COSMOS

# Cosmos Exploration Limited
# ACN 648 890 126

# Prospectus

## For an initial offer of 25,000,000 Shares at an issue price of A$0.20 each to raise A$5,000,000 (before costs).

This Prospectus has been issued to provide information on the offer of 25,000,000 Shares to be issued at a price of $0.20 per Share to raise $5,000,000 (before costs) (**General Offer**).

The General Offer incorporates a priority offer to Shareholders of RareX Limited (ACN 105 578 756) (ASX: REE) (**RareX**) registered on a record date of 23 September 2021 (**RareX Offer**).

This Prospectus also incorporates the following secondary offers:

(a) an offer of 1,250,000 Options to be issued to the Lead Manager (or its nominees) in part consideration for capital raising services provided to the Company (**Lead Manager Offer**); and

(b) an offer of 1,750,000 Options to be issued to the Corporate Advisor (or its nominees) in part consideration for corporate advisory services provided to the Company (**Corporate Advisor Offer**),

(together, the **Secondary Offers**).

The General Offer and RareX Offer (together, the **Offers**) and the Secondary Offers pursuant to this Prospectus are subject to a number of conditions precedent as outlined in Section 1.2.

It is proposed that the RareX Offer will close at 5.00pm (WST) on 12 October 2021 and the General Offer and the Secondary Offers will close at 5.00pm (WST) on 26 October 2021. The Directors reserve the right to close any of the Offers and the Secondary Offers earlier or to extend the dates without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this Prospectus. Investment in the Securities offered pursuant to this Prospectus should be regarded as **highly speculative** in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 3 for a summary of the key risks associated with an investment in the Securities.

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# Important Information

**The Offer**

This Prospectus is issued by Cosmos Exploration Ltd (ACN 648 890 126) (**Company**) for the purpose of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Offers contained in this Prospectus, together, are an initial public offering to acquire fully paid ordinary shares (**Shares**) in the Company.

**Prospectus**

This Prospectus is dated, and was lodged with ASIC on, 20 September 2021. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after that expiry date.

Application will be made to ASX within seven days of the date of this Prospectus for Official Quotation of the Shares the subject of the Offers.

No person is authorised to give any information or to make any representation in connection with the Offers, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Canaccord Genuity (Australia) Ltd have acted as Lead Manager to the Offers. To the maximum extent permitted by law, the Lead Manager and each of its affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

**Exposure Period**

The Corporations Act prohibits the Company from processing Applications in the seven day period after the date of this Prospectus (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

**No cooling-off rights**

Cooling-off rights do not apply to an investment in Securities issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

**Conditional Offer**

The Offers contained in this Prospectus are conditional on certain events occurring. If these events do not occur, the Offers will not proceed and investors will be refunded their Application Monies without interest. Please refer to Section 1.2 for further details on the conditions attaching to the Offer.

**Electronic Prospectus and Application Forms**

During the Exposure Period, an electronic version of this Prospectus (without an Application Form) will be available from www.cosmosx.com.au only to persons in Australia. Application Forms will not be made available until after the Exposure Period has expired.

The Offers constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia, New Zealand, Hong Kong and Singapore.

The Prospectus is not available to persons in other jurisdictions in which it may not be lawful to make such an invitation or offer to apply for Securities. If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety.

Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company as detailed in the Corporate Directory.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from www.cosmosx.com.au. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of this Prospectus.

Prospective investors wishing to subscribe for Securities under the Offers and the Secondary Offers should complete the relevant Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

No document or information included on the Company's website is incorporated by reference into this Prospectus.

**International Offer Restrictions**

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

This document does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

**Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this

document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

**New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

(e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

**Singapore**

This document and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities, may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party.

There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

**Speculative Investment**

The Securities offered pursuant to this Prospectus should be considered **highly speculative**. There is no guarantee that the Securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Securities or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 3 for details relating to the key risks applicable to an investment in the Securities.

**Using this Prospectus**

Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering subscribing for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

**Forward-Looking Statements**

This Prospectus contains forward-looking statements which are identified by words such as 'believes', 'estimates', 'expects', 'targets', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

**Photographs and Diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this

Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

**Competent Persons Statements**

The information in this Prospectus that relates to technical assessment of the mineral assets and exploration results is based on, and fairly represents, information and supporting documentation prepared by James Guy, a Competent Person who is a member of the Australian Institute of Mining and Metallurgy. James Guy is a principal consultant of the Independent Geologist. James Guy has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

As at the date of this Prospectus, James Guy does not hold any Securities.

James Guy consents to the inclusion of the matters based on his information in the form and context in which it appears in this Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

**Miscellaneous**

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to '$' or '$' are references to Australian dollars and all references to 'US$' are references to US dollars.

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 9.

# Corporate Directory

**Directors**

| | |
|---|---|
| Jeremy Robinson | Executive Chair |
| Andrew Denniss | Non-Executive Director |
| James Bahen | Non-Executive Director |

**Joint Company Secretaries**

James Bahen
Robert Featherby

**Share Registry***

Automic Pty Ltd
Level 2, 267 St Georges Terrace
Perth WA 6000

Phone (within Australia): 1300 288 664
Phone (outside Australia): +61 2 9698 5414

**Registered and Principal Office**

Unit 6, 94 Rokeby Road
Subiaco WA 6008

Phone: (08) 6143 6720
Email: info@cosmosx.com.au
Website: www.cosmosx.com.au

**Lead Manager**

Canaccord Genuity (Australia) Limited
Level 4, 60 Collins Street
Melbourne VIC 3000

**Corporate Lawyers**

HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace
Perth WA 6000

**Corporate Advisor**

Golden Triangle Pty Ltd
Suite 1, 295 Rokeby Road
Subiaco WA 6008

**Auditor***

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

**Independent Geologist**

James Guy & Associates Pty Ltd
50 Shakespeare Street
Mount Hawthorn WA 6016

**Investigating Accountant**

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

**Proposed Stock Exchange Listing**

Australian Securities Exchange (**ASX**)
Proposed ASX Code: C1X

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

# Letter from the Chair

Dear Investor

On behalf of the board of Cosmos Exploration Limited (**Company**), I am pleased to present this Prospectus and to invite you to become a Shareholder in the Company.

The Company is a mineral exploration company committed to increasing shareholder wealth through the acquisition, exploration and development of mineral resource projects throughout Western Australia and New South Wales.

The purpose of the Offers is to raise $5,000,000 (before costs) through the issue of 25,000,000 Shares at a price of $0.20 per Share. The Lead Manager to the Offers is Canaccord (see Section 6.3 for further details).

The General Offer includes a priority offer to existing Shareholders of RareX as at 5.00pm (WST) on the RareX Offer Record Date (see Section 1.1(a) and 1.1(c) for further details).

The proceeds of the Offers will be utilised to enable the Company to systematically explore across its Projects, and the Company will apply the proceeds as described below (and as set out in further detail in Section 1.3):

(a) to the Byro East Nickel-Copper-PGE Project (Byro East) located in Western Australia;

(b) to the Orange East Gold Project (Orange East) located in New South Wales;

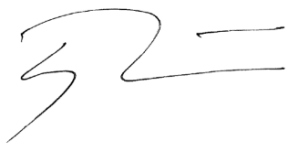
(c) to general working capital; and

(d) to pay for the costs of the Offers.

This Prospectus contains detailed information about the Offers and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (detailed in Section 3).

We look forward to welcoming you as a Shareholder should you decide to take up Shares pursuant to the Offers.

Yours faithfully



**Jeremy Robinson**
**Executive Chairman**

## Key General Offer Details

| Key Details of the Offers[1] | Shares | % | Options | Performance Rights |
|---|---|---|---|---|
| Securities offered under the Offers[2] and existing Securities | 25,000,000 | 71.43 | 350,000 | 3,000,000[5] |
| Consideration Shares[3] | 10,000,000 | 28.57 | - | - |
| Lead Manager Options[4] | - | - | 1,250,000 | - |
| Corporate Advisor Options[4] | - | - | 1,750,000 | - |
| **Total Securities on issue at completion of the Offers[6]** | **35,000,000** | **100** | **3,350,000** | **3,000,000** |
| **Implied Market Capitalisation on completion of the Offers** | **$7,000,000** | **N/A** | **N/A** | **N/A** |

### Notes:

1. Please refer to Section 1.4 for further details relating to the proposed capital structure of the Company.
2. Please refer to Section 1.1 for further details of the Offers, comprising the General Offer and RareX Offer.
3. Please refer to Section 6.2 for further details relating to the Consideration Shares issued to RareX under the Demerger Implementation Deed.
4. Please refer to Section 7.2 for further details relating to the terms and conditions of the Options.
5. Please refer to Section 7.3 for further details relating to the terms and conditions of the Performance Rights.
6. Assuming no further Securities are issued.

## Indicative Timetable

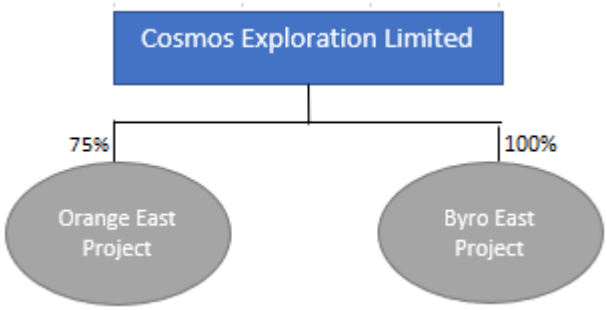
| Event | Date |
|---|---|
| Lodgement of this Prospectus with ASIC | 20 September 2021 |
| RareX Offer Record Date | 5.00pm (WST) on 23 September 2021 |
| Opening Date for the RareX Offer | 28 September 2021 |
| Closing Date for the RareX Offer | 12 October 2021 |
| Opening Date for the General Offer and the Secondary Offers | 12 October 2021 |
| Closing Date for the General Offer and the Secondary Offers | 26 October 2021 |
| Issue of Securities under the Offers and the Secondary Offers | 3 November 2021 |
| Despatch of holding statements | 5 November 2021 |
| Expected date for Securities to commence trading on ASX | 11 November 2021 |

### Note:

The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Dates without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form and deposit the Application Monies as soon as possible after the Opening Date if they wish to invest in the Company.

# Investment Overview

This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

<table>
<tr><th>Topic</th><th>Summary</th><th>More information</th></tr>
<tr><td colspan="3">Introduction</td></tr>
<tr><td>Who is the Company and what does it do?</td><td>Cosmos Exploration Limited (ACN 648 890 126) (Company or Cosmos) is an Australian company incorporated in Australia on 22 March 2021 by its parent company, RareX Limited (ACN 105 578 756) (ASX: REE) (RareX).<br><br>The Company's corporate structure at listing will be as follows:<br>

<br>Other than as disclosed in this Prospectus, the Company has not undertaken any activities since incorporation.</td><td>Section 2.1</td></tr>
<tr><td>What are the Company's projects?</td><td>The Company currently has two exploration applications in its name, being E09/2527 and E09/2525 within the Byro East Project area. Upon completion of the Demerger Implementation Deed and Admission (and subject to obtaining Ministerial consent to the transfer in respect of EL8442), the Company will own the rights to the tenements comprising the following projects (together with E09/2527 and E09/2525, the Projects).
<table>
<tr><th>Project area</th><th>Tenements</th></tr>
<tr><td>Orange East Project (75% ownership)</td><td>EL8442</td></tr>
<tr><td>Byro East Project</td><td>E09/2386</td></tr>
<tr><td></td><td>E09/2387</td></tr>
<tr><td></td><td>E09/2408</td></tr>
<tr><td></td><td>E09/2409</td></tr>
<tr><td></td><td>E09/2443</td></tr>
</table></td><td>Section 2.4, the Solicitor's Report in Annexure B and the Independent Geologist Report in Annexure C</td></tr>
</table>

| Topic | Summary | More information |
|---|---|---|
| What is the Company's financial position? | The Company was incorporated in March 2021 and has not traded. Therefore, it has not earned any revenue or incurred expenses from its activities, other than the expenses of the Offers.<br><br>An Independent Limited Assurance Report is included in Annexure A which contains financial information about the Company.<br><br>The Board is satisfied that upon completion of the Offers, the Company will have adequate working capital to meet its stated objectives. | Section 4 and Annexure A |
| What is the proposed capital structure of the Company? | Following completion of the Offers and Secondary Offers under this Prospectus, the proposed capital structure of the Company will be as set out in Section 1.4. | Section 1.4 |
| What is the proposed use of funds raised under the Offers? | The Company proposes to use the funds raised from the Offers towards exploration activities on the Projects, expenses of the Offers, general administration fees and working capital. | Section 1.3 |
| What is the Company's strategy? | Following Admission, the Company intends to undertake exploration activities on each of the Projects. Although the Company's immediate focus will be on the Projects, as with most exploration entities, it will pursue and assess other new business opportunities in the resources sector over time which complement its business (although the Company confirms that it is not currently considering other acquisitions and that future acquisitions are likely to be in the mineral resources sector). | Sections 1.3 and 2.5 |
| **Summary of key risks** | | |
| Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in Section 3, and other general risks applicable to all investments in listed securities, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 3 for a more detailed summary of the risks. | | |
| **Exploration and development risks** | The Orange East Project lies on the boundary between the Molong Arc and Hill End Trough within the Ordovician – Silurian aged Lachlan Fold Belt (which is known to be a major mineral province with a number of significant mines in operation or under development in the near vicinity of the project) and the Byro East Project is located in the Narryer Gneiss Complex in the northern most part of the Western Gneiss Terrane which forms the north western corner of the Yilgarn Craton (which is a globally significant source of gold as well as base metals). | Section 3.1(a) |

| Topic | Summary | More information |
|---|---|---|
| | However, no historical mineral occurrences have been recorded on the Orange East Project or the Byro East Project and the Projects have no reported exploration targets, mineral resources or ore reserves.<br><br>Investors are cautioned that the proximity of the Projects to nearby known historical mineral occurrences is no guarantee that the Projects will be prospective for an economic reserve.<br><br>Investors are cautioned that while the Company believes the Projects are prospective for gold and nickel-copper, PGE and orogenic gold mineralisation, as set out in the Independent Geologist's Report, it is likely, based on industry accepted statistics, that no significant mineralisation will be located within the Projects. However, that does not preclude the Projects from being prospective for small high value deposits.<br><br>Further, the reliability of the historical exploration reports used to produce the Independent Geologist's Report in this regard is limited as its accuracy and quality, including accuracy of location of observations, drillholes and sample points, sampling methodology, laboratory techniques and quality assurance and is not always detailed within the historical exploration reports. The inability to properly validate historical data, included in the Independent Geologist's Report, and upon which future exploration decisions will be made increases the overall risk of the exploration process. However, the Company does not consider that this is a material risk to its planned exploration as the Independent Geologist has reviewed and reported on the results in accordance with the JORC Code as set out in the Independent Geologist's Report, which indicates that the historical sampling and logging was performed to a standard sufficient for planning exploration programs and generating target's for investigation. | |
| Limited history | The Company was incorporated on 22 March 2021 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses. | Section 3.1(b) |
| Contractual risk | As at the date of this Prospectus, completion of the Demerger Implementation Deed has not yet occurred and is subject to the fulfilment of certain conditions precedent, including RareX obtaining Shareholder approval for the purposes of Listing | Section 3.1(c) |

| Topic | Summary | More information |
|---|---|---|
| | Rule 11.4 for the sale of the Spin-out Assets to the Company (refer to Section 6.2 for further details).<br><br>If completion of the Demerger Implementation Deed does not occur, the Company will not acquire the Spin-Out Assets, the Offers will not proceed and the Company will not be Admitted.<br><br>The ability of the Company to achieve its stated objectives may be materially affected by the performance by the parties of their obligations under certain agreements. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly. | |
| Future capital requirements | The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Offers should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus. | Section 3.1(e) |
| Title and grant risk | As at the date of this Prospectus, ELA09/2443, ELA09/2525 and ELA09/2527 (**Pending Tenements**), which comprise three of the seven Tenements within the Byro East Project are pending applications which must be granted to the Company, in respect of ELA09/2525 and ELA09/2527, and to RareX (and then transferred to the Company), in respect of ELA09/2443, before the Company may undertake mineral exploration on them. Accordingly, there is a risk that these applications may not be granted in their entirety or may be granted on conditions unacceptable to the Company.<br><br>If the Pending Tenements are not granted, the Company will not acquire an interest in these tenements. Unless and until these tenements are granted (and in the case of ELA09/2443, transferred to the Company), the Company has limited rights in respect of those tenements. However, the Company is of the view that the Pending Tenements (if not granted) will not have a material impact on its planned exploration program.<br><br>Interests in all tenements in Western Australia and New South Wales are governed by state legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could be exposed to additional costs, have its ability to explore or mine the Tenements reduced or lose title to or its interest in the | Section 3.2(a) |

| Topic | Summary | More information |
|---|---|---|
| | Tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments. | |
| Environmental risk | The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. | Section 3.2(k) |
| Infectious diseases | The outbreak of the coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets.<br><br>The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and may interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains. | Section 3.3(j) |
| Resource estimation risk | At present none of the Projects host a mineral resource or reserve estimate. Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted. | Section 3.2(d) |
| Third party risks | Under Western Australian, New South Wales and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the Tenements, including pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on the Tenements.<br><br>Any delays in respect of conflicting third-party rights entering into applicable agreements, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas. In addition, any third party may terminate or rescind the relevant agreement whether lawfully or not and, accordingly, the Company may lose its rights to exclusive use of, and access to any, or all, of the Tenements.<br><br>However, the Company currently has in place sufficient access agreements and regulatory approvals in place to access a sufficient portion of the Projects to satisfy the | Section 3.2(j) |

| Topic | Summary | More information |
|---|---|---|
| | commitments test under Listing Rule 1.3.2(b) for its proposed exploration program and budget. Whilst the Company does not presently consider this to be a material risk to its planned exploration, there is a risk that any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas. | |
| Aboriginal heritage risk | The Company must comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations.<br><br>The Solicitor's Report searches demonstrate that Byro East Tenement E09/2387 overlaps with one 'other heritage place' and Byro East Tenement ELA09/2527 overlaps with one registered Aboriginal heritage site.<br><br>In respect to the Orange East Tenement, the Solicitor's Report searches indicate that one Aboriginal site is recorded on the tenement.<br><br>The existence of such sites may preclude or limit mining activities in certain areas of the Tenements. However, the locations of these sites do not interfere with the Company's proposed exploration activities.<br><br>There remains a risk that future heritage surveys may locate additional Aboriginal sites on the land the subject of the Tenements. The existence of such sites may further preclude or limit mining activities in certain areas of the Tenements. | Section 3.2(i) |
| Native title risk | All of the Byro East Project Tenements wholly overlap one registered native title determination (being Wajarri Yamatji Part A) and one registered native title claim (Wajarri Yamatji #1). The Solicitor's Report searches in respect of the Orange East Tenement indicate that the Tenement does not overlap any native title claims or determinations.<br><br>There remains a risk that in the future, native title and/or registered native title claims may affect the land the subject of the Tenements or in the vicinity of the Tenements.<br><br>The existence of native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder under the Tenements provided the Tenements have | Section 3.2(h) |

| Topic | Summary | More information |
|---|---|---|
| | been validly granted in accordance with the *Native Title Act 1993* (Cth) (**Native Title Act**).<br><br>However, if any Tenement was not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities. The Company has no reason to believe the Tenements were not validly granted.<br><br>The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act. | |
| General risks | The Company is subject to various general risks, including the following (among others):<br>(a) economic risk;<br>(b) market conditions risk;<br>(c) force majeure risk;<br>(d) unforeseen expenditure risk; and<br>(e) climate change risk. | Section 3.3 |
| **Directors, Related Party Interest and Substantial Holders** | | |
| Who are the Directors? | The Board of the Company comprises:<br>(a) Mr Jeremy Robinson - Executive Chair;<br>(b) Mr Andrew Denniss - Non-Executive Director; and<br>(c) Mr James Bahen - Non-Executive Director and Joint Company Secretary. | "Corporate Directory" and Section 5.1 |
| What benefits are being paid to the Directors? | Jeremy Robinson has entered into an executive letter of appointment with the Company, pursuant to which Mr Robinson will receive $48,000 per annum (excluding statutory superannuation) for services provided to the Company as Executive Chair, with effect from the date of Admission.<br><br>In addition, Mr Robinson will also be entitled to a consulting fee of approximately $52,000 per annum (plus GST) for technical services provided to the Company through an entity controlled by Mr Robinson (Churchill Strategic Investment Pty Ltd).<br><br>The Company has entered into letters of appointment with the Non-Executive Directors: Messrs Denniss and Bahen.<br><br>Pursuant to these appointment letters, the Company has agreed to pay on and from Admission $36,000 (excluding statutory superannuation) each for the services provided to the Company as Non-Executive Directors. | Sections 5.6 and 6.4 |

<table>
<tr><th>Topic</th><th>Summary</th><th>More information</th></tr>
<tr><td>What interests do Directors have in the securities of the Company?</td><td>The Directors and their related entities do not hold any interests in Securities in the Company as at the date of this Prospectus.<br><br>Based on the intentions of the Directors at the date of this Prospectus in relation to the Offers, the Directors and their related entities will have the following interests in Securities on Admission:<br><br><table><tr><th>Director</th><th>Shares</th><th>Options</th><th>Performance Rights</th></tr><tr><td>Jeremy Robinson</td><td>500,000</td><td>Nil</td><td>1,000,000</td></tr><tr><td>Andrew Denniss</td><td>10,000</td><td>Nil</td><td>1,000,000</td></tr><tr><td>James Bahen</td><td>200,000</td><td>Nil</td><td>1,000,000</td></tr></table><br>See Section 5.5 for further details of the Directors' current and anticipated Security holdings.</td><td>Section 5.5</td></tr>
<tr><td>What important contracts with related parties is the Company a party to?</td><td>The Company has entered into the following related party transactions on arms' length terms:<br><br>(a) consultancy agreements or letters of appointment with each of its Directors (or their nominees) on standard terms (refer to Section 6.4 for details);<br>(b) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 6.7 for details); and<br>(c) the Demerger Implementation Deed and Sale Agreement (refer to Section 6.2 for details).</td><td>Section 5.8</td></tr>
<tr><td>Who will be the substantial holders of the Company?</td><td>Shareholders (and their associates) holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are set out in the table below. See Section 2.2 for further details on each of the Shareholders' holdings as listed in the tables below.<br><br><table><tr><th>Name</th><th>Shares</th><th>%</th></tr><tr><td>RareX Limited</td><td>10,000,000</td><td>100%</td></tr></table><br>Based on the information known as at the date of this Prospectus, on Admission the following persons will have an interest in 5% or more of the Shares on issue.<br><br><table><tr><th>Name</th><th>Shares</th><th>%</th></tr></table></td><td>Sections 2.2 and 7.5</td></tr>
</table>

