,244	71%
Total	2,191,911	100%	1,525,244	100%
Allocation of funds				
RC drilling	470,000	21%	279,988	18%
AC drilling	-	-	-	-
Auger and surface sampling	343,462	16%	233,357	15%
Geophysical surveys	54,231	2%	39,998	3%

	Amount at 100% subscription	(%) of funds	Amount at Underwritten Amount	(%) of funds
Project generation/acquisition	672,308	31%	568,540	37%
Working capital and administration costs	517,672	24%	271,454	18%
Costs of the Offers	134,238	6%	131,907	9%
Total	2,191,911	100%	1,525,244	100%

Notes:

1. If funds raised are less than full subscription, the Company will allocate those funds generally in the percentage proportions as outlined above.
2. Working capital and administration costs include corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.

The information in these table are a statement of present intention as at the Prospectus Date. The exact amount of funds spent by the Company will depend on many factors that cannot be ascertained at this time.

1.3 Other Offers of Options

This Prospectus also contains offers Options to the following persons:

- (a) **Lead Manager Offer** - An offer of 4,000,000 Options (**Lead Manager Options**) to the Joint Lead Managers. Only the Joint Lead Managers are entitled to subscribe for the Lead Manager Options offered pursuant to this Prospectus. Refer to Section 2.15 for the details of the Lead Manger Offer.
- (b) **Sub-underwriter Offer** - An offer of 13,565,556 Options (**Sub-underwriter Options**) to the Sub-underwriters. Only the Sub-underwriters are entitled to subscribe for the Sub-underwriter Options offered pursuant to this Prospectus. Refer to Section 2.16 for the details of the Sub-underwriter Offer.
- (c) **Placement Participant Offer** - An offer of 2,966,667 Options (**Placement Options**) to the Placement Participants. Only the Placement Participants are entitled to subscribe for the Placement Options offered pursuant to this Prospectus. Refer to Section 2.17 for the details of the Placement Offer.
- (d) **Prior Placement Offer** - An offer of 3,000,000 Options (**Prior Placement Options**) to persons who subscribed for 6,000,000 Shares under the Company's placement of Shares issued on 17 January 2024 to raise \$300,000 (**Prior Placement**) and 1,000,000 Options to the Joint Lead Managers. These Options are offered in lieu of the 3,000,000 Options (exercisable at \$0.075; 2 year expiry) previously proposed by the Company to be issued to the Prior Placement Participants and the 1,000,000 Options (exercisable at \$0.075; 2 year expiry) previously proposed by the Company to be issued to the Joint Lead Managers, as announced by the Company on 17 January 2024. Only the Prior Placement Participants and the Joint Lead Managers are entitled to subscribe for the Prior Placement Options offered pursuant to this Prospectus. Refer to Section 2.18 for the details of the Prior Placement Offer.

The issue of the Lead Manager Options, Sub-undewriter Options, Placement Options and the Prior Placement Options is subject to the approval of Shareholders in General Meeting for the purposes of Listing Rule 7.1. The Company proposes to seek Shareholder approval for the issue of these Options at a General Meeting expected to be held in late March 2024.

1.4 Company's projects

Existing projects

Following the successful IPO and listing in January 2022, the Company's exploration program has focussed on the discovery of base and precious metals at the Company's Yamarna Region projects (Yamarna, Minjina, Narragene and Winchester Projects) and the Pingrup Project in Western Australia.

Exploration activities have included reverse circulation drilling programs on the Mt Venn, Minjina and Eastern Mafic Prospects (Yamarna Region), which intersected widespread, shallow base metals mineralisation, and which are the focus of follow up work with ground geophysical surveys and further drilling planned.

Details of the Company's recent exploration activity and results are included in the Company's annual report for the financial year ended 30 June 2023 (lodged with ASX on 22 September 2023) and subsequent quarterly reports.

Proposed project

As announced to ASX on 19 February 2024, the Company has exercised its option and agreed to acquire 100% of the issued shares La Zarza Minerals Pty Ltd (**La Zarza**), the holder of the Kanowna Gold Project adjacent to Northern Star's Kanowna Belle Mine where more than 5.4 million ounces of gold has been produced since 1993. Subject to obtaining Shareholder approval of the issue of 8,000,000 Shares to the vendors of La Zarza, completion of the acquisition of La Zarza is scheduled for late March 2024. Further details of the Company's agreement to acquire La Zarza are set out in Section 8.3.

1.5 Market prices of Shares on ASX

Information about the closing market price of Shares quoted on ASX during the 3 months period before the Prospectus Date is set out in the table below.

	Price	Date
Highest	\$0.065	23 January 2024
Lowest	\$0.049	16 November 2023
Latest	\$0.050	16 February 2024

1.6 Key risks

The risks set out below have been identified as being key risks specific to an investment in the Company. These risks may adversely affect the Company's financial position and prospects and the market price of Shares.

Further details of these key risks are described in in Section 6, together with other risks associated with mining industry and general investment risks.

(a) **Small, speculative company**

The New Shares offered pursuant to the Offers should be considered speculative due to the size of the Company and the nature of the Company's business. There cannot be any guarantee as to payment of dividends, return of capital or the market value of Shares in the future.

(b) **Future capital requirements**

The Company's ongoing activities are likely to require further financing in the future, in addition to amounts raised pursuant to the Offers. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer Price or may involve restrictive covenants which may limit the Company's operations and business strategy.

There cannot be any assurance that in the future, capital or funding will always be available on terms suitable for the Company or at all. If the Company is unable to obtain additional financing, it may be required to reduce, delay or suspend its operations, which may result in a material adverse effect on the Company's activities, the market price of Shares and the Company's its ability to continue as a going concern.

(c) **No profit to date**

The Company has incurred operating losses since its inception. As the Company intends to conduct further exploration activities on its mining exploration projects, the Directors anticipate the Company making further losses in the foreseeable future.

(d) **Reliance on key personnel**

The Company's success depends to a significant extent upon its key management personnel, as well as other employees and technical personnel including sub-contractors.

The Company has a small management team. The loss of the services of the Company's key personnel could have an adverse effect on the Company at this early stage of development, particularly as finding an effective replacement may be difficult.

(e) **Completion risk – acquisition of La Zarza**

The Company's proposed acquisition of La Zarza and effective ownership of the prospecting licences comprising the Kanowna Gold Project is subject to Shareholders in a General Meeting approving the issue of 8,000,000 Shares (**Consideration Shares**) to the vendors of La Zarza under the terms of the La Zarza Acquisition Agreement (refer Section 8.3 for the terms of the La Zarza Acquisition Agreement).

If Shareholders do not approve the issue of the Consideration Shares then completion of the La Zarza Acquisition Agreement will not occur and the Company:

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

The Offers are not conditional upon completion of the acquisition of La Zarza. If the Company does not acquire La Zarza, funds raised from the Offers will be applied in accordance with the "Scenario 2" table in Section 1.2.

(f) **Miscellaneous licences over tenements**

If the Company is successful in its exploration activities, the manner in which any mineable deposit may be developed may be affected by the grant of any miscellaneous licences over Cosmo's tenements to enable holders of neighbouring tenements to develop and access mines and associated infrastructure, such as roads and pipelines.

At the Yamarna Project, the Company's tenements overlap 13 miscellaneous licences which have been granted to Gold Road Resources Limited (**Gold Road**) which encroach on parts of the tenements in the Yamarna Project.

Gold Road's miscellaneous licence applications are for the purpose of a water bore field and infrastructure corridor which collectively encroach upon less than 10% of the Yamarna Project area.

At the Prospectus Date, it is not possible to determine the extent to which the Company's future operations may be affected by of the miscellaneous licences held by Gold Road, particularly because the Company's exploration activities at the Yamarna Project are at an early stage.

1.7 The Board and management

Peter Bird – Non-Executive Chairman

Mr Bird is an experienced, well-known and highly respected mining industry executive. His extensive experience covers senior technical, management, investor relations and human resources positions with major mining companies such as Western Mining Corporation, Newmont and Normandy Mining. In addition, Mr Bird has extensive expertise in equity markets including five years at Merrill Lynch Equities, where he was recognised in 1998 as the top-rated Australian Gold Analyst in Australia, Europe and Asia. In 2000 while General Manager, Investor Relations at Newcrest and Normandy, he was voted by the investment community as the number one Investor Relations Manager in all listed Australian companies.

More recently, Mr Bird has served in board and executive roles both as a managing director and in the capacity of non-executive chairman with several ASX listed resource companies, and as CEO and deputy chair of a UK-listed copper company. Mr Bird recently oversaw significant value generation at ASX listed junior explorer Zenith Minerals (ASX:ZNC) in the role of Executive Chairman.

James Merrillees – Managing Director

Mr Merrillees is a geologist with over 20 years' global experience in minerals exploration and development. He has held senior technical and corporate roles with ASX-listed and private gold and base metals explorers and developers. Mr Merrillees' extensive experience covers exploration of Archean and Proterozoic mineral systems and the management of teams involved in greenfield discoveries of gold, base metals, uranium and bulk commodities.

Andrew Paterson – Non-Executive Director

Mr Paterson is the Managing Director of Great Boulder Resources Limited (a Shareholder of the Company).

Mr Paterson is a geologist with over 25 years' experience in mining and exploration in Australia and PNG. After graduating from WASM in 1993 he spent several years in surface and underground gold and nickel mining operations around the WA Goldfields

before moving into a management role with Harmony Gold. Since then, Mr Paterson has managed diverse programs exploring for gold, nickel, iron ore and lithium for companies including Atlas Iron and Focus Minerals. In 2016, Mr Paterson was part of the management team that recapitalised Kingston Resources, leading to Kingston's successful acquisition of the 2.8Moz Misima Gold Project in PNG..

2. Details of the Offers

2.1 The Entitlement Offer

The Entitlement Offer is an accelerated non-renounceable pro rata offer of New Securities to Eligible Shareholders.

The Entitlement Offer has two components:

- (a) an accelerated offer to Eligible Institutional Shareholders, expected to comprise the issue of approximately 16,625,000 New Shares to raise approximately \$665,000 and which is due to settle on 22 February 2024 (**Institutional Offer**); and
- (b) an offer to Eligible Retail Shareholders, expected to comprise the issue of approximately 27,125,000 New Shares to raise up to approximately \$1,085,000 (**Retail Offer**).

Eligible Shareholders will be entitled to apply for 2 (two) New Shares for every 3 (three) Shares held at 4.00pm (AWST) on the Record Date, at an issue price of \$0.04 per New Share (**Offer Price**). The Offer Price is payable in full on application.

Each subscriber is also entitled to 1 (one) attaching New Option for every three (3) New Shares subscribed for. Each attaching New Option is exercisable at an exercise price of \$0.06 on or before 31 March 2027 and is to be issued on the terms set out in Section 5.2.

As at the Prospectus Date, the Company has 65,696,668 Shares and 23,186,667 unlisted Options on issue.

Based on the number of Shares expected to be on issue on the Record Date, a total of up to 43,797,779 New Shares will be offered under the Entitlement Offer, raising up to \$1,751,911 before costs of the Entitlement Offer.

The purpose of the Entitlement Offer and the intended use of the funds raised is set out in Section 1.2.

Information about how to accept your Entitlement and apply for the New Shares is set out in Section 3.

2.2 Non-renounceable offer

The Entitlement Offer is non-renounceable which means that Eligible Shareholders cannot transfer their right to subscribe for New Shares under the Entitlement Offer to anyone else. Any New Shares that are not taken up by the Entitlement Offer Closing Date will form part of the Shortfall.

2.3 Institutional Offer

The Institutional Offer will be conducted over a two-day period (**Institutional Offer Period**). During the Institutional Offer Period, Eligible Institutional Shareholders will be invited to participate in the Institutional Offer and will be afforded the opportunity to subscribe for all or a portion of their full Entitlement under the Institutional Offer, at the price of \$0.04 per new Share (**Offer Price**).

The Company proposes to raise approximately \$665,000 under the Institutional Offer.

Eligible Institutional Shareholders may subscribe for all or part of their Entitlement. Eligible Institutional Shareholders who accept their Entitlement in full may also apply for additional New Shares from the Shortfall Offer. The Company reserves the right to allocate any additional New Shares to Eligible Institutional Shareholders who wish to take up additional New Shares at its sole discretion. The Company will not allocate or issue any additional New Shares where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law.

Unless otherwise agreed by the Company, any Eligible Institutional Shareholder that does not confirm their acceptance of the Institutional Offer by the close of the Institutional Entitlement Offer will be deemed to have renounced all of their Entitlement and will not receive any value in respect of their Entitlement.

