

COSMOS

ABN 27 648 890 126

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 December 2023

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INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2023

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CORPORATE DIRECTORY

DIRECTORS

Jeremy Robinson (Executive Chairman)
Matthew Freedman (Non-Executive Director)
James Bahen (Non-Executive Director)
Leo Horn (Non-Executive Director)

COMPANY SECRETARIES

James Bahen
Robbie Featherby

REGISTERED OFFICE

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SUBIACO WA 6008

POSTAL ADDRESS

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SUBIACO WA 6008

PRINCIPAL PLACE OF BUSINESS

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ASX CODE: C1X

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DIRECTORS' REPORT

The directors of Cosmos Exploration Limited (ASX:C1X) and its subsidiary ("the Group") for the half-year ended 31 December 2023 (**Period**) and the auditor's review report thereon. The Interim Financial Report has been prepared in accordance with AASB 134 Interim Financial Reporting.

DIRECTORS

The names and particulars of the directors of the Company in office during the Period and until the date of this report are as follows. Directors were in office for the entire Period unless otherwise stated.

Director	Position
Jeremy Robinson	Executive Chairman
Matthew Freedman	Non-Executive Director
James Bahen	Non-Executive Director
Leo Horn	Non-Executive Director

The names of the secretaries in office at any time during or since the end of the period are:

Company Secretaries	Position
James Bahen	Company Secretary
Robbie Featherby	Company Secretary

OPERATING RESULTS

The Company has incurred a net loss after tax for the half-year ended 31 December 2023 of \$2,205,625 (31 December 2022: \$911,057).

PRINCIPAL ACTIVITIES

Cosmos Exploration Limited is a mineral exploration company focussed on discovery. Cosmos Exploration project portfolio continues to evolve as it pursues strategic land holdings in geological terranes and provinces with proven or emerging potential for the discovery of significant mineral deposits.

REVIEW OF OPERATIONS

Corvette Far East Lithium Project

Cosmos' Corvette Far East and Lasalle Exploration Projects are situated within the James Bay lithium district of Quebec, Canada. These projects are located on the same trend as the Patriot Battery Metals Inc (ASX: PMT) Corvette Project, which currently hosts the largest lithium pegmatite resource in the Americas¹.

The Corvette Far East Project is interpreted to be a "dismembered" section of the same greenstone belt that hosts Patriot's Corvette Project. It is also centrally located between other significant lithium projects in the James Bay district, including the Trieste pegmatite discoveries by Loyal Lithium Limited (ASX: LLI), Brunswick Exploration Inc.'s (TSX-V: BRW) Mirage Project, and Midland Exploration Inc.'s ("Midland") (TSX-V: MD) Galinée Project, located 25km to the south of Cosmos' Lasalle Project (Figure 1).

Midland's discovery at Galinée, which is part of their joint venture with Rio Tinto Exploration Canada Inc., and Patriot's CV5 discovery at its Corvette Project, further validate the potential of the James Bay region to

host world-class hard rock lithium deposits, reinforcing the strategic position of Cosmos' holdings in the heart of one of the world's most prospective lithium districts in the world.

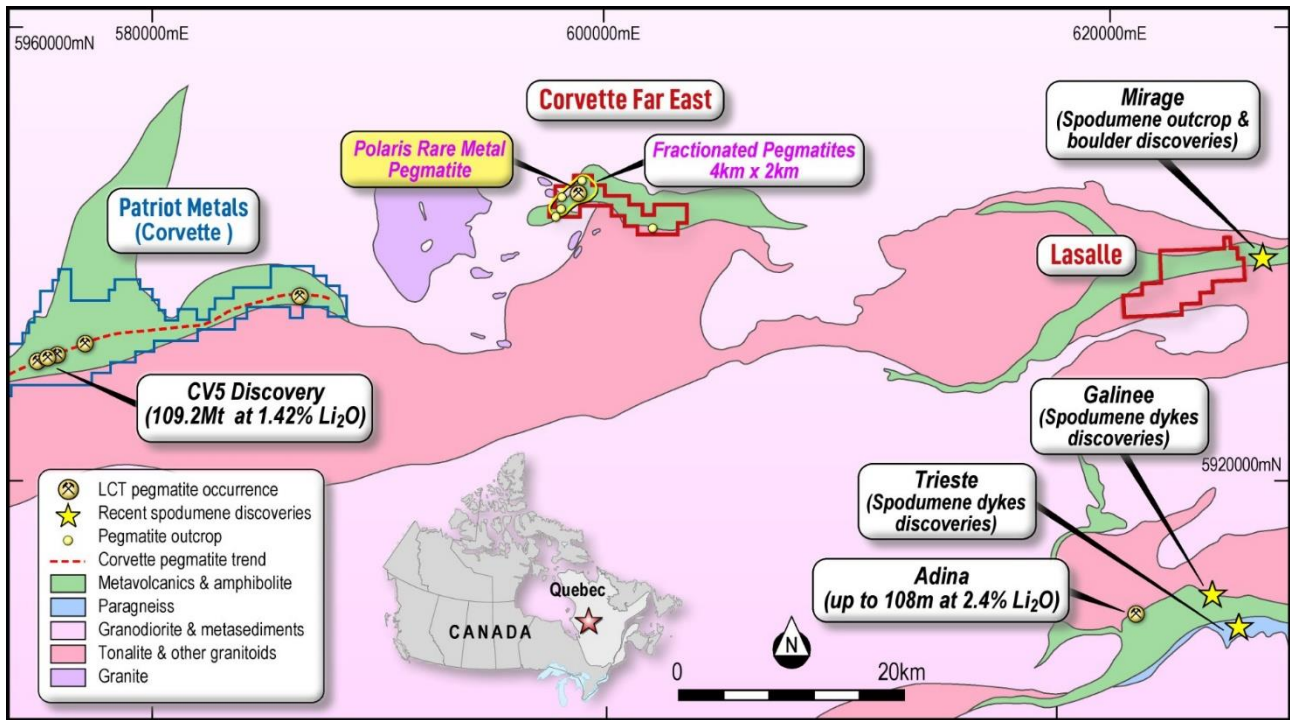


Figure 1: Simplified bedrock geology map of the James Bay district showing the location of the Corvette Far East and Lasalle Projects held by Cosmos in relation to the CV5, Mirage, Trieste and Galinée discoveries.