<table>
<tr><th>Topic</th><th>Summary</th><th>More information</th></tr>
<tr><td></td><td><table><tr><td>RareX Limited</td><td>10,000,000</td><td>28.57</td></tr></table></td><td></td></tr>
<tr><td>What fees are payable to the Lead Manager?</td><td>The Company entered into a mandate with Canaccord as Lead Manager to the Offers on 11 August 2021 (Lead Manager Mandate).<br><br>The Company will pay to the Lead Manager under the Lead Manager Mandate, subject to the successful completion of the Offers, a fee equal to 5% (plus GST) of the funds raised under the Offers.<br><br>The Company will also issue the Lead Manager (or its nominees) 1,250,000 Options in part consideration for the Lead Manager services pursuant to the Lead Manager Mandate, each exercisable at $0.25 per Option within 3 years from the date of issue on the terms and conditions set out in Section 7.2.</td><td>Sections 1.5 and 6.3</td></tr>
<tr><td>What fees are payable to the Corporate Advisor?</td><td>The Company entered into a mandate appointing Golden Triangle Capital Pty Ltd (Golden Triangle) as Corporate Advisor to the Offers on 14 July 2021 (Corporate Advisor Mandate).<br><br>The Company will issue to the Corporate Advisor (or its nominees) under the Corporate Advisor Mandate, subject to the successful completion of the Offers, 1,750,000 Options in consideration for corporate advisory services pursuant to the Corporate Advisor Mandate, each exercisable at $0.25 per Option within 3 years from the date of issue on the terms and conditions set out in Section 7.2.</td><td>Sections 1.5 and 6.4(d)</td></tr>
<tr><td>What are the Lead Manager's and Corporate Advisors interests in the Securities of the Company?</td><td>The Lead Manager (and its associates) and the Corporate Advisor (and its associates) do not have a relevant interest in the Company's Securities as at the date of this Prospectus.<br><br>Based on the information available to the Company as at the date of the Prospectus regarding the Lead Manager, the Corporate Advisor and their respective associates' intentions in relation to the Offers and Secondary Offers, the Lead Manager, the Corporate Advisor and their respective associates will have a relevant interest in the following Securities on Admission:<table><tr><th>Securityholder</th><th>Shares</th><th>%</th><th>Options</th></tr><tr><td>Canaccord</td><td>Nil</td><td>N/A</td><td>1,250,000</td></tr><tr><td>Golden Triangle</td><td>500,000</td><td>1.42</td><td>1,750,000</td></tr></table></td><td>Section 1.5(b)</td></tr>
<tr><td colspan="3">What are the Offers?</td></tr>
</table>

| Topic | Summary | More information |
|---|---|---|
| What are the Offers? | The General Offer is for 25,000,000 Shares to be issued at a price of $0.20 each to raise $5,000,000 (before costs).<br><br>The General Offer also incorporates the RareX Offer (together, the **Offers**). The RareX Offer is a priority offer to provide Eligible RareX Shareholders with the opportunity to maintain an equity interest in the Projects. | Section 1.1(a) and Section 1.1(c) |
| Are there any secondary offers? | Yes. The Prospectus also incorporates the following secondary offers:<br><br>(a) an offer of 1,250,000 Options to be issued to the Lead Manager (or its nominees) in part consideration for capital raising services provided to the Company (**Lead Manager Offer**); and<br><br>(b) an offer of 1,750,000 Options to be issued to the Corporate Advisor (or its nominees) in part consideration for corporate advisory services provided to the Company (**Corporate Advisor Offer**),<br><br>(together, the **Secondary Offers**).<br><br>The Secondary Offers are being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the exercise of the Lead Manager Options or the Corporate Advisor Options or sale or transfer of any Shares issued upon exercise of such options issued. | Sections 1.1(e) and 1.7(d) |
| What is the Offer Price? | $0.20 per Share. | Section 1.1 |
| What is the minimum subscription amount under the Offers? | The Offers and the Secondary Offers are conditional on the Company raising $5,000,000 (before costs). If the Company fails to raise the Minimum Subscription within three months after the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest). | Section 1.1 |
| Will the Shares be quoted? | The Company will apply to the ASX for its admission to the Official List and quotation of Shares on the ASX (expected to be under the code "C1X") within seven days of the date of this Prospectus. | "Corporate Directory" and Section 1.9 |
| What is the purpose of the Offers? | The purpose of the Offers is to:<br><br>(a) raise $5,000,000 pursuant to the Offers;<br>(b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List; and | Section 1.1 |

| Topic | Summary | More information |
|---|---|---|
| | (c) position the Company to seek to achieve the objectives details in Section 2. | |
| What are the conditions of the Offers? | The Offers and the Secondary Offers under this Prospectus are conditional upon:<br>(a) the conditions precedent to the Demerger Implementation Deed being satisfied or waived;<br>(b) the Company raising a Minimum Subscription amount of $5,000,000 under the Offers;<br>(c) to the extent required by ASX or the Listing Rules, certain persons entering into a restriction deed, or being provided with a restriction notice, imposing such restrictions on trading on the Company's securities as mandated by the Listing Rules; and<br>(d) ASX providing conditional approval to admit the Company to the Official List on conditions which the Directors are confident can be satisfied.<br>If these conditions are not satisfied, then the Offers and the Secondary Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act. | Section 1.2 |
| Are there any escrow arrangements? | Yes, there are compulsory escrow arrangements under the ASX Listing Rules.<br>None of the Securities issued pursuant to the Offers are expected to be restricted securities.<br>The Company anticipates that 10,000,000 Shares, 3,350,000 Options and 3,000,000 Performance Rights (16,350,000 Securities in aggregate) will be classified as restricted securities by ASX for a period of 24 months from the date of quotation.<br>The Company anticipates that the number of Shares classified as restricted securities by ASX will be approximately 28.57% of the issued share capital on an undiluted basis, and approximately 24.18% on a fully diluted basis (assuming all Options and Performance Rights are exercised and that no other Securities are issued). | Section 1.13 |
| What is the Offer period? | An indicative timetable for the Offers is set out on page viii of this Prospectus. | "Indicative Timetable" |
| Are the Offers underwritten? | The Offers are not underwritten. | Section 1.14 |
| **Additional information** | | |
| Will the Company be adequately funded after | The Board believes that the funds raised from the Offers will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus. | Section 1.3 |

| Topic | Summary | More information |
|---|---|---|
| completion of the Offers? | | |
| What rights and liabilities attach to the Securities on issue? | All Shares issued under the Offers will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 7.1.<br>The terms and conditions of the Options are set out in Section 7.2 and the terms and conditions of the Performance Securities are set out in Section 7.3. | Sections 7.1 and 7.2 |
| Who is eligible to participate in the Offers? | The Offers are open to all investors with a registered address in Australia, New Zealand, Singapore and Hong Kong. | Section 1.1 |
| How do I apply for Securities under the Offers and Secondary Offers? | Applications for Securities under the Offers and the Secondary Offers can only be made using the relevant Application Form accompanying this Prospectus. For further information on how to complete the Application Form, Applicants should refer to the instructions set out on the form. | Sections 1.1(c), 1.1(d), 1.1(e) and 1.7 |
| What is the allocation policy? | The Directors, in conjunction with the Lead Manager, will allocate Shares under the Offers at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward (subject to any regulatory requirements), noting that Eligible RareX Shareholders will be offered a priority allocation pursuant to the RareX Offer.<br>There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the relevant Closing Date.<br>Subject to the satisfaction of the conditions to the Offers outlined in Section 1.2, Shares under the Offers are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offers. Applicants who sell Securities before they receive their holding statements do so at their own risk. | Sections 1.1 and 1.11 |
| When will I receive confirmation that my Application has been successful? | It is expected that holding statements will be sent to successful applicants on or about 5 November 2021. | "Indicative Timetable" |
| What is the Company's dividend policy? | The Company does not expect to pay dividends in the near future as its focus will primarily be on exploration of the Projects and future acquisitions. | Section 2.7 |

| Topic | Summary | More information |
|---|---|---|
| How can I find out more about the Prospectus or the Offers? | Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary by email at info@cosmosx.com.au. | Section 1.20 |

# 1. Details of Offers

## 1.1 The Offers

### (a) General

This Prospectus invites investors to apply for 25,000,000 Shares at an issue price of $0.20 each to raise $5,000,000 (before costs) (**General Offer**).

The General Offer incorporates a priority offer to Eligible RareX Shareholders of RareX registered on the RareX Offer Record Date of 5.00pm (WST) on 23 September 2021 (**RareX Offer**) (refer to Section 1.1(c) for further details).

The Shares to be issued pursuant to the Offers are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 7.1.

Applications for Shares under the General Offer must be made on the General Offer Application Form accompanying this Prospectus and received by the Company on or before the General Offer Closing Date. Persons wishing to apply for Shares under the General Offer should refer to Section 1.7 for further details and instructions.

Applications for Shares under the RareX Offer must be made on the RareX Offer Application Form accompanying this Prospectus and received by the Company on or before the RareX Offer Closing Date. Persons wishing to apply for Shares under the RareX Offer should refer to Section 1.1(c), the RareX website (www.rarex.com.au) and the ASX platform under the ticker code "REE" for further details and instructions.

### (b) Minimum Subscription

The minimum subscription under the Offers is $5,000,000 (before costs), being 25,000,000 Shares (**Minimum Subscription**).

None of the Shares offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within three months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

### (c) RareX Offer

The Company is offering Eligible RareX Shareholders the opportunity to subscribe for Shares through the RareX Offer.

In order to be eligible to participate in the RareX Offer, an applicant must:

(i) be a resident in Australia; and

(ii) hold a minimum of 1 RareX Share,

at 5.00pm (WST) on the RareX Offer Record Date (**Eligible RareX Shareholders**).

It is expected that Eligible RareX Shareholders who apply for Shares under the RareX Offer will not be allocated less than a minimum allocation of 10,000 Shares at a price of $0.20 per Share ($2,000) (**Minimum Allocation**).

Whilst priority will be given to Eligible RareX Shareholders, the Directors, in consultation with the Lead Manager, will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward. While it is intended that as many Eligible RareX Shareholders as possible receive at least the Minimum Allocation under the RareX Offer, there is no guarantee that all Eligible RareX Shareholders will have their Applications accepted in full. Eligible RareX Shareholders are encouraged to submit a RareX Offer Application Form as soon as possible after the RareX Offer Opening Date and in any event prior to the RareX Offer Closing Date.

Any Applications from Eligible RareX Shareholders which are not received and accepted by the Company by the RareX Offer Closing Date will be taken as Applications under the General Offer. In order to facilitate this process, the RareX Offer closes before the General Offer closes in accordance with the timetable.

There is no set number of Shares to be issued under the RareX Offer.

(d) **General Offer**

The General Offer will be for any Shares that are not subscribed for or issued to Eligible RareX Shareholders by the RareX Offer Closing Date. If no Shares are subscribed for under the RareX Offer, then 25,000,000 Shares will be available under the General Offer.

(e) **Secondary Offers**

This Prospectus includes the following secondary offers:

(i) an offer of 1,250,000 Options to be issued to the Lead Manager (or its nominees) in part consideration for capital raising services provided to the Company (**Lead Manager Offer**); and

(ii) an offer of 1,750,000 Options to be issued to the Corporate Advisor (or its nominees) in part consideration for corporate advisory services provided to the Company (**Corporate Advisor Offer**),

(together, the **Secondary Offers**).

The Shares to be issued upon exercise of each of the Lead Manager Options and the Corporate Advisor Options will be of the same class and will rank equally in all respects with the existing Shares in the Company.

The Company will issue the Shares to be issued upon exercise of the Lead Manager Options and the Corporate Advisor Options upon their exercise in accordance with the terms set out in Section 7.2.

The Company provides the following information in respect of the Options the subject of the Secondary Offers:

(i) the Lead Manager Options will be issued to the Lead Manager (or its nominees) pursuant to the Lead Manager Mandate (further details in respect of which are set out in Section 6.3); and

(ii) the Corporate Advisor Options will be issued to the Corporate Advisor (or its nominees) pursuant to the Corporate Advisor Mandate (further details in respect of which are set out in Sections 1.5(d) and 6.4(d)).

No additional funds will be raised from the Secondary Offers.

Only the following persons may accept the Secondary Offers:

(i) in respect of the Lead Manager Offer, the Lead Manager (or its nominees); and

(ii) in respect of the Corporate Advisor Offer, the Corporate Advisor (or its nominees).

The Secondary Offers are each being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the exercise of the Lead Manager Options or the Corporate Advisor Options or sale or transfer of any Shares issued upon exercise of such options issued.

An Application Form in relation to each of the Secondary Offers will be issued to the Lead Manager and the Corporate Advisor (or their respective nominees) together with a copy of this Prospectus.

(f) **Purpose of the Offers**

The purpose of the Offers is to:

(i) raise $5,000,000 pursuant to the Offers (before costs);

(ii) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission; and

(iii) position the Company to seek to achieve the objectives detailed in Section 2.

## 1.2 Conditional Offers

The Offers and Secondary Offers under this Prospectus are conditional upon the following events occurring:

(a) the conditions to the Demerger Implementation Deed being satisfied or waived, including:

(i) RareX obtaining all necessary Shareholder approvals for the Spin-out;

(ii) the Company receiving valid applications for not less than $5,000,000 (before costs) under the Offers;

(iii) receipt of ASX conditional admission letter in relation to the admission of the Company to the Official List;

(iv) all authority consents and approvals necessary for the transfer of the Tenements being obtained, including, if required, the consent of the Minister under the *Mining Act 1978* (WA) and the Secretary under the *Mining Act 1992* (NSW) (or their respective delegates); and

(v) the Company and RareX and, if required under third party agreement, the relevant third party, executing, in relation to any third party agreement, a deed of assignment and assumption in a form acceptable to the Company and RareX, each acting reasonably (in relation to any relevant third party agreements);

(b) the Company raising the Minimum Subscription amount of $5,000,000 under the Offers (refer to Section 1.1);

(c) to the extent required by ASX or the Listing Rules, certain persons entering into a restriction deed, or being provided with a restriction notice, imposing such restrictions on trading on the Company's securities as mandated by the Listing Rules; and

(d) ASX providing conditional approval to admit the Company to the Official List on conditions which the Directors are confident can be satisfied,

(together, the **Offer Conditions**).

If the Offer Conditions are not satisfied then the Offers and Secondary Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act.

## 1.3 Proposed use of Funds

Following the Offers, it is anticipated that the following funds will be available to the Company:

| Source of funds | ($) |
|---|---|
| Existing cash as at the date of this Prospectus | 0.00 |
| Proceeds from the Offers | 5,000,000 |
| **Total funds available** | **5,000,000** |

The following table shows the intended use of funds in the two year period following Admission:

| Use of funds - Year 1 | $ | % |
|---|---|---|
| Repayment of estimated expenses associated to the IPO to RareX | 100,000 | 3.2 |
| Payment to RareX as reimbursement of expenditure - Byro East Project tenements | 30,000 | 1.0 |

| Use of funds - Year 1 | $ | % |
|---|---|---|
| Payment to RareX as reimbursement of expenditure - Orange East Project tenements | 50,000 | 1.6 |
| Exploration expenditure - Byro East Project[1] | 1,555,300 | 49.9 |
| Exploration expenditure - Orange East Project[1] | 370,000 | 11.9 |
| Directors' fees[2] | 172,000 | 5.5 |
| General administration fees and working capital[3] | 401,497 | 12.9 |
| Estimated expenses of the Offers[4] | 437,103 | 14.0 |
| **Total Funds allocated - Year 1** | **3,115,900** | **100** |

| Use of funds - Year 2 | $ | % |
|---|---|---|
| Exploration expenditure - Byro East Project[1] | 921,000 | 48.9 |
| Exploration expenditure - Orange East Project[1] | 397,500 | 21.1 |
| Directors' fees[2] | 172,000 | 9.1 |
| General administration fees and working capital[3] | 393,600 | 20.9 |
| **Total Funds allocated - Year 2** | **1,884,100** | **100** |
| **TOTAL FUNDS ALLOCATED** | **5,000,000** | **100** |

**Notes:**

1. See Section 2.6 for further information on the Company's exploration budget.
2. See Section 5.7 for further details of the Directors' remuneration.
3. Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent and other associated costs. Working capital also includes surplus funds and funds for potential future acquisition costs which include costs required for the identification of new projects and opportunistic acquisitions. The Company notes that:
   (a) it is not currently considering other acquisitions;
   (b) that any future acquisitions are likely to be in the mineral resources sector;

(c) that the timing of any such transactions is not yet known; and

(d) if no suitable acquisition opportunity arises, and subject to the outcomes of exploration activities, the Company may elect to allocate some or all of these funds to exploration on the Company's existing Projects.

4. Expenses paid or payable by the Company in relation to the Offers are set out in Section 7.8.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 3), and actual expenditure levels, may differ significantly from the above estimates.

The Board believes that the funds raised from the Offers will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

The use of further equity funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Offers will provide the Company sufficient funding for approximately 2 years' operations. As the Company has no operating revenue, the Company will require further financing in the future. See Section 3 for further details about the risks associated with the Company's future capital requirements.

## 1.4 Capital Structure on Admission

On the basis that the Company completes the Offers and Secondary Offers on the terms in this Prospectus, the Company's capital structure will be as follows:

| | **Shares** | **%** | **Options** | **Performance Rights** |
|---|---|---|---|---|
| Shares offered under the Offers[1] and Securities on issue | 25,000,000 | 71.43 | 350,000 | 3,000,000[5] |
| Consideration Shares[2] | 10,000,000 | 28.57 | - | - |
| Lead Manager Options[3] | - | - | 1,250,000 | - |
| Corporate Advisor Options[3] | - | - | 1,750,000 | - |
| **Total Securities on issue at completion of the Offers[5]** | **35,000,000** | **100** | **3,350,000** | **3,000,000** |

| | Shares | % | Options | Performance Rights |
|---|---|---|---|---|
| **Implied Market Capitalisation on completion of the Offers** | **$7,000,000** | **N/A** | **N/A** | **N/A** |

**Notes:**

1. Please refer to Section 2.2 for the current capital structure of the Company.
2. Please refer to Section 6.2 for further details relating to the Consideration Shares to be issued to RareX under the Demerger Implementation Deed.
3. Please refer to Section 7.2 for further details relating to the terms and conditions of the Options.
4. Please refer to Section 7.3 for further details relating to the terms and conditions of the Performance Rights.
5. Assuming no further Securities are issued.

The Company's free float at the time of Admission will be not less than 20%.

## 1.5 Lead Manager's and Corporate Advisor's interests in the Offers

Canaccord (also referred to in this Prospectus as the "Lead Manager") has been appointed as Lead Manager to the Offers. Canaccord is party to the Lead Manager Mandate that is summarised in Section 6.3.

Golden Triangle (also referred to in this Prospectus as the "Corporate Advisor") has been appointed as Corporate Advisor to the Offers. Golden Triangle is a party to the Corporate Advisor Mandate summarised in Section 6.4(d).

### (a) Fees payable to Lead Manager

The Company has or will pay to Canaccord the following fees in connection with the Offers:

(i) a fee payable in cash equal to 5% of the funds raised under the Offers; and

(ii) 1,250,000 Lead Manager Options exercisable at $0.25 per Option expiring three years from the date of issue on the terms and conditions set out in Section 7.2,

in accordance with the Lead Manager Mandate summarised in Section 6.3.

### (b) Lead Manager's interests in Securities

As at the date of this Prospectus, the Lead Manager and its associates do not have a relevant interest in Securities.

Based on the information available to the Company as at the date of the Prospectus regarding the intentions of the Lead Manager and its associates in relation to the Offers and assuming that neither the Lead Manager nor its associates take up Shares under the Offers, the Lead Manager and its associates will have a relevant interest in 1,250,000 Lead Manager Options on Admission and will not have a relevant interest in any other Securities.

(c) **Lead Manager's participation in previous placements**

The Lead Manager has not participated in a placement of Securities by the Company in the 2 years preceding lodgement of this Prospectus.

(d) **Fees payable to Corporate Advisor**

The Company has or will issue Golden Triangle (or its nominees) 1,750,000 Corporate Advisor Options exercisable at $0.25 per Option expiring three years from the date of issue on the terms and conditions set out in Section 7.2 in accordance with the Corporate Advisor Mandate summarised in Section 6.4(d).

(e) **Corporate Advisor interests in Securities**

As at the date of this Prospectus, the Corporate Advisor and its associates do not have a relevant interest in Securities.

Based on the information available to the Company as at the date of the Prospectus regarding the intentions of the Corporate Advisor and its associates in relation to the Offers and assuming that the Corporate Advisor and its associates take up an aggregate of 500,000 Shares under the Offers, the Corporate Advisor and its associates will have a relevant interest in 1,750,000 Lead Manager Options on Admission and will have a relevant interest in 500,000 Shares on Admission.

(f) **Corporate Advisor's participation in previous placements**

The Corporate Advisor has not participated in a placement of Securities by the Company in the 2 years preceding lodgement of this Prospectus.

## 1.6 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Sections 2.1 and 2.5 for further information in respect to the Company's proposed activities.

## 1.7 Applications

(a) **General**

Applications for Shares under the Offers can be made using the General Offer Application Form accompanying this Prospectus or otherwise provided by the Company. The Application Form must be completed in accordance with the instructions set out on the form.

No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account.

(i) **Option 1: Submit an online Application Form and pay with BPAY®**

For online applications, investors can apply online with payment made electronically via BPAY®. Investors applying online will be directed to use an online Application Form and make payment by BPAY®. Applicants will be given a BPAY® biller code and a customer reference number (**CRN**) unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Applicants must:

(A) access their participating BPAY® Australian financial institution either via telephone or internet banking;

(B) select to use BPAY® and follow the prompts; enter the biller code and unique CRN that corresponds to the online Application;

(C) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;

(D) select which account payment is to be made from;

(E) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and

(F) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution whether there are any limits on the Investor's account that may limit the amount of any BPAY® payment and the cut off time for the BPAY® payment.

Investors can apply online by following the instructions at https://investor.automic.com.au/#/ipo/cosmosexploration and completing a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

(ii) **Option 2: Submit an Application Form and pay via Electronic Funds Transfer "EFT"**

Investors can apply online with payment made electronically via EFT. Investors applying online will be directed to use an online Application Form and will be given a payment reference number unique to the online Application once the online Application Form has been completed.

EFT payments must be received in Australian dollars ($AUD). Using EFT payment details, Applicants must:

(A) use the unique payment reference number that corresponds to the online Application Form;

(B) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;

(C) select which account payment is to be made from;

(D) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and

(E) record and retain the EFT receipt number and date paid.

Applicants should confirm with their Australian financial institution whether there are any limits on the Applicant's account that may limit the amount of any EFT payment and the cut off time for the funds transfer.

An original, completed and lodged Application Form together with confirmation of BPAY® or EFT payment for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final; however an applicant will not be treated as having applied for more Shares than is indicated by the amount of the BPAY® or EFT for the Application Monies.

It is the responsibility of Applicants outside Australia, New Zealand, Hong Kong and Singapore to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form with the requisite Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

(i) agrees to be bound by the terms of the relevant Offers;

(ii) declares that all details and statements in the Application Form are complete and accurate;

(iii) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;

(iv) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;

(v) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs; and

(vi) acknowledges that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

The Offers may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offers or accept late Applications.

(b) **General Offer**

Applications under the General Offer must be for a minimum of 10,000 Shares ($2,000) and then in increments of 2,500 Shares ($500).

Applications for Shares under the General Offer must be made on the General Offer Application Form accompanying this Prospectus and received by the Company on or before the General Offer Closing Date. Persons wishing to apply for Shares should refer to Section 1.7(a) and the General Offer Application Form for further details and instructions.

(c) **RareX Offer**

Applications under the RareX Offer must be for a minimum of 10,000 Shares ($2,000) and then in increments of 2,500 Shares ($500).

Applications for Shares under the RareX Offer must be made on the RareX Offer Application Form accompanying this Prospectus and received by the Company on or before the RareX Offer Closing Date. Persons wishing to apply for Shares under the RareX Offer should refer to Section 1.1(c), the RareX website (www.rarex.com.au) and the ASX platform under the ticker code "REE" for further details and instructions.

(d) **Secondary Offers**

The Secondary Offers may only be accepted by the following persons:

(i) in respect of the Lead Manager Offer, the Lead Manager (or its nominees); and

(ii) in respect of the Corporate Advisor Offer, the Corporate Advisor (or its nominees).

A personalised application form in relation to each of the Secondary Offers will be issued to the Lead Manager and the Corporate Advisor (or their nominees) together with a copy of this Prospectus.

No monies (or only nominal monies) are payable for the Options the subject of the Secondary Offers.

## 1.8 CHESS and issuer sponsorship

The Company will apply to participate in CHESS. All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable

after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

## 1.9 ASX Listing and Official Quotation

Within seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

## 1.10 Application Monies to be held in trust

Application Monies will be held in trust for Applicants until the allotment of the Shares. Any interest that accrues will be retained by the Company. No allotment of Shares under this Prospectus will occur unless the Offer Conditions are satisfied (refer to Section 1.2).

## 1.11 Allocation and issue of Shares

The Directors, in conjunction with the Lead Manager will allocate Shares pursuant to the Offers at their sole discretion with a view to ensure an appropriate Shareholder base for the Company going forward.

The allocation of Shares will be influenced by the following factors:

(a) the number of Shares applied for (in particular under the RareX Offer);

(b) the overall level of demand for the Offers;

(c) the desire for a spread of investors, including institutional investors; and

(d) the desire for an informed and active market for trading Shares following completion of the Offers.

Whilst priority will be given to Eligible RareX Shareholders, the Directors, in consultation with the Lead Manager, will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward. While it is intended that as

many Eligible RareX Shareholders as possible receive at least the Minimum Allocation under the RareX Offer, there is no guarantee that all Eligible RareX Shareholders will have their Applications accepted in full. Eligible RareX Shareholders are encouraged to submit an Application Form as soon as possible.

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the relevant Closing Date.

Subject to the matters in Section 1.9, Shares under the Offers are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offers. Applicants who sell Shares before they receive their holding statements do so at their own risk.

## 1.12 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 3 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

## 1.13 Escrow arrangements

ASX will classify certain existing Securities on issue in the Company as being subject to the restricted securities provisions of the Listing Rules. Restricted securities would be required to be held in escrow for up to 24 months and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

None of the Shares issued pursuant to the Offers are expected to be restricted securities.

As at the date of this Prospectus the Company expects approximately 10,000,000 Shares, 3,350,000 Options and 3,000,000 Performance Rights will be subject to 24 months escrow from the date of quotation.

The Company anticipates that the number of Shares classified as restricted securities by ASX will be approximately 28.57% of the Company's issued share capital on an undiluted basis, and approximately 24.18% on a fully diluted basis (assuming all Options and Performance Rights vest and are exercised and that no other Shares are issued).

Prior to the Company's Shares being admitted to quotation on the ASX, the Company will enter into escrow agreements with certain recipients of the restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow.

## 1.14 Underwriting

The Offers are not underwritten.

## 1.15 Lead Manager

Canaccord has been appointed as Lead Manager to the Offers on the terms and conditions summarised in Section 6.3.

## 1.16 Brokerage, Commission and Stamp Duty

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares pursuant to the Offers.

## 1.17 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

## 1.18 Privacy disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to Security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## 1.19 Paper Copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the Application Form to investors upon request and free of charge. Requests for a paper copy from should be directed to the Company Secretary on +61 8 6555 2950.

## 1.20 Enquiries

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary on +61 8 6555 2950.

# 2. Company Overview

## 2.1 Company and Business Overview

Cosmos Exploration Limited (**Company** or **Cosmos**) is a wholly owned subsidiary of RareX Limited (ACN 105 578 756) (ASX: REE) (**RareX**). The companies entered into a Demerger Implementation Deed and Sale Agreement whereby Cosmos will acquire a 100% interest in the tenements RareX holds in the Byro East Project located in Western Australia, and a 75% interest in the Orange East Project located in New South Wales, as well as pegging exploration licence applications in its own name in the Byro East Project area (being E09/2527 and E09/2525). Cosmos proposes to list on the ASX in order to raise additional capital to undertake additional exploration on the projects. Cosmos proposes to issue 25,000,000 Shares at 20 cents to raise $5,000,000. The Company's Board comprises Jeremy Robinson (Executive Chair), Andrew Denniss (Non-Executive Director) and James Bahen (Non-Executive Director). The Joint Company Secretaries are James Bahen and Robert Featherby. Further information on the Board is set out in Section 5.

## 2.2 Capital Structure of the Company

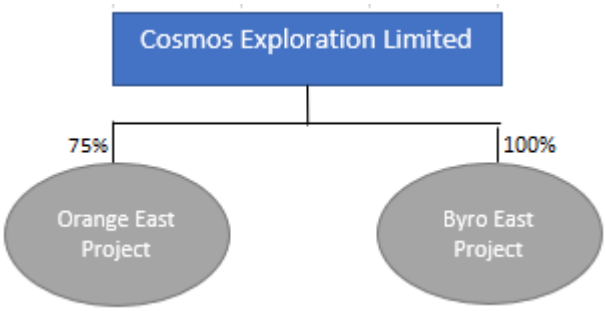
As at the date of this Prospectus, the capital structure of the Company, and particulars of its current Shareholders (and their related entities), are as follows:

| Shareholder | Shares | % |
|---|---|---|
| RareX Limited | 10,000,000 | 100 |
| **Shares on issue as at the date of this Prospectus** | **10,000,000** | **100** |

## 2.3 Corporate Structure

Upon the Company's Admission to the Official List, its corporate structure will be as set out in the following diagram.

**Figure 1: Corporate structure**



## 2.4 Overview of the Projects

Byro East Project

The Byro East Project covers an area of 1,600km$^2$ and is located approximately 300km southeast of the township of Carnarvon in the Gascoyne region of Western Australia. The project comprises seven exploration licences, of which four licences are granted.

The Project is located in the Narryer Gneiss Complex in the northern most part of the Western Gneiss Terrane which forms the northwestern corner of the Yilgarn Craton consists of a high-grade metasedimentary rocks predominately quartzo feldspathic gneisses and migmatites with amphibolite's quartzites, Banded Iron Formations (BIF), felsic volcanics and layered mafic ultramafic intrusions. The mafic intrusive's vary from large well layered quartz gabbro to olivine cumulate to lenses of amphibolite.

The area has had a complex structural and metamorphic history, several major linear features have been mapped striking parallel to the craton margin with splay and link structures between the main faults evident.

Previous exploration work on the project has been restricted to regional scale stream sediment sampling, rock chip, limited soil sampling and ground geophysical surveys. As set out in the Independent Geologist's Report, there does not appear to have been any drilling undertaken within the project area to date.