New Shares equal in number to those Entitlements not taken up by Eligible Institutional Shareholders, together with any New Shares attributable to Entitlements which would otherwise have been offered to Ineligible Institutional Shareholders if they had been eligible to participate in the Institutional Entitlement Offer, will also be offered for subscription to Eligible Institutional Shareholders and, with the consent of the Company, selected institutional investors, in compliance with the applicable securities laws, through a volume bookbuild process over the Institutional Offer Period at the Offer Price.

All participants under the Institutional Entitlement Offer will pay the same price for all of the New Shares they subscribe for (being the Offer Price).

Prior to the Prospectus Date, the Company's largest shareholder and an Eligible Institutional Shareholder, Great Boulder Resources Limited, informed the Company that it does not propose to subscribe for its Entitlement under the Entitlement Offer (representing an Entitlement to 16,666,667 New Shares as at the Prospectus Date). The Company anticipates that the New Shares to which Great Boulder will be entitled under the Entitlement Offer will instead be offered for subscription to selected institutional investors.

2.4 Retail Offer

Eligible Retail Shareholders are invited to participate in the Retail Offer component of the Entitlement Offer under the Prospectus, on the same terms as the Institutional Entitlement Offer.

The Retail Offer constitutes an offer to Eligible Retail Shareholders only. The Retail Offer will raise approximately \$1,085,000. Eligible Retail Shareholders who wish to acquire New Securities under the Retail Offer will need to apply under the Entitlement Offer (refer Section 5).

2.5 Entitlement and eligibility to the Entitlement Offer

The Entitlement Offer is made to Eligible Shareholders only.

All Shareholders with a registered address in Australia or New Zealand and who are registered as the holder of Shares at 4.00pm (AWST) on Wednesday, 21 February 2024 (**Record Date**) are Eligible Shareholders. The Entitlement Offer is not extended to Shareholders who do not meet these criteria.

The number of New Shares to which you are entitled is shown on your Entitlement and Acceptance Form accompanying this Prospectus.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded up to the next whole New Share.

To apply for New Securities under the Entitlement Offer, you must make a payment by the BPay® facility or electronic funds transfer (**EFT**) in accordance with your Entitlement and Acceptance Form by no later than 5.00pm (AWST) on the Entitlement Offer Closing Date. Please see Section 3 for further information about accepting the Entitlement Offer.

Your rights to participate in the Entitlement Offer will lapse if you do not accept your Entitlement by the Entitlement Offer Closing Date.

The Company reserves the right (in its sole discretion) to:

- (a) reject any application that it believes comes from a person who is not an Eligible Shareholder; and
- (b) reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claim to be entitled to participate in the Entitlement Offer proves to be false, exaggerated or unsubstantiated.

The Directors reserve the right not to proceed with the whole or any part of the Entitlement Offer at any time prior to the allotment of New Securities. In that event, relevant Application Monies will be refunded without interest.

2.6 Excluded Shareholders

Shareholders who do not meet the criteria to participate in the Entitlement Offer are Excluded Shareholders. Excluded Shareholders are not entitled to participate in the Entitlement Offer to subscribe for New Shares.

Refer to Section 3.10 for further details.

2.7 Shortfall Offer

Any New Shares not subscribed for under the Entitlement Offer will form the Shortfall and will be offered under the Shortfall Offer.

The Shortfall Offer is a separate offer under this Prospectus. The issue price of the New Shares under the Shortfall Offer is \$0.04 (i.e. the Offer Price under the Entitlement Offer).

Subscribers under the Shortfall Offer will also be entitled to 1 (one) attaching New Option for every 3 (three) New Shares subscribed for. Each attaching New Option is exercisable at an exercise price of \$0.06 on or before 31 March 2027 and is to be issued on the terms set out in Section 5.2.

An individual, including an Eligible Shareholder, may apply for New Shares under the Shortfall Offer provided they are eligible under all applicable securities laws to receive an offer under the Shortfall Offer.

If, after the close of the Offers any Shortfall has not been subscribed for under the Entitlement Offer or the Shortfall Offer, the Directors reserve the right to place some or all of that Shortfall within 3 months of the close of the Offers.

The Company cannot guarantee that you will receive the number of Shortfall Shares you apply for. If you do not receive any or all of the Shortfall Shares you applied for, the excess Application Monies will be returned to you without interest.

2.8 Opening Date and Closing Dates of Offer

The Offers will open for receipt of Applications on Monday, 26 February 2024 (**Opening Date**) and:

- (a) the Entitlement Offer will close at 5.00pm (AWST) on Thursday, 21 March 2024 (**Entitlement Offer Closing Date**); and
- (b) the Shortfall Offer will close at 5.00pm (AWST) on Monday, 25 March 2024 (**Shortfall Offer Closing Date**).

Subject to compliance with the Listing Rules (as relevant), the Company reserves the right to close the Offers early or to extend a Closing Date.

2.9 Quotation condition

The Offers are conditional on the New Shares offered being admitted to quotation by ASX within 3 months after the Prospectus Date.

2.10 No minimum subscription

There is no minimum subscription to the Offers.

2.11 Joint Lead Managers

The Company has engaged Discovery Capital Partners Pty Ltd (**Discovery Capital**) and Cumulus Wealth Pty Ltd (**Cumulus Wealth**) as joint lead managers (**Joint Lead Managers**) to the Offers and the Placement pursuant to the Offer Management and Underwriting Agreement.

Refer to Section 8.1 for the services to be performed by the Lead Managers and the fees payable to the Lead Managers under the Offer Management and Underwriting Agreement.

2.12 Partial underwriting

The Entitlement Offer is partially underwritten (to the Underwritten Amount of \$1,085,245) on underwriting conditions by Discovery Capital (**Underwriter**).

The Underwriter has agreed to partially underwrite the issue of the Underwritten Shares (being up to 27,131,112 New Shares comprising any Shortfall) under the Entitlement Offer (representing approximately 62% of the Entitlement Offer), pursuant to the Offer Management and Underwriting Agreement.

Refer to Section 8.1 for material terms of the Offer Management and Underwriting Agreement, the conditions of the underwriting and the fee payable to the Underwriter.

2.13 Rights and liabilities attaching to New Securities

New Shares issued under this Prospectus will be fully paid and will rank equally in all respects with existing Shares. A summary of the rights and liabilities attaching to the New Shares is set out in Section 5.1.

The full terms and conditions of the New Options offered under the Offers are set out in Section 5.2.

2.14 Shortfall allocation

The Directors in consultation with the Joint Lead Managers will have discretion as to how to allocate the Shortfall to Applicants.

In exercising their discretion to allocate the Shortfall:

- (a) the Directors propose to allocate the Shortfall to both new investors and Eligible Shareholders in a manner considered appropriate to the best interests of the Company and the Company's desire to maximise the amount of funds raised from the Offers;
- (b) Eligible Shareholders are encouraged to apply for the Shortfall but in allocating the Shortfall, preference will not necessarily be conferred on Eligible Shareholders;
- (c) where the Directors consider it is in the best interests of the Company to allocate any portion of the Shortfall to a particular Applicant or to particular Applicants in order to maximise the total funds raised from the Offers, the Directors may do so; this may result in preference being given to an Application from a new investor who is not an Eligible Shareholder;
- (d) subject to the above, to the extent that Applications for the Shortfall are made by Eligible Shareholders, as between those Eligible Shareholders the Directors will generally endeavour to allocate the Shortfall in a manner which is considered fair to those Applicants, having regard to their existing shareholding interests;
- (e) the Directors will not allocate any portion of the Shortfall to an Applicant who is a Related Party of the Company in priority to, or the exclusion of, any other Applicant; and
- (f) the Directors will not allocate New Shares under the Shortfall Offer to the extent that an Applicant's voting power in the Company would, together with the Applicant's Associates, exceed the takeover thresholds in the Corporations Act (i.e. acquiring a controlling interest in 20% or more of the issued Shares), subject to certain exceptions permitted by law.

Any New Securities not applied for under the Entitlement Offer or the Shortfall Offer may be placed at the Directors' discretion to sophisticated and professional investors as defined in sections 708(8), 708(10) and 708(11) of the Corporations Act, subject to the Listing Rules and any restrictions under applicable law, within 3 months of the close of the Entitlement Offer.

2.15 Lead Manager Offer

The Lead Manager Offer made by this Prospectus invites the Joint Lead Managers (or their nominees) to subscribe for a total of 4,000,000 Options (**Lead Manager Options**) pursuant to the terms of the Offer Management and Underwriting Agreement and this Prospectus.

The Joint Lead Managers have the right but not an obligation to subscribe for the Lead Manager Options.

The Lead Manager Options are exercisable at \$0.06 each and expire on 31 March 2027.

A subscription price of \$0.00001 per Option is payable on the grant of the Lead Manager Options.

The primary purpose of offering the Lead Manager Options under the Lead Managers Offer is for the Company to fulfil its obligation under the Offer Management and Underwriting Agreement as part of the fee for the services provided by the Joint Lead Managers in managing the Offers.

By offering the Lead Manager Options under this Prospectus, the Lead Manager Options will be issued with disclosure under Chapter 6D of the Corporations Act. Accordingly, the Lead Manager Options (and any Shares issued on their exercise) will not be subject to secondary trading restrictions.

The terms and conditions attaching to the Lead Manager Options are set out in Section 8.2.

The Lead Manager Offer:

- (a) is subject to shareholder approval;
- (b) is not subject to any minimum subscription condition or requirement;
- (c) is not underwritten; and
- (d) is not made to any person other than the Joint Lead Managers and their nominees.

2.16 Sub-underwriter Offer

The Sub-underwriter Offer made by this Prospectus invites the Sub-underwriters (or their nominees) to subscribe for a total of 13,565,556 Options pursuant to the terms of the Offer Management and Underwriting Agreement and this Prospectus.

The Sub-underwriters have the right but not an obligation to subscribe for Sub-underwriter Options.

The Sub-underwriter Options are exercisable at \$0.06 each and expire on 31 March 2027.

No subscription price is payable for the grant of the Sub-Underwriter Options.

The primary purpose of offering the Sub-underwriter Options under the Sub-underwriter Offer is for the Company to fulfil its obligation under the Offer Management and Underwriting Agreement as part of the fee for the services provided by the Underwriter in underwriting the Underwritten Amount.

By offering the Sub-underwriter Options under this Prospectus, the Sub-underwriter Options will be issued with disclosure under Chapter 6D of the Corporations Act. Accordingly, the Sub-underwriter Options (and any Shares issued on their exercise) will not be subject to secondary trading restrictions.

The terms and conditions attaching to the Sub-underwriter Options are set out in Section 5.2.

The Sub-underwriter Offer:

- (a) is subject to Shareholder approval;
- (b) is not subject to any minimum subscription condition or requirement;

- (c) is not underwritten; and
- (d) is not made to any person other than the Sub-underwriters and their nominees;

2.17 Placement Options Offer

The Placement Options Offer made by this Prospectus offers 2,966,667 Options (**Placement Options**) to the participants in the Placement (or their nominees) (**Placement Participants**) as free-attaching Options issuable under the terms of the Placement.

The Placement Options are exercisable at \$0.06 each and expire on 31 March 2027.

No subscription price is payable for the grant of the Placement Options.

The primary purpose of offering the Placement Options under the Placement Options Offer is for the Company to fulfil its obligations under the Placement and is subject to Shareholder approval.

By offering the Placement Options under this Prospectus, the Placement Options will be issued with disclosure under Chapter 6D of the Corporations Act. Accordingly, the Placement Options (and any Shares issued on their exercise) will not be subject to secondary trading restrictions.

The terms and conditions attaching to the Placement Options are set out in Section 5.2.

The Placement Options Offer:

- (a) is subject to Shareholder approval;
- (b) is not subject to any minimum subscription condition or requirement;
- (c) is not underwritten; and
- (d) is not made to any person other than the Placement Participants and their nominees.

2.18 Prior Placement Options Offer

The Prior Placement Options Offer made by this Prospectus offers 4,000,000 Options (**Prior Placement Options**) to the participants in the Prior Placement (**Prior Placement Participants**) (or their nominees) as attaching Options issuable under the terms of the Prior Placement and to the Joint Lead Managers. 3,000,000 Prior Placement Options are to be issued to the Prior Placement Participants and 1,000,000 Prior Placement Options are to be issued to the Joint Lead Managers.

The Prior Placement Options are exercisable at \$0.06 each and expire on 31 March 2027.