¹ Patriot Battery Metals Inc's (ASX:PMT) announcement dated 31/07/23, Inferred Resource of 109.2Mt at 1.42% Li₂O and 160ppm Ta₂O₅).

² TSX-V announcement TSX-V: BRW, 21 August 2023

³ ASX announcement ASX:LLI, 16 August 2023

Extensive regional fires in June and July delayed the start of field activities during the quarter. Maiden field activities commenced on 11 August 2023 following the lifting of state-imposed fire-related restrictions.

A total of 19 days of on-ground fieldwork were completed between 11 and 25 August and 12 and 17 September 2023 at the Corvette Far East and Lasalle Projects. A total of 512 rock chip samples and 122 biogeochemistry samples were collected during both these helicopter supported field programs. An airborne aeromagnetic/radiometric survey was flown in November infilling the previous 100m spaced flight lines to 50m on the western side of the Corvette Far East Project tenure (Figure 2).

Initial field activities at the projects involved investigating desktop hyperspectral targets within the tenure. Desktop spectral anomalies were generated by fingerprinting the Lithium Spectral Index over Patriot's CV5 mineralised pegmatite outcrop using data processed from Sentinel, Aster and Synthetic Aperture Radar (SAR) and applying the index to Cosmos's tenure. The Lithium Spectral Index is designed to detect lithium-bearing minerals like spodumene. However, upon field checking, many hyperspectral targets were over areas of thick vegetation and glacial till producing ambiguous results.

Traditional rock chip sampling of pegmatite outcrops/boulders with pXRF analysis was the most successful on-ground vectoring tool utilised in identifying the Polaris fractionated pegmatites.

Vectoring towards prospective areas was achieved by examining element distributions and element ratios (e.g., K/Rb) analysing feldspars and micas from pegmatite samples with the company's portable XRF unit (pXRF) and LIBs analyser.

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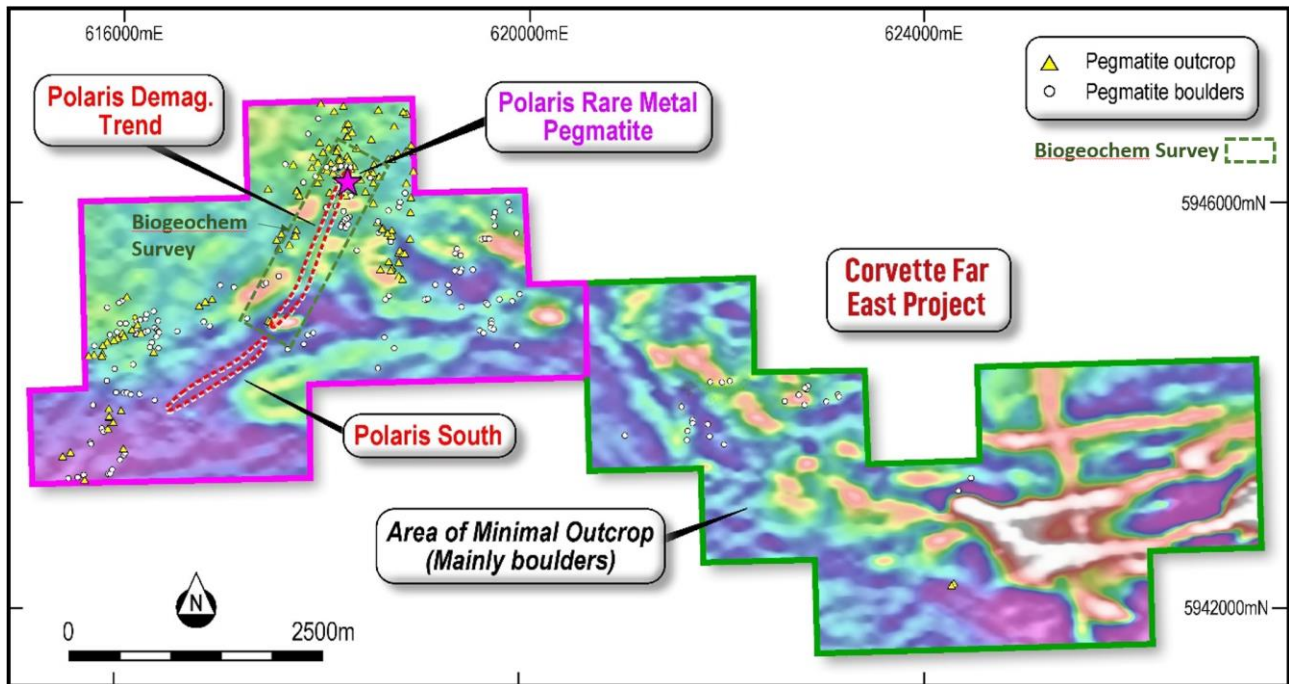


Figure 2: Corvette Far East Project highlighting the Airborne magnetic and Radiometric Survey Area (pink outline). The survey infilled previous 100m spaced flight lines to 50m. Background 100m spaced magnetic image (TMIRTP HP500agc) showing pegmatite outcrop and boulders confirmed in the field and biogeochemistry survey area. Note much better exposures on the western side than the eastern side that is largely covered with glacial material.

To further substantiate the Polaris findings, whole rock assay data was plotted from the first 71 rock chip samples received for the quarter confirming the field pXRF results and observations.

Results were comparable, with whole rock assay plots of K/Rb vs Cs indicating significant fractionation trends and spatially plotting, vectoring towards the Polaris outcropping pegmatite (Figure 3 & 4).

X-Ray Diffraction (XRD) mineralogy results of sample H909418 further support the evidence that the Polaris pegmatite is highly fractionated, identifying predominantly an unusually lithium-caesium-enriched beryl mineral variety in addition to the lithium ore mineral petalite in lesser quantities.

Both minerals are known to occur in a highly fractionated pegmatites in very close proximity to and overlapping the spodumene field (Figure 3).

