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COSMO METALS LIMITED
ABN 17 653 132 828

INTERIM FINANCIAL REPORT
31 DECEMBER 2023

CONTENTS



Corporate Directory	3
Directors' Report	4
Statement of Profit or Loss and Other Comprehensive Income	20
Statement of Financial Position	21
Statement of Changes in Equity	22
Statement of Cash Flows	23
Notes to the Financial Statements	24
Directors' Declaration	30
Auditor's Independence Declaration	31
Independent Auditor's Review Report	32

CORPORATE DIRECTORY

DIRECTORS

Mr Peter Bird	Non-Executive Chairman
Mr James Merrillees	Managing Director
Mr Andrew Paterson	Non-Executive Director
Mr Zbigniew Lubieniecki	Non-Executive Director (<i>resigned 28 July 2023</i>)

COMPANY SECRETARY

Ms Melanie Ross

REGISTERED OFFICE, PRINCIPAL PLACE OF BUSINESS & CONTACTS

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WEST PERTH WA 6005

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Web: www.cosmometals.com.au

Securities Exchange Listing - ASX Code: CMO

ABN: 17 653 132 828

SOLICITORS

Blackwall Legal LLP

Level 26, 140 St Georges Terrace

PERTH WA 6000

AUDITORS

RSM Australia Partners

Level 32, Exchange Plaza

2 The Esplanade

PERTH WA 6000

SHARE REGISTRY

Automic Group

Level 5, 191 St Georges Terrace

PERTH WA 6000

Ph: 1300 288 664

Web: www.automicgroup.com.au

BANKERS

National Australia Bank

100 St Georges Terrace

PERTH WA 6000

DIRECTORS' REPORT

Your directors present their report, together with the interim financial report on the Company, Cosmo Metals Ltd at the end of, or during the half-year ended 31 December 2023 ('period' or 'half-year').

DIRECTORS

The names of directors in office at any time during or since the end of the period are listed below.

NAME OF PERSON	POSITION
Mr Peter Bird	Non-Executive Chairman
Mr James Merrillees	Managing Director
Mr Andrew Paterson	Non-Executive Director
Mr Zbigniew Lubieniecki	Non-Executive Director (<i>resigned 28 July 2023</i>)

PRINCIPAL ACTIVITIES

During the period, the principal activities of the Company consisted of mineral exploration.

REVIEW OF OPERATIONS

Operating Result

The loss from continuing operations for the period after providing for tax amounted to \$408,768 (31 December 2022: \$393,400).

On 27 July 2023, the Company held a General Meeting to seek shareholders' approval to issue the below securities to complete the Company's placement, as announced on 15 June 2023:

- 1,090,167 fully paid ordinary shares (Tranche 2 placement);
- 8,666,667 free-attaching option (exercisable at \$0.10 expiring 21 June 2026);
- 520,000 fully paid ordinary shares and 520,000 free-attaching options (exercisable at \$0.10 expiring 21 June 2026) to brokers as conversion of their lead management and capital raising fees of \$39,000; and
- 4,000,000 options (exercisable at \$0.1125 expiring 21 June 2026) to brokers for capital raising services provided for the placement.

All resolutions were passed at the Company's General Meeting and the shares and options were issued on 4 August 2023.

Furthermore, on 4 August 2023, 500,000 options with an exercise price of \$0.25 and an expiry date of 15/09/2025 were forfeited due to termination of an employee's contract.

Exploration

During the second half of 2023, the focus for the Company's exploration team has been on the identification, evaluation, and acquisition of new project opportunities.

The Company continued to conserve capital with limited on-ground exploration and a focus on evaluating opportunities outside the Yamarna region to identify assets complementary to the existing portfolio with potential to add significant shareholder value.

Following the end of the half yearly period Cosmo announced the signing of a Binding Terms Sheet for the exclusive right to acquire 100% of La Zarza Minerals Pty Ltd, the holder of the Kanowna Gold Project (KGP) adjacent to Northern Star's Kanowna Belle Mine where more than 5.4Moz Au has been produced since 1993.

YAMARNA PROJECT (CMO 100%)

Cosmo Metals' Yamarna Project, ~130km east of Laverton in Western Australia, includes the Mt Venn, Minjina and Eastern Mafic prospects. With the granting of the Narragene tenement E38/3640 Yamarna now comprises nine granted exploration licences with a total area of 370km² (refer Figures 1 & 2).

Limited on-ground exploration was completed at Yamarna during the half-year with desk-top studies ongoing to target volcanogenic massive sulphide (VMS)-style zinc-lead-copper-silver (Zn-Pb-Cu-Ag) mineralisation at Minjina, to the north of the Company's Mt Venn copper-nickel-cobalt (Cu-Ni-Co) project.

DIRECTORS' REPORT

The Company's discovery of widespread VMS mineralisation at Minjina, confirmed the prospectivity of the Yamarna region to host multiple commodity and deposit styles.

This prospectivity includes a more than 50km long zone of lithium and associated pathfinder element anomalism identified at the 480km² Wurnda Project 40km north-west of Mt Venn. Data compilation and prospectivity mapping is underway at Wurnda to refine targets in preparation for on-ground exploration following tenement grant expected in the first half of 2024.

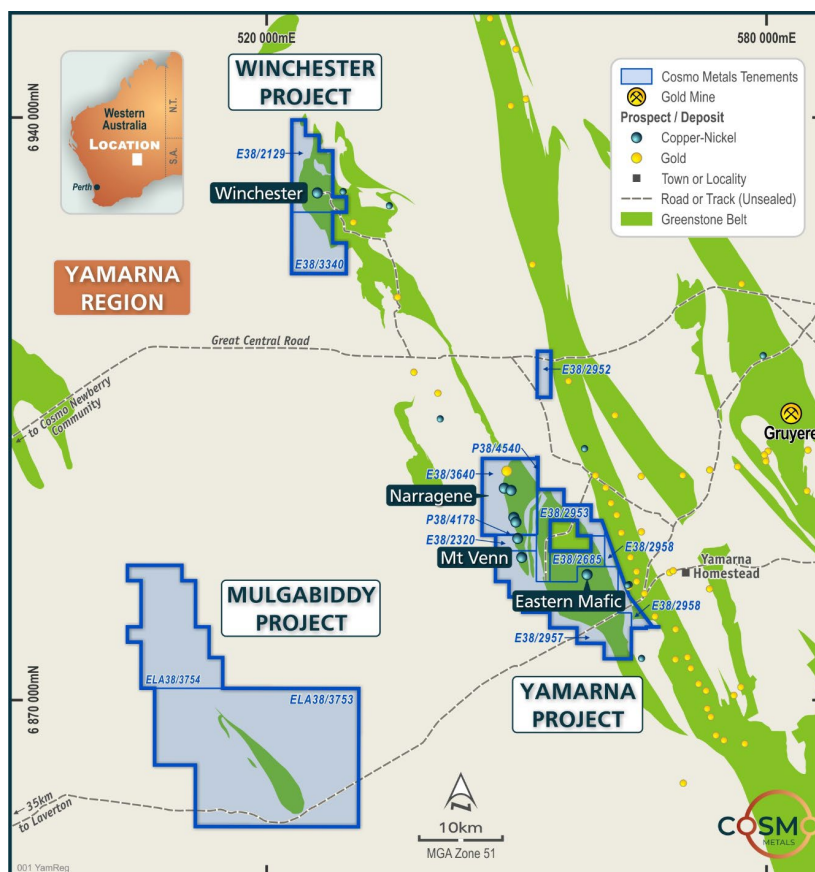


Figure 1: Cosmo Metals' Yamarna Region Projects, Eastern Goldfields Western Australia.

The Mt Venn Cu-Ni-Co prospect was the original focus of exploration by Cosmo following listing on the Australian Stock Exchange in January 2022. The Company has now defined a continuous zone of Cu-Ni-Co mineralisation at Mt Venn which is up to 2.5km in length to a maximum depth of 240m which includes a JORC-code compliant Exploration Target of 10.2 to 32.3 million tonnes of Cu-Ni-Co mineralisation with grades ranging from 0.55% Cu Equivalent (CuEq) to 0.63% CuEq.

The Company continues to evaluate options for Venn with the focus of exploration has turned to the Minjina discovery, approximately 1km north of Mt Venn, where shallow, Volcanogenic Massive Sulphide (VMS) Zn-Pb-Ag mineralisation has now been defined over more than 1km of strike with additional VMS target stratigraphy now also identified at Narragene.