No subscription price is payable for the grant of the Prior Placement Options.

The primary purpose of offering the Prior Placement Options under the Prior Placement Options Offer is for the Company to fulfil its obligations under the Prior Placement and is subject to Shareholder approval.

By offering the Prior Placement Options under this Prospectus, the Prior Placement Options will be issued with disclosure under Chapter 6D of the Corporations Act.

Accordingly, the Prior Placement Options (and any Shares issued on their exercise) will not be subject to secondary trading restrictions.

The terms and conditions attaching to the Prior Placement Options are set out in Section 8.2.

The Prior Placement Options Offer:

- (a) is subject to Shareholder approval;
- (b) is not subject to any minimum subscription condition or requirement;
- (c) is not underwritten; and
- (d) is not made to any person other than the Prior Placement Participants, the Joint Lead Managers and their respective nominees.

3. Accepting the Entitlement Offer

3.1 Action Eligible Retail Shareholders may take

If you are an Eligible Retail Shareholder the number of New Shares to which you are entitled is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus. If you are an Eligible Retail Shareholder you may:

- (a) accept your Entitlement in full;
- (b) accept your Entitlement in full and apply for additional New Shares under the Shortfall;
- (c) accept part of your Entitlement and allow the balance to lapse; or
- (d) allow all of your Entitlement to lapse.

3.2 Accepting your Entitlement in full or in part

If you wish to accept your Entitlement in full or in part, make a payment through the BPay® facility or EFT for the number of New Shares you wish to apply for in accordance with the instructions on the Entitlement and Acceptance Form – see Section 3.5.

Your BPay® payment or EFT payment must be received by no later than 5.00pm (AWST) on the Entitlement Offer Closing Date.

If you do not accept all of your Entitlement then the balance of your Entitlement will lapse and the New Shares that are not subscribed for will form part of the Shortfall.

If you do not take up all of your Entitlement then your percentage shareholding in the Company will reduce.

3.3 Accepting your Entitlement in full and applying for additional New Shares under the Shortfall Offer

If you wish to accept your Entitlement in full and apply for New Shares under the Shortfall Offer, make a payment through the BPay® facility or EFT payment for all of your Entitlement and the number of additional New Shares you wish to apply for in accordance with the instructions on the Entitlement and Acceptance Form.

Your BPay® payment or EFT payment must be received by no later than 5.00pm (AWST) on the Entitlement Offer Closing Date.

The allocation and issue of New Shares under the Shortfall Offer will be determined by the Directors in their discretion. The allocation policy in relation to the Shortfall Offer is set out in Section 2.14.

3.4 Allowing your Entitlement to lapse

If you do not wish to accept any of your Entitlement, you are not required to take any action. If you do nothing, then your Entitlement will lapse. The New Shares not subscribed for will form part of the Shortfall.

If you do not take up all of your Entitlement then your percentage shareholding in the Company will reduce.

3.5 Payment by BPay® or electronic funds transfer (EFT)

Payment by BPay® should be made according to the instructions set out on the Entitlement and Acceptance Form using the BPay® Biller Code and Customer Reference Number shown on the form. You can only make a payment via BPay® if you are a holder of an account with an Australian financial institution that supports BPay® transactions.

Payment by electronic funds transfer (**EFT**) should be made according to the instructions set out on the Entitlement and Acceptance Form using the unique payment reference number shown on the form.

The reference number shown on each Entitlement and Acceptance Form (**Reference Number**) is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number to pay for each holding separately. Failure to do so may result in an underpayment. If you pay by BPay® or EFT and do not pay for your full Entitlement, the remaining Entitlement will form part of the Shortfall.

If you pay by BPay® or EFT:

- (a) you do not need to return the Entitlement and Acceptance Form but are taken to have made the declarations on that form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered by your Application Monies.

You must ensure that your payment by BPay® or EFT is received by 5.00pm (AWST) on the Entitlement Offer Closing Date. Your financial institution may implement cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. The Company is not responsible for any delay in the receipt of BPay® or EFT payment.

3.6 Applications for Shortfall Shares by Applicants who are not Eligible Shareholders

If you are not an Eligible Shareholder and wish to apply for Shortfall Shares under the Shortfall Offer, you should complete a Shortfall Application Form accompanying this Prospectus and return your completed Shortfall Application Form with payment of Application Monies in accordance with the instructions on the Shortfall Application Form.

3.7 ASX quotation of New Shares

New Shares under the Offers are expected to be issued and holding statements despatched as soon as practicable after the Closing Dates, in accordance with the Listing Rules and the timetable set out on page iii. Securities issued under the Shortfall will be issued on a progressive basis. No issue of New Shares will be made until ASX grants permission for quotation of the New Shares.

Application for official quotation on ASX of the New Shares issued pursuant to this Prospectus will be made within 7 days after the Prospectus Date. The fact that ASX may agree to grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares. If permission for quotation is not granted by ASX within 3 months after the Prospectus Date, the New Securities will not be allotted and Application Monies will be refunded (without interest) as soon as practicable.

It is your responsibility to determine your holdings before trading in New Shares. Any person who sells New Shares before receiving confirmation of their holding will do so at their own risk.

The Directors reserve the right not to proceed with the whole or any part of the Offers at any time before the allotment of New Shares. In that event, relevant Application Monies will be refunded without interest.

3.8 No brokerage

No investor will pay brokerage as a subscriber for New Shares under the Offers.

3.9 Holding of Application Monies

Application Monies will be held in a trust account until the New Shares are issued.

The trust account established by the Company for this purpose will be solely used for handling Application Monies.

Any interest earned on Application Monies will be for the benefit of, and will remain the sole property of, the Company, and will be retained by the Company whether or not the allotment and issue of New Shares takes place.

Applications and Application Monies may not be withdrawn once they have been received by the Company.

3.10 Excluded Shareholders

The Entitlement Offer is not made to Shareholders who on the Record Date have a registered address outside Australia or New Zealand (**Excluded Shareholders**). Neither the Prospectus nor the Entitlement and Acceptance Form constitutes an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

In making the decision to not extend the Entitlement Offer to Excluded Shareholders the Company has taken into account the small number Shareholders outside Australia and New Zealand, the number and value of New Shares that would be offered to Shareholders outside Australia and New Zealand and the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The Entitlement Offer made to Eligible Shareholders with an address in New Zealand is made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand). The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The Entitlement Offer is made to all Eligible Shareholders. The Company is not required to determine whether or not any registered Eligible Shareholder is holding Shares on behalf of persons who are resident outside Australia or New Zealand (including nominees, custodians and trustees) or the identity or residence of any beneficial owners of Shares. Any Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that any dealing with New Shares issued under the Entitlement Offer do not

breach the laws and regulations in the relevant overseas jurisdiction and should seek independent professional advice and observe any applicable restrictions relating to the taking up of Entitlements or the distribution of this Prospectus or the Entitlement and Acceptance Form.

The distribution of this Prospectus and accompanying application (including electronic copies) outside Australia or New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

3.11 CHESS

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities (**CHESS Statement** or **Holding Statement**).

If you are broker sponsored, ASX Settlement will send you a CHESS Statement.

The CHESS Statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub-register, your statement will be dispatched by the Company's Share Register and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS Statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

3.12 Privacy

If you apply for New Shares you will be providing personal information to the Company and the Share Registry. The Company and the Share Registry collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request, carry out appropriate administration and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act (as amended), the Corporations Act and certain rules of ASX. If you do not provide the information required on the Entitlement and Acceptance Form or Shortfall Application Form (as applicable), the Company may not be able to accept or process your Application.

Under the Privacy Act, you may request access to your personal information held by, or on behalf of, the Company or the Share Registry. You can request access to your personal information by writing to the Company through the Share Registry at:

Cosmo Metals Limited
C/- Automic Group Pty Ltd
GPO Box 5193
Sydney NSW 2001

T: +61 8 9321 6037

Email: hello@automic.com.au

3.13 Taxation implications

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for New Shares under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of potential Applicants. The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to potential Applicants in relation to the Offers. Potential Applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the Offers.

4. Effect of the Offers

4.1 Principal effect of the Offers on the Company

The principal effects of the Offers, assuming the Placement and the Offers are fully subscribed, will be to:

- (a) increase the number of Shares on issue from 65,696,668 Shares as at the Prospectus Date to 118,394,447 Shares;
- (b) increase the number of Options on issue from 23,186,667 Options as at the Prospectus Date to 62,318,150 Options; and
- (c) increase cash reserves up to approximately \$2,586,122 after completion of the Offers and payment of the costs and expenses set out in Section 8.10, including the estimated expenses of the Offers.

4.2 Effect on capital structure

The capital structure of the Company following completion of the Offers is set out below, assuming full (100%) subscription to Offers and shareholders approving the La Zarza Acquisition:

Shares	Full subscription to Offers (100%)
Shares on issue at the Prospectus Date	65,696,668
New Shares issued under the Placement	8,900,000
New Shares issued under the Offers	43,797,779
Total expected maximum number of Shares on issue at completion of the Offers	118,394,447
Options	
Options on issue at the Prospectus Date ¹	23,186,667
New Options issued under the Offers	14,599,260
New Options to be issued under the Placement ^{2, 3}	2,966,667
New Options to be issued to the Joint Lead Managers ^{2, 3}	4,000,000
New Options to be issued to the Sub-underwriters ^{2, 3}	13,565,556
New Options to be issued to the Prior Placement Participants and to the Joint Lead Managers ^{2, 3, 4}	4,000,000
Total Options on issue at completion of the Offers	62,318,150

Notes:

1. The Options comprise the following classes of unquoted securities:
 - 5,000,000 Options exercisable at \$0.25 and expiring 12/11/2024
 - 5,000,000 Options exercisable at \$0.25 and expiring 20/01/2025
 - 9,186,667 Options exercisable at \$0.10 and expiring 21/06/2026
 - 4,000,000 Options exercisable at \$0.1125 and expiring 21/06/2026

2. The Lead Manager Options are to be issued on the terms set out in Section 8.2, and the Sub-underwriter Options, Placement Options and Prior Placement Options are to be issued on the terms set out in Section 5.2, with all Options being exercisable at \$0.06 and expiring on 31 March 2027.
3. The issues of Options under the Placement Offer, the Lead Managers Offer, the Sub-underwriters Offer, and the Prior Placement Offer are subject to Shareholder approval to be sought at a General Meeting to be held in late March 2024.
4. 3,000,000 Options to be issued to Prior Placement Participants and 1,000,000 Options to be issued to the Joint Lead Managers. Refer to Section 1.3(d) for further details.
5. Total numbers of Shares and Options assume no Options are exercised before completion of the Offers.

4.3 Details of substantial Shareholders

As at the Prospectus Date, the Company has two substantial Shareholders (being a person who has a relevant interest in 5% or more of the shares in the Company), being:

- (a) Great Boulder, which has a relevant interest in 38.05% of the total Shares as at the Prospectus Date; and
- (b) Cumulus Wealth, which has a relevant interest in 12.55% of the total Shares as at the Prospectus Date by virtue of its role as investment manager of managed discretionary accounts operated by FinClear Execution Limited.

Great Boulder has informed the Company that it does not propose to subscribe for its Entitlement under the Entitlement Offer (representing an Entitlement to 16,666,667 New Shares as at the Prospectus Date). The Company anticipates that the New Shares to which Great Boulder will be entitled under the Entitlement Offer will instead be offered for subscription to selected institutional investors under the Institutional Offer (refer to Section 2.3 for further information about the Institutional Offer).

4.4 Effect of Offers on control of the Company

The potential effect of the Offers and the Placement on control of the Company will largely depend upon the level of Entitlements taken up by Eligible Shareholders under the Entitlement Offer.

If all of the Eligible Shareholders under the Entitlement Offer accept their Entitlements in full, Eligible Shareholders will maintain their percentage shareholding interest in the Company, subject only to dilution of their percentage shareholding interest as a result of the Placement.

In the more likely event that not all Eligible Shareholders subscribe for their full Entitlement and a Shortfall remains, Eligible Shareholders who do not subscribe for their full Entitlement and Excluded Shareholders unable to participate in the Entitlement Offer will be diluted relative to those Eligible Shareholders who take up some or all of their Entitlement.

The Company will not issue any New Shares to any Applicant to the Shortfall Offer if, in the view of the Directors, to do so would result in any person (whether or not the Applicant) obtaining voting power in the Company in contravention of the takeover restrictions in section 606 of the Corporations Act, subject to certain exceptions permitted by law.