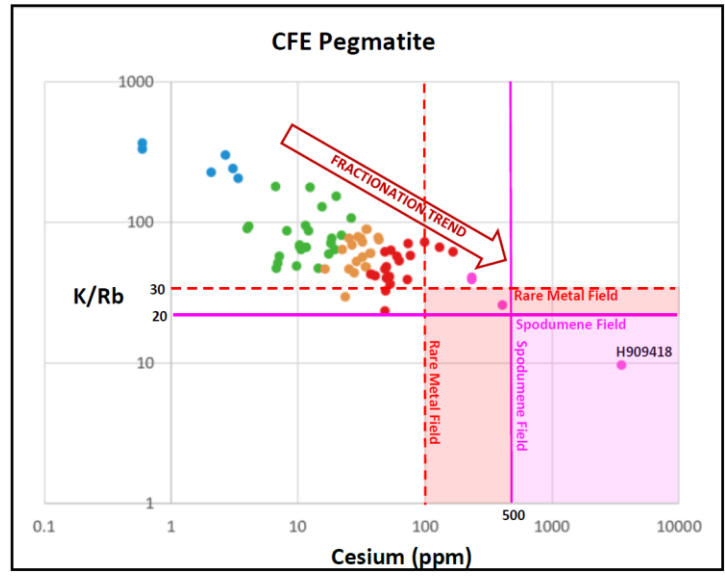


Figure 3: K/Rb vs Ce whole rock assay plot for CFE pegmatite samples indicating fractionation towards more highly prospective samples in the “Spodumene Field”. The Spodumene Field represents rocks that have likely undergone high degrees of fractionation which can also produce minerals other than spodumene. This ratio is used as proxy for prospective spodumene bearing pegmatites and not a sole discriminate for the presence of spodumene.

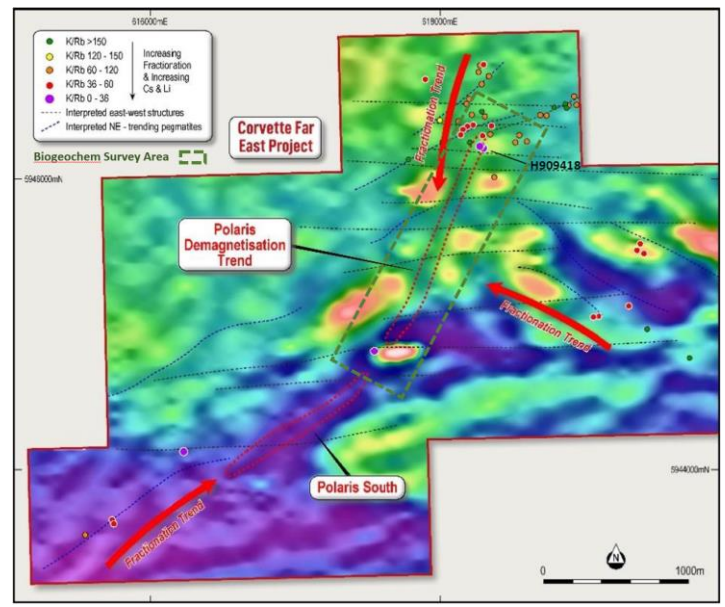


Figure 4: Pegmatite outcrop trends confirmed in the field (blue dash), interpreted E-W structural trends (black dash) and K/Rb ratio from whole rock assays highlighting the 3 fractionated trends toward the high priority Polaris demagnetised target area, location of XRD Polaris sample H909418 and Biogeochemistry survey area over airborne magnetics (TMIRTP HP500agc)

Although the lithium mineral spodumene was not identified, the chemical analyses of the pegmatites at the Polaris prospect have revealed the presence of pathfinder metals and ratios indicative of highly fractionated pegmatites, confirming that the Polaris prospect is highly prospective for lithium. The data also suggest that the spodumene zone is likely proximal to the Polaris outcrop, potentially down-dip or along strike to the south-west, and represents a compelling drill target.

The magnetic low in geophysical imagery supports a south-westerly strike to the Polaris pegmatite, as pegmatites are typically non-magnetic and remarkably subdued against mafic rocks, which tend to be moderate to high responses in magnetic datasets.

During September, Cosmos trialled biogeochemical sampling to test areas interpreted to be affected by thicker moist ground cover or transported overburden, where conventional soil and rock chipping is largely ineffective. The technique involved collecting bark from spruce trees being a densely populated genus of pine tree evenly distributed throughout the tenure.

A total of 122 biogeochemistry samples were taken during the second on-ground exploration phase in September on north-south orientated lines spaced 200m apart and 50m sample spacing. The orientation survey was trialled over the highly fractionated pegmatites at the Polaris prospect and extended 1.9km to the south-west along the magnetic low, interpreted to be the continuation of the Polaris pegmatite.

Due to the current poor market conditions and pricing for lithium, the Company has decided not to proceed with the proposed drill program at Corvette Far East during the current winter.

Lasalle Lithium Project

Cosmos collected 62 rock chips from pegmatite boulders and three from pegmatite outcrops of the 77 samples collected during the quarter. Highly fractionated tourmaline-bearing pegmatite boulders identified in the central north of the Project indicate increasing prospectivity, providing that source rocks are proximal (Figure 5).