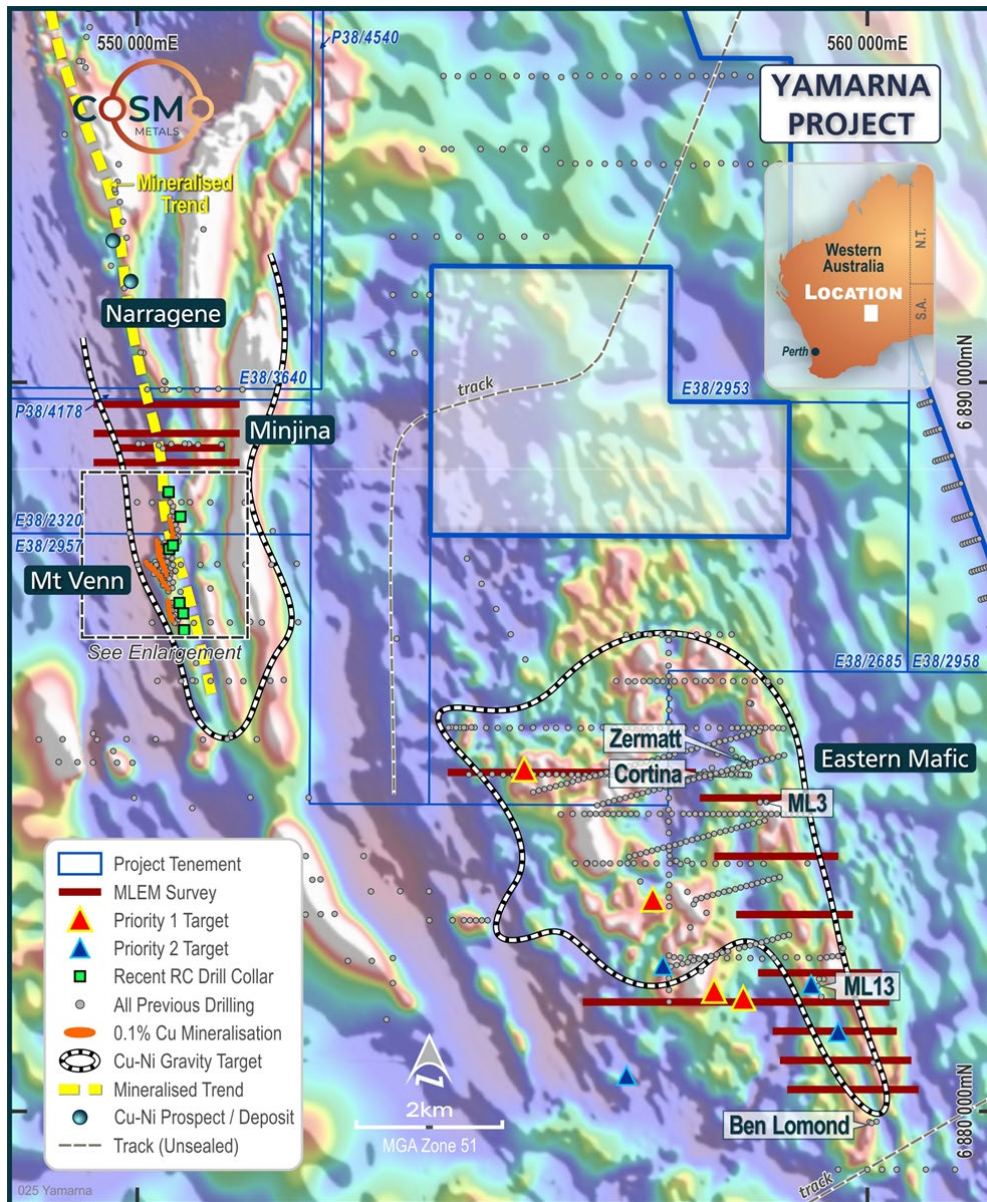


Figure 2: Cosmo Metals' Yamarna Project, Eastern Goldfields Western Australia. RC drilling, MLEM surveys and prospects on regional airborne magnetic imagery (RTP TMI).

MINJINA (Zn-Pb-Ag)

The Minjina Prospect, ~1km north of Mt Venn (refer Figures 2 & 3), was first recognised as a base metals target from a review of historical drillhole 17MVRC004, drilled in 2017, which intersected¹:

- 12m @ 0.8% Zn, 3.3g/t Ag & 0.16% Pb from 48m including
 - 2m @ 2.13% Zn, 3.56g/t Ag and 0.39% Pb from 58m

¹ Refer GBR ASX Announcement 16/12/2019 and Independent Geologist's Report within Cosmo Metals' Prospectus dated 22 November 2021

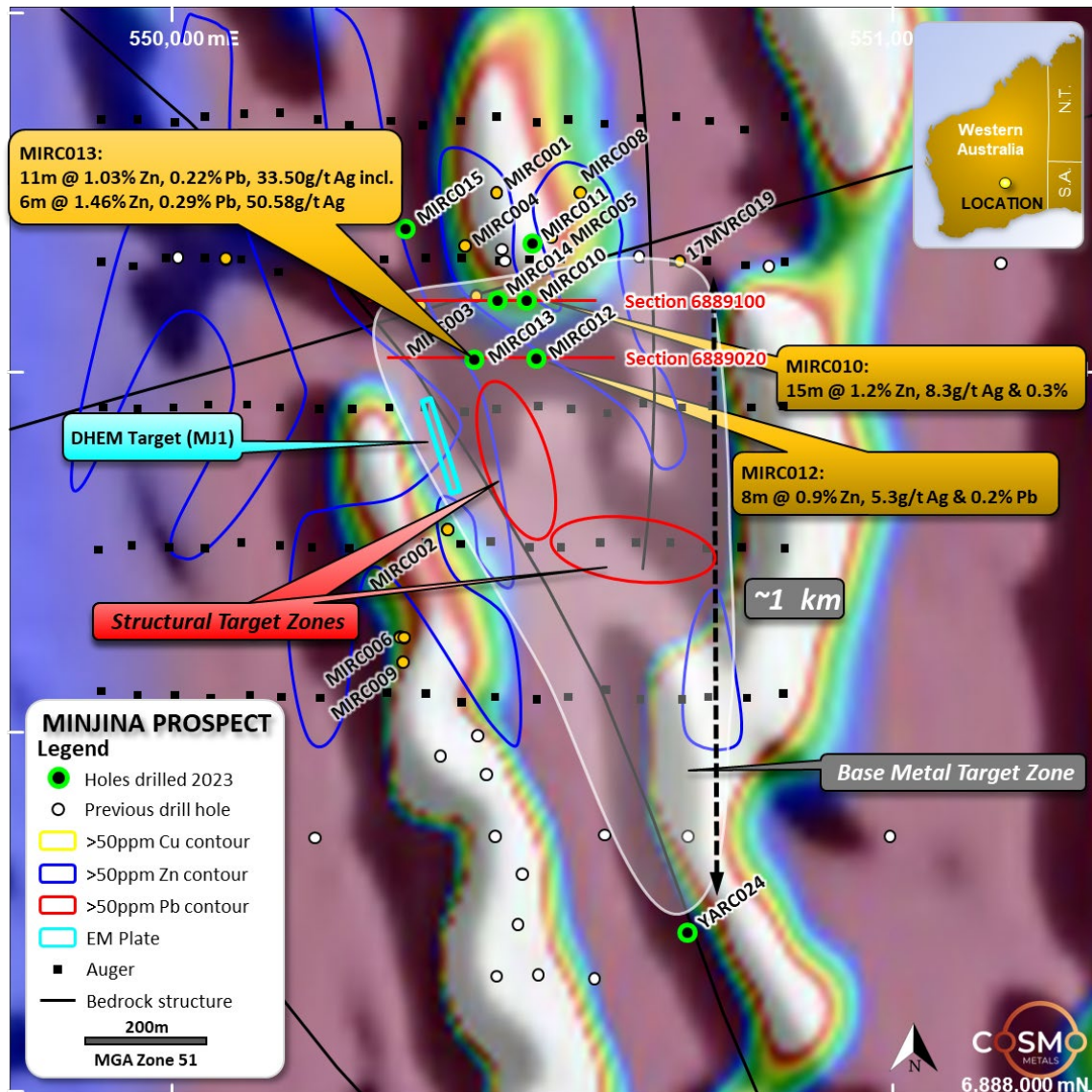


Figure 3: Cosmo Metals' Minjina Prospect. Location of Cosmo and historical drill holes on regional airborne magnetic imagery (RTP TMI). New structural target zones and MJ1, high conductance target identified from DHEM in MIRC012.

Mineralisation at Minjina is significantly different to previous sulphide intersections in the area, with red-orange sphalerite (zinc sulphide) intergrown with subordinate galena (lead sulphide) and chalcopyrite (Cu-sulphide). This contrasts with the pyrrhotite (iron sulphide)-chalcopyrite hosted mineralisation at Mt Venn, supporting the interpretation of a new mineralisation style in the Yamarna project.

Minjina had seen no follow up since 2017 until a downhole electromagnetic (DHEM) survey by Cosmo identified a strong off-hole conductor untested by drilling.

Mineralisation in MIRC003 is open down dip and along strike with the above significant intersections contained within a broad zone of anomalous (greater than 0.1%) Zn intersected down most of the hole.

Follow up drilling successfully intersected multiple wide zones of Zn-Pb-Ag mineralisation, with selected significant intervals including (refer Figures 4, 5 & 6):

- MIRC010 14m @ 0.47% Zn, 0.10% Pb, 8.96g/t Ag 0.12% Cu from 144m and
15m 1.25% Zn, 0.30% Pb, 8.33g/t Ag from 184m
- MIRC012 8m @ 0.87% Zn, 0.18% Pb, 5.35g/t Ag from 219m
- MIRC013 11m @ 1.03% Zn, 0.22% Pb, 33.50g/t Ag, 0.15% Cu from 212m including
 - **6m @ 1.46% Zn, 0.29% Pb, 50.58g/t Ag, 0.21% Cu**

The higher-grade silver intersection in MIRC013 included a one metre interval with **123g/t Ag, 2.7% Zn, 0.4% Pb**

DIRECTORS' REPORT

and 0.3% Cu from 214m.

Mineralisation at Minjina is contained within broad (more than 50m thick) zones of anomalous Zn-Pb-Ag in fresh rock, with the consistency of mineralisation between adjacent holes confirming that the individual intersections form part of a larger mineralised system.

The intersection of Cu mineralisation in holes MIRC010 and MIRC014 is typical of zoning in VMS systems and provides a vector towards a potentially Cu-rich 'core' of the system with grades increasing (and open) down dip (refer Figures 4 & 5).