4.5 Effect of Offers on Existing Shareholders' interests

As at the Prospectus Date the Company has 65,696,668 Shares and 23,186,667 Options on issue.

If all Eligible Shareholders subscribe for their Entitlements in full, each Eligible Shareholder's percentage shareholding should remain substantially the same as at the Record Date, save for adjustments as a result of Excluded Shareholders not being able to subscribe under the Entitlement Offer and the effect of the Placement. In such instance, the Offers should not have a material effect on control of the Company.

The table below sets out the estimated maximum dilutive effect of the Offers on Existing Shareholders, assuming various subscription scenarios and that other Shares are not issued (including on the exercise of Options) prior to the close of the Offers.

Scenario	New Shares to Eligible Shareholders under Entitlement Offer	Maximum Shortfall Shares issued	Dilution to Existing Shareholders as a result of Shortfall ¹
100% subscription under Entitlement Offer	43,797,779	0	0.0%
75% subscription to Entitlement Offer	32,848,334	10,949,445	9.2%
50% subscription to Entitlement Offer	21,898,890	21,898,889	18.5%
25% subscription to the Entitlement Offer	10,949,445	32,848,334	27.7%

Notes:

1. The dilution percentages assume that all Shortfall Shares are issued to Applicants other than Eligible Shareholders. The dilution represents the percentage of the total maximum Shares on issue on completion of the Offers (being 118,394,447 Shares) that are held by persons other than Eligible Shareholders.

The dilution calculation does not take into account the effect of the Placement.

The Company will not allocate New Shares under the Shortfall Offer to the extent that an Applicant's voting power in the Company would, together with the Applicant's Associates, exceed the takeover thresholds in the Corporations Act (i.e. acquiring a controlling interest in 20% or more of the issued Shares, or increasing an existing controlling interest of more than 20%), subject to certain exceptions permitted by law.

4.6 Potential dilution from New Options

The issue of New Options will not have any dilutive effect on Shareholders' shareholding interests unless and until those Options are exercised. The dilutive effect of the exercise of New Options will be principally dependent on the extent to which the Shortfall is absorbed by new Shareholders but in any event is not expected to materially dilutive on Eligible Shareholders who subscribe for their Entitlements in full.

A maximum of 39,131,483 New Options may be issued under the Offers, each representing one underlying Share. If 42,131,483 New Options are issued and all of these New Options are exercised, the resulting Shares would represent an increase to the Shares on issue of approximately 33% and have a dilutive effect on Shareholders' shareholding interests of approximately 24.8% on a post-Offer basis (assuming a total of 118,394,447 Shares are on issue immediately following completion of the Offers and a total of 157,525,930 Shares are on issue if all New Options are exercised).

4.7 Effects of the Offers on activities of the Company

The principal effect of the Offers on the Company will be to provide the Company with funds:

- (a) for the conduct of exploration activities at the Company's Yamarna exploration projects;
- (b) to complete the La Zarza acquisition;
- (c) project generation activities; and
- (d) working capital purposes.

4.8 Effect on financial position

Set out below is:

- (a) the audited consolidated statement of financial position of the Company as at 30 June 2023; and
- (b) the unaudited pro forma consolidated statement of financial position of the Company as at 30 June 2023 incorporating the effect of the Offers.

The unaudited pro forma consolidated statement of financial position has been derived from the financial statements of the Company and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Offers had occurred by 30 June 2023. The historical and pro-forma information is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The pro forma statement of financial position has been prepared on the basis that there are no material movements in the assets and liabilities of the Company. No allowance has been made for expenditure incurred from 30 June 2023 to completion of the Offers and the Placement, except for the following items:

- at 100% subscription to the Offers, the issue of 43,797,779 New Shares under the Offers (raising \$1,751,911) and 8,900,000 New Shares under the Placement, at \$0.04 each, raising a total \$2,107,911 before costs and expenses of the Offers;
- at approximately 62% subscription to the Offers, the issue of 27,131,112 New Shares under the Offers, being the Underwritten Shares of the Entitlement Offer (raising \$1,085,245) and 8,900,000 New Shares under the Placement, at \$0.04 each, raising a total of \$1,441,244 before costs and expenses of the Offers; and
- costs of the Offers will be approximately \$134,238 (at 100% subscription to the Offers) and \$131,907 (at 62% subscription to the Offers).

Consolidated Pro Forma Statement of Financial Position

	30 June 2023 audited	Subsequent events, including subscription of Underwritten Amount	Unaudited Pro- Forma subscription of Underwritten Amount	Subsequent events, including 100% subscription of Offers	Unaudited Pro- Forma 100% subscription
Assets					
Current Assets					
Cash & cash equivalents	612,449	1,309,338	1,921,787	1,973,673	2,586,122
Trade and other receivables	131,864	-	131,864	-	131,864
Total Current Assets	744,313	1,309,338	2,053,651	1,973,673	2,717,986
Non-Current Assets					
Property, plant and equipment	61,801	-	61,801	-	61,801
Exploration expenditure	8,453,597	-	8,453,597	-	8,453,597
Total Non-Current Assets	8,515,398	-	8,515,398	-	8,515,398
Total Assets	9,259,711	1,309,338	10,569,049	1,973,673	11,233,384
Liabilities					
Current Liabilities					
Trade and other payables	(339,824)	-	(339,824)	-	(339,824)
Provisions	(7,174)	-	(7,174)	-	(7,174)
Total Current Liabilities	(346,998)	-	(346,998)	-	(346,998)
Non-Current Liabilities					
Provisions	(335)	-	(335)	-	(335)
Total Non-Current Liabilities	(335)	-	(335)	-	(335)
Total Liabilities	(347,333)	-	(347,333)	-	(347,333)
Net Assets	8,912,378	1,309,338	10,221,716	1,973,673	10,886,051
Equity					
Contributed equity	9,544,309	841,486	10,385,795	1,505,821	11,050,130
Reserves	1,151,350	467,852	1,619,202	467,852	1,619,202
Accumulated losses	(1,783,281)	-	(1,783,281)	-	(1,783,281)
Total Equity	8,912,378	1,309,338	10,221,716	1,973,673	10,886,051

Note 1 Cash Reconciliation:

	Unaudited Pro-Forma 62% subscription	Unaudited Pro-Forma 100% subscription
Cash 30 June 2023	612,449	612,449
Entitlement Offer & Placement	1,441,244	2,107,911
Costs of the Offers	(131,907)	(134,238)
Unaudited Pro-Forma Cash	1,921,787	2,586,122

5. Rights and liabilities attaching to New Securities

5.1 Rights and liabilities attaching to New Shares

The New Shares issued under this Prospectus will be fully paid ordinary shares in the capital of the Company and will rank equally with the Existing Shares.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares.

Full details of the rights and liabilities attaching to the Shares are contained in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office.

- (a) **Share capital:** All issued Shares rank equally in all respects.
- (b) **Voting rights:** At a general meeting of the Company, every holder of Shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for each Share held, and for every contributing share (i.e. partly paid) held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing share. Where there is an equality of votes, the chairperson has a casting vote.
- (c) **Dividend rights:** Subject to the Corporations Act, the Listing Rules and any rights of persons entitled to shares with special rights to dividends (at present there are none), all dividends as declared by the Directors are to be payable on all such shares in proportion to the amount of capital paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividends is paid, unless the share is issued on terms providing to the contrary.
- (d) **Payment of dividends:** Dividends are payable out of the assets of the Company in accordance with section 254T of the Corporations Act and as determined by the Directors, which shall be conclusive. The Directors may direct that payment of the dividend be made wholly or in part by the distribution of specific assets or other Securities of the Company.
- (e) **Rights on winding-up:** Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of Shares, the liquidator may on winding-up of the Company, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.
- (f) **Transfer of Shares:** Subject to the Constitution, Shares in the Company may be transferred by:
 - (i) a proper ASX Settlement transfer or any other method of transferring or dealing in Shares introduced by the ASX or operated in accordance with the ASX Settlement Rules or the Listing Rules as recognised under the Corporations Act; or

- (ii) an instrument in writing in any usual or common form or in any other form that the Directors, in their absolute discretion, approve from time to time.
- (g) **Refusal to transfer Shares:** The Directors may refuse to register a transfer of Shares (other than a proper ASX Settlement transfer) only where:
 - (i) the law permits it;
 - (ii) the law requires it; or
 - (iii) the transfer is a transfer of restricted securities (as defined in Listing Rule 19.12) which is, or might be, in breach of the Listing Rules or any escrow agreement entered into by the Company in respect of those restricted securities.
- (h) **Further increases in capital:** Subject to the Constitution, the Corporations Act and the Listing Rules:
 - (i) Shares in the Company are under the control of the Directors, who may allot or dispose of all or any of the Shares to such persons, and on such terms, as the Directors determine; and
 - (ii) the Directors have the right to grant options to subscribe for Shares, to any person, for any consideration.
- (i) **Variation of rights attaching to shares:** The rights attaching to the shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or in certain circumstances, with the written consent of the holders of at least seventy-five percent (75%) of the issued shares of that class.
- (j) **General meeting:** Each holder of Shares will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

5.2 Terms of New Options

The New Options offered pursuant to this Prospectus are regulated by the Constitution, the Corporations Act, the Listing Rules and general law.

The terms of the New Options are as follows:

- (a) **Entitlement:** Each Option entitles the holder (**Option Holder**) to subscribe for one fully paid ordinary share in the Company.
- (b) **No subscription price on grant:** There is no amount payable on the grant of the New Options.
- (c) **Exercise price:** The exercise price of each New Option is \$0.06 (**Exercise Price**).
- (d) **Expiry date:** Each New Option may be exercised at any time before 5.00pm (AWST) on 31 March 2027 (**Expiry Date**). Any New Option not exercised by the Expiry Date will automatically expire.

- (e) **Certificate or Holding Statement:** The Company must give the Option Holder a certificate or Holding Statement stating:
- (i) the number of New Options issued to the Option Holder;
 - (ii) the Exercise Price of the New Options; and
 - (iii) the date of issue of the New Options.
- (f) **Transfer:**
- (i) The New Options are transferable, subject to applicable law.
 - (ii) Subject to the Listing Rules and the Corporations Act, the Option Holder may transfer some or all of the New Options at any time before the Expiry Date by:
 - A. a proper ASTC regulated transfer (as defined in the Corporations Act) or any other method permitted by the Corporations Act; or
 - B. a prescribed instrument of transfer.
 - (iii) An instrument of transfer of a New Option must be:
 - A. in writing;
 - B. in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - C. subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - D. delivered to the Company, at the place where the Company's register of option holders is kept, together with the certificate (if any) of the New Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that New Option, the right of the transferor to transfer that New Option and the proper execution of the instrument of transfer.
- (g) **Quotation of Shares:** The Company will apply to ASX for official quotation of the Shares issued on exercise of New Options.
- (h) **New issues:** The Option Holder is not entitled to participate in any new issue to Shareholders of Securities in the Company unless it has exercised its New Options before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares.
- (i) **Bonus issues:** If the Company makes a bonus issue of Shares or other Securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the New Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the New Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the New Option before the record date for determining entitlements to the issue.
- (j) **Reorganisation:** If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights

of the Option Holder (including the number of New Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

- (k) Any calculations or adjustments which are required to be made will be made by the Company's Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (l) The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any New Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a New Option.
- (m) **Exercise of New Options:**
 - (i) To exercise Options, the Option Holder must give the Company or its Share Registry, at the same time:
 - A. a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of New Options being exercised and Shares to be issued;
 - B. payment of the Exercise Price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - C. any certificate for the New Options.
 - (ii) The Option Holder may only exercise New Options in multiples of 10,000 New Options unless the Option Holder exercises all New Options held by the Option Holder.
 - (iii) New Options will be deemed to have been exercised on the date the exercise notice and Exercise Price are received by the Company.
 - (iv) If the Option Holder exercises less than the total number of New Options registered in the Option Holder's name:
 - A. the Option Holder must surrender their Option certificate (if any); and
 - B. the Company must cancel the Option certificate (if any) and issue the Option Holder a new Option certificate or Holding Statement stating the remaining number of Options held by the Option Holder.
- (n) **Issue of Shares on exercise of New Options:**
 - (i) Within five Business Days after receiving an application for exercise of New Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.
 - (ii) Subject to the Constitution, all Shares issued on the exercise of New Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.