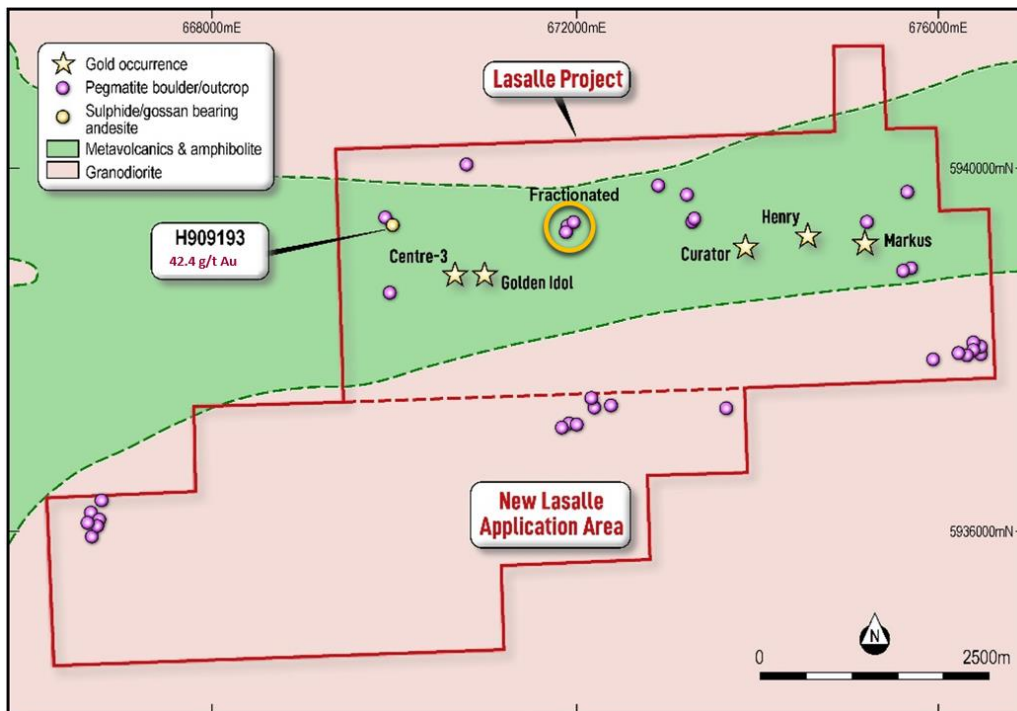


Figure 5: Interpreted bedrock geology at the Lasalle Project showing the location of pegmatite boulders, recently identified gold mineralisation in relation to known gold occurrences.

Mafic rock chip samples were collected on an *ad hoc* basis and analysed for gold. A gossanous volcanic mafic (greenstone) rock chip was collected during the quarter with extensive boxwork textures. Assays received returned high-grade gold values of 42.4 g/t Au for sample H909193 (Figures 5 & 6).

These high-grade gold rock chips were found in a broad area of red iron-stained soils, where the bedrock is interpreted to be under thin cover. This area represents a new gold occurrence, separate from any

previously reported gold anomalies in the area (Figure 5). The finding enhances the Project's gold potential, in addition to lithium.



Figure 6: Photo of sample H909193 of semi-massive sulphide and gossan in mafic volcanic rock. Assay received in October returning 42.4 g/t Au.

Byro East Rare Earth and Nickel-Copper-PGE Project

During the reporting period assay results from the May-June field activities were received for rock chips samples collected in and around the Dottyback and Leatherback prospects. These samples were collected to ground-truth a portion of the 70 recognised rare earth single and multi-point soil geochemical anomalies across the central four tenements, spanning an area of more than 600km². Standout rock chip assay results of up to 1.09% TREYO (BY23K360) were received, located at the northern end of the Leatherback magnetic feature.

A review by leading expert Ken Collerson revealed that the Chondrite normalised plots for selected Byro rock chips are significantly enriched in LREEs, and display similar levels of LREE and HREE enrichment to those reported for carbonatites¹ from classic alkaline terranes (eg Kola Peninsula in Finland and Russia) and Mirima Hill (Kenya). The REE profiles of the Byro alkaline samples are several orders-of-magnitude more REE enriched than of average crust which is shown for comparison. Also shown for comparison are LREE enriched profiles of ocean island basalts (OIBs) which, like carbonatites are associated with mantle plumes. Alkaline magmatism in the Byro region is inferred to be related to the impact of a plume associated with a ~1078-1070Ma mantle plume of the Warakurna Large Igneous Province.

¹ Refer to Appendix in ASX: C1X announcement 15 August 2023

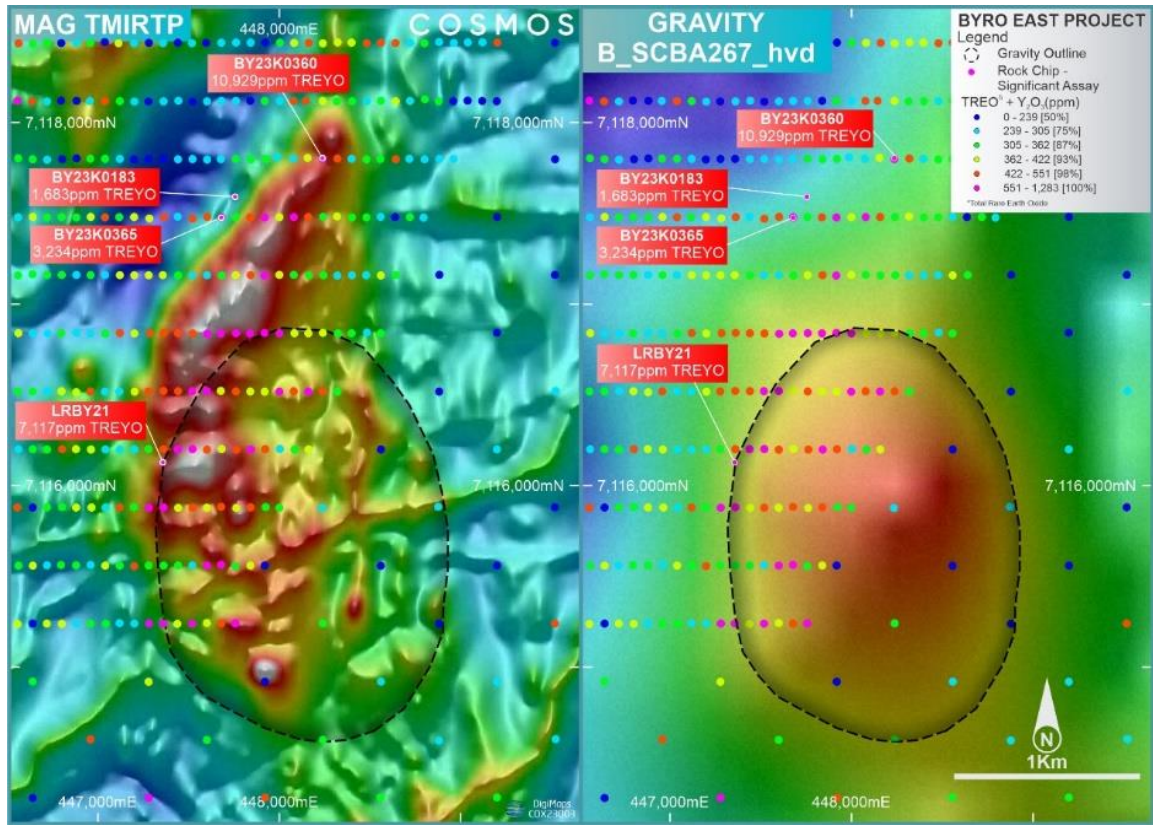


Figure 7 – Image showing the mixed acid TREO + Y₂O₃ surface soil geochemistry and recent rock chip assays coincident with a 3.5km long magnetic high (left, red-white colours) and gravity high (right, red-yellow colours) geophysical anomalies at the Leatherback Prospect, potentially indicating the presence of a mafic to ultramafic Alkaline-Carbonatite Complex.