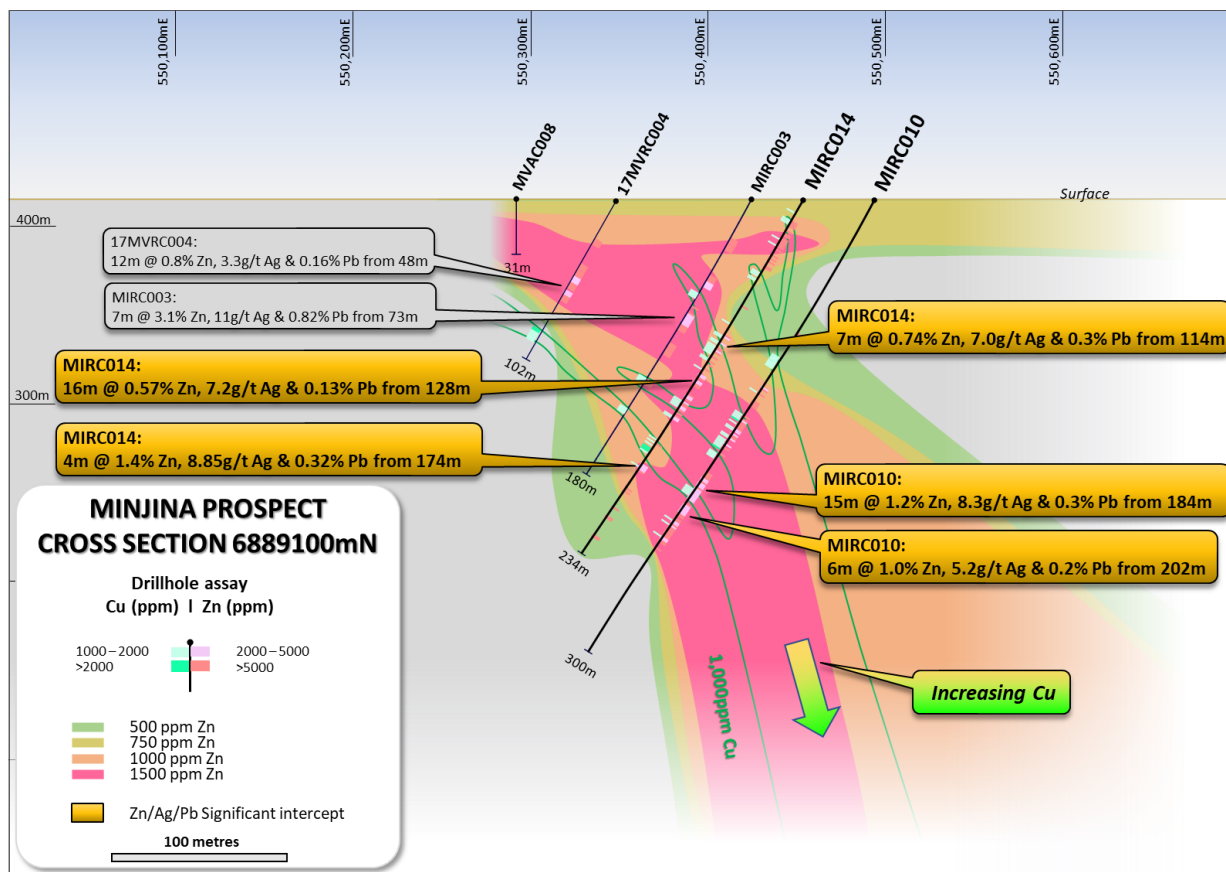


Figure 4: 6889100 view north, MIRC010 and MIRC014 testing downdip of MIRC003 with 1,000ppm Cu contour

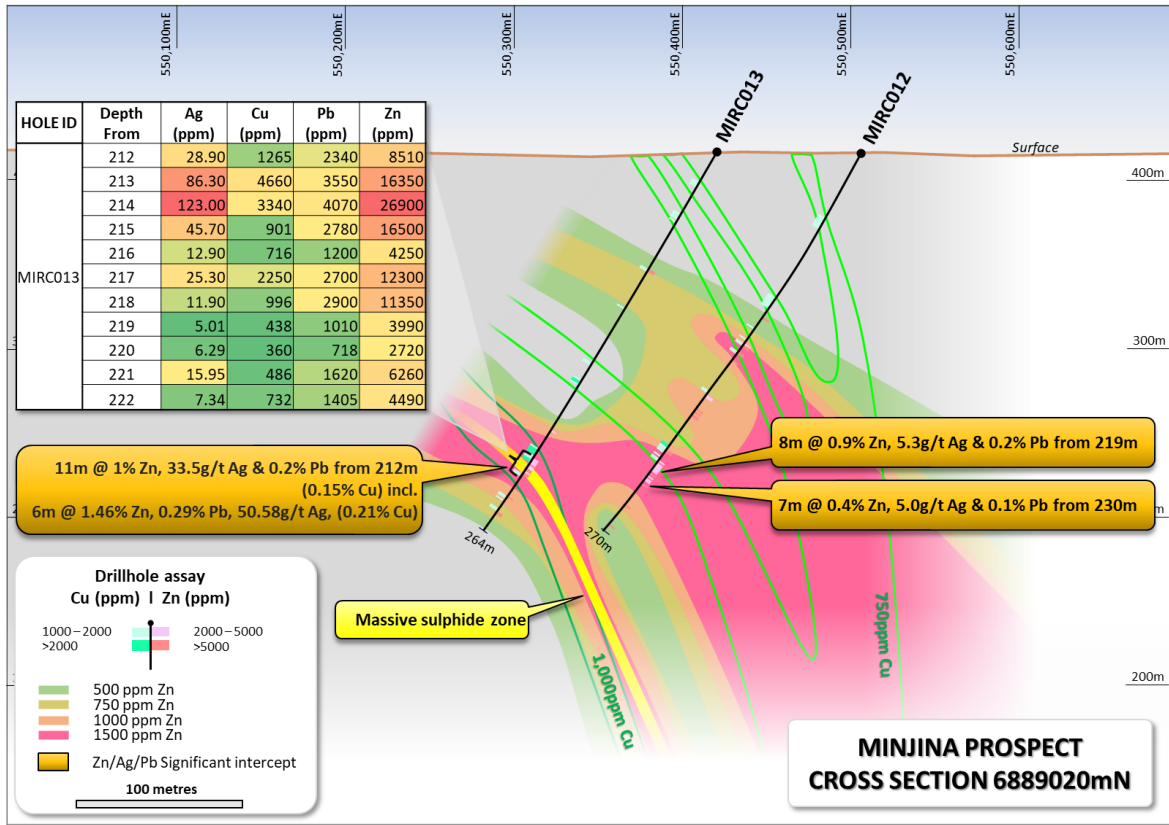


Figure 5: 6889020, view north MIRC012 and MIRC013 80m south of MIRC003 highlighting massive sulphide zone with Zn-Pb-Cu and high-grade Ag and Cu contours.

High priority MJ1 target identified from downhole electromagnetics (DHEM)

A DHEM survey of MIRC012 (drilled 80m east of MIRC013) identified a high conductance (5,700 S) anomaly modelled 150m to the south (refer Figure 6). This target (MJ1) is a compelling walk-up drill target given not only its strong conductance but also importantly the association of massive sulphides in MIRC013 with high-grade silver and significant base metals. MJ1 could be tested with two shallow (~200m) RC holes.

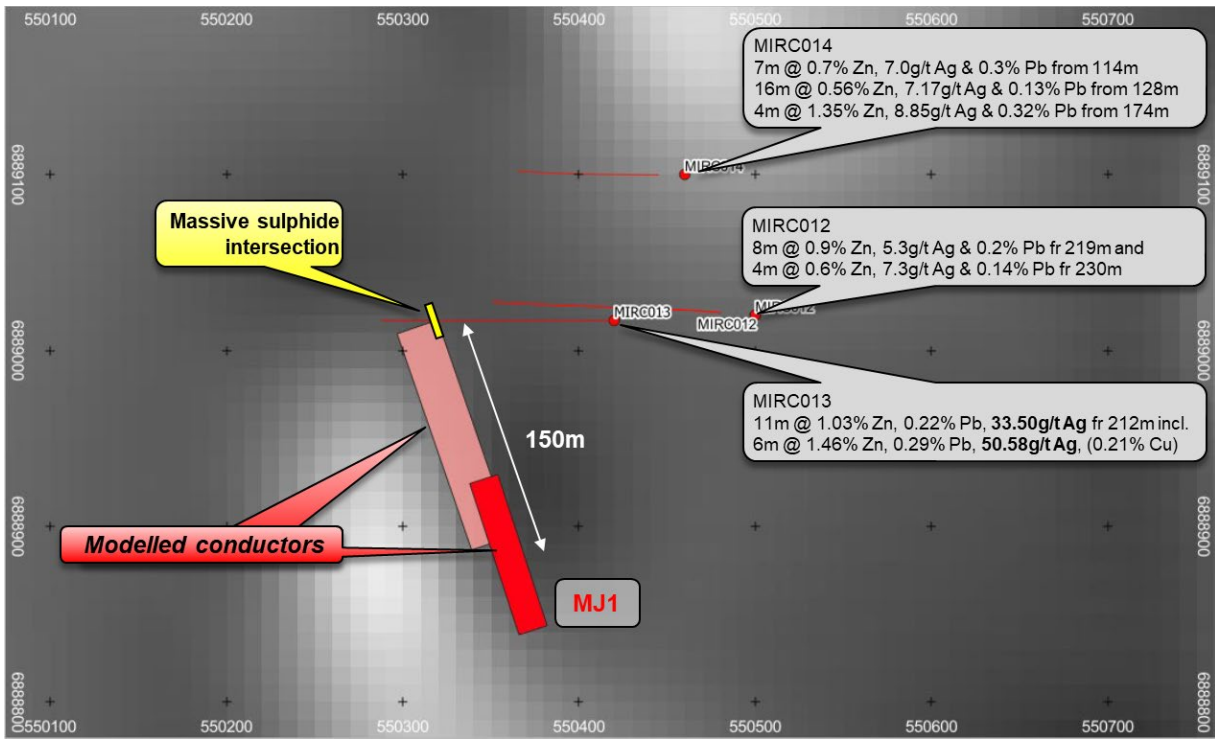


Figure 6: DHEM MJ1 target 150m south of MIRC013 on background greyscale magnetics (RTP TMI).