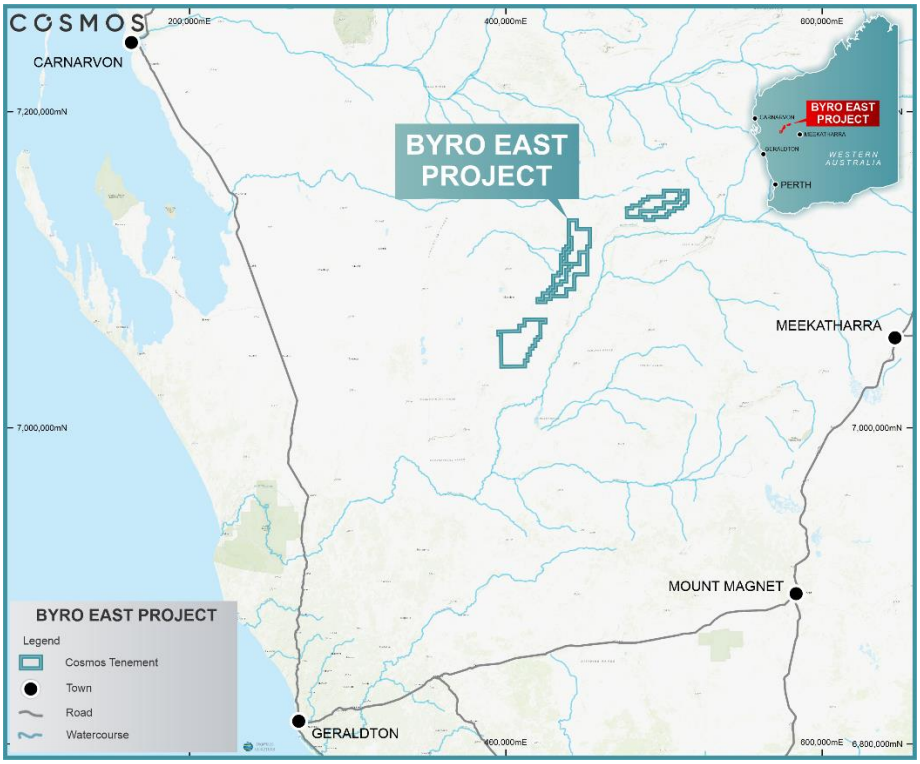



**Figure 1: Byro East Project location map: Created by the Company, September 2021.**

As the project sits on a craton margin, in a similar setting to the Nova-Bollinger and Julimar Deposits the Company believes the project has potential for mafic to ultramafic intrusive related

nickel-copper-PGE mineralisation. The tenement package in part covers the eastern side of the Milly-Milly ultramafic intrusion where previous exploration has returned some indicators of nickel sulfides. The Company believes using available regional magnetics and geological survey mapping they can trace the intrusive under cover within their tenement.

Based on interpretation of available data Cosmos has identified four exploration prospects on the western side of the project area potentially associated with the Milly-Milly Intrusive which could be prospective for Ni-Cu-PGE mineralisation. Past exploration has only been completed on the Dottyback Prospect which returned anomalous nickel copper in soil geochemistry. In addition, regional processing of aeromagnetic data has identified a number of magnetic signatures within the project area that could relate to mafic to ultramafic intrusive which Cosmos intends to test with further exploration.

Due to the complex structural setting of the project area there is also potential for structurally controlled gold mineralisation similar to other deposits within high metamorphic terranes within the Archean Western Australian goldfields.

RareX applied for the tenements comprising the Byro East Project (namely, means E09/2386, E09/2408, E09/2409, E09/2387) during the quarter ended 30 June 2020. Each of these applications has now been granted. The Byro East Project also includes one application (ELA09/2443) which remains pending.

Orange East Project

The Orange East Project covers an area of approximately 40km$^2$, and is located approximately 200 km west of Sydney and 15 km south east of the regional center of Orange. Access and support services to the project are excellent. The project comprises a single granted exploration licence. The project covers freehold farmland. Cosmos will hold a 75 % interest in the project with the remaining 25% interest being retained by RareX and free carried by the Company until completion of a bankable feasibility study.

The project straddles the boundary between the Molong Arc and Hill End Trough within the Ordovician – Silurian aged Lachlan Fold Belt. The Molong Arc is dominated by ultramafic to andesitic volcanics and volcaniclastic sediments whilst the trough facies include siltstones, sandstones mudstones, limestones and dacitic lavas. The north south striking Godolphin Fault, a major bounding structure between the Molong Arc on the west and Hill End Trough to the east as well as number of splay structures running off the main fault runs through the project. The project is in a major mineral province with a number of significant mines in operation or under development in the near vicinity of the project.

Based on past exploration work, Cosmos has identified several targets prospective for gold and copper mineralisation that are closely associated with the Godolphin Shear or splay structures of the shear. The Godolphin Shear is a major controlling structure on the 2.02 M oz McPhillamys Gold Deposit to the south of the project area.

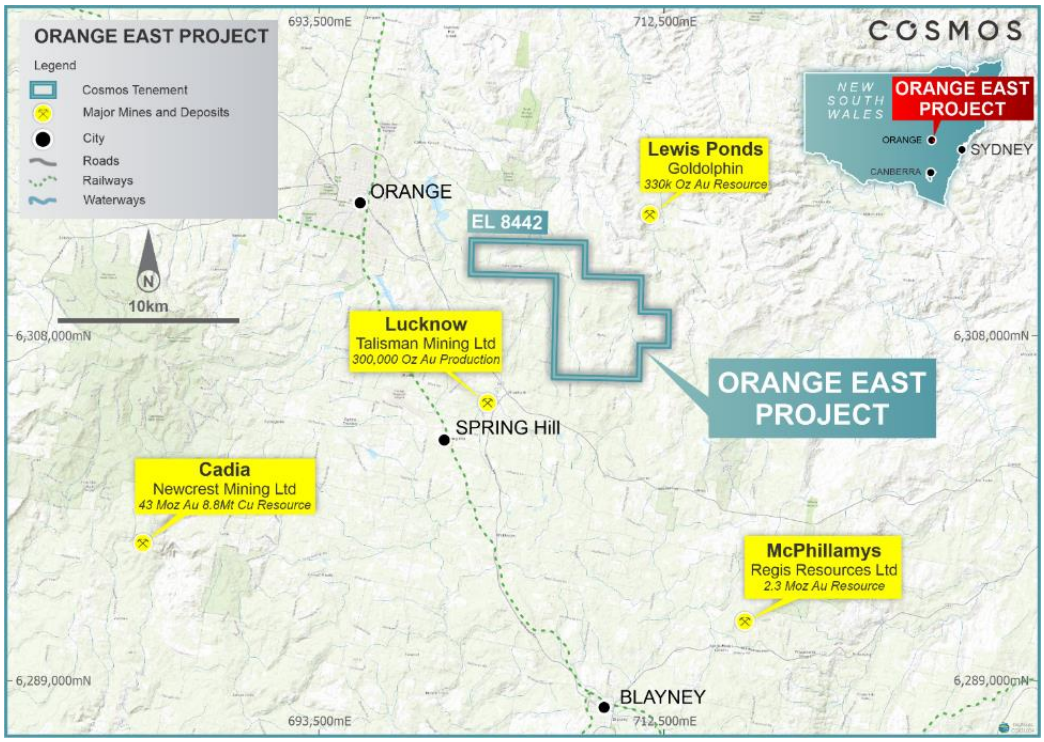



**Figure 2: Orange East Project location map: Created by the Company, September 2021.**

At the Carangara Prospect four target areas have been identified based on past soil geochemistry and drilling as well as remodelling of IP geophysical data. The targets area all within sediments that have been interpreted as belonging to the Anson Formation. At the Gunnarbee Prospect, a strong copper and gold in soil geochemical anomaly has been defined associated with the Lewis Ponds Fault zone within Anson Formation. The strong association of anomalous geochemistry within Anson Formation sediments adjacent to major regional structures is considered to be a setting analogous to the McPhillamys Deposit and warrants targeting drill testing. The project is on freehold farmland and approval from the landholders will be required to undertake the work.

(a) **Tenements**

A comprehensive summary of regional and local geology, historical mining and historical exploration pertaining to the Tenements is contained in the Independent Geologist Report in Annexure C. A comprehensive summary of the status of the Tenements can be found in the Solicitor's Report in Annexure B.

The Projects are located in Western Australia as shown in Figure 1 below.

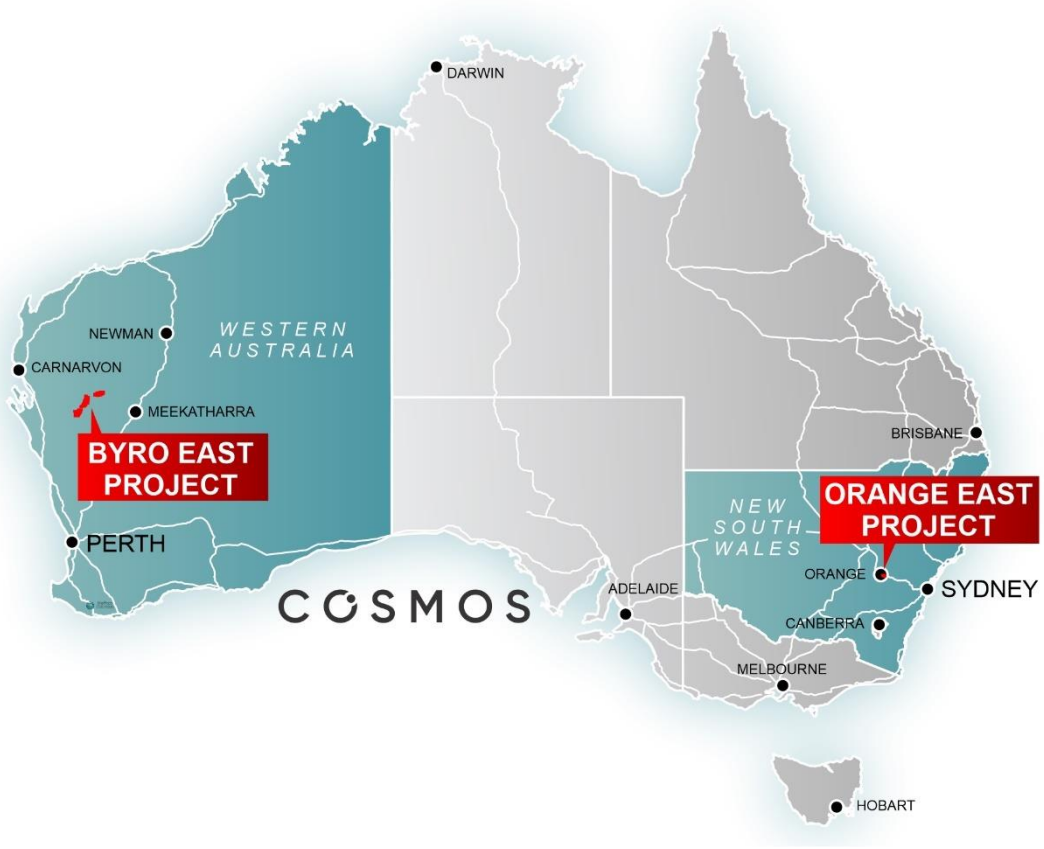



**Figure 3: Project location map: Created by the Company, September 2021.**

## 2.5 Business strategy/objectives of the Company

The Company believes that the proximal location of the Orange East Project on the boundary between the Molong Arc and Hill End Trough within the Ordovician – Silurian aged Lachlan Fold Belt (which is known to be a major mineral province with a number of significant mines in operation or under development in the near vicinity of the project) and the Byro East Project in the Narryer Gneiss Complex in the northern most part of the Western Gneiss Terrane which forms the north western corner of the Yilgarn Craton (which is a globally significant source of gold as well as base metals) presents a unique strategic opportunity to create a gold and nickel-copper, platinum group elements (**PGE**) and orogenic gold mineralisation company.

However, investors are cautioned that the Projects have no reported exploration targets, mineral resources or ore reserves, that the proximity of the Projects to nearby historical mineral occurrences is no guarantee that the Projects will be prospective for an economic reserve and that any similarities to targeting models is no guarantee that the Projects will hold a comparable mineral deposit.

Following Admission, the Company's project portfolio will consist of the Orange East Project and the Byro East Project (together, the **Projects**). The Company's primary focus will be to drill, prove and classify these Projects to JORC Code standards in order to assess development options at the Projects.

Although the Company's immediate focus will be on the Projects, as with most exploration entities, it will pursue and assess other new business opportunities in the resources sector over time which complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits,

and/or direct equity participation. The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects. There are uncertainties in the process of identifying and acquiring new and suitable projects. The Company confirms that it is not currently considering other acquisitions and that future acquisitions are likely to be in the mineral resources sector.

## 2.6 Proposed exploration budgets

The Company proposes to fund its intended activities as outlined in the tables below from the proceeds of the Offers. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration undertaken. This will involve an ongoing assessment of the Company's Projects and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the following budget takes into account the proposed expenses over the next 2 years to complete initial exploration of the Tenements. As budgeted below, the Company's exploration expenditure will exceed the expenditure requirements for each of the Tenements (see Annexure C for further details):

| | Year 1 (A$) | Year 2 (A$) | Total (A$) |
|---|---|---|---|
| **Byro East Project** | | | |
| **Heritage Surveys** | 50,000 | 40,000 | 90,000 |
| **Geochemistry** | | | |
| Regional | 206,000 | | 206,000 |
| Target Areas | 161,000 | | 161,000 |
| **Geophysics** | | | |
| Aeromagnetic and Radiometric Survey Acquisition and Processing | 93,300 | | 93,300 |
| Airborne Electromagnetic Survey Acquisition and Processing | 450,000 | | 450,000 |
| Ground Electromagnetic Acquisition and Processing | 277,000 | 177,000 | 454,000 |
| **Drilling** | | | |
| Air core and Reverse Circulation | 318,000 | 331,000 | 649,000 |
| Diamond | | 373,000 | 373,000 |
| **Project Total** | **1,555,300** | **921,000** | **2,476,300** |
| | | | |
| **Orange East Project** | | | |
| **Land Access** | 40,000 | 25,000 | 65,000 |
| **Geochemistry** | | | |
| Regional | 23,000 | | 23,000 |
| **Geophysics** | | | |
| Aeromagnetic Acquisition and Processing | 36,000 | | 36,000 |
| Gravity acquisition and Processing | 46,000 | | 46,000 |
| **Drilling** | | | |
| Reverse Circulation | 225,000 | | 225,000 |
| Diamond | | 372,500 | 372,500 |
| **Project Total** | **370,000** | **397,500** | **767,500** |

| | | | |
|---|---|---|---|
| **Total** | **1,925,300** | **1,318,500** | **3,243,800** |

At the date of this Prospectus, the Company confirms that it has entered into a number of access agreements across its Projects, which provides the Company with access to a sufficient portion of the Projects to satisfy the commitments test under Listing Rule 1.3.2(b) for its proposed exploration program and budget as set out above.

The Independent Geologist's Report states that, in the Independent Geologist's opinion, the Company's proposed exploration budget has been well thought out and should be sufficient to evaluate the properties at the level the Company has stated in this Prospectus.

The majority of the funds will be used to advance the Byro East Project, exploring for Julimar style Ni-Cu-PGE mineralisation. Funds will be used to test four (4) prospects the Company has identified from its evaluation of available data and to commence regional exploration for other ultramafic – mafic intrusion targets within the Company's extensive ground holding. Planned work includes use of airborne VTEM and aeromagnetic geophysical surveying to identify potential intrusive bodies under cover. New geophysical targets will be followed up by rock and/or soil sampling, ground geophysics and drill testing.

Within the Orange East Project, the Company intends to undertake diamond drilling and reverse circulation drill testing at the Carangara Prospect and the Gunnarbee Prospect. The Orange East Project is in a major mineral province, with a number of significant mines in operation or under development in the near vicinity. Based upon past exploration work, the Company has identified several targets that are prospective for gold (Au) and copper (Cu) mineralisation that are closely associated with the Godolphin Fault or splay structures off the fault. The Independent Geologist's Report states that the Orange East Project is regarded as an advanced exploration project.

## 2.7 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing businesses.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

# 3. Risk Factors

As with any securities investment, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Securities.

Any investment in the Company under this Prospectus should be considered highly speculative.

## 3.1 Risks specific to the Company

### (a) Exploration and development risks

The Orange East Project lies on the boundary between the Molong Arc and Hill End Trough within the Ordovician – Silurian aged Lachlan Fold Belt (which is known to be a major mineral province with a number of significant mines in operation or under development in the near vicinity of the project) and the Byro East Project is located in the Narryer Gneiss Complex in the northern most part of the Western Gneiss Terrane which forms the north western corner of the Yilgarn Craton (which is a globally significant source of gold as well as base metals).

However, no historical mineral occurrences have been recorded on the Orange East Project or the Byro East Project and the Projects have no reported exploration targets, mineral resources or ore reserves.

Investors are cautioned that the proximity of the Projects to nearby known historical mineral occurrences is no guarantee that the Projects will be prospective for an economic reserve.

Investors are cautioned that while the Company believes the Projects are prospective for gold and nickel-copper, PGE and orogenic gold mineralisation, as set out in the Independent Geologist's Report, it is likely, based on industry accepted statistics, that no significant mineralisation will be located within the Projects. However, that does not preclude the Project from being prospective for small high value deposits.

Further, the reliability of the historical exploration reports used to produce the Independent Geologist's Report in this regard is limited as its accuracy and quality, including accuracy of location of observations, drillholes and sample points, sampling methodology, laboratory techniques and quality assurance and is not always detailed within the historical exploration reports. The inability to properly validate historical data, included in the Independent Geologist's Report, and upon which future exploration decisions will be made increases the overall risk of the exploration process. However, the Company does not consider that this is a material risk to its planned exploration as the Independent Geologist has reviewed and reported on the results in accordance with the JORC Code as set out in the Independent Geologist's Report, which indicates that the historical sampling and logging was performed to a standard sufficient for planning exploration programs and generating target's for investigation.

The prospects of the Tenements must be considered in light of the considerable risks, expenses and difficulties frequently encountered by companies in the early stage of exploration and development activities and, accordingly, carries significant exploration risk.

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(b) **Limited history**

The Company was incorporated on 22 March 2021 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses.

(c) **Contractual risk**

As at the date of this Prospectus, completion of the Demerger Implementation Deed has not yet occurred and is subject to the fulfilment of certain conditions precedent, including RareX obtaining shareholder approval for the purposes of Listing Rule 11.4 for the sale of the Spin-out Assets to the Company (refer to Section 6.2 for further details).

If completion of the Demerger Implementation Deed does not occur, the Company will not acquire the Spin-Out Assets, the Offers will not proceed and the Company will not be Admitted.

The Sale Agreement incorporates the JV Terms pursuant to which, from Completion of the Demerger Implementation Deed (and Sale Agreement), the Orange East Joint Venture will be formed between Cosmos and RareX. The JV Terms provide only the key operating provisions for a joint venture agreement, are not comprehensive and do not purport to cover all of the requirements normally contained in a joint venture agreement. Until such time as a formal joint venture agreement can be negotiated between the parties in accordance with the Sale Agreement (further details in respect of which are set out in Section 6.2), there is a heightened risk that disputes may arise between the JV Parties which may have adverse financial impacts on the Company or cause delays in the development of the East Orange Project. While the Company intends to negotiate a formal joint venture agreement with RareX, there is no guarantee that the Company will be able to negotiate a formal joint venture agreement on terms favourable to the Company, or at all.

The ability of the Company to achieve its stated objectives may be materially affected by the performance by the parties of their obligations under certain agreements. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

If the Company enters into agreements with third parties for the acquisition or divestment of equity interests in mineral exploration and mining projects there are no guarantees that any such contractual obligations will be satisfied in part or in full.

(d) **Conditionality of the Offers**

The obligation of the Company to issue the Securities under the Offers is conditional on certain conditions being satisfied, including ASX granting approval for Admission to the Official List. If this condition is not satisfied, the Company will not proceed with the Offers. Failure to complete the Offers may have a material adverse effect on the Company's financial position.

(e) **Future capital requirements**

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Offers should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.

In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Offers Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities or the registering of security interests over the Company's assets.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Securities in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(f) **New projects and acquisitions**

Although the Company’s immediate focus will be on the Projects, as with most exploration entities, it will pursue and assess other new business opportunities in the resources sector over time which complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is

not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current Projects and new projects, which may result in the Company reallocating funds from the Projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

## 3.2 Mining Industry Risks

### (a) Title and grant risk

As at the date of this Prospectus, ELA09/2443, ELA09/2525 and ELA09/2527 (**Pending Tenements**), which comprise three of the seven Tenements within the Byro East Project are pending applications which must be granted to the Company, in respect of ELA09/2525 and ELA09/2527, and to RareX (and then transferred to the Company) in respect of ELA 09/2443, before the Company may undertake mineral exploration on them. Accordingly, there is a risk that these applications may not be granted in their entirety or may be granted on conditions unacceptable to the Company.

If the Pending Tenements are not granted, the Company will not acquire an interest in these tenements. Unless and until these tenements are granted (and in the case of ELA09/2443, transferred to the Company), the Company has limited rights in respect of those tenements. However, the Company is of the view that the Pending Tenements (if not granted) will not have a material impact on its planned exploration program.

Interests in all tenements in Western Australia and New South Wales are governed by state legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could be exposed to additional costs, have its ability to explore or mine the Tenements reduced or lose title to or its interest in the Tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

### (b) Operating risk

There are significant risks in developing a mine and there is no guarantee that the Company will be able to achieve economic production from any of the Tenements. In addition, the operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Projects. Unless and until the

Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.

(c) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

(i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;

(ii) developing an economic process route to produce a metal and/or concentrate; and

(iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(d) **Resource estimation risks**

The Projects do not currently host an exploration target, mineral resource or reserve estimate. The Company has not yet undertaken any exploration programs over the Tenements.

Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted. The calculation and interpretation of resource estimates are by their nature expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly through additional fieldwork or when new information or techniques become available. This may result in alterations to development and mining plans, which may in turn adversely affect the Company's operations.

(e) **Payment obligations**

Pursuant to the terms of the Tenements comprising the Projects, the Company will become subject to payment and other obligations. In particular, holders are required to expend the funds necessary to meet the minimum work commitments attaching to the Tenements. Failure to meet these work commitments may render the Tenements subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in the Projects. Further details of these conditions and obligations are set out in section 6 and Schedule 1 of the Solicitor's Report.

(f) **Minerals and currency price volatility**

The Company's ability to proceed with the development of its Projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for minerals that may be mined

commercially in the future from the Company's project areas, technological advancements, forward selling activities and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency. As a result, the Company is exposed to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets, which could have a material effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

(g) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's Projects and business.

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities or technical staff. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(h) **Native title risks**

All of the Byro East Project Tenements wholly overlap one registered native title determination (being Wajarri Yamatji Part A) and one registered native title claim (Wajarri Yamatji #1). The Solicitor's Report searches in respect of the Orange East Tenement indicate that the Tenement does not overlap any native title claims or determinations.

There remains a risk that in the future, native title and/or registered native title claims may affect the land the subject of the Tenements or in the vicinity of the Tenements.

The existence of native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder under the Tenements provided the Tenements have been validly granted in accordance with the *Native Title Act 1993* (Cth) (**Native Title Act**).

However, if any Tenement was not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities. The Company has no reason to believe the Tenements were not validly granted.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

(i) **Aboriginal Heritage Risk**

The Company must comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations.

The Solicitor's Report searches demonstrate that Byro East Tenement E09/2387 overlaps with one 'other heritage place' and Byro East Tenement ELA09/2527 overlaps with one registered Aboriginal heritage site.

In respect to the Orange East Tenement, the Solicitor's Report searches indicate that one Aboriginal site is recorded on the tenement.

The existence of such sites may preclude or limit mining activities in certain areas of the Tenements. However, the locations of these sites do not interfere with the Company's proposed exploration activities.

There remains a risk that future heritage surveys may locate additional Aboriginal sites on the land the subject of the Tenements. The existence of such sites may further preclude or limit mining activities in certain areas of the Tenements.

(j) **Third party risks and access risks**

Under Western Australian, New South Wales and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the Tenements, including pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on the Tenements.

In respect to the Orange East Project Tenement, EL8442, the tenement overlaps parcels of private land and the Company is party to three exploration land access agreements which sets out the access and compensation requirements to affected private land owners.

Several of the Byro East Project Tenements overlap a File Notation Area. In respect to the File Notation Area, third party tenure and access rights may be granted in the future. All of the Byro East Project Tenements overlap pastoral leases and E09/2409, ELA09/2443 and ELA09/2525 overlap a small portion of two Crown Reserves. The existence of the Crown Reserves may in the future require additional approvals or plans to be implemented by the Company in order to progress with exploration and development activities on the Tenements.

Any delays in respect of conflicting third-party rights entering into applicable agreements, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas. In addition, any third party may terminate or rescind the relevant agreement whether lawfully or not and, accordingly, the Company may lose its rights to exclusive use of, and access to any, or all, of the Tenements.

However, the Company currently has in place sufficient access agreements and regulatory approvals in place to access a sufficient portion of the Projects to satisfy the commitments test under Listing Rule 1.3.2(b) for its proposed exploration program and budget. Whilst the Company does not presently consider this to be a material risk to its planned exploration, there is a risk that any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

(k) **Environmental risk**

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

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities.

(l) **Licences, permits and approvals**

While the Pending Tenements have not yet been granted (further details in respect of which are set out in Section 3.2(a) and in the Solicitor's Report in Annexure B), the Company confirms that it holds all material authorisations required to undertake the exploration programs described in this Prospectus.

However, many of the mineral rights and interests to be held by the Company are subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.

(m) **Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(n) **Conflicts of interest**

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company in the first instance. Although these Directors have been advised of their fiduciary duties to the situations that could arise in which their obligations to, or interests in, the Company, there exists actual and potential conflicts of interest among these persons.

## 3.3 General Risks

(a) **Economic risks**

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

As with any exploration or mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

(b) **Market conditions**

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Further, share market conditions may affect the value of the Company's quoted Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) interest rates and inflation rates;

(iii) currency fluctuations;

(iv) changes in investor sentiment;

(v) the demand for, and supply of, capital; and

(vi) terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Force majeure**

The Company's Projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, subversive activities or sabotage, fires, floods, explosions or other catastrophes.

(d) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect the Projects. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its Projects. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(e) **Litigation risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(f) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(g) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

(h) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(i) **Climate change risks**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

(i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

(ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(j) **Infectious diseases**

The outbreak of the coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets.

The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and may interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains.