Figure 8 – (left) Field photograph of weathered carbonatite rock chip sample BY23K0360 assaying 1.09 % TREYO (22% NdPr) (right) Field photograph of weathered iron oxide rich pyroxenite or possible ferrocarbonatite rock chip sample LRBY21 with assays returning 263 ppm Sc₂O₃ and 0.7% TREYO (30% NdPr).

Globally recognised expert Professor Ken Collerson was engaged to substantiate the findings and determined that the Byro rock chip samples (e.g., BY23K060) were significantly enriched in LREE’s and

displayed similar levels of LREE and HREE enrichment to those reported for carbonatites from classic alkaline terranes like the Kola Peninsula in Scandinavia and carbonatites from Mirima Hill, Kenya (Figure 9).

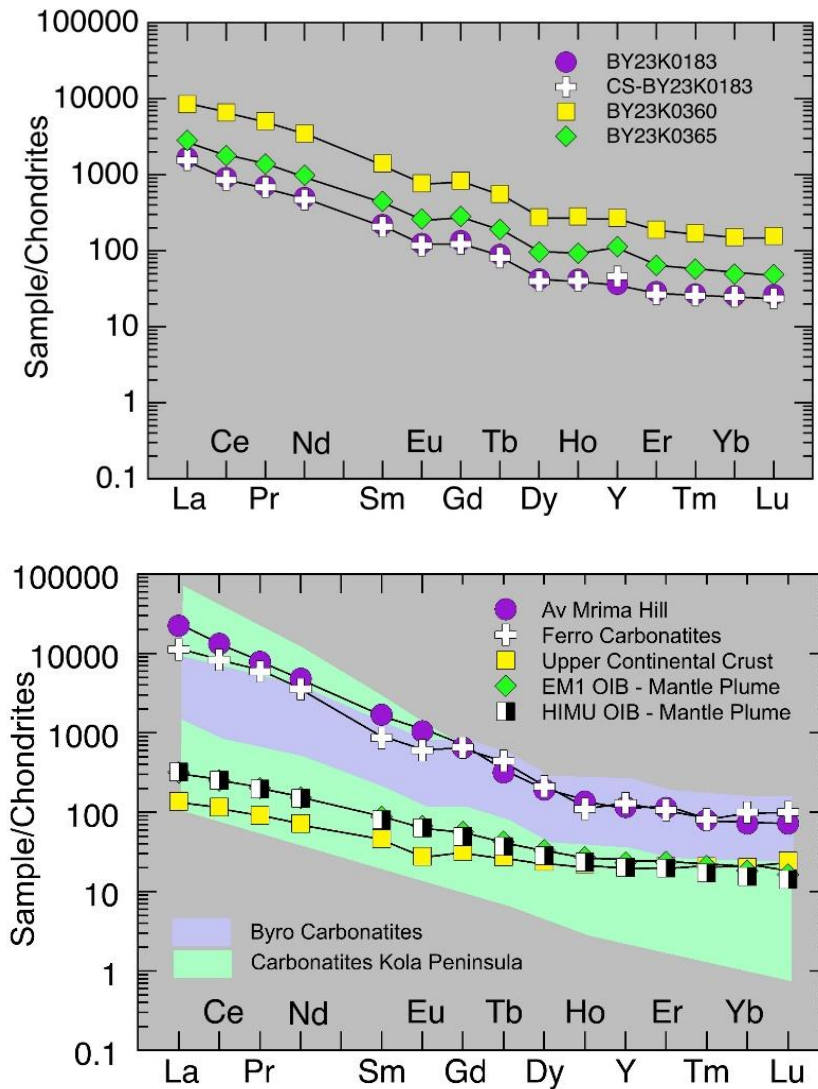


Figure 9 – In Chondrite normalised plots showing that the selected Byro rock chips (upper plot) are significantly enriched in LREEs, and display similar levels of LREE and HREE enrichment to those reported for carbonatites² from classic alkaline terranes (eg Kola Peninsula in Finland and Russia) and Mirima Hill (Kenya). The REE profiles of the Byro alkaline samples are several orders-of-magnitude more REE enriched than of average crust which is shown for comparison. Also shown for comparison are LREE enriched profiles of ocean island basalts (OIBs) which, like carbonatites are associated with mantle plumes. Alkaline magmatism in the Byro region is inferred to be related to the impact of a plume associated with a ~1078-1070Ma mantle plume of the Warakurna Large Igneous Province.

The validation of an alkaline-carbonatite complex at the Leatherback prospect provided enough confidence for additional 2741 in-fill samples to be collected in September and October 2023 , in-filling the known 70 existing, single and multi-point REE and Ba-Sr-Nb-Ca-Ni-Cr-Mg anomalies previously collected on 320m x 80m over the Leatherback & Dottyback prospects and 450m x 450m over the remaining central tenements to 160m x 80m and 160m x 160m, respectively (Figure 10).

² Refer to Appendix in ASX: C1X announcement 15 August 2023

Field rock chipping followed in the months of October to December 2023 collecting a total of 375 rock chip samples across the central four Byro East tenements (>600km²). 349 rock chips aimed to assess 21 of 70 REE-Ba-Sr-Nb-Ca-Ni-Cr-Mg geochemical soil anomalies with 26 samples taken from areas prospective for magmatic Ni-Cu-PGE mineralisation (Figure 10).

All rock chips collected were analysed in the field with the Company's portable X-ray fluorescence (pXRF) before being submitted for multi-element sodium peroxide fusion digest. Assays were received in January 2024 outside of this reporting period.