DIRECTORS' REPORT

MT VENN (Cu-Ni-Co)

The Mt Venn copper (Cu)-nickel (Ni)-cobalt (Co) deposit 125 km east of Laverton within granted exploration leases covering an area of approximately 370 km² where drilling by the Company since listing on the ASX has successfully extended known mineralisation including² (refer Figures 2 & 7):

- 46m @ 0.80% Cu from 141m in 21MVRC001 including
- 12m @ 1.26% Cu from 155m; and
- 13m @ 1.06% Cu from 170m
- 22m @ 0.48% Cu, 0.16% Ni and 0.06% Co from 135m in YARC008 including
- 1m @ 1.56% Cu, 0.15% Ni and 0.05% Co from 147m
- 18m @ 0.40% Cu from 202m in YARC013 including
- 1m @ 1.05% Cu from 215m
- 23m @ 0.30% Cu from 147m in YARC006 including
- 1m @ 1.25% Cu from 154m

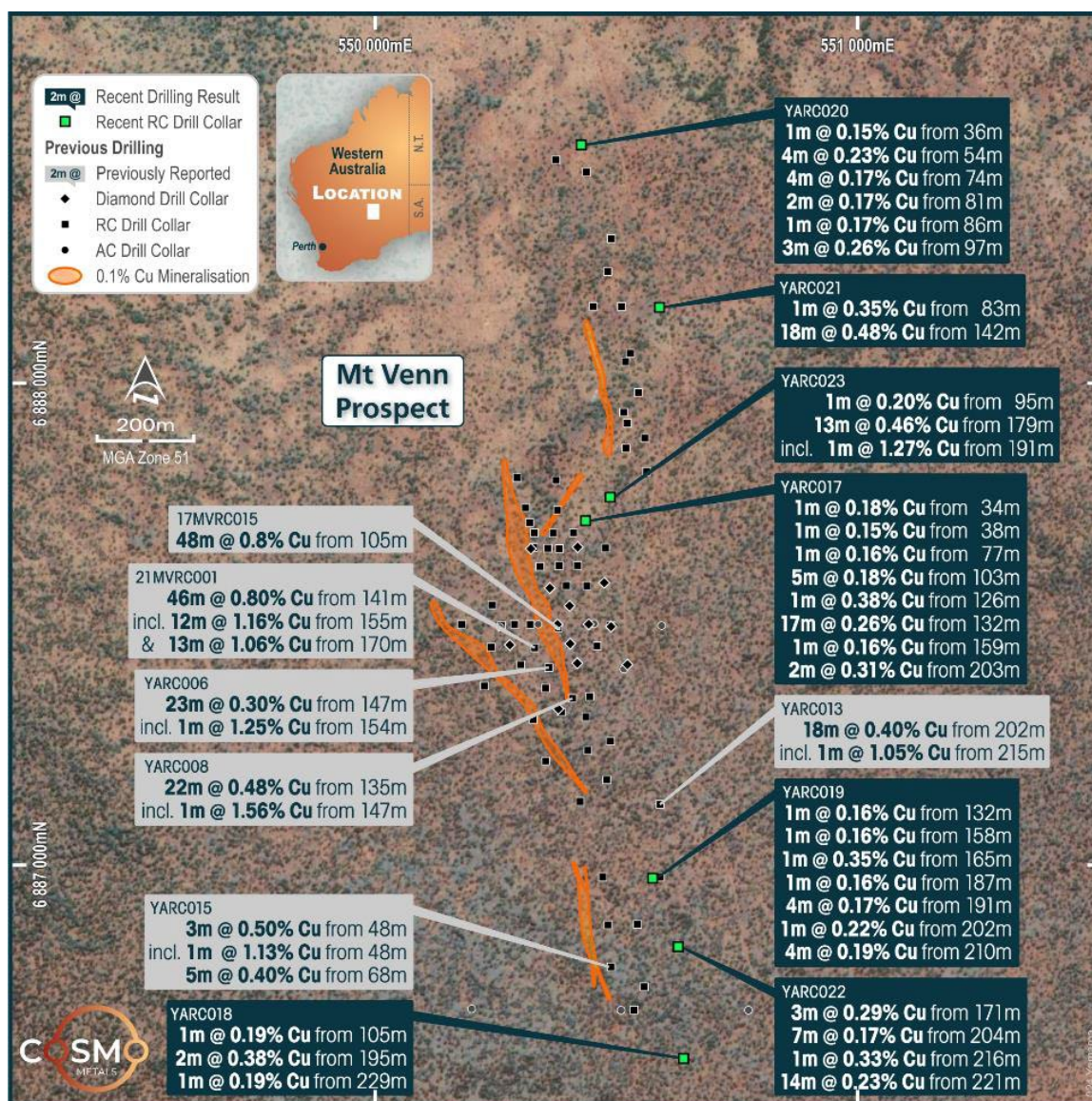


Figure 7: Cosmo Metals' Mt Venn Project. Selected drill intersections on aerial photo background.

Mineralised intervals at Mt Venn comprise disseminated to massive and semi-massive sulphides

² Refer CMO ASX Announcement 16/02/22 & 25/07/22 & Independent Geologist's Report in CMO's Prospectus 22/11/2021

DIRECTORS' REPORT

(pyrrhotite>>chalcopyrite) hosted within a mafic (gabbro) to ultramafic (pyroxenite) unit adjacent to the contact with felsic-intermediate volcanics and volcaniclastics.

A seven-hole RC program drilled by Cosmo to support the estimation of an Exploration Target at Mt Venn intersected further shallow, thick Cu mineralisation including :

- YARC017 17m @ 0.26% Cu from 132m
- YARC021 18m @ 0.48% Cu, 0.12% Ni, 340ppm Co from 142m
- YARC022 14m @ 0.23% Cu from 221m
- YARC023 13m @ 0.46% Cu, 0.11% Ni from 179m

The Mt Venn Exploration Target was prepared by leading global mining consulting group Entech with tonnes and grade ranges between³ (refer Table 1 and Figure 8 below):

10.2 to 32.3 million tonnes of Copper (Cu) - Nickel (Ni) – Cobalt (Co) mineralisation with grades ranging from 0.55% Cu Equivalent (CuEq) to 0.63% CuEq.

The potential tonnes and grades of the Exploration Target are conceptual in nature and should not be considered as an estimate of a Mineral Resource. There has been insufficient exploration (and drilling density) to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target, being conceptual in nature, takes no account of geological complexity or metallurgical recovery factors.

Table 1: Mt Venn Exploration Target. Potential tonnes and grade ranges.

Deposit	Attribute	Upper Limit ≥ 0.3% CuEq + 200mRL			Lower Limit ≥ 0.3% CuEq + Inpit ⁴		
		Tonnes (Mt)	Metal (kt)	Grade (%)	Tonnes (Mt)	Metal (kt)	Grade (%)
Mt Venn	CuEq2023 ⁴	32.3	177.2	0.55	10.2	64.5	0.63
	Copper		99.1	0.31		37.3	0.36
	Nickel		26.1	0.08		8.9	0.09
	Cobalt		8.6	0.03		3.1	0.03

³ Refer CMO ASX Announcement 16/02/2023

⁴ The Copper equivalent has been calculated using metal pricing, recoveries and other payability assumptions for copper, nickel and cobalt as detailed in 'Other Substantive exploration data' in Section 2 of the attached JORC Code Table 1.