## 3.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

# 4. Financial Information

## 4.1 Speculative investment

The Independent Limited Assurance Report contained in Annexure A sets out:

(a) the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statement of Cash flows from the period of incorporation to 30 June 2021; and

(b) the audited historical Statement of Financial Position of the Company as at 30 June 2021;

(together, the **Historical Financial Information**), and

(c) the pro forma historical Statement of Financial Position of the Company as at 30 June 2021 (**Pro Forma Statement of Financial position**),

(collectively referred to as the **Financial Information**).

The Directors are responsible for the preparation and inclusion of the Financial Information in the Prospectus.

BDO Corporate Finance (WA) Pty Ltd (**BDO Corporate Finance**) has prepared an Independent Limited Assurance Report and a copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant's work, is set out in Annexure A. Investors are urged to read the Independent Limited Assurance Report in full.

## 4.2 Forecast financial information

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

# 5. Board, Management and Corporate Governance

## 5.1 Board of Directors

As at the date of this Prospectus, the Board comprises of:

(a) Mr Jeremy Robinson - Executive Chair;

(b) Mr Andrew Denniss - Non-Executive Director; and

(c) Mr James Bahen - Non-Executive Director.

## 5.2 Directors' Profiles

The names and details of the Directors in office at the date of this Prospectus are:

(a) **Jeremy Robinson - Executive Chair**

Jeremy Robinson was appointed as Executive Chair on 22 March 2021 on incorporation.

Jeremy Robinson is a current managing director of RareX Limited (ASX: REE) and has previous experience as a non-executive director and company secretary for a number of ASX listed resource companies.

Mr Robinson has worked in both the capital markets and in-house for junior and mid-cap mining companies for the past 15 years.

Mr Robinson is an experienced mining executive having held senior roles at Mungana Goldmines Limited and Apex Minerals Limited. Mr Robinson holds a Bachelor of Commerce from the University of Western Australia majoring in Corporate Finance, Investment Finance and Marketing.

Mr Robinson is not considered to be independent.

(b) **Andrew Denniss – Non-Executive Director**

Andrew Denniss was appointed as Non-Executive Director on 17 August 2021.

Andrew Denniss has 15 years' experience in finance and banking within Australia and the UK, with involvement in a broad range of cross jurisdictional transactions. Mr Denniss sits on several private company boards both in Australia and the UK.

Mr Denniss holds a bachelor's degree in Agribusiness from Curtin University.

Mr Denniss is not considered to be independent.

(c) **James Bahen** – **Non-Executive Director and Joint Company Secretary**

James Bahen was appointed as Non-Executive Director and Joint Company Secretary on 17 August 2021.

James Bahen is a Corporate Advisory Executive and Chartered Secretary who commenced his career in audit and assurance with a chartered accounting firm. Mr

Bahen is a board member and company secretary of numerous ASX listed companies.

Mr Bahen is a member of the Governance Institute of Australia (GIA) and holds a Graduate Diploma of Applied Finance and a Bachelor of Commerce degree majoring in Accounting and Finance.

Mr Bahen is currently a director of ASX listed entity Victory Goldfields Limited, MinRex Resources Limited and UUV Aquabotix Limited and is the company secretary of ASX listed entities Argent Minerals Limited, Dynamic Drill and Blast Holdings Limited and Wildcat Resources Limited. Mr Bahen was previously a company secretary of ASX listed entity Calima Energy Limited and Auroch Minerals Limited.

Mr Bahen is not considered to be independent.

## 5.3 Joint Company Secretaries

(a) **James Bahen - Joint Company Secretary**

Refer to Section 5.2(c).

(b) **Robert Featherby - Joint Company Secretary**

Robert Featherby was appointed as Joint Company Secretary on 17 August 2021 on incorporation.

Mr Featherby is a Corporate Advisory Executive who holds a Bachelor of Commerce Degree majoring in Finance and Economics. Mr Featherby has an extensive number of years' experience in the finance industry, most recently spending 4 years in London working at a leading investment research provider in the private equity sector.

## 5.4 Key personnel

Other than the Directors, the Company's only other key personnel are set out below:

**Kristian Hendricksen – Exploration Manager**

Kristian Hendricksen is a geologist with over 14 years of industry experience, having held mining and senior exploration geological roles with listed and unlisted companies. During his tenure with Xstrata Nickel, Mr Hendricksen played an integral role in discovering the Odysseus Ore deposit and was a pivotal member in the technical and operational success of Encounter Resources Ltd. Mr Hendricksen has extensive experience in various commodities and deposit styles, including magmatic nickel sulphide, orogenic gold, sediment-hosted copper, lead-zinc MVT, and iron ore.

## 5.5 Interests of Directors

Except as disclosed in this Prospectus, no Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

(a) the formation or promotion of the Company; or

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

(c) the Offers or Secondary Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

(d) any Director to induce him or her to become, or to qualify as, a Director; or

(e) any Director of the Company for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers or Secondary Offers.

## 5.6 Security holdings of Directors

Other than the 3,000,000 Performance Rights issued to the Directors (or their nominees) on the terms set out in Section 7.3, the Directors and their related entities do not have any interests in Securities as at the date of this Prospectus.

Based on the intentions of the Directors at the date of this Prospectus in relation to the Offers, the Directors and their related entities will have the following interests in Securities on Admission:

| Director | Shares | % | Options[1] | Performance Rights[2] | % |
|---|---|---|---|---|---|
| Jeremy Robinson[3] | 500,000 | 1.43 | Nil | 1,000,000 | 33.33 |
| Andrew Denniss[4] | 10,000 | 0.03 | Nil | 1,000,000 | 33.33 |
| James Bahen[5] | 200,000 | 0.57 | Nil | 1,000,000 | 33.33 |
| **Total** | **710,000** | **2.03** | **-** | **3,000,000** | **100** |

**Notes:**

1. See Section 7.1 for details of Options.
2. See Section 7.3 for details of Performance Rights.
3. Mr Robinson intends to subscribe for up to 500,000 Shares under the General Offer.
4. Mr Denniss intends to subscribe for up to 10,000 Shares under the General Offer.
5. Mr Bahen intends to subscribe for up to 200,000 Shares under the General Offer.

## 5.7 Remuneration of Directors

The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors. The maximum aggregate amount of fees that can be paid to non-executive Directors is currently set at $500,000 per annum. The remuneration of the executive Directors will be determined by the Board.

The Company has entered into an executive services agreement with Mr Robinson as well as letters of appointment with Messrs Denniss and Bahen as set out in Section 6.

The Directors have not received any remuneration since incorporation of the Company.

## 5.8 Related Party Transactions

The Company has entered into the following related party transactions on arms' length terms:

(a) the Demerger Implementation Deed and Sale Agreement in relation to the spin-out of the Projects (refer Section 6.2 for details);

(b) letters of appointment and consultancy agreements with each of its Directors (or their nominees) on standard terms (refer Section 6.4 for details); and

(c) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer Section 6.7 for details).

At the date of this Prospectus, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

## 5.9 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at **www.cosmosx.com.au**.

### (a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

(i) providing leadership and setting the strategic objectives of the Company;

(ii) appointing and when necessary replacing the Executive Directors;

(iii) approving the appointment and when necessary replacement, of other senior executives;

(iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;

(v) overseeing management's implementation of the Company's strategic objectives and its performance generally;

(vi) approving operating budgets and major capital expenditure;

(vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;

(viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and

(x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of one Executive Chair and two Non-Executive Directors (none of whom the Company considers to be independent). As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) **Identification and management of risk**

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(d) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) **Independent professional advice**

Subject to the Chair's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) **Remuneration arrangements**

The remuneration of Executive Directors will be decided by the Board, without the affected Executive Director participating in that decision-making process.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (eg non-cash performance incentives such as options).

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(g) **Securities trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (ie Directors and, if applicable, any employees reporting directly to Executive Directors). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chair) must be obtained prior to trading.

(h) **Diversity policy**

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

(i) **Audit and risk**

The Company will not have a separate audit or risk committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial

reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

(j) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

(k) **Social media policy**

The Board has adopted a social media policy to regulate the use of social media by people associated with the Company or its subsidiaries to preserve the Company's reputation and integrity. The policy outlines requirements for compliance with confidentiality, governance, legal, privacy and regulatory parameters when using social media to conduct Company business.

(l) **Whistleblower policy**

The Board has adopted a whistleblower protection policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistle blowing about issues where the interests of others, including the public, or of the organisation itself are at risk.

(m) **Anti-bribery and anti-corruption policy**

The Board has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has adopted an anti-bribery and anti-corruption policy for the purpose of setting out the responsibilities in observing and upholding the Company's position on bribery and corruption provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

## 5.10 Departures from Recommendations

Following admission to the Official List, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's departures from the Recommendations as at the date of this Prospectus are detailed in the table below.

| Principles and Recommendations | Explanation for Departures |
|---|---|
| **Recommendation 2.1**<br>The board of a listed entity should have a nomination committee. | The Company will not have a separate Nomination Committee until such time as the Board is of sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. |

| Principles and Recommendations | Explanation for Departures |
|---|---|
| | In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee. |
| **Recommendation 2.4**<br>A majority of the board of a listed entity should be independent directors. | The Company does not currently have any independent directors on the Board.<br>This is not considered unreasonable due to the current size and nature of the existing Board and the magnitude of the Company's operations. |
| **Recommendation 2.5**<br>Chair should be an Independent Director (and not the CEO). | The Chair of the Company is not currently considered an independent Director due to his role as an executive with the Company.<br>The Board does not have an independent Chair because, at this stage in the Company's development, Jeremy Robinson is considered best placed to fulfil this role.<br>The Board will, as necessary, consider the appointment of an independent director who can fulfil the role in the event the Chair is conflicted. |
| **Recommendation 4.1**<br>The board of a listed entity should have an audit committee of at least three members that are non-executive. | The Board has not established a separate audit committee. The full Board carries out the duties that would ordinarily be assigned to the audit committee.<br>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate audit committee. |
| **Recommendations 7.1**<br>The board of a listed entity should have a risk committee. | The Board has not established a separate Risk Management Committee. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board.<br>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee. |
| **Recommendations 8.1**<br>The board of a listed entity should have a remuneration committee of at least three | The Board as a whole performs the function of the Remuneration Committee which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing |

| Principles and Recommendations | Explanation for Departures |
| --- | --- |
| members, a majority of whom are independent. | performance and remuneration of senior management and determining the remuneration and incentives of the Board.<br><br>The Board may obtain external advice from independent consultants in determining the Company's remuneration practices, including remuneration levels, where considered appropriate.<br><br>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate remuneration committee. |

# 6. Material Contracts

## 6.1 Introduction

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Securities under the Offers or the Secondary Offers. The provisions of such material contracts are summarised in this Section.

## 6.2 Demerger Implementation Deed and Sale Agreement

On 23 August 2021, the Company and RareX (and various subsidiaries) entered into a demerger implementation deed (**Demerger Implementation Deed**) in relation to the spin-out and for the sale and purchase of the Company's interests in the Byro East Project and Orange East Project and associated mining information (together, the **Spin-out Assets**) (**Spin-out**). The Demerger Implementation Deed incorporates a tenement sale agreement for the transfer of the relevant interests in the Spin-Out Assets (**Sale Agreement**). The key terms of the Demerger Implementation Deed and Sale Agreement are summarised below:

(a) **Consideration**

In consideration for a 100% interest in the Byro East Project and a 75% interest in the Orange East Project, Cosmos will issue RareX 10,000,000 Shares in Cosmos (**Consideration Shares**).

(b) **RareX free carry interest**

RareX (or a subsidiary of RareX) will retain a 25% free carry interest in the Orange East Project until completion of a bankable feasibility study, after which time RareX and Cosmos will contribute in proportion to their participating interests pursuant to an unincorporated joint venture arrangement.

(c) **Reimbursement of Expenditure**

Cosmos will pay RareX:

(i) $30,000 in cash reimbursement for expenditure incurred on the Byro East Project in the 12 months preceding the Spin-out; and

(ii) $50,000 in cash reimbursement for expenditure incurred on the Orange East Project in the 12 months preceding the Spin-out.

(d) **Costs of the IPO**

Costs associated with the Spin-out and the costs of the Offers will be split between RareX and Cosmos on a 50:50 basis (**Cosmos Expenses**). RareX will meet the Cosmos Expenses incurred from 1 January 2021 until the date that Cosmos is admitted to the Official List. Immediately after Cosmos' admission to the Official List, Cosmos will repay RareX 50% of the Cosmos Expenses.

(e) **Conditions Precedent**

The Spin-out will only proceed if the conditions precedent to the Demerger Implementation Deed and Sale Agreement are satisfied or waived on or before 15

December 2021 (**End Date**), subject to which completion of the Spin-Out (**Completion**) will occur prior to Admission. The key conditions precedent are summarised below:

(i) RareX obtaining all necessary shareholder approvals for the Spin-out;

(ii) Cosmos receiving valid applications for not less than $5,000,000 under the Offers;

(iii) receipt of ASX conditional admission letter in relation to the admission of Cosmos to the Official List;

(iv) all authority consents and approvals necessary for the transfer of the Tenements being obtained, including, if required, the consent of the Minister under the *Mining Act 1978* (WA) and the Secretary under the *Mining Act 1992* (NSW) (or their respective delegates); and

(v) Cosmos and RareX and, if required under third party agreement, the relevant third party, executing, in relation to any third party agreement, a deed of assignment and assumption in a form acceptable to Cosmos and RareX, each acting reasonably.

If the conditions precedent to Completion are not satisfied on or before the End Date, either Cosmos or RareX may terminate the Demerger Implementation Deed and Sale Agreement on written notice to the other party.

(f) **Orange East Joint Venture**

On Completion, an unincorporated joint venture in respect of the Orange East Project will automatically be formed between Cosmos and RareX (together, the **JV Parties**) (**Orange East Joint Venture**).

The Sale Agreement contains a schedule of joint venture terms in respect of the Orange East Joint Venture, which is binding on the JV Parties pending the negotiation and entry into a formal joint venture agreement. The material JV Terms are as follows:

(i) the initial joint venture interests of the JV Parties in the Orange East Joint Venture will be as follows:

(A) in the case of Cosmos, 75%; and

(B) in the case of RareX, 25%;

(ii) Cosmos will sole fund all joint venture costs and will free-carry RareX's joint venture interest until completion of a bankable feasibility study (such period being the **Free Carry Period**);

(iii) upon expiry of the Free Carry Period, RareX must elect to either:

(A) contribute to joint venture costs in proportion to its then-current percentage share of joint venture costs in accordance with approved programs and budgets, in which case, the JV Parties will negotiate in good faith to agree the terms of a mining joint venture agreement to replace the JV Terms); or

(B) alternatively, convert its joint venture interest into an uncapped 5% net smelter return royalty on all minerals (on terms to be negotiated and agreed between the parties);

(iv) Cosmos will be the initial manager of the joint venture;

(v) a joint venture management committee will be established and decisions of the management committee will be made on a simple majority vote (subject to certain reserved decisions that require a unanimous vote);

(vi) each of the JV Parties will be entitled to take in kind and separately dispose of all products produced by the joint venture in proportion to their then-current joint venture interests; and

(vii) each participant will have rights of first refusal in relation to each other participant's interest in the Joint Venture.

## 6.3 Lead Manager Mandate

The Company entered into a mandate agreement on 11 August 2021 appointing Canaccord (**Lead Manager**) to provide to act as Lead Manager in respect of the Offers (**Lead Manager Mandate**).

Under the agreement, the Lead Manager will provide services and assistance customarily provided in connection with marketing and execution of an initial public offer.

The Company will pay a fee equal to 5% (plus GST) of the funds raised under the Offers to the Lead Manager (or its nominees) pursuant to the Lead Manager Mandate, subject to the successful completion of the Offers.

Pursuant to the Lead Manager Mandate, the Company has also agreed to issue the Lead Manager (or its nominees) 1,250,000 Lead Manager Options equal to 3.02% of the fully diluted issued capital of the Company exercisable at $0.25 per Option within 3 years of Admission on the terms and conditions set out in Section 7.2.

Please see Section 1.5(b) for further information regarding the Lead Manager's interests in Securities.

The Lead Manager Mandate contains additional provisions considered standard for agreements of this nature.

## 6.4 Executive services and employment agreements

### (a) Executive Services Agreement & Consultancy Agreement - Mr Jeremy Robinson

The Company has entered into an executive services letter agreement with Mr Robinson on 7 September 2021, and a separate consultancy agreement with Churchill Strategic Investment Pty Ltd (being an entity controlled by Jeremy Robinson) (**Churchill**) on 2 September 2021 (together, the **Robinson Agreements**), pursuant to which Mr Robinson serves as Executive Chair responsible for services provided to the Company as Executive Director.

Pursuant to the Robinson Agreements, Mr Robinson is responsible for (amongst other things):

(i) performing such services, within the scope of his qualifications, skills and experience, for the Company as it may reasonably require;

(ii) applying independent judgement in the exercise of his powers and duties;

(iii) promptly alerting the Board to any fact, matter or thing materially affecting the Company, property or transactions of the Company;

(iv) supplying such reports, documents, information and memoranda to the Company as required by the executive services agreement and Mr Robinson's position; and

(v) at all times, displaying a thorough and professional manner, upholding and maintaining the Company's reputation, goodwill and customer relationships and observing standards of good corporate governance.

Pursuant to the Robinson Agreements, Mr Robinson is entitled to receive $48,000 per annum (excluding statutory superannuation) as a director fee and Churchill is entitled to receive approximately $52,000 per annum (plus GST) for technical services provided to the Company by Mr Robinson (total of $100,000 excluding statutory superannuation and GST). In addition, the Company has issued Mr Robinson (or his nominee) 1,000,000 Performance Rights on the terms and conditions set out in Section 7.3.

The Board may, in its absolute discretion invite Mr Robinson to participate in bonus and/or other incentive schemes in the Company that it may implement from time to time, subject to compliance with the Corporations Act and Listing Rules.

The consultancy agreement component of the Robinson Agreement is for an indefinite term, continuing until terminated by either the Company or Mr Robinson giving not less than 3 months' written notice of termination to the other party (or shorter period in limited circumstances).

In addition, the Robinson Agreement contains additional provisions considered standard for agreements of this nature.

(b) **Non-Executive Director Letter of Appointment – Mr Andrew Denniss**

The Company has entered into a non-executive director letter of appointment with Mr Denniss pursuant to which the Company has agreed to pay Mr Denniss $36,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.

In addition, the Company has issued Mr Denniss (or his nominee) 1,000,000 Performance Rights on the terms and conditions set out in Section 7.3.

The agreement contains additional provisions considered standard for agreements of this nature.

(c) **Non-Executive Director Letter of Appointment – Mr James Bahen**

The Company has entered into a non-executive director letter of appointment with Mr Bahen pursuant to which the Company has agreed to pay Mr Bahen $36,000 per

annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.

In addition, the Company has issued Mr Bahen (or his nominee) 1,000,000 Performance Rights on the terms and conditions set out in Section 7.3.

The agreement contains additional provisions considered standard for agreements of this nature.

(d) **Golden Triangle Corporate Advisor Mandate Agreement**

The Company entered into a mandate agreement appointing Golden Triangle (an unrelated party to the Company) to act as corporate advisor in connection with the Offers pursuant to a mandate letter dated 14 July 2021 (**Corporate Advisor Mandate**), with the following key terms:

(i) the Company will issue Golden Triangle (or its nominees) a total of 1,750,000 Options, subject to the successful completion of the Offers (See Section 7.2 for further details);

(ii) Golden Triangle will provide the Company with introductions to potential investors, assist the Company in execution of the Offers and provide general corporate advisory services; and

(iii) the Corporate Advisor Mandate terminates automatically on completion of the Offers.

The Corporate Advisor Mandate otherwise contains provisions considered standard for agreements of this nature.

## 6.5 Employment Agreement - Kristian Hendricksen (Exploration Manager)

The Company has entered into an employment agreement with Mr Hendricksen on or around 29 March 2021, pursuant to which Mr Hendricksen is employed as Exploration Manager and is responsible for managing exploration activities on the Projects (**Exploration Manager Agreement**).

Pursuant to the Exploration Manager Agreement, Mr Hendricksen is responsible for (amongst other things):

(a) managing the geology department and associated activities, subject to the overall control and direction of the Executive Chair and the Board and reporting to the Executive Chair;

(b) assuming and exercising such other powers and performing such other duties from time to time assigned to him by the Executive Chair;

(c) using his best endeavours to promote their interest and welfare of the Company;

(d) devoting his time and attention to the business of the Company during normal working hours and at such other times as may be reasonably necessary; and

(e) complying with the Listing Rules, the Corporations Act, the Constitution and the Company's policies and procedures (as varied from time to time).

Pursuant to the Exploration Manager Agreement, Mr Hendricksen is entitled to receive a base salary of $170,000 per annum (excluding statutory superannuation).

The Company has issued Mr Hendricksen 350,000 Options (further details in respect of which are set out in Section 7.2). In addition, the Board may, in its absolute discretion invite Mr Hendricksen to participate in share or option incentive schemes in the Company that it may implement from time to time, subject to compliance with the Corporations Act and Listing Rules.

The agreement is for an indefinite term, continuing until terminated by either the Company or Mr Hendricksen giving not less than 1 months' written notice of termination to the other party (or shorter period in limited circumstances).

## 6.6 SmallCap Corporate Services Agreement

The Company has entered into an agreement with SmallCap Corporate Pty Ltd (**SmallCap Corporate**) for the provision of IPO management, chief financial officer (**CFO**) and company secretarial services to assist the Company through the IPO process and with the ongoing management of the ongoing statutory compliance and reporting obligations of the Company (**SmallCap Agreement**).

The provision of services commenced 29 March 2021, with the IPO management services to continue until the date of Admission (on standard hourly rates) and the CFO and company secretarial services to continue thereafter.

SmallCap Corporate is entitled to the following fees from Admission:

(a) company secretarial fees for a monthly retainer of $4,500 (excluding GST); and

(b) CFO services on a monthly retainer of $5,000 (excluding GST).

SmallCap Corporate is entitled to be reimbursed for its reasonable out-of-pocket expenses properly incurred by employees performing the engagement, and all costs and expenses properly incurred with the prior approval of the Company.

Either party may terminate the SmallCap Agreement by providing the other party with three months' written notice. The SmallCap Agreement otherwise contains terms and conditions that are standard for an agreement of this nature.

SmallCap Corporate is an unrelated party to the Company, however, James Bahen and Robert Featherby are authorised representatives of SmallCap Corporate.

## 6.7 Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by law against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must allow the Directors to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

# 7. Additional information

## 7.1 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) (**Ranking of Shares**): At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

(b) (**Voting rights**): Subject to any rights or restrictions, at general meetings:

(i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;

(ii) has one vote on a show of hands; and

(iii) has one vote for every Share held, upon a poll.

(c) (**Dividend rights**): Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

(d) (**Variation of rights**): The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(e) (**Transfer of Shares**): Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

(f) (**General meetings**): Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

(g) (**Unmarketable parcels**): The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

(h) (**Rights on winding up**): If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

(i) (**Restricted Securities**): a holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.

## 7.2 Terms and conditions of Options

The following terms and conditions apply to each of the Lead Manager Options, Corporate Advisor Options and the 350,000 Options issued to Mr Hendricksen pursuant to the Exploration Manager Agreement (together in this clause 7.2 referred to as the Options):

(a) **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **(Issue Price):** The Options were issued for nil consideration.

(c) **(Exercise Price):** The Options have an exercise price of $0.25 per Option.

(d) **(Expiry Date)**: Each Option will expire at 5.00pm (WST) on the date that is three years from the Admission Date (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

(f) **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **(Timing of issue of Shares and quotation of Shares on exercise)**: As soon as practicable after the valid exercise of an Option, the Company will:

(i) issue, allocate or cause to be transferred to the Option holder the number of Shares to which the Option holder is entitled;

(ii) issue a substitute Certificate for any remaining unexercised Options held by the Option holder;

(iii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

(iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

(h) **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

(i) **(Dividend and voting rights):** The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

(j) **(Transferability of the Options):** The Options are not transferable, except with the prior written approval of the Company and subject to compliance with the Corporations Act.

(k) **(Quotation of the Options):** The Company will not apply for quotation of the Options on any securities exchange.

(l) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.

(m) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(n) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

## 7.3 Terms and conditions of Performance Rights

The following terms and conditions apply to each of the Performance Rights:

(a) (**Entitlement**): Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder, on conversion, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

(b) (**Vesting Conditions**)**:** The Performance Rights will vest subject to the satisfaction of the following performance milestones within that timeframe (each a **Milestone**):

| Tranche | Performance Milestone | Expiry Date | Number of Performance Rights |
|---|---|---|---|
| **Tranche A** | The Company's Shares attaining a VWAP of not less than $0.30 per Share over a period of 20 consecutive Trading Days on which trades were recorded. | 3 years from the date of issue | **999,999** |
| **Tranche B** | The Company's Shares attaining a VWAP of not less than $0.35 per Share over a period of 20 consecutive Trading Days on which trades were recorded. | 3 years from the date of issue | **999,999** |
| **Tranche C** | The Company's Shares attaining a VWAP of not less than $0.40 per Share over a period of 20 consecutive Trading Days on which trades were recorded. | 3 years from the date of issue | **1,000,002** |
| **Total** | | | **3,000,000** |

(c) (**Vesting Process**): Provided the Vesting Conditions are met, a vesting notification will be sent to the holder from the Board (**Vesting Notice**), informing them that some or all of the Performance Rights have vested. Unless and until the Vesting Notification is issued by the Company, the Performance Rights will not be considered to have vested.

Following the issue of the Vesting Notification for the Performance Rights, the holder will have until the Expiry Date of the Performance Rights to convert any vested Performance Rights. Any vested Performance Rights that remain unconverted after this date will automatically expire and lapse.

(d) (**Conversion of Vested Performance Rights**): Following the vesting of any Performance Rights the holder has until the Expiry Date to convert any such vested Performance Rights, at their election.

The holder may convert vested Performance Rights (in whole or if converted in part, multiples of 10,000 must be converted on each occasion) by lodging with the Company, on or prior to the Expiry Date a written notice of conversion of Performance Rights specifying the number of vested Performance Rights being converted (**Conversion Notice**).

Upon conversion, the holder will be issued and/or transferred one Share for each vested Performance Right.

(e) (**Timing of issue of Shares and quotation of Shares on conversion**): As soon as practicable after the valid conversion of a vested Performance Right, the Company will:

(i) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;

(ii) issue a substitute certificate for any remaining unconverted Performance Rights held by the holder;

(iii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

(iv) in the event the Company is admitted to the official list of ASX at the time, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the conversion of Performance Rights will upon issue rank equally in all respects with the then issued Shares.

(f) (**Restrictions on transfer or disposal of Shares**): If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

Except as set out in the Company's share trading policy and applicable laws, no other specific disposal restrictions apply to any Shares that are issued or transferred as a result of the conversion of the Performance Rights.