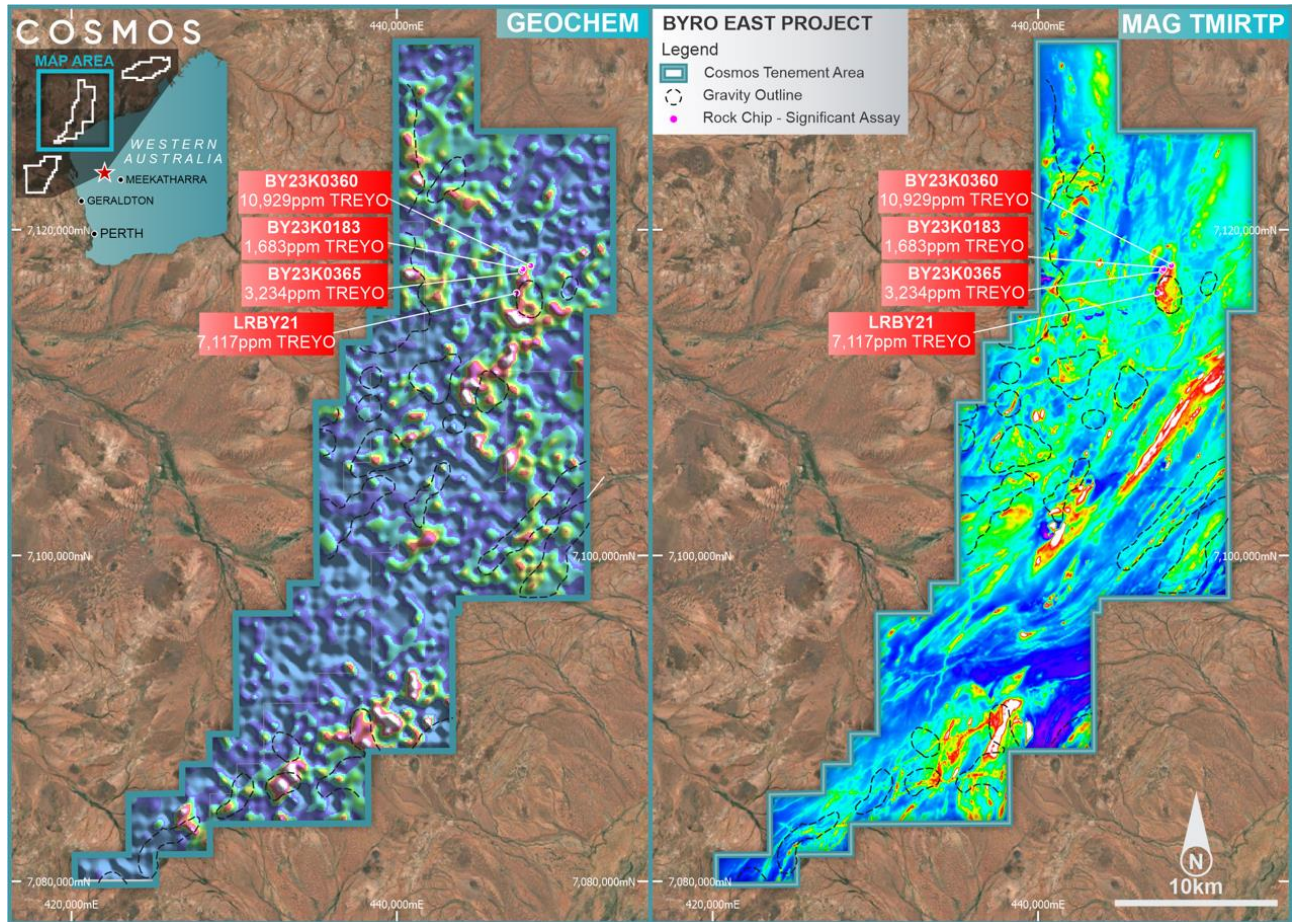


Figure 10 – Image showing the locations of recent highly anomalous TREYO Rock Chip samples and Gravity outlines overlain on the regional gridded Geochem and Magnetic imagery. This shows the scale of the Byro East project to host REE type deposits associated with mafic to ultramafic Alkaline-Carbonatite Complex.

Competent Person Statement

This report's information related to Exploration Results is based on information and data compiled or reviewed by Mr Kristian Hendricksen. Mr Hendricksen is an employee and shareholder of Cosmos Exploration Limited (Cosmos) and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Mr Hendricksen has sufficient experience relevant to the style of mineralisation under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Accordingly, Mr Hendricksen consents to the inclusion of the matters based on the information compiled by him, in the form and context it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases. The form and context of the announcement have not materially changed. This announcement has been authorised for release by the Board of Cosmos Exploration Ltd.

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This Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Interim Report can be found in the following announcements lodged on the ASX:

31 January 2024	Quarterly Activities/Appendix 5B Cash Flow Report
31 January 2024	Rare Earth Trends Emerging at Byro East Project
31 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
30 October 2023	James Bay Lithium Projects – Exploration Update
5 October 2023	Highly Fractionated Pegmatites Confirm Drill Target
4 September 2023	Spodumene-bearing Pegmatite Discovered at Polaris
15 August 2023	Significant Rare Earths Potential at Byro East, WA
11 August 2023	Maiden Summer Lithium Exploration Program Commences
26 July 2023	High-Priority Lithium target areas identified at Lasalle
19 July 2023	Quarterly Activities/Appendix 5B Cash Flow Report

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Group other than as referred to elsewhere in this consolidated half-year report and in the accounts and notes attached thereto.

CAPITAL MANAGEMENT

The Company has 57,475,000 fully paid ordinary shares on issue and \$1,116,825 in cash as at the end of the Period.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

At the time of this report there were no further events subsequent to the reporting date that required disclosure.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the half-year is set out on page 12 of this report.

This report is presented in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors pursuant to section 306(a) of the *Corporations Act 2001*, by:



Jeremy Robinson

Executive Chairman

Perth, Western Australia this 15th day of March 2024



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Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF COSMOS EXPLORATION LIMITED

As lead auditor for the review of Cosmos Exploration Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cosmos Exploration Limited and the entities it controlled during the period.

Jarrad Prue
Director

BDO Audit (WA) Pty Ltd

Perth

15 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cosmos Exploration Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Cosmos Exploration Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the 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 the 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 the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1.2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and 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. ASRE 2410 requires us to conclude whether 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 Group'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*.