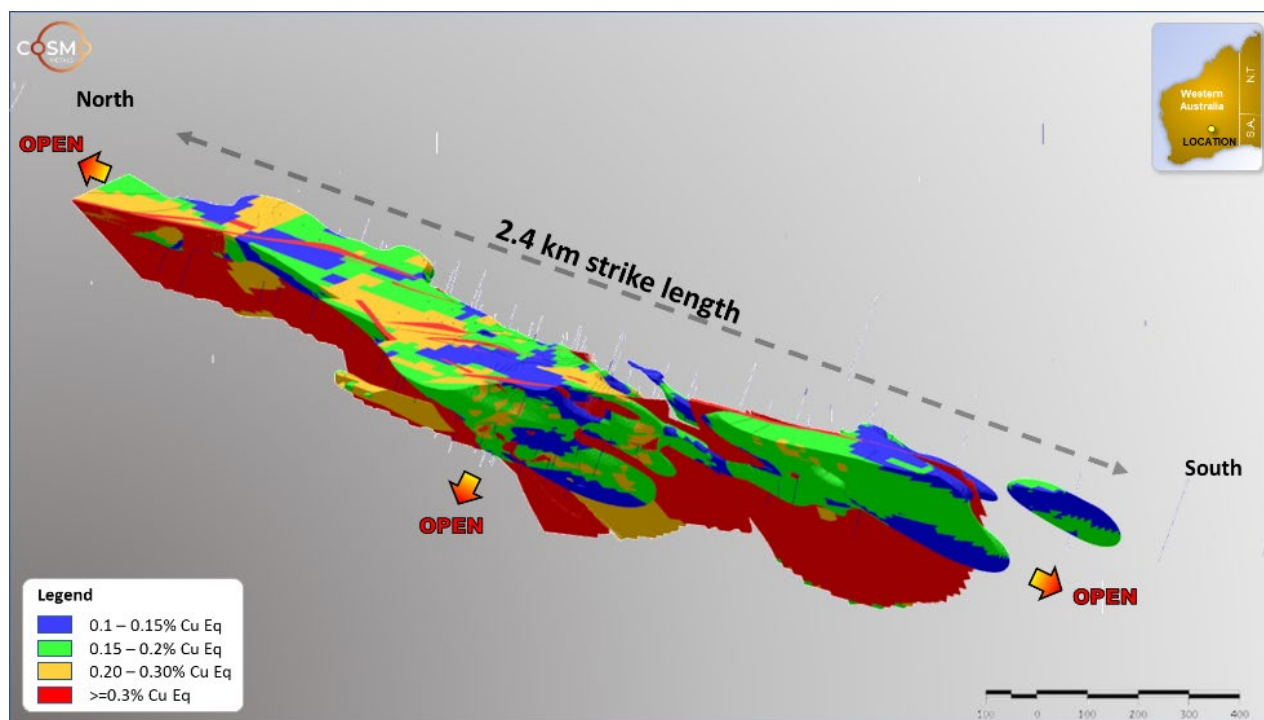


Figure 8: Mt Venn Mt Venn Exploration Target, 3D Block Model, Oblique View

Metallurgical testwork undertaken by Great Boulder Resources Ltd (GBR) in 2018 indicates that copper-nickel-cobalt reported in the Exploration Target can be recovered with current mineral processing technology. Material classification is not applied for an Exploration Target.

Further metallurgical testwork is planned in preparation for potential processing and economic studies once exploration target testing activities along the broader Mt Venn trend have been completed.

NARRAGENE (Cu-Ni-PGE)

The Company's Narragene tenement (E38/3640) covers the interpreted northern extension of the Mt Venn Complex (refer Figures 1 & 2). Historical drilling along this trend intersected wide (20-44m) zones of copper-dominant sulphide mineralisation with almost half the historical holes completed recording grades greater than 0.2% Cu including historical hole MVRC010, which intersected:

- **4m @ 1.3% Cu and 0.7% Ni from 33m**

MVRC010 is coincident with a NNW-trending shear zone, and has never been followed up despite intersecting the highest nickel grades drilled to date in the Mt Venn Igneous Complex.

There has been no on-ground exploration at the Narragene project in more than 20 years and Cosmo's review of historical data has identified numerous high-priority target areas for on-ground verification. The target areas have been prioritised based on:

1. Widespread Cu-Ni mineralisation in rock chips and intersected in historical drilling, including hole MVRC010 with the highest-grade Ni intersection in the Mt Venn Greenstone Belt with:
 - 4m @ 1.2% Cu, 0.68% Ni from 33m including 1m @ 0.5% Cu, 1.8% Ni from 35m

MVRC010 is coincident with a NNW-trending shear zone, and has never been followed up despite intersecting the highest nickel grades drilled to date in the Mt Venn Igneous Complex.

2. Extensive mafic/ultramafic rocks (host for magmatic Cu-Ni-Co±PGE mineralisation) associated with widespread Cu-Ni mineralisation identified in historical rock chip sampling.
3. Widespread felsic volcanic rocks (potential host to VMS-style Zn-Pb-Ag mineralisation), which are interpreted to underlie extensive post-mineral cover. This covered area was overlooked by historical

DIRECTORS' REPORT

explorers due to their focus on magmatic Cu-Ni ($\pm$ PGE) deposits hosted within the better exposed mafic/ultramafic units.

4. Limited, and shallow historical drilling, with only 29 holes drilled within this 60km² tenement, with an average hole depth of 123m (maximum 230m).
5. Significant areas of post-mineral cover limiting effectiveness of surface prospecting techniques

2023 Ground Electromagnetic Survey

In early 2023 the Company undertook a moving loop electromagnetic (MLEM) survey on eight lines initially targeting the contact of the mafic and felsic/intermediate rocks in an area associated with widespread copper and nickel mineralisation in historical rock chips and drilling.

The MLEM identified a strong conductor which was followed up with a Fixed-Loop EM (FLEM) survey with 52 stations observed along three profiles (total of two line-kilometres) with line 6894900 identifying a 155 x 40m strong late-time conductor "NA1" with a conductance of 7,670 S associated with elevated Cu and Ni in surface sampling.

A shallow (160m) drillhole – NARC001P - has been planned to test NA1 (refer Figure 9).

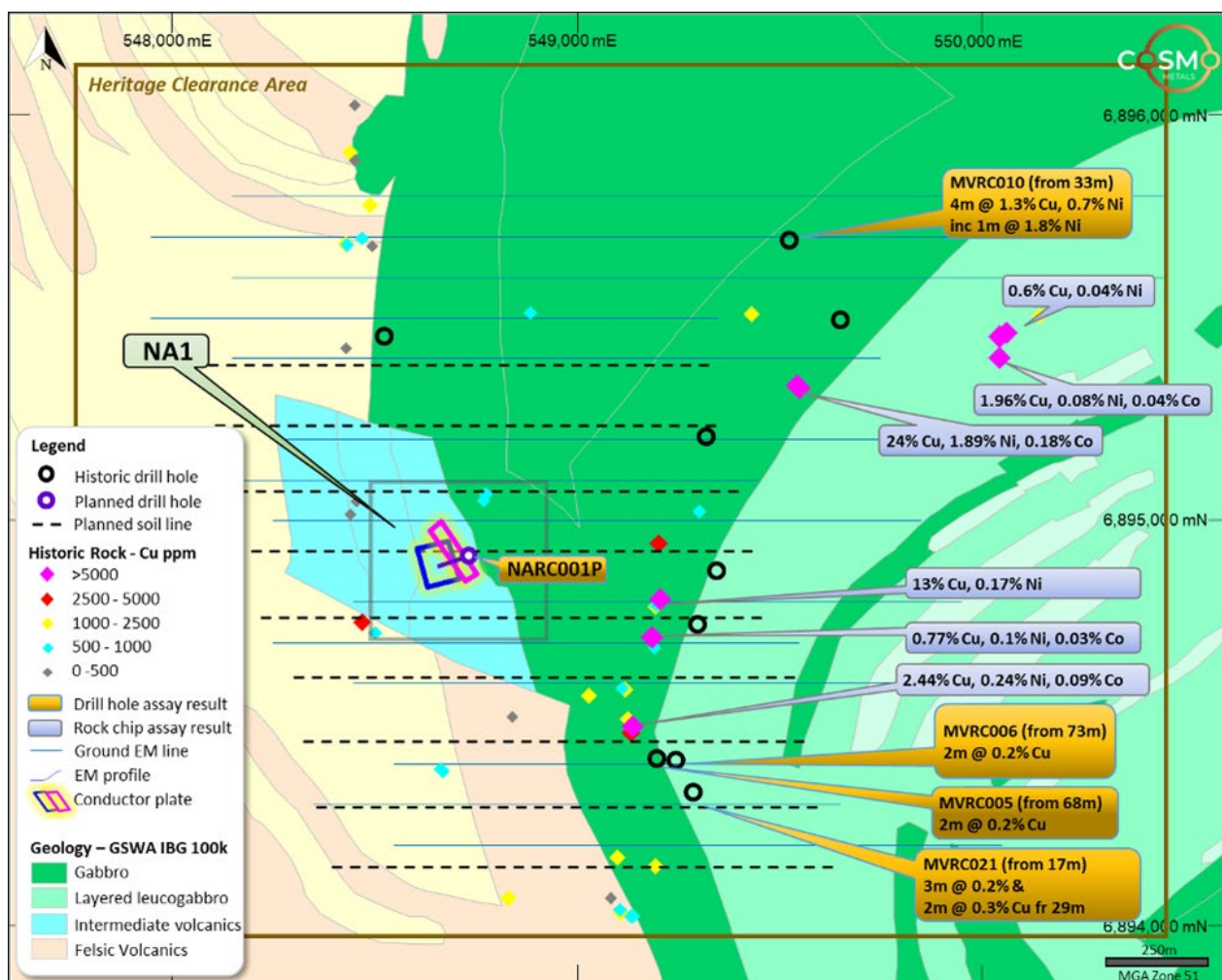


Figure 9: NA1 prospect, Narragene Project. Ground EM lines, and planned soils with historical drill holes and rock chip samples on background GSWA 1:100,000 geology.

DIRECTORS' REPORT

WURNDA (LITHIUM)

Targeting work by Cosmo's technical team during the half year led to the recognition of the Lithium-Cesium-Tantalum (LCT) Pegmatite potential of the Deleta Greenstone Belt (DGB) 100km northeast of Laverton in the Eastern Goldfields Region of Western Australia (Figure 1).

The Company recently applied for three tenements, the "Wurnda Lithium Project", covering more than 480km² (Figures 1 & 2). The Wurnda applications cover a more than 60km long belt of anomalous lithium and associated LCT pegmatite pathfinder elements identified from historical auger soil sampling.

Historical auger soils sampling at Wurnda collected in 2011 targeted gold mineralisation spatially associated with the De La Poer Fault, a major north-northwest trending structure within the Deleta Greenstone Belt (DGB), a poorly exposed package of granites and mafic-ultramafic rocks which were first recognised in the late 1990s (Stewart, 1999).