(g) (**Shares issued on exercise**): All Shares issued upon exercise of Performance Rights will upon issue rank equally in all respects with the Company's existing Shares on issue.

(h) (**Expiry Date of Performance Rights**): All unvested, or vested but unexercised, Performance Rights will expire automatically at 5.00pm WST on the date which is 3 years from their date of issue unless an earlier lapsing date applies (as set out below).

(i) (**Lapse of Performance Rights**): Where the holder becomes a leaver, all unvested Performance Rights will automatically be forfeited and lapse, subject to any determination otherwise by the Board in its sole and absolute discretion. The Board may take into account the holder's longevity in the role and the reasons for leaving. For example, the Board may, at its sole and absolute discretion, determine that unvested performance right vest upon the holder becoming a leaver due to their role being made redundant, where the other vesting conditions have been met.

Where, in the opinion of the Board, the holder:

(i) acts fraudulently, or dishonestly;

(ii) wilfully breaches their duties to the Company;

(iii) is responsible for: material financial misstatements; major negligence; significant legal, regulatory and/or policy non-compliance; or a significant harmful act,

then the Board may, at its sole and absolute discretion, deem some or all of the unvested, or vested but unconverted, Performance Rights to be forfeited and to have lapsed.

Unless the Board otherwise determines in its sole and absolute discretion, unvested Performance Rights will lapse in accordance with the Rules, which includes (without limitation):

(i) if the Vesting Conditions applicable to that Performance Right are not achieved by the relevant time;

(ii) if the Board determines in its sole and absolute discretion that any Vesting Condition applicable to that Performance Right has not been met and cannot be met prior to the Expiry Date; or

(iii) if the holder becomes Insolvent.

(j) (**Transfer of Performance Rights**): The Performance Rights are not transferable unless they have vested and then only with the prior written approval of the Board and subject to compliance with the Corporations Act and the ASX Listing Rules.

(k) (**Quotation of Performance Rights**): No application for quotation of the Performance Rights will be made by the Company.

(l) (**Change of control**): In the event that a Change of Control Event occurs or the Board determines that either such an event is likely to occur before the Vesting Conditions are met, the Board will have a discretion whether to allow the vesting of the Performance Rights and on what terms. When determining the vesting of the Performance Rights, the Directors will take into consideration a number of criteria, but in particular the value to shareholders as a result of the event.

(m) (**Participation in entitlements and bonus issues**): Subject always to the rights under items (n) and (o), the holder of the Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(n) (**Adjustment for bonus issue**): If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which the holder is entitled will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were converted immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Listing Rules at the time of the bonus issue.

(o) (**Reorganisation of capital**): In the event that the issued capital of the Company is reconstructed, all the holder's rights as a holder of Performance Rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.

(p) (**No Voting Rights**): The Performance Rights do not confer any right to vote, except as otherwise required by law.

(q) (**No Dividend Rights**): The Performance Rights do not carry an entitlement to a dividend.

(r) (**No Return of Capital**): The Performance Rights do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(s) (**No Surplus Profit or Assets**): The Performance Rights do not permit the holder to participate in the surplus profit or asset of the Company upon winding up of the Company.

The following information is provided in respect of Guidance Note 19 of the Listing Rules:

(a) 1,000,000 Performance Rights were issued to each of Jeremy Robinson, Andrew Denniss and James Bahen (or their respective nominees), being an aggregate of 3,000,000 Performance Rights, in conjunction with the Offer and the Company's application for Admission. While the Performance Rights form part of Mr Robinson's, Mr Denniss' and Mr Bahen's remuneration, the Performance Rights are not "ordinary course of business remuneration securities".

(b) Mr Robinson is the Executive Chair, Mr Denniss is a Non-Executive Director and Mr Bahen is a Non-Executive Director and Joint Company Secretary.

(c) Each of Mr Robinson, Mr Denniss and Mr Bahen will assist the Company in meeting each of the Milestones as follows:

(i) Mr Robinson will assist in meeting the Milestones by managing the day to day performance of the business (being directly responsible for delivering against key performance indicators) and providing strategic leadership in further developing the Projects and overseeing the strategic direction of the Company. In addition, Mr Robinson will chair the Board, which is responsible for the strategic direction and control of the Company's business. The Board is charged with making decisions that will affect the performance of the Company, such as working towards satisfying the Milestones;

(ii) Mr Denniss will assist in meeting the Milestones by providing strategic leadership in further developing the Projects and overseeing the strategic direction of the Company; and

(iii) Mr Bahen will assist in meeting the Milestones by providing strategic leadership in further developing the Projects and overseeing the strategic direction of the Company.

(d) The remuneration payable to each of Mr Robinson, Mr Denniss and Mr Bahen is set out at Section 5.7.

(e) Other than the 3,000,000 Performance Rights issued to the Directors (or their nominees) on the terms set out in this Section 7.3, the Directors and their related entities do not hold any interests in Securities in the Company as at the date of this Prospectus.

(f) The Performance Rights are part of Mr Robinson's, Mr Dennis' and Mr Bahen's proposed remuneration package, which is designed to incentivise the long term performance of the Company. The Board considers it appropriate for a company of its

size to have a portion of its Directors' remuneration "at risk". This form of at risk remuneration preserves cash and aligns the Directors' interests with the performance of the Company.

(g) In determining each of Mr Robinson's, Mr Dennis' and Mr Bahen's remuneration package, the Board (excluding in the case of their own remuneration packages) considered:

(i) the proposed role, position and responsibilities of Mr Robinson, Mr Dennis and Mr Bahen, respectively;

(ii) the Company's reliance on a limited number of personnel;

(iii) the need for the Company to effectively incentivise its Directors while aligning the incentives with increasing shareholder value; and

(iv) the terms of the long term incentives (**LTI**), including the nature of, and benefit to the Company of achieving, the LTI hurdles for the Performance Rights.

Each of Mr Robinson, Mr Dennis and Mr Bahen were required to negotiate their packages with the non-interested members of the Board on an arms' length basis and, accordingly, the Company considers the number of Performance Rights to be issued to each of the Directors to be appropriate and equitable.

(h) The Company considers that the Performance Rights are appropriate and equitable, including because there is an appropriate link between each Milestone and the purpose for which the Performance Rights were issued, as:

(i) consistent with Guidance Note 19, performance securities are sometimes issued to directors, senior managers or contractors as a means of incentivising them to achieve a particular performance milestone;

(ii) as stated above, the Performance Securities will be issued to the Directors as a means of incentivising performance; and

(iii) each Milestone is based on a sustained increase in the volume-weighted-average-price of Shares above the Offer Price and therefore represents a reasonable target for the Company on readily ascertainable and verifiable metrics.

(i) The Performance Rights will convert into an aggregate of 3,000,000 Shares (comprising 1,000,000 Shares for each of the Directors) upon satisfaction of the Milestones and (assuming no other Shares are issued) will comprise approximately 8.6% of the Shares on issue.

## 7.4 Summary of the Company's Employee Securities Incentive Plan

The Company's Employee Incentive Security Plan (**Plan**) was adopted by the Board on 9 September 2021. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below. It is intended that both the Executive and Non-Executive Directors will participate in the Plan.

(a) (**Eligible Participant**): Eligible Participant means a person that:

(i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and

(ii) has been determined by the Board to be eligible to participate in the Plan from time to time.

(b) (**Maximum allocation**)

(i) The Company must not make an offer of Securities under the Plan where the total number of Plan Shares (as defined in paragraph 7.3(m) below) that may be issued, or acquired upon exercise of Plan Convertible Securities offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer.

(ii) The maximum number of equity securities proposed to be issued under the Plan for the purposes of the Listing Rules is 4,000,000 (**ASX Limit**), meaning that the Company may issue up to the ASX Limit under the Plan, without seeking Shareholder Approval and without reducing its placement capacity under Listing Rule 7.1.

(c) (**Purpose**): The purpose of the Plan is to:

(i) assist in the reward, retention and motivation of Eligible Participants;

(ii) link the reward of Eligible Participants to Shareholder value creation; and

(iii) align the interests of Eligible Participants with shareholders of the Company by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

(d) (**Plan administration**): The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

(e) (**Eligibility, invitation and application**): The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(f) (**Grant of Securities**): The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant

number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

(g) (**Terms of Convertible Securities**): Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(h) (**Vesting of Convertible Securities**): Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

(i) (**Exercise of Convertible Securities and cashless exercise**): To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

(j) (**Delivery of Shares on exercise of Convertible Securities**): As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(k) (**Forfeiture of Convertible Securities**): Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested

Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Company, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

(i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

(ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

(l) (**Change of control**): If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

(m) (**Rights attaching to Plan Shares**): All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

(n) (**Disposal restrictions on Securities**): If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share or Convertible Security is subject to any disposal restrictions under the Plan, the Participant will not:

(i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or

(ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

Notwithstanding any other provision of the Plan, where a Plan Share or Convertible Security is issued in reliance on the Company satisfying the start-up company requirements in section 83A-33 of the *Income Tax Assessment Act 1997* (Cth) (**Tax Act**), a legal or a beneficial interest in the Convertible Security may not be disposed of until the earlier of:

(i) the Eligible Participant to whom the Convertible Securities were offered under an invitation becoming neither an employee nor a director of the Company;

(ii) three (3) years after the acquisition date of the Convertible Security;

(iii) a disposal under an arrangement which meets the requirements in section 83A-130 of the Tax Act;

(iv) such time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act; and

(v) the Board determines that the Commissioner of Taxation is reasonably likely to allow a disposal of the Convertible Security under section 83A-45(5) of the Tax Act.

(o) (**Adjustment of Convertible Securities**): If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(p) (**Participation in new issues**): There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

(q) (**Amendment of Plan**): Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

(r) (**Plan duration**): The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for

any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

## 7.5 Effect of the Offers on control and substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows.

| Name | Number of Shares | % of Shares |
|---|---|---|
| RareX Limited | 10,000,000 | 100 |

Based on the information known as at the date of this Prospectus, on Admission the following persons will have an interest in 5% or more of the Shares on issue:

| Name | Number of Shares | % of Shares on issue (undiluted) |
|---|---|---|
| RareX Limited | 10,000,000 | 28.57 |

## 7.6 Interests of Promoters, Experts and Advisers

(a) **No interest except as disclosed**

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

(i) the formation or promotion of the Company;

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

(iii) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

(b) **Share registry**

Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

(c) **Auditor**

BDO Audit (WA) Pty Ltd (**BDO Audit**) has been appointed to act as auditor to the Company. The Company estimates it will pay BDO Audit a total of $13,520 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Audit has not provided services to the Company.

(d) **Corporate Lawyer**

HWL Ebsworth Lawyers (**HWLE**) has acted as the Corporate solicitor to the Company in relation to the Offers and has prepared the Solicitor's Report which is included in Annexure B. The Company estimates it will pay HWLE $60,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

During the 24 months preceding lodgement of this Prospectus with ASIC, HWLE has not provided legal services to the Company.

(e) **Independent Geologist**

James Guy & Associates Pty Ltd has acted as the Independent Geologist to the Offers. The Company estimates it will pay Mr Guy a total of $22,000 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, Mr Guy has not provided services to the Company.

(f) **Investigating Accountant**

BDO Corporate Finance has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure A. The Company estimates it will pay BDO Corporate Finance a total of $18,000 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Corporate Finance has not provided services to the Company.

(g) **Lead Manager**

Canaccord has acted as the Lead Manager to the Offers. Details of the payments to be made to the Lead Manager are set out in Section 6.3.

During the 24 months preceding lodgement of this Prospectus with ASIC, the Lead Manager has not provided services to the Company.

(h) **Corporate Advisor**

Golden Triangle has acted as the Corporate Advisor to the Company in respect of the Offers. Details of the payments to be made to the Corporate Advisor are set out in Section 6.3.

During the 24 months preceding lodgement of this Prospectus with ASIC, the Corporate Advisor has not provided services to the Company.

## 7.7 Consents

(a) Each of the parties referred to below:

(i) do not make the Offers or Secondary Offers;

(ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;

(iii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and

(iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) **Share Registry**

Automic Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

(c) **Auditor**

BDO Audit has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named.

(d) **Corporate Lawyer**

HWLE has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the corporate lawyer to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Solicitor's Report at Annexure B in the form and context in which it is included.

(e) **Independent Geologist**

James Guy & Associates Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Independent Geologist to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Geologist Report at Annexure C in the form and context in which it is included.

(f) **Investigating Accountant**

BDO Corporate Finance has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the

Independent Limited Assurance Report at Annexure A in the form and context in which it is included.

(g) **Lead Manager**

Canaccord has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Lead Manager to the Offers in the form and context in which it is named.

(h) **Corporate Advisor**

Golden Triangle has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Corporate Advisor to the Company in respect of the Offers in the form and context in which it is named.

## 7.8 Expenses of the Offers

The total approximate expenses of the Offers payable by the Company are:

| Expenses | ($) |
|---|---|
| ASX Quotation and ASIC Lodgement Fee | 63,583 |
| Legal Fees | 60,000 |
| Investigating Accountant Fees | 18,000 |
| Audit Fees | 13,520 |
| Lead Manager fees[1] | 250,000 |
| Independent Geologist fees | 22,000 |
| Printing, Postage and Administration Fees | 10,000 |
| **Total** | **437,103** |

**Notes:**

1. Refer to Section 6 for a summary of the Lead Manager Mandate.

## 7.9 Continuous Disclosure Obligations

Following Admission, the Company will be a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX

confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

## 7.10 Litigation

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

## 7.11 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

## 7.12 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

(a) this Prospectus;

(b) the Constitution; and

(c) the consents referred to in Section 7.7.

## 7.13 Statement of Directors

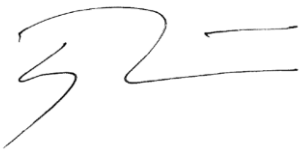
The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the Independent Limited Assurance Report in Annexure A, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

## 8. Authorisation

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

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

This Prospectus is signed for and on behalf of the Company by:



**Jeremy Robinson**
**Executive Chair**
Dated: 20 September 2021

## 9. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

| | |
|---|---|
| **$ or A$** | means Australian dollars. |
| **Admission** | means admission of the Company to the Official List, following completion of the Offers. |
| **Applicant** | means a person who submits an Application Form. |
| **Application** | means a valid application for Securities pursuant to this Prospectus. |
| **Application Form** | means the relevant application form attached to this Prospectus. |
| **Application Monies** | means application monies for Shares under the Offers received and banked by the Company. |
| **ASIC** | means the Australian Securities and Investments Commission. |
| **ASX** | means ASX Limited (ACN 008 624 691) or, where the context requires, the financial market operated by it. |
| **ASX Settlement** | means ASX Settlement Pty Limited (ACN 008 504 532). |
| **ASX Settlement Rules** | means the ASX Settlement Operating Rules of ASX Settlement. |
| **BDO Corporate Finance or Investigating Accountant** | means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045). |
| **BDO Audit** | means BDO Audit (WA) Pty Ltd (ACN 112 284 787). |
| **Board** | means the board of Directors of the Company as at the date of this Prospectus. |
| **Byro East Project** | means the Byro East project located approximately 300km southeast of the township of Carnarvon in the Gascoyne region of Western Australia. |
| **CHESS** | means the Clearing House Electronic Subregister System operated by ASX Settlement. |
| **Closing Date** | means the General Offer Closing Date or the RareX Offer Closing Daye (as applicable). |
| **Company** or **Cosmos** | means Cosmos Exploration Limited (ACN 648 890 126). |
| **Consideration Shares** | has the meaning given in Section 6.2(a). |

| | |
|---|---|
| **Constitution** | means the constitution of the Company. |
| **Corporate Advisor or Golden Triangle** | means Golden Triangle Capital Pty Ltd (ACN 622 693 243). |
| **Corporate Advisor Mandate** | means the mandate entered between the Company and the Corporate Advisor dated 14 July 2021 for the provision of corporate advisory services. |
| **Corporate Advisor Offer** | means the offer of 1,750,000 Options to be issued to the Corporate Advisor (or its nominees) in part consideration for corporate advisory services provided to the Company. |
| **Corporate Advisor Options** | means 1,750,000 Options to be issued to the Corporate Advisor (or its nominees) on the terms set out in Sections 1.5(d) and 7.2. |
| **Corporations Act** | means the *Corporations Act 2001* (Cth). |
| **Demerger Implementation Deed** | means the demerger implementation deed between the Company and RareX dated 23 August 2021. |
| **Directors** | means the directors of the Company. |
| **Electronic Prospectus** | means the electronic copy of this Prospectus located at the Company's website www.cosmosx.com.au. |
| **Eligible RareX Shareholders** | means shareholders of RareX who are eligible to participate In the RareX Offer on the terms set out in Section 1.1(c). |
| **Executive Directors** | means executive directors of the Company (from time to time). |
| **Exploration Manager Agreement** | means the exploration manager agreement between the Company and Mr Kristian Hendricksen for the management of exploration activities dated on or around 29 March 2021. |
| **Exploration Manager Options** | means 350,000 Options issued to Mr Kristian Hendricksen (or his nominee) on the terms set out in Sections 6.5 and 7.2. |
| **Exposure Period** | means the period of seven days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act. |
| **General Offer** | means the offer by the Company of 25,000,000 Shares at a price of $0.20 per Share to raise $5,000,000 (before costs). |
| **General Offer Application Form** | means the Application Form in respect of the General Offer. |
| **General Offer Closing Date** | means the date that the General Offer closes which is 5.00pm (WST) on 26 October 2021 or such other time and date as the Board determines. |
| **GST** | means Goods and Services Tax. |

| | |
|---|---|
| **Indicative Timetable** | means the indicative timetable for the Offers and the Secondary Offers on page viii of this Prospectus. |
| **Independent Geologist** | means James Guy & Associates Pty Ltd (ACN 156 133 658). |
| **Independent Geologist Report** | means the report contained in Annexure C. |
| **Independent Limited Assurance Report** | means the report contained in Annexure A. |
| **Issue Date** | means the date, as determined by the Directors, on which the Securities offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable. |
| **JV Parties** | means, together, Cosmos and RareX. |
| **JV Terms** | means the key joint venture terms set out in the Sale Agreement in respect of the Orange East Joint Venture. |
| **JORC Code** | means the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. |
| **Lead Manager** | means Canaccord Genuity (Australia) Limited (ACN 075 071 466). |
| **Lead Manager Mandate** | means the mandate entered between the Company and the Lead Manager dated 11 August 2021 for the provision of corporate advisory services. |
| **Lead Manager Offer** | means the offer of 1,250,000 Options to be issued to the Lead Manager (or its nominees) in part consideration for capital raising services provided to the Company. |
| **Lead Manager Options** | means 1,250,000 Options to be issued to the Lead Manager (or its nominees) on the terms set out in Sections 6.3 and 7.2. |
| **Listing Rules** | means the listing rules of ASX. |
| **Minimum Subscription** | means the raising of $5,000,000 pursuant to the General Offer. |
| **Offers** | means, together, the General Offer and the RareX Offer. |
| **Offer Conditions** | has the meaning given in Section 1.2. |
| **Offer Price** | means $0.20 per Share. |
| **Official List** | means the official list of ASX. |
| **Official Quotation** | means official quotation by ASX in accordance with the Listing Rules. |

| | |
|---|---|
| **Opening Date** | means the date specified as the opening date in the Indicative Timetable. |
| **Option** | means an option to acquire a Share. |
| **Orange East Project** | means the Orange East project located approximately 200 km west of Sydney and 15 km south east of the regional centre of Orange in New South Wales. |
| **Orange East Joint Venture** | means the proposed joint venture between the Company and RareX (or their subsidiaries). |
| **Pending Tenements** | means, together, ELA09/2443, E09/2527 and E09/2525. |
| **Performance Rights** | means an aggregate of 3,000,000 performance rights issued to each of Mr Jeremy Robinson, Mr Andrew Denniss and Mr James Bahen (being Directors of the Company) in the proportions set out in Section 1.4 and on the terms and conditions set out in Section 7.3. |
| **PGE** | means platinum group elements. |
| **Plan** | means the Cosmos Exploration Limited Employee Securities Incentive Plan. |
| **Projects** | means, together, the Byro East Project and the Orange East Project. |
| **Prospectus** | means this prospectus dated 20 September 2021. |
| **RareX** | means RareX Limited (ACN 105 578 756) (ASX: REE). |
| **RareX Offer** | means a priority offer of Shares to Eligible RareX Shareholders, as described in Section 1.1(a). |
| **RareX Offer Application Form** | means the Application Form in respect of the RareX Offer. |
| **RareX Offer Closing Date** | means the date that the RareX Offer closes which is 5.00pm (WST) on 12 October 2021 or such other time and date as the Board determines. |
| **RareX Offer Opening Date** | means the date that the RareX Offer opens which is 28 September 2021 or such other time and date as the Board determines. |
| **RareX Offer Record Date** | means 5.00pm (WST) on 23 September 2021. |
| **Relevant Interest** | has the meaning given in the Corporations Act. |
| **Sale Agreement** | means the tenement sale agreement between the Company and RareX dated 23 August 2021. |
| **Secondary Offers** | means, together:<br>(a) the Lead Manager Offer; and |

| | |
|---|---|
| | (b) the Corporate Advisor Offer. |
| **Section** | means a section of this Prospectus. |
| **Securities** | means any securities, including Shares, Options or performance securities (including Performance Rights), issued or granted by the Company. |
| **Share** | means a fully paid ordinary share in the capital of the Company. |
| **Share Registry** | means Automic Pty Ltd (ACN 152 260 814). |
| **Shareholder** | means a holder of one or more Shares. |
| **SmallCap Corporate** | means SmallCap Corporate Pty Ltd (ACN 152 033 826). |
| **Spin-Out** | has the meaning given in Section 6.2. |
| **Spin-Out Assets** | has the meaning given in Section 6.2. |
| **Solicitor's Report** | means the report set out in Annexure B. |
| **Tenements** | means, together, E09/2527, E09/2525, EL8442, E09/2386, E09/2387, E09/2408, E09/2409 and E09/2443. |
| **Trading Day** | has the meaning given in the Listing Rules. |
| **VWAP** | means volume weighted average price. |
| **WST** | means Western Standard Time, being the time in Perth, Western Australia. |

## Annexure A Independent Limited Assurance Report



# COSMOS EXPLORATION LIMITED

## Independent Limited Assurance Report

20 September 2021

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www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

20 September 2021

The Directors

Cosmos Exploration Limited

Unit 6, 94 Rokeby Road

Subiaco WA 6008

Dear Directors

# INDEPENDENT LIMITED ASSURANCE REPORT

## 1. Introduction

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by Cosmos Exploration Limited (**'Cosmos'** or the **'Company'**) to prepare this Independent Limited Assurance Report (**'Report'**) in relation to certain financial information of Cosmos, for inclusion in a Prospectus (**'Prospectus'**) in relation to the initial Public offering (**'IPO'**) of shares in Cosmos.

Broadly, the Prospectus will offer up to 25,000,000 Shares at an issue price of $0.20 each to raise up to $5 million before costs (**'the Offer'**).

Cosmos is an Australian company incorporated in Australia on 22 March 2021 by it's parent Company RareX Limited (**'RareX'**). On 23 August 2021 the Company and RareX entered into a Demerger Implementation Deed (**'DID')** and Tenement Sale Agreement ('**TSA**') in relation to the spin-out and for the sale and purchase of a 100% interest in the Byro East Project and a 75% interest in the Orange East Project (together with associated mining information) (together the **'Spin-out Assets'**). The effect of the DID and TSA is that the Company acquires the Spin-out Assets for 10,000,000 shares to be issued to, and retained by RareX. Upon completion of the DID and listing on the Australian Securities Exchange (**'ASX'**), the Company will own a 75% interest in the Orange East Project and 100% of the Byro East Project. RareX will retain a 25% interest in the Orange East project which will be free carried until completion of a bankable feasibility study.

Expressions defined in the Prospectus have the same meaning in this report. BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide (**'FSG'**) has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.



BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

## 2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001(Cth).

You have requested BDO to review the following historical financial information (together the **'Historical Financial Information'**) of Cosmos included in the Prospectus:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows for Cosmos for the period from incorporation to 30 June 2021; and
- the audited historical Statement of Financial Position of Cosmos as at 30 June 2021.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Historical Financial Information of Cosmos has been extracted from the financial report for the period from incorporation to 30 June 2021 which was audited by BDO Audit (WA) Pty Ltd (**'BDO Audit'**) in accordance with the Australian Auditing Standards. BDO Audit issued an unmodified audit opinion on the financial report.

For the year ended 30 June 2021, BDO Audit included an emphasis of matter relating to the material uncertainty around the ability to continue as a going concern and therefore the Company may be unable to realise their assets and discharge its liabilities in the normal course of business. However, the audit opinion was not modified in respect of these matters.

*Pro Forma Historical Financial Information*

You have requested BDO to review the following pro forma historical financial information (the **'Pro Forma Historical Financial Information'**) of Cosmos included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2021.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Cosmos, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those event(s) or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Cosmos to illustrate the impact of the event(s) or transactions described in Section 6 and Section 7 of the Report on Cosmos' financial position as at 30 June 2021. As part of this process, information about Cosmos' financial position has been extracted from the Company's audited financial statements for the period from incorporation to 30 June 2021.

## 3. Directors' responsibility

The Directors of Cosmos are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

## 4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

## 5. Conclusion

*Historical Financial Information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows for Cosmos for the period from incorporation to 30 June 2021; and
- the audited historical Statement of Financial Position of Cosmos as at 30 June 2021,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

*Pro Forma Historical Financial information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of Cosmos as at 30 June 2021,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

## 6. Subsequent events

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no material transaction or event outside of the ordinary business of Cosmos, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

## 7. Assumptions adopted in compiling the pro-forma statement of financial position

The pro forma historical Statement of Financial Position is shown in Appendix 1. This has been prepared based on the financial statements of Cosmos as at 30 June 2021, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under the Prospectus:

- The issue of 25,000,000 Shares at an offer price of $0.20 each to raise $5 million before costs pursuant to the Prospectus;
- Subject to and conditional on the satisfaction of the conditions precedent to the Demerger Implementation Deed, the Company will issue to RareX 10,000,000 Shares for the purchase of 75% interest in the Orange East Project, and 100% of the Byro East Project, reimburse RareX $30,000 for expenditure incurred on the Byro East Project tenements, and reimburse RareX $50,000 for expenditure incurred on the Orange East Project tenements.