- (o) **Governing law:** These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

6. Risk factors

6.1 Introduction

An investment in Cosmo Metals carries risk, including those specific to Cosmo Metals' business activities, the industry in which it operates, and those more general risks associated with investing in securities. Many of these risks are partially or completely outside of the control of Cosmo Metals, its Directors, and its officers. Consequently, the New Shares offered under this Prospectus carry no guarantee in respect of profitability, dividends, or return of capital. Neither Cosmo Metals, nor its Directors, nor any party associated with the preparation of this Prospectus warrants that any specific objective of Cosmo Metals will be achieved.

You should read the entire Prospectus before making any decision to invest, including this Section. Any potential investor should be aware that an investment in Cosmo Metals involves risk and should be made only after seeking professional independent advice.

In particular, as Cosmo Metals is a mineral exploration company, Cosmo Metals faces significant challenges in becoming viable and profitable, and an investment in New Shares should be considered to be highly speculative.

The information set out in this Section 6 is a summary only and does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Cosmo Metals. Additional risks and uncertainties not currently known to Cosmo Metals may also have a material adverse effect on Cosmo Metals' financial and operational performance. The occurrence and consequences of some of the risks described in this Section are partially or completely outside the control of Cosmo Metals, the Directors and the Cosmo Metals management team.

In addition, to the extent that statements in this Prospectus, including statements in this Section 5, constitute forward-looking statements, these statements involve known and unknown risks, uncertainties and other factors that may cause Cosmo Metals' actual results, levels of activity, performance or achievements to be materially different from any future results, levels or activity, performance or achievements expressed or implied by these forward-looking statements. Cosmo Metals cannot guarantee future results, levels of activity, performance or achievements of Cosmo Metals, or that historic results will be repeated.

6.2 Company specific risks

The following risks have been identified as being key risks specific to an investment in the Company. These risks have the potential to have a significant adverse impact on the Company and may affect the Company's financial position, prospects and price of its quoted Securities.

(a) Small, speculative company

The Company is a small company in terms of its market capitalisation and number of Shareholders. The Company's business in mineral exploration.

The New Shares offered pursuant to the Entitlement Offer should be considered speculative due to the size of the Company and the nature of the Company's business. There cannot be any guarantee as to payment of dividends, return of capital or the market value of Shares in the future.

The prices at which an investor may be able to trade New Shares may be above or below the price paid for New Shares.

Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(b) **Future capital requirements**

The Company's ongoing activities are likely to require further financing in the future, in addition to amounts raised pursuant to the Offers. Any additional equity financing may be dilutive to Shareholders and may be undertaken at lower prices than the Offer Price.

There cannot be any assurance that in the future capital or funding will always be available on terms suitable for the Company or at all. If the Company is unable to obtain additional financing, it may be required to reduce, delay or suspend its operations, which may result in a material adverse effect on the Company's activities, the market price of Shares and the Company's its ability to continue as a going concern.

(c) **No profit to date**

The Company has incurred operating losses since its inception.

As the Company intends to conduct further exploration activities on its mining exploration projects, the Directors anticipate the Company making further losses in the foreseeable future.

(d) **Reliance on key personnel**

The Company's success depends to a significant extent upon its key management personnel, as well as other employees and technical personnel including sub-contractors.

The Company has a small management team. The loss of the services of the Company's key personnel could have an adverse effect on the Company at this early stage of development, particularly as finding an effective replacement may be difficult.

(e) **Completion risk – acquisition of La Zarza**

The Company's proposed acquisition of La Zarza and effective ownership of the prospecting licences comprising the Kanowna Gold Project is subject to Shareholders in a General Meeting approving the issue of 8,000,000 Shares (**Consideration Shares**) to the vendors of La Zarza under the terms of the La Zarza Acquisition Agreement (refer Section 8.3 for the terms of the La Zarza Acquisition Agreement).

If Shareholders do not approve the issue of the Consideration Shares then completion of the La Zarza Acquisition Agreement will not occur and the Company:

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

The Offers are not conditional upon completion of the acquisition of La Zarza. If the Company does not acquire La Zarza, funds raised from the Offers will be applied in accordance with the “Scenario 2” table in Section 1.2.

(f) **Miscellaneous licences over tenements**

Some of the Company’s projects are in areas proximate to other mining and exploration projects under development.

If the Company is successful in its exploration activities, the manner in which any mineable deposit may be developed may be affected by the grant of any miscellaneous licences over Cosmo’s tenements to enable holders of neighbouring tenements to develop and access mines and associated infrastructure, such as roads and pipelines.

At the Yamarna Project, the Company’s tenements overlap 13 miscellaneous licences which have been granted to Gold Road Resources Limited (**Gold Road**) which encroach on parts of the tenements in the Yamarna Project.

Gold Road’s miscellaneous licence applications are for the purpose of a water bore field and infrastructure corridor which collectively encroach upon less than 10% of the Yamarna Project area.

Any additional miscellaneous licences granted over relevant tenements may affect the manner in which any future exploration, development or mining activity is undertaken at Yamarna (or any other project).

The Board considers that these types of encroachments and potential impacts on mining activities are standard access issues that many companies face when operating in prospective and active mining regions, such as the location of the Yamama project.

At the Prospectus Date, it is not possible to determine the extent to which the Company’s future operations may be affected by of the miscellaneous licences held by Gold Road, particularly because the Company’s exploration activities at the Yamarna Project are at an early stage.

6.3 Mining exploration industry risks

Mineral exploration, development and mining activities are high-risk undertakings and there can be no assurance that any exploration or development activity in regard to the Company’s current properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource.

Mineral exploration, development and mining may be hampered by circumstances beyond the control of the Company and are speculative operations which by their nature are subject to a number of inherent risks, including the following:

(a) **Exploration and development risk**

Mineral exploration and development is a speculative and high-risk activity that requires large amounts of expenditure over extended periods of time and may be impeded by circumstances and factors beyond the Company’s control.

Successful exploration and mineral development depends on many factors, including:

- (i) discovery and proving-up, or acquiring, an economically recoverable mineral resource or reserve;
- (ii) access to adequate capital throughout the acquisition/discovery and project development phases of a mineral exploration project;
- (iii) maintaining title to the project area;
- (iv) obtaining required development consents and approvals necessary for the acquisition, exploration, development and production phases of the project; and
- (v) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that the application of funds on exploration will result in the realisation of objectives such as the discovery of an economic mineral resource.

Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. Conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

(b) Operational and technical risks

The exploration operations of the Company may be affected by various factors, including but not limited to:

- (i) geological and climatic conditions;
- (ii) failure to locate or identify mineral deposits;
- (iii) failure to achieve predicted grades in exploration and mining;
- (iv) operational and technical difficulties encountered in exploration and mining;
- (v) insufficient or unreliable infrastructure, such as power, water and transport;
- (vi) difficulties in commissioning and operating plant and equipment;
- (vii) mechanical failure or plant breakdown;
- (viii) unanticipated metallurgical problems which may affect extraction costs;
- (ix) adverse weather conditions;
- (x) industrial and environmental accidents;
- (xi) industrial disputes and labour shortages; and
- (xii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(c) Ability to exploit successful discoveries

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as those of the Company.

(d) **Mining and development risks**

Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

(e) **Environmental risks**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's proposed activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses.

The potential environmental impacts of the Company's proposed activities could be expected to require statutory approvals to be obtained by the Company. There is no guarantee that such approvals would be granted and failure to obtain any environmental approvals that may be required from relevant government or regulatory authorities may impede or prevent the Company from undertaking its planned activities. If there are environmental rehabilitation conditions attaching to the mining tenements of the Company, failure to meet such conditions could also lead to forfeiture of the mining tenements (or any additional mining tenements, permits or other interests held by the Company in the future). The Company will attempt to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Company is unable to predict the impact of any changes to environmental laws, regulations or policies that may be adopted in the future. The Company cannot guarantee that any new environmental laws, regulations or stricter enforcement policies, once implemented, will not result in significant increases in the Company's expenses and could have a material adverse effect on the Company and the value of its Securities.

(f) **Tenure risks**

Interests in exploration and mining tenements in Australia are governed by State legislation and are evidenced by the granting of leases or licences. Each lease or licence is for a specific term, which is subject to periodic renewal, and carries with it annual expenditure and reporting conditions as well as other conditions that must be complied with.

The Company will follow the mandated processes under State legislation to ensure continuity of its mining tenure and planned activities. However, the

Company could lose title to, or its interest in, the tenements (or any additional tenement interests acquired by the Company in the future) if conditions of grant are not met or if expenditure commitments are not satisfied.

(g) Native title and heritage risks

The Company's tenements are subject to common law and native title rights of indigenous Australians. Legitimate native title rights are recognised and protected under the *Native Title Act 1993* (Cth) (**Native Title Act**). Further, certain areas containing sacred sites or sites of cultural significance to indigenous people are protected under the *Aboriginal Heritage Act 1972* (WA) and the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth). Accordingly, the Company will operate a policy of positive negotiations with indigenous Australians in respect of its use of the Tenement areas overlapping native title and heritage sites.

To the extent that native title and indigenous heritage rights exist in respect of the land covered by the tenements, and subject to the form of those rights as determined under the applicable legislation, the consent of registered native title claimants may be required prior to carrying out certain activities on land to which their claim relates. The Company's ability to utilise the tenements and conduct its planned activities will be subject to such terms and conditions as the Company may achieve through negotiations with traditional owners or by legal determination.

(h) Environmental risks

The operations and activities of the Company are subject to its environmental laws and regulations. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(i) Joint venture parties, agents and contractors

There is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party, or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(j) Competition

The Company competes with other companies, including major mining companies in Australia and internationally. Many of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There cannot be any assurance that the Company will be able to compete effectively with these companies.

6.4 General investment risks

(a) General economic conditions

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices,

inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future performance and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(b) **Securities market conditions**

As with all securities market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the price payable for New Shares.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(c) **Liquidity risk**

There cannot be any guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell Shares held by them.

(d) **Changes in government policy & legislation**

Any material adverse changes in relevant government policies or legislation of Australia or internationally may affect the viability and profitability of the Company, and consequently may affect returns to investors.

(e) **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

7. Continuous disclosure

7.1 Continuous disclosure obligations

This is a prospectus for the offer of continuously quoted securities (as defined in the Corporations Act) of the Company and is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering prospectus.

The Company is a “disclosing entity” for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares, subject to certain exceptions.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The New Shares to be issued under this Prospectus are in a class of securities that were quoted on the securities market of ASX at all times in the 12 months before the issue of this Prospectus.

7.2 Documents available for inspection

The Company has lodged the following announcements with ASX since the lodgement of the Company’s annual financial report for the financial year ended 30 June 2023 on 22 September 2023:

Date	Description of ASX announcement
19 February 2024	Cosmo Exercises Option to Acquire Kanowna Gold Project
15 February 2024	Change in substantial holding from GBR
6 February 2024	Change in substantial holding
1 February 2024	Application for quotation of securities - CMO
31 January 2024	Quarterly Activities/Appendix 5B Cash Flow Report
24 January 2024	Cleansing Notice
24 January 2024	Application for quotation of securities - CMO
23 January 2024	Restricted Securities to be Released from Escrow
17 January 2024	Proposed issue of securities - CMO
17 January 2024	Proposed issue of securities - CMO
17 January 2024	Kanowna Gold Project Acquisition
15 January 2024	Trading Halt
20 December 2023	Ceasing to be a substantial holder
20 December 2023	Becoming a substantial holder
30 November 2023	Results of Meeting
16 November 2023	Yamarna Lithium & Vanadium Potential

Date	Description of ASX announcement
31 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
27 October 2023	Letter to Shareholders - Notice of AGM
27 October 2023	Notice of Annual General Meeting/Proxy Form
5 October 2023	Annual General Meeting Notification
22 September 2023	Appendix 4G
22 September 2023	Corporate Governance Statement

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Copies of documents lodged with ASX, in relation to the Company, including the Company's corporate governance policies, may be obtained from the Company's website at www.cosmometals.com.au or at ASX's website at www.asx.com.au.

The Company will provide a copy of each of the following documents, free of charge, to any person on request from the Prospectus Date until the latest Closing Date:

- (a) the financial report of the Company for the financial year ended 30 June 2023, being the financial report of the Company most recently lodged with ASIC before the issue of this Prospectus; and
- (b) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (a) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

8. Additional information

8.1 Offer Management and Underwriting Agreement

Lead management of Offers

The Company and the Joint Lead Managers have entered into an agreement (**Offer Management and Underwriting Agreement**) for the engagement of the Lead Managers pursuant to which the Lead Managers have agreed to act on a best endeavours basis as joint lead bookrunners and joint lead managers of the capital raising under the Placement and the Offers (**Capital Raising**).