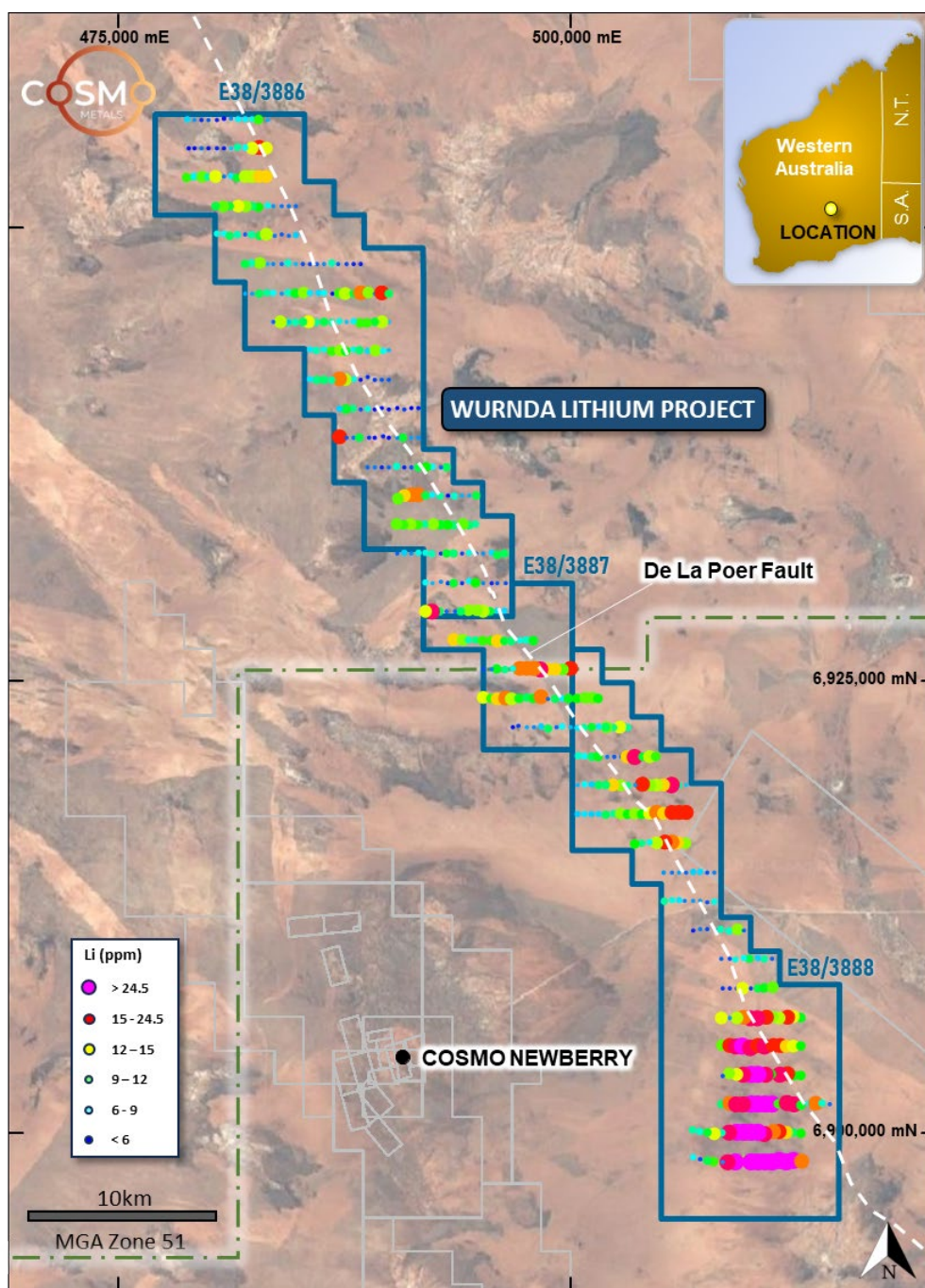


Figure 10: Cosmo Metals' Wurnda Lithium Project, Eastern Goldfields Western Australia. Anomalous lithium in auger soils geochemistry associated with the regional De la Poer fault on aerial photography.

DIRECTORS' REPORT

The DGP is dominated by aeolian sands with rare granite or greenstone outcrop. The area has received little systematic exploration, limited to wide spaced (1,600m x 400m) auger soil sampling with no drilling. Although historical auger targeted gold mineralisation all samples were submitted for a broad multi-element suite, including lithium and several Lithium-Cesium-Tantalum (LCT) pegmatite pathfinder elements (e.g., tin, cesium, rubidium, beryllium) using an aqua regia partial digest, only effective in weathered sample materials.

The Company's review of the Wurnda Project identified widespread lithium and pathfinder anomalism along the entire 60km long Wurnda Project area with the strongest anomalies forming a coherent zone of approximately nine kilometres by three kilometres in the south of the project area (Figure 2).

The Company considers the Wurnda Project a compelling target for follow up given:

- Limited and widely spaced, 1,600 x 400m, surface sampling with no drilling
- Widespread Li and associated pathfinder anomalism extending more than 60km over Yilgarn greenstone with limited outcrop and largely transported (aeolian sand) cover and
- LCT pathfinder anomalies associated with mapped greenstones and the De la Poer Fault, a major structural zone.

LITHIUM & VANADIUM TARGETING

Narragene North Lithium

The Company's review of the lithium prospectivity of the Yamarna region also identified a pegmatite containing unit, identified in GSWA mapping, adjacent to the Narragene Project, and which has never been sampled. The Company applied for a tenement (E38/3911) to cover the mapped pegmatites (Figures 1 & 11).

At this stage there is no information to confirm the LCT prospectivity of these pegmatites however the association with mapped mafic-ultramafic rocks, the presence of abundant, locally low Ca, granitic source rocks and limited exposure make this an obvious early-stage opportunity for follow up to build on the Company's successful identification of the Wurnda Project and growing critical minerals landholding in the region.

A follow up program of field checking, and surface sampling is planned to target the edge of this unit where it is associated with mafic rocks, considered prospective for LCT-type pegmatites.

Yamarna Vanadium

The Company's ongoing targeting work has identified historical rock chip samples with up to 1.58% vanadium pentoxide (V_2O_5) associated with a strongly magnetic unit to the north of the Minjina Project (Figure 11).

This near surface to outcropping vanadiferous titanium magnetite (VTM) unit can be traced in airborne magnetic data over a length of more than five kilometres with widths exceeding 500m. The V_2O_5 association with up to 17% titanium dioxide (TiO_2) is considered analogous to host rocks at known economic vanadium deposits globally such as the Bushveld Complex in South Africa.

There has been limited surface sampling and no drilling coincident with this unit and a systematic soils and rock chip sampling program is planned once heritage approvals are received.

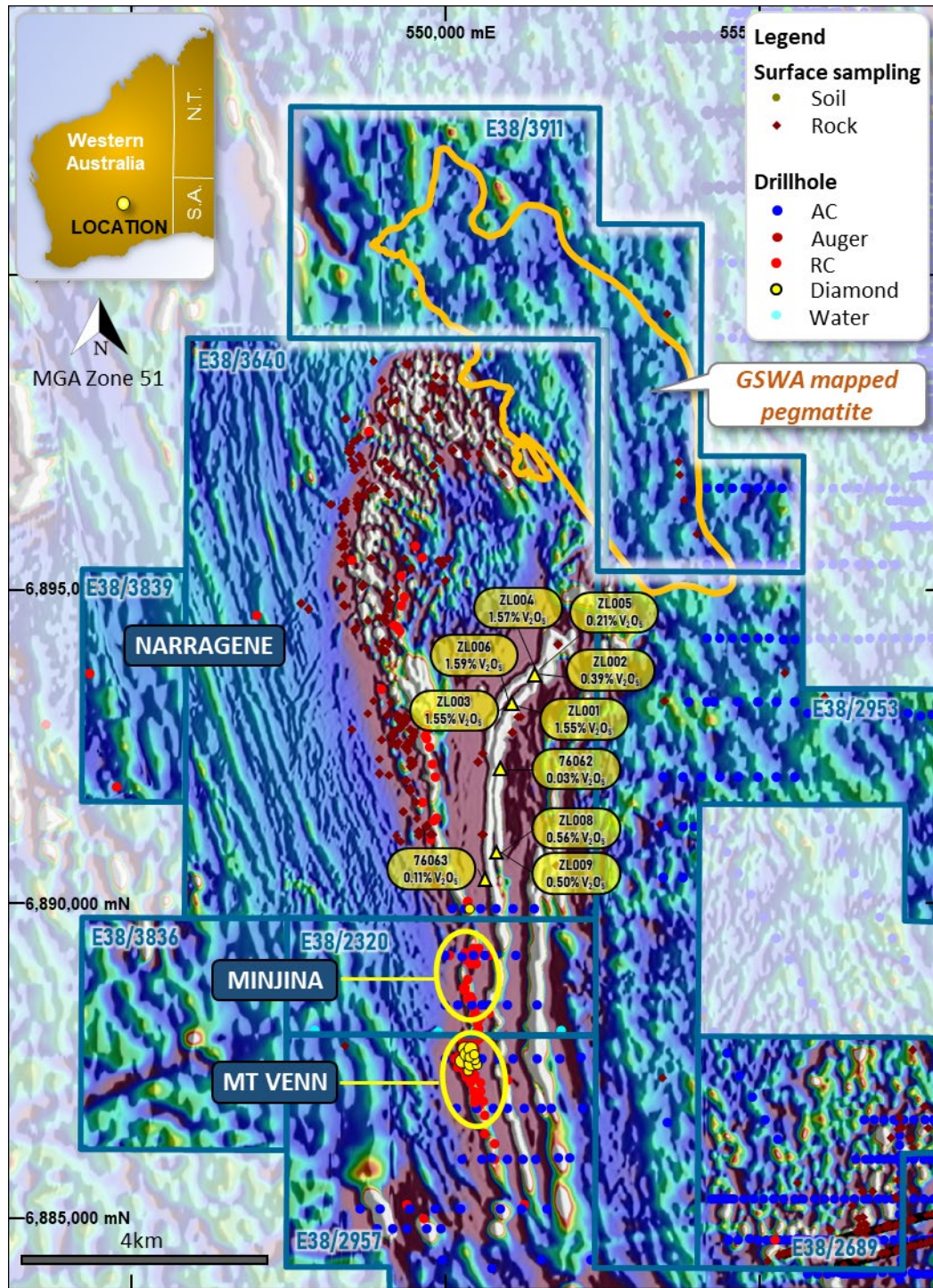


Figure 11: Cosmo Metals' Yamarna Project, Eastern Goldfields Western Australia. Vanadium-rich magnetite rock samples north of Minjina and associated with strong, near-surface magnetic unit. New tenement application (E38/3911) to the north applied for to cover mapped pegmatites.