  The acquisition of the legal and beneficial interests in the Byro East Project and Orange East Project has not been deemed to be a business combination as they fall outside the scope of *AASB 3 Business Combinations*. Deferred exploration expenditure is estimated to be $2,000,000. Total reimbursement of $30,000 and $50,000 on the respective tenements have been treated as liabilities with an increase to equity of $1,920,000 under the raise;
- Cash repayment of $30,000 and $50,000 on the respective tenements to RareX following the acquisition of the legal and beneficial interests in the Byro East Project and Orange East Project;
- Cash repayment of approximately $100,000 to RareX for an amount equal to approximately 50% of the IPO costs expected to be incurred by the parent entity;
- Cash costs of the Offer are estimated to be approximately $437,103. The costs directly attributable to the capital raising being $340,519, are offset against contributed equity, with the remaining costs of the Offer expensed through accumulated losses.
- The Company will issue 1,250,000 Lead Manager Options (**'Lead Manager Options'**), 1,750,000 Corporate Advisor Options (**'Corporate Advisor Options'**), and 350,000

Exploration Manager Options (**'Exploration Manager Options'**) (together the **'Options'**) exercisable at $0.25 with an expiry date that is 3 years from the Admission Date. The Lead Manager Options, Corporate Advisor Options, and Exploration Manager Options have been valued at $155,303, $217,424 and $43,485 respectively using the Black Scholes option pricing model. The issue of Options is reflected in the pro forma statement of financial position by an increase in reserves and accumulated losses; and

- The Company proposes to have 3,000,000 Performance Rights on issue to the Directors. There are milestone conditions which must be achieved in order for the Performance Rights to vest. These milestone conditions are detailed in section 7.3 of the Prospectus and are also included under note 6 to our Report.

  In accordance with AASB 2: *Share based payment*, the value of the Performance Rights are to be expensed over the vesting period. Therefore, as at the pro forma date, no adjustment has been made to account for the vesting of these Performance Rights.

## 8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO Audit (WA) Pty Ltd is the auditor of Cosmos for which normal professional fees are received.

## 9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus, except to the extent consented by BDO.

Yours faithfully

**BDO Corporate Finance (WA) Pty Ltd**



**Peter Toll**

Director

## APPENDIX 1

## COSMOS EXPLORATION LIMITED

## PRO FORMA STATEMENT OF FINANCIAL POSITION

| Statement of financial position | Notes | Cosmos Audited as at 30-Jun-21 $ | Pro-forma adjustments $ | Pro-forma after issue $ |
|---|---|---|---|---|
| **CURRENT ASSETS** | | | | |
| Cash and cash equivalents | 1 | 1 | 4,382,897 | 4,382,898 |
| Trade and other receivables | | 2,796 | - | 2,796 |
| **TOTAL CURRENT ASSETS** | | 2,797 | 4,382,897 | 4,385,694 |
| **NON-CURRENT ASSETS** | | | | |
| Deferred exploration expenditure | 2 | - | 2,000,000 | 2,000,000 |
| **TOTAL NON-CURRENT ASSETS** | | - | 2,000,000 | 2,000,000 |
| **TOTAL ASSETS** | | 2,797 | 6,382,897 | 6,385,694 |
| **CURRENT LIABILITIES** | | | | |
| Trade and other payables | 3 | 16,269 | - | 16,269 |
| Provisions | | 2,387 | - | 2,387 |
| Amount due to related company | 4 | 126,017 | (100,000) | 26,017 |
| **TOTAL LIABILITIES** | | 144,673 | (100,000) | 44,673 |
| **NET ASSETS/(LIABILITIES)** | | (141,876) | 6,482,897 | 6,341,021 |
| **EQUITY** | | | | |
| Contributions equity | 5 | 1 | 6,579,481 | 6,579,482 |
| Reserves | 6 | - | 416,212 | 416,212 |
| Accumulated losses | 7 | (141,877) | (512,796) | (654,673) |
| **TOTAL EQUITY** | | (141,876) | 6,482,897 | 6,341,021 |

The pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus and the other pro-forma events described above. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendix 2 and Appendix 3.

**APPENDIX 2**

**COSMOS EXPLORATION LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

| Statement of profit or loss and other comprehensive income | Audited for the period from incorporation to 30-Jun-21 $ |
|---|---|
| **Revenue** | - |
| | - |
| **Expenses** | |
| Administration expenses | (23,165) |
| Consultants & management expenses | (2,387) |
| Exploration expenses | (97,002) |
| Transaction costs | (19,323) |
| Total expenses | (141,877) |
| **Loss before income tax** | (141,877) |
| Income tax expense | - |
| **Loss after income tax for the period** | (141,877) |
| **Total comprehensive loss for the period** | (141,877) |
| Loss attributable to: | |
| Member of the Company | (141,877) |

This statement of profit or loss and other comprehensive income shows the historical financial performance of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

**APPENDIX 3**

**COSMOS EXPLORATION LIMITED**

**STATEMENT OF CASH FLOWS**

| Statement of cash flows | Audited for the period from incorporation to 30-Jun-21 $ |
|---|---|
| **CASH FLOWS USED IN OPERATING ACTIVITIES** | |
| Payments to suppliers and employees | (126,017) |
| Net cash from operating activities | (126,017) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Net cash from investing activities | - |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | |
| Proceeds from issue of shares | 1 |
| Proceeds from intercompany loan from parent entity | 126,017 |
| Net cash from financing activities | 126,018 |
| Net increase in cash held | 1 |
| Opening cash and cash equivalents | - |
| Cash and cash equivalents at the end of the period | 1 |

This consolidated statement of cash flows shows the historical cash flows of the Company and are to be read in conjunction with the notes to and forming part of the consolidated historical financial information set out in Appendix 4.

**APPENDIX 4**

**COSMOS EXPLORATION LIMITED**

**NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION**

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The company was incorporated on 22 March 2021 and this represents the first reporting period for the company. The financial report therefore does not include comparative information.

### a) New or amended Accounting Standards and Interpretations adopted

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.

### b) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('**AIFRS**'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal groups held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

### c) Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

### d) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**e) Segment reporting**

Operating segments are reported in a manner that is consistent with the internal reporting to the Chief Operating Decision Maker, which has been identified by the Company as the Managing Director and other members of the Board of Directors.

The Company has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. For the current reporting period, the Company's sole activity was mineral exploration and resource development wholly within Australia, which is its only reportable segment.

The reportable segment is represented by the financial statements forming this financial report.

**f) Income Tax**

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

**h) Trade and other receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any expected credit loss.

**i) Revenue Recognition**

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

**j) Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

**k) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. Due to their short-term nature they are measured at amortised cost and are not discounted. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**l) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

**m) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**n) Exploration and Evaluation Expenditure Acquisition Costs**

Exploration expenditure is expensed to the statement of profit or loss and other comprehensive income as and when it is incurred and included as part of cash flows from operating activities. Exploration costs are only capitalised to the statement of financial position if they result from an acquisition. Costs carried forward in respect of an area of interest which is abandoned are written off in the year in which the abandonment decision is made.

**o) Impairment of assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

*Financial Assets*

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

*Non-Financial Assets*

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

**p) Share-based payment transactions**

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted when the fair value of goods and/or services cannot be determined. The fair value of options granted is measured using the Black-Scholes option pricing model. The model uses assumptions and estimates as inputs.

**p) Share-based payment transactions (cont.)**

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the year in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (**'vesting date'**).The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting year has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date.

No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a year represents the movement in cumulative expense recognised at the beginning and end of the year. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

**q) Contributed Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**r) Accounting estimates and judgements**

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

*Recoverability of capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

*Share based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options and performance rights are determined using the Black-Scholes option pricing model.

*Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

| NOTE 1. CASH AND CASH EQUIVALENTS | Audited as at 30-Jun-21 $ | Pro-forma after Offer $ |
|---|---|---|
| Cash and cash equivalents | 1 | 4,382,898 |
| Audited balance of Cosmos at 30 June 2021 | | 1 |
| *Pro-forma adjustments:* | | |
| Proceeds from shares issued under the Prospectus | | 5,000,000 |
| Capital raising costs | | (437,103) |
| Reimbursement of Byro East tenement expenditure to RareX | | (30,000) |
| Reimbursement of Orange East tenement expenditure to RareX | | (50,000) |
| Repayment of 50% of IPO costs to RareX | | (100,000) |
| | | 4,382,897 |
| Pro-forma Balance | | 4,382,898 |

| NOTE 2. DEFERRED EXPLORATION EXPENDITURE | Audited as at 30-Jun-21 $ | Pro-forma after Offer $ |
|---|---|---|
| Deferred exploration expenditure | - | 2,000,000 |
| Audited balance of Cosmos at 30 June 2021 | | - |
| *Pro-forma adjustments:* | | |
| Spin-out assets acquired from RareX under the Demerger and Implementation Deed and Tenement Sale Agreement | | 2,000,000 |
| | | 2,000,000 |
| Pro-forma Balance | | 2,000,000 |

| NOTE 3. TRADE AND OTHER PAYABLES | Audited as at 30-Jun-21<br>$ | Pro-forma after Offer<br>$ |
|---|---|---|
| Trade and other payables | 16,269 | 16,269 |
| Audited balance of Cosmos at 30 June 2021 | | 16,269 |
| *Pro-forma adjustments:* | | |
| Fair value liabilities assumed under Demerger and Implementation Deed and Tenement Sale Agreement | | 80,000 |
| Reimbursement of Byro East tenement expenditure to RareX | | (30,000) |
| Reimbursement of Orange East tenement expenditure to RareX | | (50,000) |
| | | - |
| Pro-forma Balance | | 16,269 |

| NOTE 4. AMOUNT DUE FROM RELATED COMPANY | Audited as at 30-Jun-21<br>$ | Pro-forma after Offer<br>$ |
|---|---|---|
| Amount due to related company | 126,017 | 26,017 |
| Audited balance of Cosmos at 30 June 2021 | | 126,017 |
| *Pro-forma adjustments:* | | |
| Repayment of 50% of IPO costs to RareX | | (100,000) |
| | | (100,000) |
| Pro-forma Balance | | 26,017 |

| NOTE 5. ISSUED CAPITAL | Audited as at 30-Jun-21<br>$ | Pro-forma after Offer<br>$ |
|---|---|---|
| Contributions equity | 1 | 6,579,482 |
| | **Number of shares(max)** | |
| Audited balance of Cosmos at 30 June 2021 | 1 | 1 |
| | 1 | 1 |
| *Pro-forma adjustments:* | | |
| Elimination of share capital | (1) | - |
| Proceeds from shares issued under the Prospectus | 25,000,000 | 5,000,000 |
| Consideration shares to be issued to RareX at $0.20 per share | 10,000,000 | 1,920,000 |
| Capital raising costs | - | (340,519) |
| | 34,999,999 | 6,579,481 |
| Pro-forma Balance | 35,000,000 | 6,579,482 |

| NOTE 6. RESERVES | Audited as at 30-Jun-21 $ | Pro-forma after Offer $ |
|---|---|---|
| Reserves | - | 416,212 |
| Audited balance of Cosmos at 30 June 2021 | | - |
| *Pro-forma adjustments:* | | |
| Issue of Lead Manager Options exercisable at $0.25 | | 155,303 |
| Issue of Corporate Advisor Options exercisable at $0.25 | | 217,424 |
| Issue of Exploration Manager Options exercisable at $0.25 | | 43,485 |
| | | 416,212 |
| Pro-forma Balance | | 416,212 |

Set out below are the key inputs and terms used in the valuation of Options:

| | Lead Manager Options | Corporate Advisor Options | Exploration Manager Options |
|---|---|---|---|
| Number of Instruments | 1,250,000 | 1,750,000 | 350,000 |
| Underlying share price | $ 0.20 | $ 0.20 | $ 0.20 |
| Exercise share price | $ 0.25 | $ 0.25 | $ 0.25 |
| Expected volatility | 110% | 110% | 110% |
| Life of the options (years) | 3.00 | 3.00 | 3.00 |
| Expected dividends | Nil | Nil | Nil |
| Risk free rate | 0.120% | 0.120% | 0.120% |
| Value per instrument | $ 0.124 | $ 0.124 | $ 0.124 |
| Value per tranche | $ 155,303 | $ 217,424 | $ 43,485 |

The performance conditions for the Performance Rights are set out below:

| Tranche | Performance Milestone | Expiry date | Number of Performance Rights |
|---|---|---|---|
| Tranche A | The Company's Shares attaining a VWAP of not less than $0.30 per Share over a period of 20 consecutive Trading Days on which trades were recorded. | 3 years from date of issue | 999,999 |
| Tranche B | The Company's Shares attaining a VWAP of not less than $0.35 per Share over a period of 20 consecutive Trading Days on which trades were recorded. | 3 years from date of issue | 999,999 |
| Tranche C | The Company's Shares attaining a VWAP of not less than $0.40 per Share over a period of 20 consecutive Trading Days on which trades were recorded. | 3 years from date of issue | 1,000,002 |

The Company proposes to have 3,000,000 Performance Rights on issue. There are milestone conditions which must be achieved in order for the Performance Rights to vest. In accordance with AASB 2: *Share based payment*, the value of the Performance Rights are to be expensed over the vesting period. Therefore, as at the pro forma date, no adjustment has been made to account for the vesting of these Performance Rights. The maximum value of the Performance Rights as at the pro-forma date is $0.20 per share, based on the Public Offer Price. This means

that the maximum value of the performance rights as at the pro-forma date is $600,000. If the above milestones are met there may be value accretion, meaning that the shares issued may have a value in excess of $0.20 per share at the time of vesting. However, there is currently insufficient grounds to assume that these vesting conditions will be achieved, therefore we have presented the maximum value of the performance rights as at the pro forma date for information purposes only.

| NOTE 7. ACCUMULATED LOSSES | Audited as at 30-Jun-21<br>$ | Pro-forma after Offer<br>$ |
|---|---|---|
| Accumulated losses | (141,877) | (654,673) |
| Audited balance of Cosmos at 30 June 2021 | | (141,877) |
| *Pro-forma adjustments:* | | |
| Issue of Lead Manager Options exercisable at $0.25 | | (155,303) |
| Issue of Corporate Advisor Options exercisable at $0.25 | | (217,424) |
| Issue of Exploration Manager Options exercisable at $0.25 | | (43,485) |
| Costs of the offer not directly attributable to the capital raising | | (96,584) |
| | | (512,796) |
| | | (654,673) |

| NOTE 8. ASSET ACQUISTION | No. shares | $ |
|---|---|---|
| Purchase consideration | 10,000,000 | 1,920,000 |
| *Net identifiable assets* | | |
| Deferred exploration expenditure | | 2,000,000 |
| Fair value liabilities assumed under Demerger and Implementation Deed and Tenement Sale Agreement | | (80,000) |
| **Total** | | 1,920,000 |

Subject to and conditional on the satisfaction of the conditions precedent to the Demerger Implementation Deed and Tenement Sale Agreement, on completion, the Company will issue to RareX 10,000,000 Shares for the purchase of a 75% interest in the Orange East Project, and a 100% of the Byro East Project, reimburse RareX $30,000 for expenditure incurred on the Byro East Project tenements, and reimburse RareX $50,000 for expenditure incurred on the Orange East Project tenements.

The acquisition of the legal and beneficial interests in the Byro East Project and Orange East Project has not deemed to be a business combination as they fall outside the scope of *AASB 3 Business Combinations*. Deferred exploration expenditure is estimated to be $2,000,000. Total reimbursement of $30,000 and $50,000 on the respective tenements have been treated as liabilities with an increase to equity of $1,920,000 under the raise.

**NOTE 9: RELATED PARTY DISCLOSURES**

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

**NOTE 10: COMMITMENTS AND CONTINGENCIES**

At the date of the report no other material commitments, contingent assets or contingent liabilities exist that we are aware of.

## APPENDIX 6

### FINANCIAL SERVICES GUIDE

**20 September 2021**

**BDO Corporate Finance (WA) Pty Ltd** ABN 27 124 031 045 (**'we'** or **'us'** or **'ours'** as appropriate) has been engaged by Cosmos Exploration Limited (**'Cosmos'**) to provide an Independent Limited Assurance Report ('ILAR' 'our Report/s') in relation to certain financial information of Cosmos Exploration Limited (**'Cosmos'** or the **'Company'**) for inclusion in the Prospectus.

**Financial Services Guide**
In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (**'FSG'**). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

**Information about us**
BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

**Financial services we are licensed to provide**
We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

**General Financial Product Advice**
We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

**Fees, commissions and other benefits that we may receive**
We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately $18,000 (exclusive of GST).

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

**Remuneration or other benefits received by our employees**
All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Cosmos for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

**Referrals**
We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

**Complaints resolution**
*Internal complaints resolution process*
As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, 38 Station Street, Subiaco, Perth WA 6008.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

**Referral to External Dispute Resolution Scheme**
A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA'). AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 931 678
Website: www.afca.org.au

**Contact details**
You may contact us using the details set out on page 1 of our Report.

## Annexure B Solicitor's Report

HWL EBSWORTH
LAWYERS

15 September 2021

The Directors
Cosmos Exploration Limited
Unit 6
94 Rokeby Road
Subiaco WA 6008

Dear Directors

**Cosmos Exploration Limited**
**Solicitor's Report – Mining Tenements**

This report has been prepared for Cosmos Exploration Limited (ACN 648 890 126) (**Company**) for inclusion in the Company's prospectus (**Prospectus**) issued in connection with the Company's application for the admission of the ordinary shares of the Company to the Official List of the ASX.

# 1. Background

The Company is a wholly owned subsidiary of RareX Ltd (ACN 105 578 756) (**RareX**). Pursuant to a demerger implementation deed dated 24 August 2021 between RareX and the Company (**DID**), RareX and the Company have agreed to implement a transaction which involves (amongst other things) the parties entering into a binding terms sheet (**Tenement Sale Agreement**), under which the Company will acquire a 75% legal and beneficial interest in the Orange East Tenement and a 100% legal and beneficial interest in the Byro East Tenements (subject to the satisfaction of certain conditions precedent). The Tenement Sale Agreement was executed on 24 August 2021.

# 2. Scope

We have been requested to report on:

(a) four granted exploration licences (prefixed '**E**'); and

(b) three pending applications for exploration licences (prefixed '**ELA**'),

which are located in Western Australia; and

(c) one granted exploration licence within New South Wales (prefixed '**NSW EL**'),

all collectively referred to as the '**Tenements**'.

Key details of the Tenements are set out in Schedule 1 of this Report and must be read in conjunction with this Report.



Level 20, 240 St Georges Terrace, Perth WA 6000 Australia
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hwlebsworth.com.au

Adelaide
Brisbane
Canberra
Darwin
Hobart
Melbourne
Norwest
Perth
Sydney

ABN 37 246 549 189

## 3. Searches

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows:

(a) searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreement and national land use agreements as maintained by the NNTT for any native title claims (registered or unregistered), native title determinations and ILUAs that overlap or apply to the Tenements on 2 August 2021 (**NNTT Searches**);

(b) In respect of the Byro East Tenements and Cosmos Tenements:

(i) searches of the Tenements on the register maintained by the Western Australian Department pursuant to the WA Mining Act on 13 September 2021 (**DMIRS Searches**);

(ii) quick appraisal user searches of the Tengraph system maintained by the Western Australian Department on 30 July 2021 (**Tengraph Searches**); and

(iii) searches from the online Aboriginal Heritage Inquiry System (**AHIS Searches**) maintained by the Western Australian Department of Aboriginal Affairs for any Aboriginal sites registered on the Register of Aboriginal Sites and other heritage places over the Tenements on 30 July 2021; and

(c) In respect of the Orange East Tenement:

(i) searches from MinView, maintained by the DPIE on 13 September 2021; and

(ii) searches from the Aboriginal Heritage Information Management System maintained by Heritage NSW for records of Aboriginal Places and objects (referred to as 'Aboriginal sites') on the Tenement on 5 August 2021 (**AHIMS Searches**).

## 4. Scope

The purpose of this Report is to determine and identify, as at the time of the offer under the Prospectus:

(a) the interests held by the Company in the Tenements;

(b) any third party interests, including encumbrances, in relation to the Tenements;

(c) any material issues existing in respect of the Tenements;

(d) the good standing, or otherwise, of the Tenements; and

(e) any concurrent interests in the land the subject of the Tenements, including other mining tenements, private land, pastoral leases, native title and Aboriginal heritage.

This Report is limited to the matters contained within and, for example, does not consider risks and issues (such as any additional approvals) that may arise in relation to the development of a mining project on the Tenements and any subsequent mining and processing of ore.

# 5. Summary of key items and overview of risk factors

## 5.1 Title

As at the date of this Report, the Company:

(a) is the 100% registered applicant for Pending Tenements ELA09/2525 and ELA09/2527 (the '**Cosmos Tenements**', which, will form part of the 'Byro East' Project);

(b) has a right to be transferred an interest in E09/2386, E09/2408, E09/2409, E09/2387 and Pending Tenement ELA09/2443, subject to satisfaction of certain conditions (**Byro East Tenements**); and

(c) has a right to be transferred an interest in NSW EL8442, subject to satisfaction of certain conditions (**Orange East Tenement**).

The Byro East Tenements and the Orange East Tenement are held by RareX and will be transferred to the Company pursuant to the Tenement Sale Agreement, as follows:

(a) RareX will transfer a 100% legal and beneficial interest in the Byro East Tenements to the Company; and

(b) RareX will transfer a 75% legal and beneficial interest in the Orange East Tenement to the Company and RareX will retain a 25% free carry interest in the Orange East Tenement until completion of a bankable feasibility study.

The transfer of the interests in the Byro East Tenements and the Orange East Tenement from RareX to the Company is conditional on the following occurring:

(a) all authority consents and approvals necessary for the transfer of the Byro East Tenements and the Orange East Tenement being obtained;

(b) the Company obtaining all shareholder and other regulatory approvals or waivers required;

(c) the Company being satisfied with the outcome of its due diligence investigations;

(d) the conditions precedent to completion set out in the DID being satisfied or waived in accordance with that deed; and

(e) the assignment of RareX's rights and interest under any relevant third party agreements to the Company and any assignment requirements (such as third party consents) being obtained under the relevant third party agreement.

In particular:

(a) Ministerial consent is required to transfer the Orange East Tenement to the Company;

(b) Tenements E09/2386, E09/2408, E09/2409, E09/2387 are all still within their first year of grant and, accordingly, Ministerial consent will be required to be obtained in order to transfer these Tenements to the Company (or the transfer will happen on the first anniversary of grant for each Tenement); and

(c) Pending Tenement ELA09/2443 is subject to grant and, if granted, will require Ministerial consent to be transferred within the first 12 months of grant). Pursuant to the Tenement Sale Agreement,

Under the Sale Agreement, the Company is granted a licence to carry out exploration activities on the Byro East Tenements for the period until the Tenements are transferred to the Company by the parties obtaining Ministerial approval or on the first anniversary of grant for each of the Tenements.

For further information on the Tenement Sale Agreement, please refer to section 10 of this Report.

5.2 **Grant**

The Pending Tenements have not yet been granted. There is a risk that:

(a) the Pending Tenements may not be granted or there may be a delay to grant of the Pending Tenements; and/or

(b) the Pending Tenements may be granted over a lesser area than applied for or the Pending Tenements may be granted subject to non-standard conditions.

5.3 **Native title**

The existence of native title determinations or claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder under the Tenements provided the Tenements have been or will be validly granted in accordance with the Native Title Act.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

For information on native title affecting the Tenements, please see sections 7.9 and 7.10 for details.

### 5.4 Aboriginal Heritage

The Searches indicate that there is one registered Aboriginal heritage site within Cosmos Tenement ELA09/2527 and NSW EL8442 and one application for an 'other' Aboriginal heritage place which has been lodged within Byro East Tenement E09/2387. Please see sections 8.6 and 8.7 for further details.

However, there remains a risk that additional Aboriginal sites or places may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements or cause delays in the progression of the development of a mine.

See section 8 below for further details.

### 5.5 Overlapping Tenure

Our Searches indicate that the Byro East Tenements and Cosmos Tenements overlap with land that is the subject of other rights, including:

(a) a File Notation Area (**FNA**), the details of which are set out in section 9.1(a) of this Report;

(b) pastoral leases, (see section 9.1(b) for details); and

(c) certain 'C' Class Crown Reserves, the details of which are set out in section 9.1(c) of this Report.

Our Searches indicate that the Orange East Tenement overlaps several parcels of private land (see section 9.2(a) for details).

Any delays or costs in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

# 6. Tenements

### 6.1 Western Australia (Byro East Tenements and Cosmos Tenements)

The following provides a description of the nature and key terms of the Tenements (including potential successor tenements) that may be granted under the WA Mining Act which are relevant to the Byro East Tenements and Cosmos Tenements.

#### (a) Exploration Licences

(i) Licence area and authority

The holder of an exploration licence is entitled to enter the land for the purposes of exploring for minerals with employees, contractors and such vehicles, machinery and equipment as may be necessary or expedient. An exploration licence will not be granted over land the subject of an existing mining tenement other than a miscellaneous licence.

(ii) Term and extension

Exploration licences are granted for a term of 5 years. The WA Minister has discretion to extend the exploration licence for one further period of 5 years and then by further 2 year periods if satisfied that a prescribed ground for extension exists.

(iii) Other conditions

Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and observance of Aboriginal heritage, environmental protection and reporting requirements. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

(iv) Relinquishment requirement

Exploration licences of more than 10 blocks applied for after 10 February 2006 are subject to a requirement that the holder relinquishes 40% of the tenement area at the end of the sixth year that the licence is held. A failure to lodge the required partial surrender could render the exploration licence liable to forfeiture.

(v) Retention status

The holder of an exploration licence applied for after 10 February 2006 may apply for retention status for the exploration licence. The WA Minister may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence, but it is impractical to mine the resource for prescribed reasons. Where retention status is approved, the minimum expenditure requirements are reduced in the year of grant and cease in future years, however, the WA Minister has the right to impose a programmed of works or require the holder to apply for a mining lease.

(vi) Transfer during first year

During the first year of grant of an exploration licence, a legal or equitable interest in or affecting the exploration licence cannot be transferred or otherwise dealt with, whether directly or indirectly, without the prior written consent of the WA Minister. Exploration licences can otherwise be transferred without the requirement to obtain the consent of the WA Minister.

(vii) Right to apply for mining lease

The holder of an exploration licence has priority to apply for a mining lease over any land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the

exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

(viii) Rent and expenditure requirements

Annual rent is payable for an exploration licence and the holder of an exploration licence must comply with the prescribed minimum expenditure conditions unless the holder has been granted an exemption (in whole or part) from those conditions by the WA Minister. An exemption to the minimum expenditure conditions will only be granted on certain grounds set out in the WA Mining Act or at the discretion of the WA Minister. A failure to comply with expenditure requirements, unless an exemption is granted, renders the exploration licence liable to forfeiture or the WA Minister imposing a monetary penalty as an alternative.

(b) **Mining Leases**

(i) Application

(A) Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The WA Minister decides whether to grant an application for a mining lease.