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.

BDO Audit (WA) Pty Ltd

BDO


Jarrad Prue

Director

Perth, 15 March 2024

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes are in accordance with the *Corporations Act 2001*:

- (a) Comply with Australian Accounting Standards AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements ;
- (b) Give a true and fair view of the financial position of the entity as at 31 December 2023 and of its performance for the period ended on that date.

In the directors' opinion there are reasonable grounds to believe that Cosmos Exploration Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors made pursuant to section 305(a) of the Corporations Act 2001.

For, and on behalf of, the Board of the Company,



Jeremy Robinson

Executive Chairman

Perth, Western Australia this 15th day of March 2024

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2023

	Note	Half-Year Ended 31 Dec 2023 \$	Half-Year Ended 31 Dec 2022 \$
Interest Income		28,211	25,874
Expenses			
Corporate compliance costs		(44,065)	(25,036)
Accounting, Audit and Corporate fees		(74,576)	(61,399)
Directors' fees, salaries, superannuation, and consulting costs		(340,825)	(158,680)
Depreciation		(16,056)	(5,906)
Administration costs		(198,452)	(52,952)
Legal fees		(6,096)	(29,292)
Travel Expenses		-	(333)
Exploration expenditure expensed		(1,147,456)	(498,183)
Share based payment expensed	5	(406,310)	(105,150)
Total Expense		(2,205,625)	(911,057)
Income tax (benefit)/expense		-	-
Loss after tax from continuing operations		(2,205,625)	(911,057)
Items that maybe reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(13,541)	-
Total comprehensive loss net of tax for the Period		(2,219,166)	(911,057)
Basic and diluted loss per share (cents)		(4.01)	(2.60)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

	Note	As At 31 Dec 2023 \$	As At 30 Jun 2023 \$
Current assets			
Cash and cash equivalents	2	1,116,825	2,559,244
Trade and other receivables		89,535	82,925
Total current assets		1,206,360	2,642,169
Non-Current assets			
Plant and Equipment		67,327	83,383
Exploration Assets	3	6,132,206	6,244,272
Total Non-Current assets		6,199,533	6,327,655
Total assets		7,405,893	8,969,824
Current liabilities			
Trade and other payables		358,771	121,652
Provision for Employee Benefits		26,762	14,956
Total current liabilities		385,533	136,608
Total liabilities		385,533	136,608
Net Assets		7,020,360	8,833,216
Equity			
Issued capital	4	11,881,190	11,467,472
Share Based Payment Reserve		1,484,188	1,491,596
FX Reserve		(13,951)	(410)
Accumulated losses		(6,331,067)	(4,125,442)
Total Equity		7,020,360	8,833,216

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2023

	Issued Capital	Share Based Payment Reserve	Foreign Exchange Reserve	Accumulate d Losses	Total Equity
Note	\$	\$	\$	\$	\$
Balance at 1 July 2023	11,467,472	1,491,596	(410)	(4,125,442)	8,833,216
Other Comprehensive loss	-	-	(13,541)	-	(13,541)
Loss for the Period	-	-	-	(2,205,625)	(2,205,625)
Total comprehensive loss for the Period	-	-	(13,541)	(2,205,625)	(2,219,166)
Conversion of Performance Rights	413,718	(413,718)	-	-	-
Share based payments	-	406,310	-	-	406,310
Shares issued during the period	-	-	-	-	-
Capital raising costs	-	-	-	-	-
Balance at 31 December 2023	11,881,190	1,484,188	(13,951)	(6,331,067)	7,020,360
Balance at 1 July 2022	6,534,372	483,105	-	(1,782,076)	5,235,401
Other Comprehensive loss	-	-	-	-	-
Loss for the Period	-	-	-	(911,057)	(911,057)
Total comprehensive loss for the Period	-	-	-	(911,057)	(911,057)
Share based payments	-	105,150	-	-	105,150
Shares issued during the period	-	-	-	-	-
Capital raising costs	-	-	-	-	-
Balance at 31 December 2022	6,534,372	588,255	-	(2,693,133)	4,429,494

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2023

	Half-Year Ended 31 Dec 2023	Half-Year Ended 31 Dec 2022
Note	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(555,204)	(360,901)
Payment for exploration activities	(914,741)	(552,166)
Interest received	28,211	25,874
<i>Net cash (used in)/generated by operating activities</i>	(1,441,734)	(887,193)
Cash flows from investing activities		
Purchase of Plant and equipment	-	(79,103)
Payment for acquisition of exploration assets	-	(10,000)
<i>Net cash (used in)/generated by investing activities</i>	-	(89,103)
Cash flows from financing activities		
<i>Net cash (used in)/generated by financing activities</i>	-	-
Net (decrease)/ increase in cash and cash equivalents	(1,441,734)	(976,296)
Cash and cash equivalents at the beginning of the Period	2,559,244	3,335,875
Foreign exchange differences	(685)	-
Cash and cash equivalents at the end of the Period	1,116,825	2,359,579

The Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2023

1. BASIS OF PREPARATION

1.1. BASIS OF PREPARATION

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Cosmos Exploration and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

1.2. GOING CONCERN

For the half-year ended 31 December 2023, the Consolidated entity made a loss of \$2,205,625 (2022: \$911,057) and incurred operating cash outflows of \$1,441,734 (2022: 887,193).

The ability of the Consolidated entity to continue as a going concern is dependent on securing additional funding through debt or equity issues as and when the need to raise working capital arises. These conditions indicate a material uncertainty that may cast a significant doubt about the Consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the Consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The fact that future expenditures are generally discretionary in nature and may be slowed or suspended as part of the management of the Consolidated entity's working capital and other forecast commitments.
- The company ability to secure additional funding

Should the Consolidated entity not be able to continue as a going concern, it may be required to discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and the financial report does not include any adjustments

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2023

relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Consolidated entity not continue as a going concern. No adjustments have been made in relation to the recoverability of assets and classification of liabilities that might be necessary should the Consolidated entity not continue as a going concern.

1.3. COMPARATIVE FIGURES

Comparative figures for the statement of financial position are that of 30 June 2023.