Under the Offer Management and Underwriting Agreement, the Joint Lead Managers have been engaged on an exclusive basis to:

- (a) conduct a volume bookbuild to determine demand for the Placement from selected professional, sophisticated and other institutional investors;
- (b) solicit bids from professional, sophisticated and other institutional investors to the Institutional Offer shortfall; and
- (c) manage settlement of the Entitlement Offer.

For performing these services, the Company will pay:

- (a) the Joint Lead Managers a sales fee equal to 4% of the amount calculated by multiplying the total number of New Shares issued under the Capital Raising, by the Offer Price (\$0.04), out of which the Joint Lead Managers shall pay all external broker or intermediary fees as agreed by the Joint Lead Managers; and
- (b) each Joint Lead Manager a management fee equal to 2% of the amount calculated by multiplying the total number of Shares issued under the Capital Raising by the Offer Price (\$0.04).

In addition, the Company must pay or reimburse the Lead Managers for their reasonable costs, professional fees and expenses in relation, and incidental, to the Offers.

The Joint Lead Managers will also be entitled to be granted 4,000,000 Lead Manager Options.

On completion of the Entitlement Offer, the Company will grant to each Joint Lead Manager (or their nominee(s)) the right, but not the obligation, to subscribe for 2,000,000 Lead Manager Options. The subscription price for the Lead Manager Options is \$0.00001 per Option and the Lead Manager Options shall be allocated to each Joint Lead Manager on an equal basis.

Under the Offer Management and Underwriting Agreement, the Company has:

- (a) given the Lead Managers certain representations and warranties in respect of the company and the conduct of the Entitlement Offer which are considered usual for an agreement of this type; and
- (b) provided certain indemnities to the Lead Managers for any breach by the Company of the agreement, which are which are considered usual for an agreement of this type.

Underwriting of Entitlement Offer

Under the Offer Management and Underwriting Agreement, Discovery Capital and Cumulus Wealth (**Underwriter**) has agreed to partially underwrite the Entitlement Offer up to the Underwritten Amount (\$1,085,244). In the event Eligible Shareholders do not subscribe for all New Shares offered under the Offers, the Underwriter agrees to procure subscriptions for the Shortfall up to a maximum aggregate amount equal to the Underwritten Amount, and being up to the number of Underwritten Shares, on the terms and conditions of the Offer Management and Underwriting Agreement.

The Offer Management and Underwriting Agreement also provides for the issue of 13,565,556 Options to sub-underwriters appointed by the Underwriter (**Sub-underwriter Options**). The Sub-underwriter Options will be issued on the same terms and condition as the Lead Manager Options as set out in Section 8.2, and their issue is subject to Shareholder approval.

Under the Offer Management and Underwriting Agreement, the Company indemnifies the Underwriter and its related bodies corporate and their respective directors, officers, employees, agents, representatives and advisers (**Indemnified Party**) from and against any and all claims, actions, damages, losses, liabilities, costs and expenses which an Indemnified Party may incur or suffer in relation to the Offers or this Prospectus.

The Underwriter may terminate its obligations immediately by written notice to the Company in the following circumstances (where not defined in this Prospectus, capitalised terms used below are defined in the Offer Management and Underwriting Agreement):

- (a) **(Material Adverse Change)** any Material Adverse Change occurs.
- (b) **(Listing)** The Company ceases to be admitted to the official list of ASX or the Shares cease to be quoted on ASX, or it is announced by ASX or the Company that such an event will occur.
- (c) **(ASX approval)** Unconditional approval (or conditional approval, provided such condition would not cause or contribute to a Material Adverse Change) by ASX for official quotation of the Offer Shares is refused or is not granted by the time required to conduct the Offer in accordance with the Timetable or, if granted, is modified (in a manner which would cause or contribute to a Material Adverse Change) or withdrawn.
- (d) **(Insolvency)** The Company or a Subsidiary is Insolvent or there is an act or omission, or a circumstance arises, which is likely to result in the Company or a Subsidiary becoming Insolvent.
- (e) **(Withdrawal and withdrawal rights)** The Company notifies either of the Joint Lead Managers or ASX in writing that it does not wish to proceed with all or any part of the Offer or the Company repays monies received pursuant to the Offer or the Company offers applicants under the Offer the opportunity to withdraw their application for Shares and be repaid their application money.
- (f) **(Withdrawal of waivers)** ASX withdraws, revokes or amends any ASX waivers obtained in connection with the Offer.
- (g) **(Takeovers Panel)** The Takeovers Panel makes, or an application is made to the Takeovers Panel seeking, a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act.

- (h) **(Application)** There is an application to a court or Governmental Agency (including the Takeovers Panel) for an order, declaration (including of unacceptable circumstances) or other remedy in connection with the Offer (or any part of it).
- (i) **(Offer force majeure)** There is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Governmental Agency, which makes it illegal for either of the Joint Lead Managers to satisfy an obligation of the agreement, or to market, promote or settle the Offer.
- (j) **(Board or KMP changes)** There is any change to the Board or KMP of the Company, or a prospective change is announced with regards to the Board or KMP.
- (k) **(ASIC or ASX correspondence)** The Company receives correspondence from ASX or ASIC which in the reasonable opinion of either or both Joint Lead Managers would cause or contribute to a Material Adverse Change.
- (l) **(Regulatory action in relation to directors and senior executives):**
 - (i) a director or the chief executive officer or chief financial officer of the Company is charged with an indictable offence or fraudulent conduct;
 - (ii) any director of the Company is disqualified under the Corporations Act from managing a corporation; or
 - (iii) any regulatory body (other than the Takeovers Panel) commences any public action against the Company, or any director or the chief executive officer or chief financial officer of the Company, or publicly announces that it intends to take any such action.
- (m) **(Conduct)** The Company or a current director, officer or other current KMP of the Company or any Group Member commits any act of fraud, wilful or reckless misconduct or negligence, or which is misleading or deceptive in any respect, whether by act or omission and whether or not in connection with the Offer or is charged with having committed any of the foregoing.
- (n) **(Unable to issue)** The Company is unable to issue or prevented from issuing Offer Shares as contemplated by the agreement, including by virtue of the ASX Listing Rules, applicable laws, a Governmental Agency, an interim or final stop order from ASIC under section 739 of the Corporations Act (or ASIC holding a hearing under section 739 of the Corporations Act) or an order of a court of competent jurisdiction within the period required by the ASX Listing Rules or Timetable.
- (o) **(Capital structure)** There is an alteration to the Company's capital structure without the prior consent of the Joint Lead Managers or as otherwise provided for or contemplated in the agreement or contained within the ASX Disclosures, except for an alteration of the Company's capital structure arising from the exercise, conversion or expiry of any existing option, right to a Share or other convertible security issued by the Company in accordance with its terms.
- (p) **(Market fall)** The S&P/ASX 200 Index:
 - (i) on and from the date of the agreement up to and including the Placement Settlement Date, has fallen at any time to; or

- (ii) from the Placement Settlement Date up to and including the Entitlement Offer Settlement Date, closes on two consecutive trading days at,

a level that is 10% or more below its level as at the close of trading on the Business Day before the date of the agreement.
- (q) **(Gold price fall)** The price of gold by reference to the AUD\$ gold price (**Gold Price**):
 - (i) on and from the date of the agreement up to and including the Placement Settlement Date, has fallen at any time to; or
 - (ii) from the Placement Settlement Date up to and including the Entitlement Offer Settlement Date, closes on two consecutive trading days at,

a level that is 10% or more below the level of that price at the close of trading on the Business Day before the date of the agreement, where the term **Gold Price** means the Nymex Comex Gold Price, divided by the Reserve Bank of Australia AUD/USD exchange rate close for the relevant trading day (or where the relevant day is not a trading day, the exchange rate close on the immediately preceding trading day).
- (r) **(ASIC action)** ASIC:
 - (i) makes an order or interim order under section 739 concerning the Prospectus;
 - (ii) applies for an order under Part 9.5 in relation to the Offer or any Information Document; or
 - (iii) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or any Information Document under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (Cth); or
 - (iv) prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its officers, employees or agents in relation to the Offer or any Information Document.
- (s) **(withdrawal of Prospectus)** The Company withdraws the Prospectus.
- (t) **(Certificate)** A Certificate which is required to be furnished by the Company under the agreement is not furnished when required, or if furnished is untrue, incorrect or misleading or deceptive in any respect (including by omission).
- (u) **(Timetable)** Any event specified in the Timetable is delayed by more than one Business Day other than in accordance with the Underwriter's consent or a delay caused solely by a Joint Lead Manager seeking to Terminate.
- (v) **(Information Documents)** Any:
 - (i) statement in an Information Document is or becomes false, misleading or deceptive in any material respect or likely to mislead or deceive;
 - (ii) Information Document does not contain all information required to comply with all applicable laws; or

- (iii) Information Document is withdrawn.
- (w) **(Compliance)** The Company commits a material breach of the Corporations Act, ASX Listing Rules, its Constitution, or other material applicable laws.
- (x) **(unauthorised change)** The Company or a Group Member:
 - (i) disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (ii) ceases or threatens to cease to carry on business; or
 - (iii) amends its Constitution or other constituent document of a Group Member.
- (y) **(Breach)** The Company fails to perform or observe any of its obligations under the agreement including (for the avoidance of doubt) without limitation not receiving or obtaining consent from the Joint Lead Managers where required by the terms of the agreement.
- (z) **(Future matters)** Any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an Information Document or Public Information is or becomes incapable of being met or, in the reasonable opinion of the Joint Lead Managers, unlikely to be met in the projected timeframe.
- (aa) **(Due Diligence)** Any of the documents required to be provided under the Due Diligence Planning Memorandum having been withdrawn or varied without the prior written consent of the Joint Lead Managers.
- (bb) **(Information)** The Due Diligence Report or the information provided by or on behalf of the Company to the Joint Lead Managers in relation to the Due Diligence Program, the Information Documents or the Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission).
- (cc) **(Representations and warranties)** A representation or warranty made or given by the Company under the agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive.
- (dd) **(Regulatory action)** Any regulatory body commences any enquiry or public action against a Group Member.
- (ee) **(New circumstance)** A new circumstance arises which is a matter adverse to investors in Offer Shares and which would have been required by the Corporations Act to be included in the Information Documents had the new circumstance arisen before the Information Documents were given to ASX.
- (ff) **(Litigation)** Litigation, arbitration, administrative or industrial proceedings of any nature are after the date of the agreement commenced against any Group Member or against any director of the Company in their capacity as such.
- (gg) **(Investigation)** Any person is appointed under any legislation in respect of companies to investigate the affairs of a Group Member;
- (hh) **(Material contracts)** Any contract, deed or other agreement, which is material to the making of an informed investment decision in relation to the Offer Shares is either:

- (i) breached, terminated, rescinded, altered or amended without the prior written consent of the Joint Lead Managers; or
 - (ii) found to be void or voidable.
- (ii) **(Information Documents issued or varied without approval)** The Company:
- (i) issues an Information Document without the prior approval of the Joint Lead Managers (such approval not to be unreasonably withheld or delayed); or
 - (ii) varies an existing Information Document without the prior approval of the Joint Lead Managers (such approval not to be unreasonably withheld or delayed).
- (jj) **(Contravention of constitution or applicable law)** A contravention by a Group Member of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX.
- (kk) **(Change in law)** There is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or prospective law or any new regulation is made under any law, or a Governmental Agency or the Reserve Bank of Australia adopts a policy, or there is an official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Governmental Agency that such a law or regulation will be introduced or policy adopted (as the case may be) (other than a law or policy that has been announced before the date of the agreement).
- (ll) **(Disruption in financial markets)** Any of the following occurs:
- (i) a general moratorium on commercial banking activities in any one or more of the members of the Australia, New Zealand, Germany, Luxembourg, the United States, Switzerland, Canada, the United Kingdom, Hong Kong, Singapore or Japan is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - (ii) trading in all securities quoted or listed on the ASX, the New York Stock Exchange or the London Stock Exchange is suspended or limited in a material respect; or
 - (iii) the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in any one or more of the members of the Australia, New Zealand, Germany, Luxembourg, Switzerland, the United States, Canada, the United Kingdom, Hong Kong, Singapore or Japan or any change or development involving a prospective adverse change in any of those conditions or markets.
- (mm) **(Hostilities)** Major hostilities not existing at the date of the agreement commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of the members of the North Atlantic Treaty Organisation, Finland, Sweden, Australia, New Zealand, Switzerland, Germany, Luxembourg, the United States, Canada, the United Kingdom, China, Hong Kong, Singapore, Japan or a member state of the European Union or a national emergency is

declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world.