(B) The application, where made after 10 February 2006, must be accompanied by either a mining proposal or a statement outlining mining intentions and a "mineralisation report" indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a “mineralisation report" will only be approved where the Director, Geological Survey considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

(ii) Rights

The holder of a mining lease is entitled to mine for and dispose of any minerals on the land in respect of which the lease was granted. A mining lease entitles the holder to do all acts and things necessary to effectively carry out mining operations.

(iii) Term and transfer

A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant. The consent of the WA Minister is required to transfer a mining lease.

(iv) Conditions

Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the mining lease. For the purpose of this Report, we have only summarised material conditions and endorsements relating to the Byro East Tenements in Schedule 2.

(v) Royalty

A royalty is payable to the State of Western Australia in relation to minerals obtained from the land that is the subject of a mining lease granted under the WA Mining Act. In Western Australia, there are two systems used to collect mineral royalties:

(A) *specific rate* - calculated as a flat rate per tonne produced and generally applies under legislation to low value construction and industrial minerals. The rates on production between 1 July 2015 and 30 June 2025 are 73 cents per tonne and 117 cents per tonne; and

(B) *ad valorem* - calculated as a percentage of the 'royalty value' of the mineral, which applies under the Mining Regulations. The royalty value is broadly calculated as the quantity of the mineral in the form in which it is first sold, multiplied by the price in that form, minus any allowable deductions. The ad valorem royalty rate takes into account price fluctuations and material grades as follows:

(1) bulk material (subject to limited treatment) - 7.5% of the royalty value;

(2) concentrate material (subject to substantial enrichment through a concentration plant) - 5% of the royalty value; and

(3) metal - 2.5% of the royalty value.

(vi) Mining Rehabilitation Fund

The holders of all mining tenements, except those tenements covered by special agreements with the State of Western Australia not listed in the *Mining Rehabilitation Fund Regulations 2013* (WA), are required to participate in the Mining Rehabilitation Fund. This is a pooled fund to which Western Australian mining operators contribute and the money is used to rehabilitate abandoned mine sites in Western Australia. Tenement holders with an annual rehabilitation liability of $50,000 or less are not required to contribute.

6.2 **New South Wales**

The following provides a description of the nature and key terms of the tenements (including potential successor tenements) that may be granted under the NSW Mining Act which are relevant to the Orange East Tenement.

(a) **Exploration Licences**

(i) Licence area and authority

An exploration licence gives the holder the exclusive right to explore for minerals over a specific area of land. The holder of an exploration licence may, in accordance with the conditions of the exploration licence and subject to the NSW Mining Act, conduct exploration activities on the land specified in the exploration licence for the group of minerals specified in the exploration licence.

An exploration licence does not permit mining, and an exploration licence holder will not necessarily be permitted to mine in the future if a discovery is made.

The size of an exploration licence will generally be defined as a list of 'map units' which are units contained within map blocks. A map 'unit' is approximately 3km in size.

(ii) Term, extensions and transfer

An exploration licence may be granted for up to of six years and may be extended by successive periods of up to six years, on application by the holder.

An exploration licence will not usually be renewed over more than half the number of units comprising the original exploration licence unless the NSW Minister is satisfied that special circumstances exist, including that the conditions of the exploration licence have been satisfactorily complied with, the full area of the exploration licence has been explored effectively, and the proposed program satisfactorily covers the full area to be renewed.

An exploration licence may be transferred to another person upon approval by the NSW Minister. In approving a transfer, the NSW Minister may impose amended or additional conditions on the holder of the exploration licence. Applications for exploration licences cannot be transferred.

(iii) Other conditions

An exploration licence will be granted subject to certain conditions that must be complied with, including commitments to meet the annual proposed work program, which requires the holder to carry out the operations, and any other activities described in the work program, including commitments in relation to the conduct of

operations specified in the work program, such as annual expenditure commitments, payment of government fees, and the requirement to lodge annual technical reports. Standard conditions include basic environmental and rehabilitation conditions and also stipulate that a tenement holder must obtain the consent of an officer of the DPIE prior to conducting any ground disturbing work.

Failure by the holder of an exploration licence to comply with these conditions may render the exploration licence liable to cancellation.

(iv) Rent and fees

Annual rent and an administrative levy are payable, based on the size of the exploration licence. A failure by the holder of the exploration licence to pay the annual rental fee or administration levy may result in the imposition of a fine.

(v) Work program

An application for an exploration licence must be accompanied by a proposed work program that sets out:

(A) the nature and extent of operations to be carried out on the area;

(B) the commitments and timing in respect to those operations; and

(C) any activities (such as community consultation and environmental management and rehabilitation) in connection with the proposed operations.

Upon grant of an exploration licence, as mentioned above, a condition will be imposed requiring the exploration licence holder to comply with the commitments set out in the work program.

(b) **Mining Leases**

(i) Application

Under the NSW Mining Act, a mining lease may only be applied for by the holder of an existing exploration licence (or assessment lease or mining lease) over that land or with the consent of the NSW Minister.

Applicants for a mining lease must:

(A) provide an assessment of the mineral bearing capacity of land in the area subject to the mining lease application and of the extent of any mineral deposits in that land;

(B) demonstrate that they have the financial and technical resources to carry out mining in a responsible manner; and

(C) be accompanied by a proposed work program which sets out:

(1) the nature and extent of operations to be carried out on the area;

(2) the commitments and timing in respect to those operations; and

(3) any activities (such as community consultation and environmental management and rehabilitation) in connection with the proposed operations.

(D) provide a current development consent under the *Environmental Planning and Assessment Act 1979* (NSW) in respect of the carrying out of the activities and operations on the land the subject of the mining lease.

(ii) Rights conferred by a mining lease

A mining lease gives the holder the exclusive right to mine for minerals over a specific area of land. The holder of a mining lease may, in accordance with the conditions imposed on the grant of the mining lease and subject to the NSW Mining Act, conduct mining operations on the land.

(iii) Conditions of mining lease

A mining lease is subject to such conditions as the NSW Minister may impose when the mining lease is granted, including commitments to meet the annual proposed work program, which requires the holder to carry out the operations, and any other activities described in the work program, including annual expenditure commitments. Any failure by the holder of a mining lease to comply with the conditions imposed on the mining lease may render the mining lease liable to cancellation.

(iv) Term of mining lease and transfer

A mining lease remains in force for a maximum period of 21 years or such longer period as may be determined by the NSW Minister.

The holder of a mining lease may apply for approval NSW Minister of the transfer of the mining lease. Upon review of the application, the NSW Minister may approve the transfer in accordance with the application or refuse the application. In approving a transfer, the Minister may impose amended or additional conditions on the holder of the mining lease.

(v) Rent and fees

Rent and an administrative levy are payable on an annual basis, based on the size of the mining lease.

(vi) Royalty

The holder of a mining lease is liable to pay a royalty to the Crown on publicly owned minerals recovered by the holder under the mining lease, and in the case of privately owned minerals recovered from the mining area, the holder is liable to pay a royalty to the Crown as if those minerals were publicly owned.

Royalties are payable on a quarterly basis and are required to be accompanied by a royalty return in the approved form. Royalty rates for Group 1 Minerals, comprising metallic minerals, are generally 4% of the value of the mineral recovered.

(vii) Rehabilitation

As of 2 July 2021, new standard rehabilitation conditions were introduced which will apply to all new mining lease granted on and from this date.

For mining leases that were in force before this date, the conditions apply for 'large mines' from 2 July 2022 and for 'small mines from on 2 July 2023. These new rehabilitation conditions will replace existing rehabilitation and environmental management conditions on current leases.

The conditions support best practice mine site rehabilitation by ensuring progressive rehabilitation occurs in a manner that achieves sustainable final land uses following the completion of mining.

# 7. Native title

## 7.1 General

(a) On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. The Native Title Act came into effect on 1 January 1994, largely in response to the decision in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1.

(b) The law in Australia recognises that Aboriginal people may hold native title rights and interests in respect of their land. Native title exists where Aboriginal people have maintained a traditional connection to their land and waters, provided it has not been extinguished.

(c) The grant of a mining tenement also creates rights in respect of land. Those mining tenement rights may affect (ie be inconsistent with) certain native title rights and interests. As a general statement, those mining tenement rights

will be invalid as against any native title rights, unless made valid by certain procedures in the Native Title Act.

7.2 **Native title claims**

(a) The Native Title Act sets out a process by which Aboriginal people may seek a determination by the Federal Court that they hold native title rights and interests. Whilst the Federal Court is assessing the claimed native title rights and interests, a Registrar of the NNTT will assess whether the native title claim meets certain registration requirements set out in the Native Title Act, and if so, the native title claim will be entered on the Register of Native Title Claims (**RNTC**). If the Federal Court determines that the claimed native rights and interests exist, details of the determined native title claim (and the determined native title rights held) are then entered on the National Native Title Register (**NNTR**).

(b) If a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR, the Native Title Act provides the claimants / holders with certain rights, including procedural rights where a 'future act' is proposed. An example of a 'future act' is the grant of a mining tenement.

(c) The Native Title Act sets out when 'acts' will be 'valid' in the event they affect (ie are inconsistent with) native title, however, this process need only apply where native title exists (a determined native title claim entered on the NNTR) or is claimed to exist (a native title claim entered on the RNTC). The 'acts' can be a proposed activity or development on land and waters. A common example is the proposed grants of mining tenements.

7.3 **'Past Acts' (ie grants of mining tenements): Prior to 1 January 1994**

The Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain 'acts' which were done before 1 January 1994. In Western Australia, that legislation is the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* (WA) and in New South Wales, that legislation is the *Native Title (New South Wales) Act 1994* (NSW). Both legislation provides that all 'acts' (eg grants of mining tenements) prior to 1 January 1994 are valid to the extent they affect native title.

7.4 **'Future Acts' (ie proposed grants of mining tenements): After 1 January 1994**

(a) Generally, a 'future act' is an 'act' (eg grant of mining tenement) occurring after 1 January 1994 which affects native title.

(b) The Native Title Act sets out the circumstances in which, and procedures by which, 'future acts' will be valid should that 'act' affect native title.

(c) Such circumstances include if the 'act' was done in certain circumstances between 1 January 1994 and 23 December 1996 (called 'Intermediate Period Acts'), or if the 'act' is permitted by an Indigenous Land Use Agreement (**ILUA**), or if certain procedures are to be followed where a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR. Such procedures include the 'Right to Negotiate Procedure' and

the 'Expedited Procedure'. The key elements of these processes are outlined below.

7.5 **Right to Negotiate Procedure**

(a) Under the Right to Negotiate Procedure the native title party whose details are registered on the RNTC or NNTR, the applicant for the mining tenement and the relevant State or Territory (collectively, the **Negotiation Parties**) are required to negotiate in good faith with a view to the native title party agreeing to the proposed future act.

(b) The scope of the negotiations includes any matters relating to the effect of the grant of the future act on the claimed or determined native title rights and interest. Where the future act is the proposed grant of an exploration or prospecting licence, usually an agreement is reached which aims to protect Aboriginal heritage. This is because exploration licences confer only limited rights to the registered holder of the licence, conferring rights to conduct exploration and disturb the land for that purpose.

(c) Where the future act is the proposed grant of a mining lease, the negotiations and resulting agreement are usually more complex, as the nature of rights granted for a mining lease contemplates substantial ground disturbance over a portion of the area granted. Such an agreement may address employment and training, environmental rehabilitation, Aboriginal heritage protection, cultural awareness and the payment of compensation.

(d) If the Negotiation Parties negotiate in good faith but cannot reach agreement as to the doing of the future act, then provided at least 6 months have elapsed since the S29 Notice, any party (in most cases the applicant for the mining tenement) may apply to the NNTT for a determination as to whether the future act may be done, and if so, on what conditions.

7.6 **Expedited Procedure**

(a) If the proposed future act (ie grant of the tenement) is not likely to interfere with the activities or sites of significance of the registered native title party or involved major disturbances to land or waters, a simplified process may apply (known as the **Expedited Procedure**). A registered native title party may object to this process and, if it does, the NNTT must determine the validity of the objection (which may result in the Expedited Procedure not being able to be followed).

(b) Current Department policy is that it will process applications for exploration and prospecting licences through the Expedited Procedure once the applicant provides evidence by way of a statutory declaration / affidavit that a regional standard heritage agreement (**RSHA**) exists or has been signed by the proponent and sent to any affected registered Native Title Claimant (**NTC**) group (if any) or that an alternative heritage agreement exists between the NTC group and the explorer. If this cannot be demonstrated, the Right to Negotiate Procedure will apply.

7.7 **ILUA**

An ILUA is an agreement which has been authorised by the NTC group and has been registered with the NNTT. An ILUA binds the parties to the ILUA and also all persons holding native title to the relevant area that may not be a party. If an ILUA provides that any particular mining tenement(s) may be granted, then the relevant mining tenement(s) may be granted as provided for by the ILUA, generally without following other procedures, including the Right to Negotiate Procedure or the Expedited Procedure.

### 7.8 Compensation

In certain circumstances holders of native title (a determined native title claim that is registered on the NNTR) may be entitled to apply under the Native Title Act to the Federal Court for compensation for any effect on their native title. The NSW Mining Act and WA Mining Act provides that holders of mining tenements are liable for such compensation where awarded by reason of their mining tenements having affected native title. Consequently, if it has been, or is in the future, determined that native title exists over any of the land the subject of a mining tenement (or granted future act) and the holders of the native title apply to the Federal Court for compensation, the holder of the tenement may be liable and directed to pay any compensation determined.

### 7.9 Native title claims and determinations affecting the Byro East Tenements and Cosmos Tenements

The NNTT Searches in respect of the Tenements indicate that all of the Tenements wholly (100%) lie within:

(a) the registered native title determination of Wajarri Yamatji Part A (NNTT file number WCD2017/007, Federal Court file number WAD6033/1998). This claim was determined on 19 October 2017 and came into effect on 29 July 2021; and

(b) the registered native title claim of Wajarri Yamatji #1 (NNTT file number WC2004/010, Federal Court file number WAD28/2019). This claim was filed on 21 December 2004 and registered on 5 December 2005.

The existence of any native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights and interests of the holder under the Tenements provided they have been validly granted.

However, the grant of any future tenure over areas that are covered by a registered claim or a positive determination of native title will require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

Pursuant to the Native Title Act, a NTC application cannot be determined for an area over which there is already an approved determination of native title (which is the case for the Byro East Tenements and Cosmos Tenements as the Wajarri Yamatji #1 claim overlaps the Wajarri Yamatji Part A determination).

However, the Company should note that, in very limited circumstances, an application may be made to vary or revoke an approved determination of native title determination over an area, but only the relevant RNTBC, the Commonwealth Minister, the relevant State or Territory Minister or the Native Title Registrar can make a revised native title determination application. Whilst a number of approved determinations of native title have been revised on applications made by the relevant RNTBCs, to date, no approved determination of native title is yet to be revoked.

### 7.10 Native title claims and determinations affecting the Orange East Tenement

The NNTT Searches in respect of the Orange East Tenement indicate that the Tenement does not overlap any native title claims or determinations.

In the event that a claim for native title is applied for over the area of the Orange East Tenement, the Company may be required to consult with the NTCs.

### 7.11 Indigenous Land Use Agreements

The Searches indicate that none of the Tenements overlap any ILUAs.

### 7.12 Compliance with the Validity of Tenements

With respect to the Tenements, we have assumed that, prior to grant, the Department was satisfied that the Native Title Act had been complied with. Provided that the Tenements are validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests.

### 7.13 Native Title status of Pending Tenements

The table below summarises the current Native Title status and comments in relation to the Pending Tenements:

| Tenement Application | Application Date | Native Title Status | Comments |
|---|---|---|---|
| ELA09/2443 | 11 September 2020 | Native title advertising closed on 10 July 2021. Native title has been cleared on 3 September 2021 (expedited procedure applies). | N/A |
| ELA09/2525 | 7 May 2021 | Not yet referred to Native Title Unit. | N/A |
| ELA09/2527 | 11 May 2021 | Not yet referred to Native Title Unit. | N/A |

# 8. Aboriginal heritage

### 8.1 General

Aboriginal heritage is protected by both Commonwealth legislation as well as legislation in each State and Territory of Australia.

## 8.2 Commonwealth Legislation

The Commonwealth Heritage Act is aimed at the preservation and protection of any Aboriginal objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

We have not undertaken any searches in respect of the Commonwealth Heritage Act for the purposes of this Report.

## 8.3 Western Australian legislation

The provisions of the WA Heritage Act are endorsed on all tenements in Western Australia.

The WA Heritage Act protects all Aboriginal sites in Western Australia which meet the criteria in section 5 of the WA Heritage Act.

It is an offence under the WA Heritage Act to excavate, destroy, damage, conceal or in any way alter an Aboriginal site or any object on or under an Aboriginal site, unless the person or company is acting with the authority of the registrar or the consent of the relevant Minister. The offence applies regardless of whether the Aboriginal site has been entered on the Register of Aboriginal sites. It is a defence if the person (or company) charged can prove that he did not know and could not reasonably be expected to have known, that the place or object was protected by the WA Heritage Act.

A holder of a Western Australian mining tenement has the legislative right to submit an application under the WA Heritage Act seeking approval to disturb or destroy an Aboriginal site.

## 8.4 Proposed Aboriginal Heritage Bill (Western Australia)

On 2 September 2020, the WA State Government released the draft *Aboriginal Cultural Heritage Bill 2020* (**ACH Bill**) which is intended to replace the current WA Heritage Act. The ACH Bill proposes that proponents of resources projects will (depending on the type of activity to be carried out on the tenements) need to apply for an Aboriginal Cultural Heritage Permit or obtain approval of an Aboriginal Cultural Heritage Management Plan.

The ACH Bill also establishes an Aboriginal Cultural Heritage Council, with broader functions, intended to replace the current Aboriginal Cultural Material Committee,

introduces a 'tiered' approvals system and a 'continuous disclosure' obligation, gives broad ministerial powers to issue orders to stop activities, prohibit activities or enforce remediation, and imposes harsher penalties for carrying out activities which harm Aboriginal cultural heritage, failing to report on Aboriginal cultural heritage or non-compliance.

Public consultation on the ACH Bill closed on 9 October 2020 and around 157 submissions were received in relation to the ACH Bill, the vast majority of which did not support the ACH Bill. Further changes have been made to the draft ACH Bill, which we understand is intended to be introduced to Parliament before the end of the year.

### 8.5 New South Wales Legislation

The legislation governing Aboriginal heritage in New South Wales is the *National Parks and Wildlife Act 1974* (NSW) (**NSW Heritage Act**).

Under the NSW Heritage Act land containing Aboriginal objects or sites may be reserved as an 'Aboriginal area' for the purpose of identifying, protecting and conserving such objects or sites. It is unlawful to prospect or mine for minerals in an Aboriginal area unless expressly authorised by an Act of Parliament or, among other things, an authority issued under the NSW Mining Act. Subject to this exception, the NSW Heritage Act excludes the application of the NSW Mining Act to lands in an Aboriginal area.

The NSW Heritage Act also authorises the NSW Minister to declare a place that is or was of special significance to Aboriginal culture to be an 'Aboriginal place' and makes it an offence knowingly to destroy, deface or damage, or knowingly to permit the destruction, defacement of or damage to, an Aboriginal object or 'Aboriginal place' without the consent of the Director - General.

Tenement holders, landowners or land managers are encouraged, but not obliged, to prepare a management plan to guide the management of Aboriginal areas, objects or places.

### 8.6 Aboriginal sites and other heritage places on the Tenements (Western Australia)

The AHIS Searches of the Tenements identified one registered Aboriginal heritage site within Tenement ELA09/2527, as shown in the below table.

| **Registered Aboriginal Site** | | | |
|---|---|---|---|
| **Site ID** | **Site name** | **Status** | **Type** |
| 12078 | Mt Narryer Lunette | Registered Site | Artefacts / Scatter, Camp, Meeting Place |

The AHIS Searches also identified one 'other heritage place' which has been lodged within Tenement E09/2387, as shown in the below table.

| Other Aboriginal Heritage Places | | | |
|---|---|---|---|
| **Site ID** | **Site name** | **Status** | **Type** |
| 10953 | Norite Hill | Lodged | Man-Made Structure, Rock shelter |

The other Aboriginal heritage place summarised above has been lodged but is not registered. As of the date of this Report, it has not been assessed to determine whether this place meets the criteria to be registered as an Aboriginal site or heritage place.

In respect to Aboriginal heritage sites, the AHIS search results do not mean that there are no other Aboriginal sites within the area of the Tenements. It is only an indication that no other Aboriginal sites have been registered in the area to date.

### 8.7 Heritage sites on the Orange East Tenement (New South Wales)

The AHIMS Search of NSW EL8442 indicates that one Aboriginal site is recorded on the tenement, however additional information on the site is not available.

### 8.8 Aboriginal heritage agreements affecting the Tenements

As discussed above at section 7.6, Department policy provides that applications for exploration licences will generally not be processed for grant through the Expedited Procedure unless the applicant for the licence provides evidence that an appropriate Aboriginal heritage agreement has been entered into with any affected registered NTC (if any).

Aboriginal heritage agreements will generally include a process of engagement between the parties to protect Aboriginal heritage. This process includes the undertaking of heritage surveys to identify Aboriginal site. A procedure is usually included for the parties to consider the proposed works on the tenements, and decide on the best course of action given any potential impacts the proposed works may have on Aboriginal sites.

The Company has advised that a heritage agreement dated 25 March 2021 has been entered into between RareX and the Wajarri Yamatji People Part A (Federal Court file number WAD6033/1998) in respect to Byro East Tenements E09/2386, E09/2408 and E09/2409. This agreement will be assigned to the Company in accordance with the Tenement Sale Agreement.

The entry into Aboriginal heritage agreements is not a requirement of the WA Heritage Act but is an industry standard means of managing the risk of contravention of the WA Heritage Act where there is a NTC or other claim group with a recognised connection to the relevant land.

There are no Aboriginal heritage agreements in place in respect to the Orange East Tenement.

# 9. Land access

9.1 **Byro East Tenements and Cosmos Tenements (Western Australia)**

(a) **File Notation Areas**

File Notation Areas (**FNAs**) are generally an indication of areas:

(i) where the Government has proposed some change of land tenure that is being considered or endorsed by the Western Australian Department for possible implementation; or

(ii) areas of some sensitivity to activities by the mineral resource industry that warrants the application of specific tenement conditions.

The existence of an FNA will not, of itself, prevent the grant of a tenement or preclude exploration or mining activities.

FNAs may relate to land in respect of which Ministerial approval is sought under section 16(3) of the WA Mining Act. Section 16(3) requires prior Ministerial approval be obtained for any Crown land that is in a mineral field to be leased, transferred in fee simple, or otherwise disposed of under the provisions of the *Land Administration Act 1997* (WA).

The Searches indicates that the following Tenements are overlapped by one FNA as further detailed in the table below.

| FNA | Tenement (% overlap) | Description shown on Tengraph Search |
|---|---|---|
| 7618 | ELA09/2443 (100%)<br>E09/2409 (100%)<br>ELA09/2527 (99.23%)<br>E09/2386 (31.54%)<br>E09/2387 (40.96%) | FNA Square kilometre Array Project 70km radius protection. Refer applications to Executive Direction, Project Facilitation at DJTIS. |

(b) **Pastoral Leases**

The Tengraph Searches indicate that all the following Tenements either wholly or partially overlap the following pastoral leases:

| Tenement | Pastoral Lease Name | Lease number | Encroachment |
|---|---|---|---|
| E09/2408 | Beringarra | N050464 | 27.07% |
| | Milly Milly | N050465 | 72.99% |
| ELA09/2443 | Curbur | N049555 | 11.48% |

| Tenement | Pastoral Lease Name | Lease number | Encroachment |
|---|---|---|---|
| | Milly Milly | N050465 | 27.8% |
| | Byro | N050480 | 44.04% |
| | Mt Narryer | N050493 | 12.19% |
| E09/2409 | Milly Milly | N050465 | 87.46% |
| | Byro | N050480 | 1.91% |
| | Mt Narryer | N050493 | 7.24% |
| ELA09/2525 | Beringarra | N050464 | 1.45% |
| | Milly Milly | N050465 | 35.98% |
| ELA09/2527 | Curbur | N049555 | 1.02% |
| | Meeberrie | N050085 | 13.25% |
| | Mt Narryer | N050493 | 85.73% |
| E09/2386 | Milly Milly | N050465 | 88.82% |
| | Byro | N050480 | 11.15% |
| E09/2387 | Milly Milly | N050465 | 33.36% |
| | Byro | N050480 | 66.64% |

The WA Mining Act:

(i) generally prohibits the carrying out of mining activities on or near certain improvements and other features (such as livestock and crops) on Crown land (which includes a pastoral lease) without the consent of the lessee;

(ii) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and

(iii) provides that a holder of a mining tenement must pay compensation to an occupier of Crown land (i.e. the pastoral lease holder) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the

lessee as a result of, or arising from, any exploration or mining activities.

Compensation payable to a pastoral lease holder can be, and usually is, determined by agreement with the pastoral lease holder or by the Warden's Court if no agreement can be reached.

(c) **Crown Reserves**

Our Searches indicate that the land the subject of E09/2409, ELA09/2443 and ELA09/2525 overlap two Crown Reserves, as shown in the below table.

| ID | Tenement (% overlap) | Description shown on Tengraph Search |
|---|---|---|
| R 9701 | E09/2409 (3.31%)<br>ELA09/2443 (4.31%) | "C" Class Reserve - De Grey Mullewa Stock Route |
| R 2048 | ELA09/2525 (1.45%) | "C" Class Reserve - Stopping place for travellers and stock |

A Crown Reserve refers to land set aside or "reserved" for a designated purpose (ie for parks, recreation, drainage or church sites) and is managed by the State of Western Australia or designated management authority/agency.

There are three different categories of Crown Reserves, with Class A having the highest form of protection, Class B having a medium form of protection and Class C, which forms the vast majority of reserves, having a lower level of protection.

The existence of a Crown Reserve may require additional approvals or plans to be implemented by the Company in order to progress with exploration activities on the Tenements. In respect to the above Tenements (with the exception of ELA09/2443 and ELA09/2525, which have not yet been granted), although the encroachment on the various Crown Reserves is minimal, conditions have been imposed on E09/2409 which places certain restrictions on exploration activities on the reserves.

9.2 **Orange East Tenement**

(a) **Private Land**

The Orange East Tenement overlaps parcels of private land. Under the NSW Mining Act, the prior written consent from the owner of any dwelling that is a principal place of residence, garden or significant improvement must be obtained by the exploration licence holder before carrying out any exploration within 200 metres of the dwelling, and within 50 metres of the relevant garden or significant improvement.

The holder of an exploration licence has an obligation to pay compensation to the landholder of any land (including land not subject to the licence, ie land which may be adjacent to the licence) for any compensable loss suffered, or likely to be suffered, by the landholder as a result of the exercise of the rights conferred by the exploration licence or by an access arrangement in respect of the licence.