1.4. STATEMENT OF COMPLIANCE

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

1.5. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for those disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

1.6. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY ESTIMATES

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2023.

1.7. NEW AND REVISED ACCOUNTING STANDARDS

Standards and Interpretations applicable to 31 December 2023

In the period ended 31 December 2023, the Directors have reviewed all of the new and revised standards and interpretations issued by the AASB that are relevant to the Group's operations. It has been determined that there is no material impact of the standards and interpretations and therefore, no change is required to the Group's accounting policies.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2023

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2023. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to the Group's accounting policies.

2. CASH AND CASH EQUIVALENTS

	As At 31 Dec 2023 \$	As At 30 Jun 2023 \$
Current		
Cash at bank	1,116,825	2,559,244

3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	As At 31 Dec 2023 \$	As At 30 Jun 2023 \$
Opening Balance:	6,244,272	2,000,000
Quinton Project Acquisition (Orange East)	-	279,000
Corvette Project Acquisition	-	3,187,500
Lasselle Project Acquisition	-	665,706
Tanami Acquisition	-	112,066
Write-down of Capitalised Exploration ¹	(112,066)	-
Closing Balance	<u>6,132,206</u>	<u>6,244,272</u>

¹ Exploration assets were written off due to tenements being relinquished during the period.

The ultimate recoupment of the expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2023

4. ISSUED CAPITAL

	As At 31 Dec 2023 No.	As At 30 Jun 2023 No.
Fully paid ordinary shares	57,475,000	54,475,000

	As At 31 Dec 2023		As At 30 Jun 2023	
	No.	\$	No.	\$
Opening Balance	54,475,000	11,467,472	35,000,000	6,534,372
Placement Share 14/2/23 at \$0.16	-	-	13,375,000	2,140,000
Asset Acquisition Shares – Quinton ²	-	-	600,000	249,000
Asset Acquisition Shares – Laselle ²	-	-	1,000,000	310,000
Asset Acquisition Shares – Corvette ²	-	-	4,500,000	2,362,500
Capital raising costs	-	-	-	(128,400)
Conversion of Performance Rights	3,000,000	413,718	-	-
Balance at end of the period	57,475,000	11,881,190	54,475,000	11,467,472

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

5. SHARE BASED PAYMENT RESERVE

	As At 31 Dec 2023 \$	As At 30 Jun 2023 \$
Opening Balance:	1,491,596	483,105
Issue of Director rights – Vesting from previous period (share-based payment expensed) ¹	208,200	137,814
Issue of Advisors Options (share-based payment expensed)	49,083	-
Issue of Performance Rights 2 (share-based payment expensed)	149,027	-
Issue of Project acquisition (share-based payment capitalised)	-	835,000
Issue of Exploration Manager Options (share-based payment expensed)	-	35,677
Conversion of Performance Rights	(413,718)	-
Closing Balance	1,484,188	1,491,596

¹These share-based payment continues to vest from the previous period.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2023

Performance Rights 2

The share price at the date of granting is highlighted in the below table. The probability % will get assessed at every reporting period. All unvested Performance Rights will expire automatically on the date which is 5 years from their date of issue.

Taking into account the terms and conditions upon which the rights were granted (see details of the condition below).

ITEM	Advisors Performance Rights 2	Directors Performance Rights 2
Number of Rights	750,000	2,000,000 ²
Probability	100%	100%
Implied life	5 years	5 years
Grant Date	15/08/2023	31/10/2023
Underlying share price at grant date	\$0.390	\$0.115
Total Fair Value	\$292,500	\$230,000

These rights have an attached service condition and has vesting over a 12 month period. The total share-based payment expense from the rights vested is \$149,027. The conditions are as follows:

Condition A	Condition B	Condition C	Condition D
10m at 1% Lithia	10m at 1% CuEq	10m at 1% TREO	12 Months

Conditions A, B and C all considered independent and one of these conditions must be satisfied together with Condition D for the Performance Rights to vest.

Conditions A, B and C all considered independent however, Condition D must be satisfied for the Performance Rights to vest.

² Breakdown for each individual Director performance issued in the period:

Directors Performance Rights	Total number of Performance Rights issued to Directors
Jeremy Robinson	500,000
Matthew Freedman	500,000
James Bahen	500,000
Leo Horn	500,000
Total	2,000,000

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2023

6. SEGMENT REPORTING

The Company has adopted AASB 8 'Operating Segments' which requires operating segments to be identified on the basis of internal reports about components of the Company that are reviewed by the chief operating decision maker (considered to be Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of the Company reviews internal reports prepared as consolidated financial statements and strategic decisions of the Company are determined upon analysis of these internal reports.

The group operates in the mineral exploration sector predominantly in Australia and Canada for 2023 and Australia for December 2022. No comparative note has been included for the purposes of Segment Performance for December 2022 as the only segment was determined to be Australia.

2023

(A) Segment performance

	Australia \$	Canada \$	Total \$
Revenue			
Interest revenue	28,211	-	28,211
Total revenue	<u>28,211</u>	<u>-</u>	<u>28,211</u>
Exploration expenditure	582,260	565,196	1,147,456
Total exploration amount	582,260	565,196	1,147,456
Segment net profit before tax	(554,049)	(565,196)	(1,119,245)
Reconciliation of segment result to net profit (loss) before tax			
Unallocated items:			
- other	-	-	(1,086,380)
Net loss before tax	(554,049)	(565,196)	(2,205,625)

(B) Segment assets

	Australia \$	Canada \$	Total \$
31 December 2023			
Segment assets	7,357,855	48,038	7,405,893
30 June 2023			
Segment assets	8,933,088	36,736	8,969,824

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2023

(C) Segment liabilities

	Australia \$	Canada \$	Total \$
31 December 2023			
Segment liabilities	287,190	98,343	385,533
30 June 2023			
Segment liabilities	136,608	-	136,608

7. SUBSEQUENT EVENTS

At the time of this report there were no further events subsequent to the reporting date that required disclosure.

8. RELATED PARTY TRANSACTIONS

There has been no change in related party transactions since 30 June 2023, other than the performance rights issued to Directors in note 5.

9. COMMITMENTS AND CONTINGENT LIABILITIES

There has been no significant changes to the commitments and contingencies disclosed in the most recent financial report.

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