If the results from the sampling warrants, then lab-scale metallurgical test work would be planned to confirm the amenability of these rocks to produce a saleable concentrate.

The near-surface vanadium potential at Yamarna has the potential to add significant shareholder value with vanadium listed as a Critical Mineral in Australia, the US, UK and European Union. Vanadium demand is expected to grow significantly due to its energy storage capabilities and the development of Vanadium Redox Flow Batteries (VRFBs). By 2030, an estimated 117kt of vanadium could be required in VRFBs, which is equivalent to 110% of today's annual consumption (source Eurometaux (2022), Metals for Clean Energy).

DIRECTORS' REPORT

WINCHESTER (CMO 75% - 100%)

The Winchester Project is located ~50km north of the Yamarna Project tenement package, comprising two tenements covering 91km². Winchester hosts several polymetallic (Cu-Ni-Co-PGE) prospects interpreted to be analogous to the Mt Venn deposit (refer Figure 7).

Several phases of exploration have historically been completed at Winchester, however only 22 RC and DD holes have been drilled to date across the entire tenement area. Several significant intercepts have been recorded including⁵:

- 7m @ 1.1 % Cu, 0.2% Ni, 0.01% Co, 0.13ppm PGE and 0.19g/t Au from 123 m (18WNRC001) including
 - **2m @ Cu 1.8% Cu, 0.2 % Ni, 0.02% Co, 0.22ppm PGE and 0.25g/t Au from 126m**
- 13m @ 0.9 Cu %, 0.3 % Ni, 0.02 % Co from 138 m (18WNRC002) including
 - **2m @ 1.5% Cu, 0.1% Ni, 0.01% Co and 0.12g/t Au from 138 m and**
 - **5m @ 1.1% Cu, 0.7% Ni, 0.04% Co and 0.1ppm PGE from 144m**
- 4.4m @ 0.8% Cu, 4.7g/t Ag from 201.86 m (20WNRC002)
- 19m @ 0.6% Cu, 0.3% Ni, and 0.02% Co from 106m (YMRC010) including
 - **10m @ 0.8% Cu, 0.4% Ni, 0.03% Co**
- 13m at 0.9% Cu, 0.3% Ni, 0.02% Co from 138m (18WNRC002) including
 - **5m at 1.1% Cu, 0.7% Ni, 0.04% Co, 0.10g/t PGE**

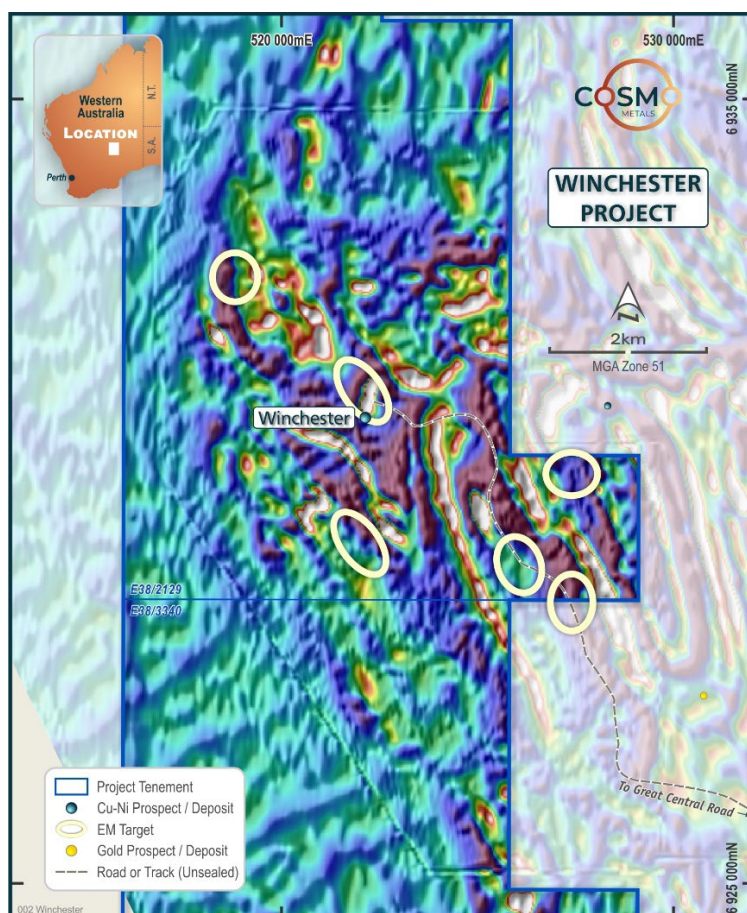


Figure 12: Cosmo Metals' Winchester Project with EM targets and location of the Winchester Prospect on background airborne magnetics (VD1 TMI)

No on-groundwork was completed at Winchester in the half-year period.

⁵ Refer Independent Geologist's Report within Cosmo Metals' Prospectus dated 22 November 2021

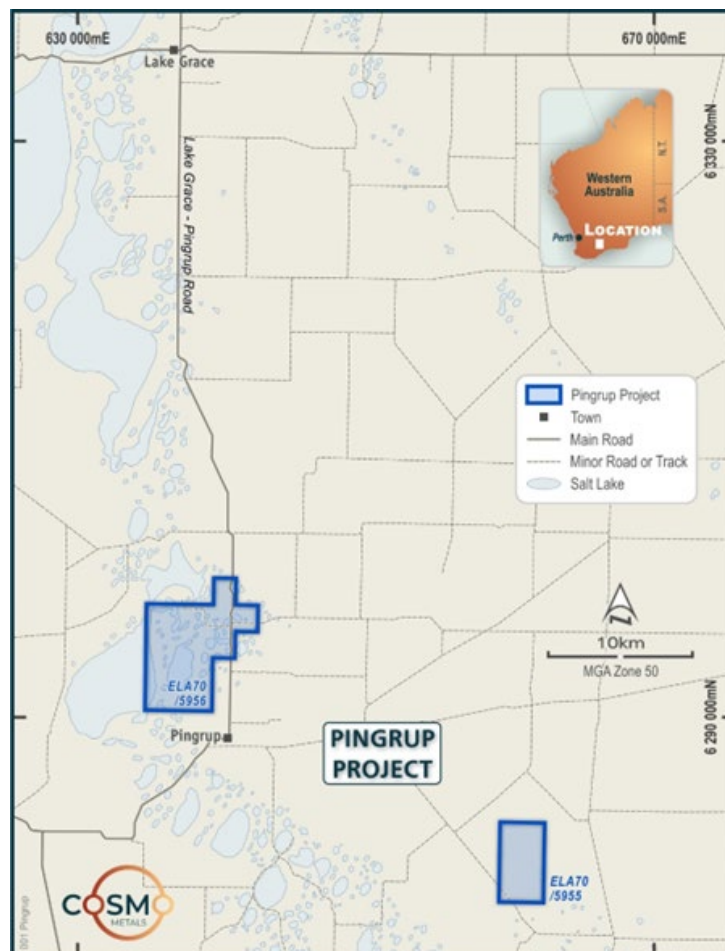
DIRECTORS' REPORT

PINGRUP (CMO 100%)

Cosmo Metals' Pingrup Project comprises two recently granted tenements in the southern Wheatbelt region of Western Australia (refer Figure 13).

Pingrup represents conceptual targets generated from a desktop analysis of regional magnetic data with no on-ground exploration undertaken during the quarter. Given the project's early stage and limited funding available a strategic review of the project is underway to support possible divestment options.

Figure 13: Cosmo Metals' Pingrup Project, SW Western Australia



EVENTS AFTER THE REPORTING DATE

On 17 January 2024, the Company announced it undertook a placement of 6,000,000 shares, at \$0.050 per share, to raise \$300,000 (before costs). The Placement Shares (Tranche 1) were issued on 24 January 2024. Each share also has one-for-two free-attaching option (exercisable at \$0.075 expiring two years from date of issue) to be issued subject to shareholders' approval at the Company's General Meeting. 1,000,000 options (exercisable at \$0.075 expiring two years from issue) will also be issued to brokers for capital raising services provided for this placement, subject to shareholders' approval at the Company's General Meeting.

On 19 February 2024, the Company exercised the option to acquire 100% of the issued capital in La Zarza Minerals Pty Ltd and as a result made payment of \$50,000 as part of the total cash consideration. The Company also lodged a 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 (refer to ASX announcement on 19 February 2024).

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

AUDITORS' INDEPENDENCE DECLARATION

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

DIRECTORS' REPORT

This directors' report is signed in accordance with a resolution of the Board of Directors, pursuant to section 303(3)(a) of the *Corporations Act 2001*.