- (nn) **(Pandemic)** A pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing occurs or in respect of which there is a major escalation, involving any one or more of the members of the North Atlantic Treaty Organisation, Finland, Sweden, Australia, New Zealand, Germany, Luxembourg, the United States, Canada, the United Kingdom, China, Hong Kong, Singapore, Japan or a member state of the European Union.
- (oo) **(Prescribed Occurrence)** A Prescribed Occurrence in respect of the Company occurs during the Offer Period, other than:
 - (i) as contemplated by the agreement;
 - (ii) the Company issuing securities pursuant to:
 - (iii) the exercise or conversion of any security on issue as at the date of the agreement;
 - (iv) any employee incentive scheme in operation as at the date of the agreement; or
 - (v) any distribution reinvestment plan;
 - (vi) as permitted in writing by the Joint Lead Managers; or
 - (vii) as announced by the Company prior to the date of the agreement or described in the Prospectus.
- (pp) **(Withdrawal of consent)**
 - (i) any person, whose consent to the issue of the Prospectus or any Supplementary Prospectus is required by section 720 and who has previously consented to the issue of the Prospectus or any Supplementary Prospectus, withdraws such consent;
 - (ii) any person gives a notice under section 733(3); or
 - (iii) any person (other than the Joint Lead Managers) who has previously consented to the inclusion of their name or any statement in the Prospectus or any Supplementary Prospectus withdraws that consent.

The events listed in paragraphs (y) to (pp) above do not entitle the Underwriter to exercise its termination rights unless the Underwriter has reasonable grounds to believe or actually does believe that it:

- (a) has or is likely to have a material or adverse effect on:
 - (i) the financial position or performance, shareholders' equity, profits, losses, results, condition, operations or prospects of the Company or the Group; or
 - (ii) the success or outcome of the Entitlement Offer; or

- (iii) the ability of the Joint Lead Managers to market or effect settlement of, the Offer (irrespective of whether or not the Entitlement Offer has opened); or
 - (iv) the market price of Shares on ASX; or
 - (v) a decision of an investor to invest in Shares; or
- (b) has given or could reasonably be expected to give rise to a contravention by, or a liability of, the Joint Lead Managers under any applicable law or regulation, or could give rise to a liability of the Underwriter under the Corporations Act.

8.2 Terms of Lead Manager Options

The Lead Manager Options offered pursuant to this Prospectus are regulated by the Constitution, the Corporations Act, the Listing Rules and general law.

The terms of the Lead Manager Options are as follows:

- (a) **Entitlement:** Each Option entitles the holder (**Option Holder**) to subscribe for one fully paid ordinary share in the Company.
- (b) **Subscription price on grant:** The Option Holder is required to pay a subscription amount of \$0.00001 per Option on the grant of the Options.
- (c) **Exercise price:** The exercise price of each Option is \$0.06 (**Exercise Price**).
- (d) **Expiry date:** Each Option may be exercised at any time before 5.00pm (AWST) on 31 March 2027 (**Expiry Date**). Any Option not exercised by the Expiry Date will automatically expire.
- (e) **Certificate or holding statement:** The Company must give the Option Holder a certificate or Holding Statement stating:
 - (i) the number of Options issued to the Option Holder;
 - (ii) the Exercise Price of the Options; and
 - (iii) the date of issue of the Options.
- (f) **Transfer:**
 - (i) The Options are transferable, subject to applicable law.
 - (ii) Subject to the Listing Rules and the Corporations Act, the Option Holder may transfer some or all of the Options at any time before the Expiry Date by:
 - A. a proper ASTC regulated transfer (as defined in the Corporations Act) or any other method permitted by the Corporations Act; or
 - B. a prescribed instrument of transfer.
 - (iii) An instrument of transfer of an Option must be:
 - A. in writing;
 - B. in any usual form or in any other form approved by the Directors that is otherwise permitted by law;

- C. subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - D. delivered to the Company, at the place where the Company's register of option holders is kept, together with the certificate (if any) of the Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Option, the right of the transferor to transfer that Option and the proper execution of the instrument of transfer.
- (g) **Quotation of Options:** The Company will not apply to ASX for official quotation of Options.
- (h) **New issues:** The Option Holder is not entitled to participate in any new issue to Shareholders of Securities in the Company unless it has exercised its Options before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares.
- (i) **Bonus issues:** If the Company makes a bonus issue of Shares or other Securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Option before the record date for determining entitlements to the issue.
- (j) **Reorganisation:** If there is a reorganisation (including consolidation, subdivision, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (k) Any calculations or adjustments which are required to be made will be made by the Company's Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (l) The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of an Option.
- (m) **Exercise of Options:**
- (i) To exercise Options, the Option Holder must give the Company or its Share Registry, at the same time:
 - A. a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Options being exercised and Shares to be issued;
 - B. payment of the Exercise Price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - C. any certificate for the Options.

- (ii) The Option Holder may only exercise Options in multiples of 10,000 Options unless the Option Holder exercises all Options held by the Option Holder.
- (iii) Options will be deemed to have been exercised on the date the exercise notice and Exercise Price are received by the Company.
- (iv) If the Option Holder exercises less than the total number of Options registered in the Option Holder's name:
 - A. the Option Holder must surrender their Option certificate (if any); and
 - B. the Company must cancel the Option certificate (if any) and issue the Option Holder a new Option certificate or Holding Statement stating the remaining number of Options held by the Option Holder.
- (n) **Issue of Shares on exercise of Options:**
 - (i) Within five Business Days after receiving an application for exercise of Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.
 - (ii) Subject to the Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
- (o) **Governing law:** These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

8.3 La Zarza Acquisition Agreement

The Company has entered into a share sale and purchase agreement for the Company to acquire all shares in La Zarza from Andrew James Wood and Bianca Jae Wood as trustees for the Wood Family Trust, and Robbie Wayne Parr and Ana Karina Reis Parr as trustees for the Reis Family Trust (**Sellers**), (**La Zarza Acquisition Agreement** or **Agreement**). La Zarza is the holder of the Kanowna Gold Project tenements.

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

- (a) **Sale and purchase:** The Sellers agree to sell, and the Company agrees to purchase, 100% of the issued capital in La Zarza (**Sale Shares**). The Sale Shares will be free and clear from any encumbrances.
- (b) **Consideration:** As consideration for purchase of the Sale Shares, the Company agrees to pay to the Sellers (in proportion to their respective shareholding interests in La Zarza) total consideration of \$800,000, as follows:
 - (i) **Deposit:** \$50,000 cash (which the Company has already paid to the Sellers);
 - (ii) **Initial cash consideration:** \$50,000 cash (which the Company has already paid to the Sellers on signing the Agreement);

- (iii) **Completion cash consideration:** \$100,000 cash payable at completion of the transfer the Sale Shares to the Company (**Completion**);
 - (iv) **Script consideration:** \$400,000 by the issue of 8,000,000 Shares at a deemed issue price of \$0.05 per Share (**Consideration Shares**) at Completion; and
 - (v) **Deferred cash consideration:** \$200,000 cash payable six months after the execution of the Agreement.
- (c) **Voluntary escrow:** 50% of the Consideration Shares will be subject to voluntary escrow restrictions for a period of 6 months.
- (d) **Grant of royalty:** La Zarza will grant to the Sellers royalties totalling a 0.5% net smelter royalty over gold won from the Kanowna Gold Project tenements.
- (e) **Conditions precedent:** Completion of the Agreement is subject to satisfaction of the following conditions precedent:
- (i) no 'material adverse change' occurs in respect of La Zarza;
 - (ii) the parties obtaining all necessary legal, regulatory and shareholder consents to facilitate approval into the Agreement and the transactions contemplated by it; and
 - (iii) the Company's Shareholders in General Meeting approving the issue of the Consideration Shares to the Sellers for the purposes of Listing Rule 7.1,
- by 30 April 2024 (or such other date as the parties may agree).
- (f) **Completion:** Completion will occur five (5) business days after all of the conditions precedent have been satisfied (or waived), or on such other date as the parties agree in writing.
- (g) **Termination:** A party which has the benefit of a condition precedent that has not been satisfied (or waived) by the conditions precedent cut-off date may terminate the Agreement. The Company may terminate the Agreement if a 'material adverse change' or insolvency event occurs in respect of Sellers or La Zarza, or where a material breach of the Agreement has occurred and not been rectified.
- (h) **Warranties:** The Sellers warrant (amongst other standard matters) that
- (i) they have title to the Sale Shares;
 - (ii) there are no claims against La Zarza;
 - (iii) there are no amounts owing from La Zarza to the Sellers;
 - (iv) La Zarza has all licenses and authorities to operate; and
 - (v) the Kanowna Gold Project tenements held by La Zarza are in good standing.
- (i) **Undertaking as to Exploration on Tenements:** Following Completion, the Company undertakes to the Sellers to explore the tenements held by La Zarza

by conducting reverse circulation drilling or diamond drilling operations on any of the tenements to a total aggregate length of 2,000 metres drilled within six (6) months after the date of completion of the Agreement.

8.4 Litigation

As at the Prospectus Date, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

8.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director nor any entity in which a Director is a partner or director, has or has had in the two (2) years before the Prospectus Date, any interest in:

- (a) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (b) the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any Director or proposed director or to any entity in which such a Director or proposed director is a partner or director, either to induce him to become, or to qualify as, a Director or otherwise for services rendered by him or by the entity in connection with the formation or promotion of the Company or the Offers.

8.6 Security holding interests of Directors

At the Prospectus Date the relevant interest of each of the Directors in the Securities of the Company are as follows:

Director	Shares	Options
Peter Bird	116,667 ¹	1,066,667 ^{2, 3}
James Merrillees	183,334 ⁴	2,133,334 ^{4,5,6}
Andrew Paterson	Nil	1,000,000 ⁷

Notes:

1. Interest held by Tambo Trading Pty Ltd as trustee for the Bird Family Super Fund. Mr Bird is a director and shareholder of Tambo Trading Pty Ltd and a beneficiary of the Bird Family Super Fund.
2. 66,667 Options, exercisable at \$0.10, expiring 21 June 2026, held by Tambo Trading Pty Ltd as trustee for the Bird Family Super Fund
3. 1,000,000 Options exercisable at \$0.25 each, expiring 12 November 2024, held directly.
4. Interests held by JSM Resources Pty Ltd as trustee for the Merrillees Family Trust. Mr Merrillees is a director and shareholder of JSM Resources Pty Ltd and a beneficiary of the Merrillees Family Trust.
5. 2,000,000 Options exercisable at \$0.25 each, expiring 12 November 2024.
6. 133,334 Options exercisable at \$0.10 each, expiring 21 June 2026.
7. 1,000,000 Options exercisable at \$0.25 each, expiring 12 November 2024, held directly.

8.7 Intentions of Directors with respect to Entitlement Offer

Directors or their associated entities who are registered as Shareholders on the Record Date may participate in the Entitlement Offer, however, Directors and their associated

entities or other Related Party of the Company may not subscribe for New Securities under the Shortfall Offer.

James Merrillees (who is an Eligible Shareholder as at the Prospectus Date) has informed the Company that he intends to subscribe for his Entitlement in full.

8.8 Remuneration of Directors

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum set by the Company in a general meeting. The aggregate maximum is presently set at \$300,000 per annum. The Managing Director may receive such remuneration as the Directors determine.

A Director may be reimbursed for out-of-pocket expenses incurred as a result of their directorship.

Details of remuneration provided to Directors and former Directors during the past two financial years are as follows:

Director	Financial year to 30 June 2023	Financial year to 30 June 2022
Peter Bird (Non-Executive Chairman)	<ul style="list-style-type: none"> \$74,127 in fees and superannuation 	<ul style="list-style-type: none"> \$46,841 in fees and superannuation \$97,200 as value of Options granted
James Merrillees (Managing Director)	<ul style="list-style-type: none"> \$267,935 in salary, non-monetary benefits and superannuation 	<ul style="list-style-type: none"> \$132,986 in salary, non-monetary benefits and superannuation \$194,400 as value of Options granted
Andrew Paterson (Non-Executive Director)	<ul style="list-style-type: none"> \$52,948 in fees and superannuation 	<ul style="list-style-type: none"> \$33,459 in salary and superannuation \$97,200 as value of Options granted
Zbigniew Lubieniecki (Non-Executive Director) (resigned 28 July 2023)	<ul style="list-style-type: none"> \$52,948 in fees and superannuation 	<ul style="list-style-type: none"> \$33,459 in salary and superannuation \$97,200 as value of Options granted

8.9 Director indemnity deeds

The Company has entered into a deed of indemnity with each of the Directors.