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

James Merrillees
Managing Director

Date: 19 February 2024
Perth

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



		31 December 2023	31 December 2022
	Notes	\$	\$
Interest income		1,536	7,210
Depreciation expense		(10,406)	(9,074)
Non-capital exploration expenditure	4	(6,250)	(5,850)
Administration expenses		(252,569)	(370,094)
Share based payments		-	(15,592)
Asset impairment charges	4	(141,079)	-
Loss before income tax		(408,768)	(393,400)
Income tax expense		-	-
Loss after income tax expense for the period		(408,768)	(393,400)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to the owners of Cosmo Metals Limited		(408,768)	(393,400)
Loss per share			
Basic and diluted loss per share (cents)	10	(0.69)	(0.78)

The accompanying notes form part of this interim financial report.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**



		31 December 2023 \$	30 June 2023 \$
	Notes		
ASSETS			
Current assets			
Cash and cash equivalents	2	83,901	612,449
Trade and other receivables	3	55,101	131,864
Total current assets		139,002	744,313
Non-current assets			
Plant and equipment		51,395	61,801
Exploration and evaluation expenditure	4	8,584,103	8,453,597
Other		59,836	-
Total non-current assets		8,695,334	8,515,398
Total assets		8,834,336	9,259,711
LIABILITIES			
Current liabilities			
Trade and other payables	5	195,212	339,824
Provisions		15,895	7,174
Total current liabilities		211,107	346,998
Non-current liabilities			
Provisions		443	335
Total non-current liabilities		443	335
Total liabilities		211,550	347,333
Net assets		8,622,786	8,912,378
EQUITY			
Issued capital	6	9,663,445	9,544,309
Reserves	7	1,151,390	1,151,350
Accumulated losses		(2,192,049)	(1,783,281)
Total equity		8,622,786	8,912,378

The accompanying notes form part of this interim financial report.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Issued Capital \$	Share based payment reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2022	9,197,642	972,550	(1,096,648)	9,073,544
Net loss for the period	-	-	(393,400)	(393,400)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(393,400)	(393,400)

Transactions with owners in their capacity as owners

Share issue	-	-	-	-
Share issue costs	-	-	-	-
Share based payments	-	15,592	-	15,592
Balance at 31 December 2022	9,197,642	988,142	(1,490,048)	8,695,736

	Issued Capital \$	Share based payment reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2023	9,544,309	1,151,350	(1,783,281)	8,912,378
Net loss for the period	-	-	(408,768)	(408,768)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(408,768)	(408,768)

Transactions with owners in their capacity as owners

Share issue	120,763	-	-	120,763
Share issue costs	(1,627)	-	-	(1,627)
Other	-	40	-	40
Balance at 31 December 2023	9,663,445	1,151,390	(2,192,049)	8,622,786

The accompanying notes form part of this interim financial report.

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Notes	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(268,073)	(344,833)
Interest received		1,536	7,210
Net cash outflow from operating activities		(266,537)	(337,623)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(861)
Refund of property, plant and equipment		-	50,633
Payments for exploration and business development		(342,187)	(1,212,333)
Net cash outflow from investing activities		(342,187)	(1,162,561)
Cash flows from financing activities			
Proceeds from issue of shares		81,803	-
Capital raising costs		(1,627)	-
Net cash inflow from financing activities		80,176	-
Net decrease in cash held		(528,548)	(1,500,184)
Cash at the beginning of the period		612,449	3,058,757
Cash at the end of the period	2	83,901	1,558,573

The accompanying notes form part of this interim financial report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023



1. Summary of material accounting policies

Basis of Preparation

The interim financial report is a general purpose financial report that have been prepared in accordance with *Corporations Act 2001* and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this interim financial report be read in conjunction with the Company's annual financial statements for the year ended 30 June 2023 and any public announcements made by Cosmo Metals Limited during the period in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Going Concern

These financial statements are prepared on a going concern basis. The Company had incurred a net loss after tax of \$408,768, cash outflows from operating activities of \$266,537 and cash outflows from investing activities of \$342,187 for the period ended 31 December 2023. As at that date, the Company had net current liabilities of \$72,105.

Whilst the above conditions indicate a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report, the Directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern, after consideration of the following factors:

- a) In accordance with the *Corporations Act 2001*, the Company has plans to raise further capital through the issue of equity during the financial year end 30 June 2024; and
- b) The Directors of the Company expect that major shareholders of the Company will support fundraising activities.

On this basis, the Directors are of the opinion that the financial statements should be prepared on a going concern basis and that the Company will be able to pay its debts as and when they fall due and payable.

Should the Company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Reporting Basis and Conventions

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023 (continued)**



New and revised accounting standards and interpretations

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023 (continued)**



2. Cash and Cash Equivalents

	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Cash and cash equivalents in the statement of financial position and statement of cash flows</i>		
Cash at bank and on hand	83,901	612,449
	83,901	612,449

3. Trade and Other Receivables

	31 Dec 2023	30 Jun 2023
	\$	\$
GST receivable	9,325	64,060
Prepayments	45,775	50,503
Other	1	17,301
	55,101	131,864

4. Exploration and Evaluation

	31 Dec 2023	30 Jun 2023
	\$	\$
Exploration and evaluation – at cost	8,584,103	8,453,597

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period is set out below:

	31 Dec 2023	30 Jun 2023
	\$	\$
Opening balance	8,453,597	5,963,499
Expenditure incurred during the period	277,835	2,496,729
Impaired during the year	(141,079)	-
Written off during the year	(6,250)	(6,631)
Closing balance	8,584,103	8,453,597

5. Trade and Other Payables

	31 Dec 2023	30 Jun 2023
	\$	\$
Trade payables	163,827	204,260
Accrued expenses	17,220	60,900
Other creditors	14,165	74,664
	195,212	339,824

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023 (continued)**



6. Issued Capital

	31 Dec 2023	30 Jun 2023
	\$	\$
Ordinary shares – issued and fully paid	9,663,445	9,544,309

	No. of shares	Issue Price	\$
<i>Movement in ordinary shares on issue</i>			
On issue at 30 June 2023	58,086,501		9,544,309
Shares issued under Placement (a)	1,090,167	0.075	81,763
Shares issued in lieu of payment (a)	520,000	0.075	39,000
Transactions costs	-	-	(1,627)
On issue at 31 December 2023	59,696,668		9,663,445

(a) Refer to ASX announcement dated 15 June 2023 – shares were issued subject to shareholder approval at the Company's General Meeting held on 27 July 2023.

7. Reserves

	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Share-based payments reserve consists of:</i>		
Share options	1,151,390	1,151,350
At closing of reporting period	1,151,390	1,151,350

	Number	Number
<i>Movement in options on issue:</i>		
At beginning of reporting period	10,500,000	10,000,000
Options issued (a)	13,186,667	500,000
Options forfeited	(500,000)	-
Balance at end of reporting period	23,186,667	10,500,000

(a) On 21 June 2023, 4,000,000 options were granted but were only issued on 4 August 2023. 9,186,667 free attaching options were approved at the Company's General Meeting held on 27 July 2023 and issued on 4 August 2023.

8. Related Party Transactions

During the period ending 31 December 2023, Andrew Paterson, a director of the Company, is also an officer of Dampier Consulting Pty Ltd, a company who provided Director services and invoiced the Company \$10,175 (31 December 2022: nil), including GST, for Director services. As at 31 December 2023, all amounts owing to Dampier Consulting Pty Ltd was paid.

During the period ending 31 December 2023, Great Boulder Resources Limited (parent entity of the Company), invoiced the Company \$11,061 (31 December 2022: \$20,749) for shared storage fees. As at 31 December 2023, \$11,061 (31 December 2022: nil) was owing to Great Boulder Resources Limited.

There were no other transactions with related entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023 (continued)



9. Commitments for Expenditure

Exploration and Evaluation

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

The Company has tenement expenditure commitments payable of:

	31 Dec 2023 \$	30 Jun 2023 \$
Not later than 12 months	541,147	653,040
Between 12 months and 5 years	2,164,588	2,612,160
Total	2,705,735	3,265,200

10. Loss per Share

	31 Dec 2023 \$	31 Dec 2022 \$
Loss after income tax	(408,768)	(393,400)

	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic loss per share	59,390,386	50,510,001
Basic and diluted loss per share (cents)	(0.69)	(0.78)

11. Events after the Reporting Date

On 17 January 2024, the Company announced it undertook a placement of 6,000,000 shares, at \$0.050 per share, to raise \$300,000 (before costs). The Placement Shares (Tranche 1) were issued on 24 January 2024. Each share also has one-for-two free-attaching option (exercisable at \$0.075 expiring two years from date of issue) to be issued subject to shareholders' approval at the Company's General Meeting. 1,000,000 options (exercisable at \$0.075 expiring two years from issue) will also be issued to brokers for capital raising services provided for this placement, subject to shareholders' approval at the Company's General Meeting.

On 19 February 2024, the Company exercised the option to acquire 100% of the issued capital in La Zarza Minerals Pty Ltd and as a result made payment of \$50,000 as part of the total cash consideration. The Company also lodged a 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 (refer to ASX announcement on 19 February 2024).

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

12. Contingent Assets and Liabilities

The Company had no contingent assets and no contingent liabilities as at 31 December 2023 (30 June 2023: nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023 (continued)**



13. Operating Segments

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

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

14. Dividends

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

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DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

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

James Merrillees
Managing Director

Date: 19 February 2024
Perth

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Cosmo Metals Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM**RSM AUSTRALIA PARTNERS**

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 19 February 2024

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

Report on the Half-Year Financial Report
Conclusion

We have reviewed the accompanying half-year financial report of Cosmo Metals Limited, which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended 31 December 2023, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Company had incurred a net loss after tax of \$408,768, cash outflows from operating activities of \$266,537 and cash outflows from investing activities of \$342,187 for the period ended 31 December 2023. As at that date, the Company had net current liabilities of \$72,105. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cosmo Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

RSM
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ALASDAIR WHYTE
Partner

Perth, WA
Dated: 19 February 2024