Under the deeds the Company has undertaken, subject to the restrictions in the Corporations Act, to indemnify all Directors against all losses or liabilities incurred by each Director in their capacities as Directors.

8.10 Expenses of the Offers

The expenses of the Placement and the Offers are expected to comprise the following estimated costs and are exclusive of any GST payable by the Company. The expenses assume that all New Shares offered under the Placement and the Offers are issued.

Expense	Estimated amount (62% subscription to Offers)	Estimated maximum (100% subscription to Offers)
ASIC fees	\$3,206	\$3,206
ASX listing fees	\$7,226	\$9,558
Lead Managers' fees	\$86,475	\$126,474
Legal fees	\$20,000	\$20,000
Printing, distribution and Share Registry expenses	\$15,000	\$15,000
Total	\$131,907	\$134,238

8.11 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus:

- all other persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus do not have, and have not had in the 2 years before the Prospectus Date, any interest in:
 - the formation or promotion of the Company;
 - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
 - the Offers; and
- amounts have not been paid or agreed to be paid (whether in cash, Securities or otherwise), and other benefit have not been given or agreed to be given, to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offers.

Expert/advisor	Service or function	Amount paid or to be paid
Discovery Capital	Joint Lead Manager and Underwriter	Refer to Section 8.1 for details of the fees payable to the Joint Lead Managers and the Underwriter. In addition, Discovery Capital been paid or is entitled to be paid, \$251,040 (including GST) in fees for services provided to the Company in the period 2 years prior to the Prospectus Date.
Cumulus Wealth	Joint Lead Manager	Refer to Section 8.1 for details of the fees payable to the Joint Lead Managers. In addition, Cumulus Wealth been paid \$168,300 (including GST) in fees for services provided to the Company in the period 2 years prior to the Prospectus Date.

Expert/advisor	Service or function	Amount paid or to be paid
RSM Australia Partners	Auditor	RSM Australia Partners has been paid or is entitled to be paid, approximately \$91,446 (including GST) for the provision of auditing and other professional services to the Company in the period 2 years prior to the Prospectus Date.
Blackwall Legal LLP	Solicitors to the Company	<p>Blackwall Legal LLP will be paid approximately \$20,000 (plus GST) for services related to this Prospectus, including in relation to the Offers and other general legal due diligence advisory services.</p> <p>Blackwall Legal LLP has been paid, or is entitled to be paid, \$47,753.28 (including GST) for legal services provided to the Company in the period 2 years prior to the Prospectus Date, including a portion of the fees above.</p>

8.12 Consents and liability statements

The following parties have given their written consent to be named in the Prospectus in the form and context in which they are named and to the inclusion of a statement or report in this Prospectus in the form and context in which it is included:

Party	Capacity in which named	Statement or report in this Prospectus
Discovery Capital	Joint Lead Manager and Underwriter	Not applicable.
Cumulus Wealth	Joint Lead Manager	Not applicable.
RSM Australia Partners	Auditor	Auditors of the Company who reviewed the consolidated statement of financial position for the Company as at 30 June 2023 referred to in Section 4.3.
Blackwall Legal LLP	Solicitors to the Company	Not applicable.
Automic Group Pty Ltd	Share Registry	Not applicable.

Each of the parties named above as providing their consent:

- does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in the table above; and
- to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with consent of that party as specified in the table above.

None of the Joint Lead Managers, RSM Australia Partners, Blackwall Legal LLP and Automic Pty Ltd authorised or caused the issue of this Prospectus.

9. Directors' responsibility statement and consent

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company pursuant to a resolution of the Board by:



James Merrillees
Managing Director

Date: 19 February 2024

10. Glossary of Terms

AC	Air-core drilling.
AFSL	Australian Financial Services Licence.
Applicant	A person who applies for New Shares in accordance with this Prospectus.
Application	A valid application for New Shares offered under this Prospectus.
Application Monies	The monies payable by Applicants to the Offers.
ASIC	The Australian Securities and Investments Commission.
Associate	Has the meaning set out in the Listing Rules.
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
ASX Listing Rules	The listing rules of ASX.
ASX Settlement	ASX Settlement Pty Ltd ACN 008 504 532.
ASX Settlement Rules	The settlement rules of ASX Settlement.
AWST	Australian Western Standard Time, being the time in Perth, Western Australia.
Board	The board of Directors.
Business Day	A day: (a) that is a business day as defined in the Listing Rules; and (b) which is not a Saturday, Sunday, public holiday or bank holiday in Perth, Western Australia.
CHESS	Clearing House Electronic Sub-register System operated by ASX Settlement.
CHESS Statement or Holding Statement	A statement of securities registered in a CHESS account.
Closing Date	The Entitlement Offer Closing Date and the Shortfall Offer Closing Date, or either one of those dates as the context requires.
Company or Cosmo or CMO	Cosmo Metals Limited ACN 653 132 828.
Consideration Shares	Has the meaning given in Section 8.3(b)(iii).
Consolidated Entity	The Company and its subsidiaries.
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Cumulus Wealth	Cumulus Wealth Pty Ltd ACN 634 297 279 (AFSL 524450)

Director	A director of the Company as at the Prospectus Date.
Discovery Capital	Discovery Capital Partners Pty Ltd ACN 615 635 982 (AFSL 500223)
EFT	Electronic funds transfer.
Eligible Institutional Shareholder	A Shareholder who: <ul style="list-style-type: none"> (a) is an Institutional Investor on the commencement of the Institutional Offer, with a registered address in either Australia or New Zealand; and (b) has received an offer under the Institutional Offer (either directly or through a nominee) during the Institutional Offer Period.
Eligible Jurisdictions	Australia and New Zealand.
Eligible Retail Shareholder	A Retail Shareholder of the Company on the Record Date whose registered address is in an Eligible Jurisdiction and is eligible under all applicable securities laws to receive an offer under the Retail Offer.
Eligible Shareholder	A Shareholder who is: <ul style="list-style-type: none"> (a) a registered holder of Shares on the Record Date; (b) has a registered address in Australia or New Zealand as shown in the Share Registry; (c) not in the United States or a U.S. Person or acting for the account of or benefit of a U.S. Person; and (d) eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
Entitlement	The number of New Shares that an Eligible Shareholder is entitled to apply for under the Entitlement Offer, as determined by the number of Existing Shares held by that Shareholder as at the Record Date.
Entitlement and Acceptance Form	The entitlement and acceptance form accompanying this Prospectus.
Entitlement Offer	The offer of New Shares under this Prospectus to Eligible Shareholders as described in Section 2.1.
Entitlement Offer Closing Date	The closing date for the Entitlement Offer as stated in Section 2.8.
Excluded Shareholder	A Shareholder as at the Record Date whose registered address is not situated in an Eligible Jurisdiction.
Existing Share	A Share issued before the Prospectus Date.
Existing Shareholder	A holder of an Existing Share.
General Meeting	A general meeting of Shareholders convened by the Company.
Great Boulder	Great Boulder Resources Limited ACN 611 695 955, a Shareholder.

Holding Statement	A holding statement for securities under CHESS or Security Holder Reference Number.
Institutional Investor	Investors selected by the Company who are: <ul style="list-style-type: none"> (a) in Australia, investors who fall within the exemptions provided by sections 708(8) to (12) of the Corporations Act; or (b) outside Australia, institutional or professional investors in foreign jurisdictions to whom an offer of securities can be made without the need for a lodged product disclosure statement, prospectus or other disclosure document or other lodgement, registration, filing with or approval by a government agency (other than one which the Company, in its absolute discretion, is willing to comply with).
Institutional Offer	The offer of New Shares under this Prospectus to Eligible Institutional Shareholders, as described in Section 2.3.
Joint Lead Managers or Lead Managers	The joint lead managers to the Offers, Discovery Capital and Cumulus Wealth.
Kanowna Gold Project	The prospecting licences held by La Zarza comprising the project generally known as the Kanowna Gold Project.
La Zarza	La Zarza Minerals Pty Ltd ACN 660 901 146.
La Zarza Acquisition	The proposed acquisition of 100% of the issued capital of La Zarza.
La Zarza Acquisition Agreement	The agreement by which the Company proposes to acquire 100% of the issued shares of La Zarza, described in Section 8.3.
Lead Manager Offer	The offer of the Lead Manager Options to the Joint Lead Managers under this Prospectus.
Lead Manager Options	Options to be granted to the Joint Lead Managers on the terms set out in Section 8.2.
Listing Rules	The listing rules of ASX.
Lodgement Date	The date of lodgement of the Prospectus with ASIC as set out on page iii.
Native Title	<i>Native Title Act 1993 (Cth).</i>
New Option	An Option offered under this Prospectus and otherwise on the terms set out in Section 5.2 or Section 8.2.
New Securities	New Shares and New Options.
New Shares	The Shares that may be issued under this Prospectus on the terms set out herein.
Offer Management and Underwriting Agreement	The agreements under which the Company has: <ul style="list-style-type: none"> (a) engaged the Joint Lead Managers to manage the Offers; and (b) engaged the Underwriter to partially underwrite the Offers,

details of which are set out in Section 8.1.

Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Offer Price	The issue price of New Shares under the Offers, being \$0.04 per New Share.
Offers	The Entitlement Offer and the Shortfall Offer, or either one of those offers as the context requires.
Opening Date	The opening date of the Entitlement Offer as set out in Section 2.8
Option	An option to subscribe for a Share.
Option Holder	The holder of an Option.
Placement	The issue of 8,900,000 Shares to professional and sophisticated investors at \$0.04 per Share as outlined in Section 1.1.
Placement Options	2,966,667 Options to be issued to Placement participants as outlined in Section 2.17.
Placement Participants	Participants in the Placement as outlined in Section 2.17.
Prior Placement	The issue of 6,000,000 Shares to professional and sophisticated investors as announced by the Company to ASX on 17 January 2024.
Prior Placement Options	4,000,000 Options to be issued to Prior Placement Participants and the Joint Lead Managers as outlined in Section 2.18.
Prior Placement Participants	Participants in the Prior Placement as outlined in Section 2.18.
Privacy Act	<i>Privacy Act 1988</i> (Cth).
Prospectus	This prospectus, including any electronic or online version of this prospectus.
Prospectus Date	The date of this Prospectus, being the date of lodgement of this Prospectus with ASIC.
RAB	Rotary air blast drilling.
RC	Reverse circulation drilling.
Record Date	The closing date for determining Entitlements to the Entitlement Offer as stated in Section 2.5
Related Body Corporate	Has the meaning given to it in section 50 of the Corporations Act.
Related Party	A Director or other person who is a 'related party' of the Company within the meaning given to that in the Listing Rules.
Retail Offer	The offer of New Shares under this Prospectus to Eligible Retail Shareholders, as described in Section 2.4.

Retail Shareholder	A Shareholder of the Company on the Record Date who is not an Eligible Institutional Investor.
Section	A section of this Prospectus.
Securities	Shares and/or Options.
Share	A fully paid ordinary share in the capital of the Company.
Share Registry	The Company's share registry, Automic Pty Ltd.
Shareholder	The holder of a Share.
Shortfall	The New Shares and corresponding New Options offered under the Entitlement Offer for which valid Applications are not received from Eligible Shareholders before the Closing Date.
Shortfall Application Form	An application form for New Securities under the Shortfall Offer.
Shortfall Offer	An offer to the general public (including Eligible Shareholders) of the New Shares and corresponding New Options which comprise the Shortfall, under this Prospectus.
Shortfall Offer Closing Date	The closing date for the Shortfall Offer as stated in Section 2.8.
Shortfall Shares	New Shares not subscribed for under the Entitlement Offer.
Sub-underwriter	A sub-underwriter appointed by the Underwriter to sub-underwrite a portion of the Underwritten Amount.
Sub-underwriter Offer	The offer of the Sub-underwriter Options to the Sub-underwriters under this Prospectus.
Sub-underwriter Options	Options to be granted to the Sub-underwriters on the terms set out in Section 5.2.
Underwriter	Discovery Capital
Underwritten Amount	\$1,085,245, calculated by multiplying the number of Underwritten Shares by the Offer Price.
Underwritten Shares	27,131,112 New Shares offered under the Entitlement Offer.
U.S. Person	Any person in the United States or any person that is, or is acting for the account or benefit of, a "U.S. person" (as defined in Regulation S under the United States Securities Act of 1933, as amended).

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