The amount of compensation payable may be agreed between the exploration licence holder and the landholder. However, any agreement reached is not valid unless it is in writing and signed by or on behalf of the parties to the agreement.

The Company has advised that the following exploration land access agreements (**ELAA**) have been entered in to with the affected landholders in respect to activities over the land. The table below (see over page) sets out the applicable ELAAs:

| **Parties to the ELAA** | **Date of ELAA** | **Term** |
|---|---|---|
| RareX, the Company and Christopher William Blunt (landholder) | 9 June 2021 | Until the expiry (including any renewal period) of the tenement or cancellation of the tenement. |
| RareX, the Company and Pendarves Development Co. Pty Limited (William and Barbara Hawke) (landholders) | 9 June 2021 | Until the expiry (including any renewal period) of the tenement or cancellation of the tenement. |
| RareX, the Company, David & Patricia Lorimer and Deryck & Kate Ward (landholders) | 9 June 2021 | Until the expiry (including any renewal period) of the tenement or cancellation of the tenement. |
| RareX, the Company and Graham Anthony Briley (landholder) | 12 July 2021 | Until the expiry (including any renewal period) of the tenement or cancellation of the tenement. |
| RareX, the Company and Wanda Teresa Moore (landholder) | 12 July 2021 | Until the expiry (including any renewal period) of the tenement or cancellation of the tenement. |

The ELAAs are on relatively industry standard terms for agreements of this nature and include the following provisions and farm protocols:

(i) permitted paths of entry and gates to be used in order to access the to the Tenement;

(ii) contact landholders before accessing the portion of the Tenement which overlaps the private land; and

(iii) access restrictions and protocols are to be abided by in respect to the lambing season (generally between July to early September of each year).

In the event of a change of ownership in EL8442, the landholders must be notified under the ELAAs.

# 10. Tenement Sale Agreement

For a summary of the Tenement Sale Agreement, please refer to section 6.2 of the Prospectus.

# 11. Definitions

In this Report:

**ACH Bill** means the *Aboriginal Cultural Heritage Bill 2020*.

**AHIS Searches** has the meaning given in section 3(b)(iii).

**AHIMS Searches** has the meaning given in section 3(c)(ii).

**ASX** means the ASX Limited (ABN 98 008 624 691).

**Byro East Tenements** means E09/2386, E09/2408, E09/2409, E09/2387 and Pending Tenement ELA09/2443 which are either held by or have been applied for by RareX.

**Commonwealth Heritage Act** means the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth).

**Company** means Cosmos Exploration Limited (ACN 648 890 126).

**Cosmos Tenements** means Pending Tenements ELA09/2525 and ELA09/2527 applied for by the Company.

**DID** means the demerger implementation deed dated 24 August 2021 between RareX and the Company.

**DMIRS Searches** has the meaning given in section 3(b)(i).

**DPIE** means the NSW Department of Planning and Environment.

**Federal Court** means the Federal Court of Australia.

**ELAA** means an exploration land access agreement.

**FNA** means a File Notation Area.

**ILUA** has the meaning given in section 7.4(c).

**Material Agreements** means any agreements summarised in section 10.

**Mining Regulations** means the *Mining Regulations 1981* (WA).

**Native Title Act** means the *Native Title Act 1993* (Cth).

**Negotiation Parties** has the meaning given in section 7.5(a).

**NNTT** means the Australian National Native Title Tribunal.

**NNTT Searches** has the meaning given in section 3(a).

**NSW Department** means the Department of Regional NSW.

**NSW Heritage Act** means the *National Parks and Wildlife Act 1974* (NSW).

**NSW Mining Act** means the *Mining Act 1992* (NSW).

**NSW Minister** means the Minister for Regional NSW, Industry and Trade.

**NTC** has the meaning given in section 7.6(a).

**Orange East Tenement** means NSW EL8442 held by RareX.

**Pending Tenements** means ELA09/2443, ELA09/2525 and ELA09/2527 having a status of 'Pending' as set out in Schedule 1.

**Prospectus** has the meaning given in the opening section of this document.

**RareX** means RareX Ltd (ACN 105 578 756).

**Report** means this document, including any schedule or annexure to this document.

**RNTC** has the meaning given in section 7.2(a).

**Searches** means the searches referred to in section 3.

**Tenements** means the tenements set out in Schedule 1 and Tenement means any one of them.

**Tenement Sale Agreement** means the tenement sale agreement between the Company and RareX dated 24 August 2021.

**Tengraph Searches** has the meaning given in section 3(b)(ii).

**WA Heritage Act** means the *Aboriginal Heritage Act 1972* (WA).

**WA Mining Act** means the *Mining Act 1978* (WA).

**WA Minister** means the Minister under the WA Mining Act.

**Western Australian Department** or **DMIRS** means the Western Australian Department of Mines, Industry Regulation and Safety.

# 12. Qualifications and assumptions

## 12.1 General

This is a high level report covering material legal issues affecting the Tenements and does not purport to cover all possible issues which may affect the Tenements. This Report is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this Report.

## 12.2 Assumptions

This Report is based on, and subject to, the following assumptions (in addition to any assumptions expressed elsewhere in this Report):

(a) any instructions, documents and information given by the Company or any of its officers, agents or representatives are accurate and complete;

(b) that the registered holder of a Tenement has valid legal title to the Tenement;

(c) unless apparent from the Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain each Tenement in good standing;

(d) where a Tenement has been granted, the future act provisions of the Native Title Act have been complied with;

(e) all information obtained from the Department, the NNTT and any other governmental or regulatory department referred to in this Report is accurate and complete;

(f) the Company has complied with the terms and conditions of the relevant legislation and any applicable agreements;

(g) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us;

(h) all facts stated in documents, and responses to requests for further information, and other material on which we have relied in this Report are and continue to be correct, and no relevant matter has been misstated or withheld from us (whether deliberately or inadvertently);

(i) that there are no other documents or materials other than those which were disclosed to us and which we were instructed to review, which related to the matters examined;

(j) the Material Agreements have been duly executed and the copies of the Material Agreements made available to us are accurate, complete and conform to the originals of the Material Agreements and there have been no material breaches of the Material Agreements.

12.3 **Qualifications**

This Report is subject to the following qualifications:

(a) there may be native title, Aboriginal heritage or other third party agreements of which we are not aware;

(b) the information in Schedule 1 and Schedule 2 is accurate as at the date of the relevant Searches. We do not comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;

(c) this Report is based only upon the information and materials which are described in this Report. There may be additional information and materials (of which we are unaware) which contradict or qualify that which we have described;

(d) a recording in the mining tenement register of a person's holding in a mining tenement is not absolute proof of that person's entitlement to the tenement. The mining tenement system is not based on a system of indefeasibility by registration;

(e) a registered mining tenement holder's entitlement to a tenement can be defective if there were procedural defects in the original grant of a tenement or if there are any subsequent dealings with a tenement. We have not confirmed whether there are any such defects in the Tenements disclosed in this Report;

(f) this Report relates only to the laws of Western Australia, New South Wales and the Commonwealth of Australia in force at the date of this Report and we do not express or imply any opinion as to the laws at any other time or of any other jurisdiction;

(g) in the performance of our enquiries for this Report, we have acted on the Company's written and oral instructions as to the manner and extent of enquiries to be conducted;

(h) this Report is strictly limited to the matters it deals with and does not extend by implication or otherwise to any other matter;

(i) we have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of Searches, being accurate, current and complete as at the date of its receipt by us;

(j) references in the Schedules are taken from details shown on the Searches we have obtained from the relevant departments referred to in section 3 above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of the Tenement areas or the areas of the relevant native title claims;

(k) where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia, New South Wales and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;

(l) where Ministerial consent is required, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matters which would cause consent to be refused;

(m) we have not conduced searches of the Database of Contaminated Sites maintained by the Western Department of Water and Environmental Regulation or the Contaminated Land Record maintained by the NSW Environment Protection Authority;

(n) native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further the Native Title Act contains no sunset provisions and it is possible that additional native title claims could be made in the future; and

(o) Aboriginal heritage sites, sacred sites or objects (as defined in the WA Heritage Act, the NSW Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the relevant Register or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites, sacred sites or objects within the area of the Tenements.

12.4 **Disclaimer**

HWL Ebsworth Lawyers has prepared this Report for the purposes of the Prospectus only, and for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other

person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours sincerely



**HWL Ebsworth Lawyers**

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# Schedule 1 Tenement Summary

### A. Byro East Tenements and Cosmos Tenements

| Tenement | Registered Holder (100%) | Status | Area | Application Date | Grant Date | Expiry Date | Minimum expenditure commitment | Annual Rent | Notes |
|---|---|---|---|---|---|---|---|---|---|
| **Byro East Tenements** | | | | | | | | | |
| E09/2408 | Rarex Limited | Live | 79 Blocks | 18 May 2020 | 29 March 2021 | 28 March 2026 | Reporting year ends 28 March.<br><br>2022: $79,000 | 2022: Paid in full, $10,902<br><br>2023: $11,534 | 1, 2, 3, 4 |
| E09/2409 | Rarex Limited | Live | 77 Blocks | 18 May 2020 | 31 March 2021 | 30 March 2026 | Reporting year ends 30 March.<br><br>2022: $77,000 | 2022: Paid in full, $10,626<br><br>2023: $11,242 | 1, 2, 4, 5, 6, 7 |
| E09/2386 | Rarex Limited | Live | 88 Blocks | 17 February 2020 | 31 March 2021 | 30 March 2026 | Reporting year ends 30 March.<br><br>2022: $88,000 | 2022: Paid in full, $12,144<br><br>2023: $12,848 | 1, 2, 3, 4, 5, 7 |

| Tenement | Registered Holder (100%) | Status | Area | Application Date | Grant Date | Expiry Date | Minimum expenditure commitment | Annual Rent | Notes |
|---|---|---|---|---|---|---|---|---|---|
| E09/2387 | Rarex Limited | Live | 13 Blocks | 20 February 2020 | 27 May 2021 | 26 May 2026 | Reporting year ends 26 May.<br><br>2022: $20,000 | 2022: Paid in full, $1,794<br><br>2023: $1,898 | 1, 2, 4, 5 |
| ELA09/2443 | Rarex Limited | Pending | 39 Blocks | 11 September 2020 | - | - | N/A | N/A | 1 |
| **Cosmos Tenements** | | | | | | | | | |
| ELA09/2525 | Cosmos Exploration Pty Ltd | Pending | 57 Blocks | 7 May 2021 | - | - | N/A | N/A | N/A |
| ELA09/2527 | Cosmos Exploration Pty Ltd | Pending | 173 Blocks | 11 May 2021 | - | - | N/A | N/A | N/A |

**B. Orange East Tenement**

| Tenement | Registered Holder (100%) | Status | Area | Grant Date | Expiry Date | Minimum expenditure commitment | Annual Rent | Notes |
|---|---|---|---|---|---|---|---|---|
| **Orange East Tenement** | | | | | | | | |
| EL8442 | Rarex Limited | Live | 14 Units | 11 May 2016 | 11 May 2026 | Estimated expenditure for the current term based on the Work Program is $550,000 | $840 (being a calculation of $60 per Unit x 14 Units) | Granted for Group 1 Minerals (metallic minerals).<br><br>Work program obligations are summarised in note 1 of Item B in Schedule 2 below. |

# Schedule 2 Tenement Conditions

## A. Byro East Tenements and Cosmos Tenements Conditions:

The conditions below refer to particular conditions and endorsements attached to the Byro East Tenements and Cosmos Tenements and other findings from the DMIRS Searches and Tengraph Searches. It is not an exhaustive list. For all conditions and endorsements attached to the Byro East Tenements and Cosmos Tenements, a search of the Western Australian Department register should be consulted. For details of overlapping tenure and other interests, the Tengraph system should be consulted.

1. **Pending transfer of tenement**: Pursuant to the Tenement Sale Agreement, the Tenement will be transferred from RareX to the Company.

2. **Pastoral Leases:**

   (a) The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment; and

   (b) The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of the grant of the Licence or registration of a transfer introducing a new Licensee, advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.

3. **No interference:**

   (a) E09/2408: No interference with Geodetic Survey Station Conical and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

   (b) E09/2386: Mining on any road, road verge or road reserve being confined to below a depth of 15 metres from the natural surface.

(c) E09/2386: No interference with Geodetic Survey Station R 7 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

4. **Water resource endorsements**:

(a) E09/2408 is subject to certain endorsements in respect of water resource management areas, proclaimed surface water areas (Gascoyne), irrigation district areas and rivers and proclaimed ground water areas (East Murchison).

(b) E09/2409 is subject to certain endorsements in respect of water resource management areas, proclaimed surface water areas, irrigation district areas and rivers and proclaimed ground water areas (Gascoyne).

(c) E09/2386 and E09/2387 are subject to certain endorsements in respect of water resource management areas and proclaimed ground water areas (Gascoyne).

5. **FNA consents, plans and approvals - E09/2409, E09/2386 and E09/2387:** In respect to the area of land designated File Notation Area/s 7618 in Tengraph the following shall apply:

(a) Prior to carrying out any on-ground activities, the Licensee developing a plan of activities to ensure that electromagnetic emissions from those activities will not interfere with the radio-quiet requirements of the Murchison Radio-astronomy Observatory. The plan shall be submitted to the "Coordinator for Radio Emissions Management Issues" at the DMIRS for approval by the Director General of DMIRS; and

(b) The approved plan to be included with any "Programme of Work" or "Mining Proposal" submitted to DMIRS for approval under the WA Mining Act.

6. **Exploration restrictions - E09/2409:** Consent to explore on De Grey Mullewa Stock Route Reserve 9701 granted subject to the condition that no exploration activities being carried out on De Grey Mullewa Stock Route Reserve 9701 which restrict the use of the reserve.

7. **Land Administration Act - E09/2409, E09/2386**: The Licensee's attention is drawn to the provisions of section 55 of the *Land Administration Act 1997* (WA).

## B. Orange East Tenement

The grant and renewal documents provided in respect to the Orange East Tenement show that the tenement is subject to the following key conditions. The below conditions are all considered to be general (standard) conditions imposed on all licenced by the NSW Department. As at the date of this Report, the Orange East Tenement is not subject to any 'special' conditions.

1. **Work Program:** The licence holder must carry out the operations, and any other activities, described in the Work Program and comply with any commitments in relation to the conduct of operations specified in the Work Program, as for the time being in force, in respect of this licence. The proposed work program contained in the renewal of EL8442 is summarised below:

    (a) (**Expenditure**): the proposed estimated expenditure for the renewal term (inclusive of exploration, environmental and community activities) is $550,000.

    (b) (**Exploration objectives**): to verify existing geological, geochemical and geophysical datasets and assess the potential of several of the geochemical targets for gold mineralisation.

    (c) (**Proposed activities**): the proposed activities are split into stages, comprising stage 1 (reconnaissance), stage 2 (target definition) and stage 3 (prospecting testing). The specific activities across these stages include land access negotiations, reviewing of data, completing detailed field and geological matting and geological surveys. A summary of proposed activities have not been provided for stage 4 (advanced prospect testing) and stage 5 (resource definition).

    (d) (**Environmental**): the work program sets out proposed environmental management and rehabilitation activities for the term (including the implementation of an appropriate environmental/rehabilitation management plan to address exploration activities).

    (e) (**Community consultation**): the work program sets out the proposed community consultation methods with key stakeholders, including native title claimants and affected landholders.

2. **Native Title:** The licence holder must not prospect on any land or waters within the exploration area on which Native Title has not been extinguished under the *Native Title Act 1993* (Cth) without the prior written consent of the NSW Minister.

3. **Community Consultation:** The licence holder must carry out community consultation in relation to the planning and conduct of activities under this licence in accordance with the Exploration Code of Practice: Community Consultation (March 2016).

4. **Protection of the Environment:** The licence holder must prevent, or if that is not reasonably practicable, minimise so far as is reasonably practicable, any harm to the environment arising from activities carried out under this licence.

5. **Security:** The licence holder must provide a security deposit to secure funding for the fulfilment of obligations under this licence (including obligations that may arise in the future) as follows:

    (a) Amount: $10,000.

    (b) Licence holder's entitlement to interest: none.

6. **Rehabilitation**: The licence holder must carry out rehabilitation of all disturbance caused by activities carried out under this licence in accordance with the requirements in Part B of the Exploration Code of Practice: Rehabilitation (July 2015) to the satisfaction of the NSW Minister.

7. **Environmental Incident Reporting**: The licence holder must provide environmental incident notifications and reports to the Secretary no later than seven days after those notifications and reports are provided to relevant authorities under the Protection of the *Environment Operations Act 1997*.

8. **Annual Activity Reporting:** Unless otherwise approved by the Secretary, the licence holder must submit annual activity reports prepared in accordance with the Exploration Guideline: Annual Activity Reporting for Prospecting Titles (July 2015) at the following times:

    (a) Annually, within one calendar month following the grant anniversary date of this licence;

    (b) On any other date or dates directed by the Secretary in writing; and

    (c) Within one calendar month following the cancellation or expiry of this licence.

9. **Change in Control:** If the licence holder is a corporation or a trust, the NSW Minister's prior written approval is required before any:

(a) Change in effective control of the licence holder; or

(b) Foreign acquisition of substantial control in the licence holder.

The NSW Minister's approval is not required where a change in effective control of the licence holder, or a foreign acquisition of substantial control of the licence holder, occurs as a result of the acquisition of shares or other securities on a registered stock exchange.

10. **Coal Seam Discovery:** If a coal seam is discovered in the exploration area, the licence holder must:

(a) immediately inform the Secretary of the discovery, and

(b) as soon as reasonably practicable after the discovery, furnish written particulars of the discovery to the Secretary.

## Annexure C Independent Geologist Report

# Independent Geologist's Report

# on the

# BYRO EAST AND ORANGE EAST PROJECTS

# For

# Cosmos Exploration Limited

**Report Prepared for Cosmos Exploration Limited**

**Report Author**

James Guy

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James Guy

BSc (App Geol), Grad Dip App Fin, MAusIMM

**Date of Issue**

**17 September 2021**

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# Executive Summary

Cosmos Exploration Limited ("Cosmos") is a wholly owned subsidiary of RareX Limited ("RareX"). The companies have entered into a Demerger Implementation Deed and Tenement Sale Agreement ("Demerger Agreement") whereby Cosmos will acquire a 100% interest in the Byro East Project, located in Western Australia, and a 75% interest in the Orange East Project, located in New South Wales, as well as Cosmos pegging a number of leases in its own name in the Byro East area. Cosmos proposes to list on the securities market operated by the ASX Limited ("ASX") in order to raise additional capital to be used in accordance with the use of funds set out in its initial public offering prospectus including to undertake further exploration work on the projects. Cosmos has engaged James Guy and Associates Pty Ltd ("JGA") to prepare an Independent Geologist's Report ("IGR") on the mineral properties to be included in a prospectus for an Initial Public Offering ("IPO") to be lodged with the ASX. Cosmos proposes to issue 25,000,000 ordinary shares at 20 cents per share to raise $5,000,000 dollars before costs .

The IGR is a Technical Assessment Report prepared in accordance with the 2015 VALMIN Code and the 2012 JORC Code. Both codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"). The codes are also a requirement under the Australian Securities and Investment Commission ("ASIC") rules and guidelines, and the listing Rules of the ASX.

This report is not a valuation report and does not express an opinion as to the value of the mineral assets, or the reasonableness of any commercial transaction entered to acquire the minerals assets. Factors considered for the preparation of the report include geological setting, district scale mineral perspectivity results of past exploration on the properties and planned exploration. Social and environmental factors that have the potential to impact exploration access include native title, access to freehold land, and Crown Land Reserves. Cosmos has, or is, in the process of gaining the necessary agreements with other stake holders in order to conduct its planned exploration activities.

The effective date of this report is 17th September 2021

**Byro East Project**

The Byro East Project is located in Western Australia. The project covers an area of 1,600 $km^2$ and is located approximately 300 km south east of the township of Carnarvon in the Gascoyne region. The project comprises four granted exploration licences ("ELs") and three ungranted Exploration Licences ("ELAs"). Following completion of the Tenement Sale Agreement (in accordance with the terms of the Demerger Implementation Deed), Cosmos will hold a 100% interest in the tenements held by RareX.

The Project is located in the Narryer Terrane which forms the north western corner of the Yilgarn Craton. Geology consists of a high-grade metasedimentary rock predominately quartzo feldspathic gneisses and migmatites with amphibolite's quartzites, Banded Iron Formations (BIF), felsic volcanics and layered mafic- ultramafic intrusions. The mafic-ultramafic intrusive's vary from large well layered quartz gabbro to olivine cumulate; to lenses of amphibolite.

The area has had a complex structural and metamorphic history. Several major linear features have been mapped striking parallel to the craton margin, with splay and link structures between the main faults evident.

Previous exploration work on the project has been restricted to regional scale geological mapping, stream sediment sampling, rock chip sampling, limited soil sampling and ground geophysical surveys. There does not appear to have been any drilling undertaken within the project area to date.

As the project sits on a craton margin, it is in a similar setting to the Nova -Bollinger and Julimar Deposits. Cosmos believes the project has potential for mafic-ultramafic intrusion related nickel (Ni)-copper (Cu)- and platinum group elements ('PGE") mineralisation. The tenement package is immediately east of the Milly-Milly ultramafic intrusion where previous exploration has returned some indicators of Ni sulphides. Using available regional magnetics data and other geological survey mapping, Cosmos believes they can trace other mafic-ultramafic intrusions under cover within the tenement areas.

Based on interpretation of available data, Cosmos has identified four (4) exploration prospects on the western side of the project which are potentially associated with the Milly-Milly Intrusive and which could be prospective for Ni-Cu-PGE mineralisation. Past exploration on the Dottyback Prospect returned anomalous Ni-Cu soil geochemistry. In addition, regional processing of aeromagnetic data has identified a number of magnetic signatures within the project area that could relate to mafic to ultramafic intrusive's which Cosmos intends to test with further exploration.

Due to the complex tectonic setting the project area, there is also potential for structurally controlled gold mineralisation similar to other deposits within high metamorphic terranes of the Archean age Western Australian goldfields.

The Byro East Project is regarded as an Early-Stage Exploration Project.

**Orange East Project**

The Orange East Project is located in New South Wales. The project covers an area of approximately 40 $km^2$ and is located approximately 200 km west of Sydney and 15 km south east of the regional center of Orange. Access and support services to the project are excellent. The project comprises a single granted exploration licence (EL). The project occurs in freehold farmland. Following completion of the Tenement Sale Agreement (in accordance with the Demerger Implementation Deed) Cosmos will hold a 75 % interest in the project with the remaining 25% being retained by RareX to be free carried until completion of a bankable feasibility study.

The project straddles the boundary between the Molong Arc and Hill End Trough within the Ordovician – Silurian aged Lachlan Fold Belt ("LFB"). The Molong Arc is dominated by ultramafic to andesitic volcanics and volcaniclastic sediments whilst the trough facies include siltstones, sandstones mudstones, limestones and dacitic lavas. The NW-SE striking Godolphin Fault, a major bounding structure that separates the Molong Arc (West) from the Hill End Trough (East), has a number of splay structures that

also run through the EL. The project is in a major mineral province, with a number of significant mines in operation or under development in the near vicinity.

Based upon past exploration work, Cosmos has identified several targets that are prospective for gold (Au) and copper (Cu) mineralisation that are closely associated with the Godolphin Fault or splay structures off the fault. The Godolphin Fault is a major controlling structure for the 2.02 Moz McPhillamys Gold Deposit, located to the south of the project.

At the Carangara Prospect, four (4) targets have been identified based on past soil geochemistry and drilling as well as new remodeling of IP geophysical data. The targets are within sediments that have been interpreted as belonging to the Anson Formation. At the Gunnarbee Prospect, a strong Cu-Au soil geochemical anomaly has been defined which is associated with the Lewis Ponds Fault zone and is within Anson Formation. The strong association of anomalous geochemistry within Anson Formation sediments adjacent to major regional structures is considered to be a setting analogous to the McPhillamys Deposit and, therefore, warrants drill testing. The project is on freehold farmland and approval from the landholders will be required to undertake planned work.

The Orange East Project is regarded as an Advanced Exploration Project.

Cosmos has prepared a plan, and two (2) year budget to complete further exploration across both projects.

The majority of the funds will be used to advance the Byro East Project, exploring for Julimar style Ni-Cu - PGE mineralisation. Funds will be used to test four (4) prospects the company has identified from its evaluation of available data and to commence regional exploration for other ultramafic – mafic intrusion targets within the company's extensive ground holding. Planned work includes use of airborne VTEM and aeromagnetic geophysical surveying to identify potential intrusive bodies under cover. New geophysical targets will be followed up by rock and/or soil sampling, ground geophysics and drill testing.

Within the Orange East Project, the company intends to undertake diamond drilling ("DD") and reverse circulation ("RC") drill testing at the Carangara Prospect and the Gunnarbee Prospect.

The company's exploration budget for the two (2) year period is $3,243,800, with $2,476,000 dedicated to the Byro East Project. In the Authors opinion the program prepared has been well thought out and should be sufficient to evaluate the properties at the level Cosmos has stated in the prospectus.

The company's projects are both at an exploration stage and as such there is no certainty that the proposed exploration work will identify economic concentrations of mineralisation. Aside from the inherent risks associated with mineral exploration, other risk factors included Aboriginal heritage, access to freehold land and environmental considerations. Risk factors aforementioned could affect the company's ability to adequately test targets in a manner it requires to access their potential.

# 1.0 Introduction

James Guy and Associates Pty Ltd (JGA) has been engaged by Cosmos Exploration Pty Ltd (Cosmos, or "the Company") to prepare an Independent Geologist's Report (IGR or "the Report") on the mineral assets of Cosmos for the inclusion in a prospectus to be issued by the company for an initial public offering (IPO) of up to 25,000,000 ordinary shares at an issue price 20 cents per share to raise a total of $5,000,000 dollars (before costs).

The minerals assets comprise the Byro East Project in Western Australia and the Orange East Project in New South Wales (Figure 1). The projects are being acquired from RareX Limited (RareX), formerly known as Clancy Exploration Limited ("Clancy"). As of the date of this report Cosmos is a wholly owned subsidiary of RareX, and the companies have entered into a Demerger Implementation Deed and Tenement Sale Agreement ("Demerger Agreement") whereby Cosmos will acquire 100% interest in RareX titles granted exploration licences E 09/2386, E 09/2387, E 09/2408, E 09/2409 and licence application E09/2443 forming part of the Byro East Project, and a 75% interest in EL8442 forming the Orange East Project. In addition, Cosmos has applied of two (2) Exploration Licences (E 09/2525 and E 09/2527) which will form the remainder of the Byro East Project. The terms of the Demerger Implementation Deed and Tenement Sale Agreement are set out in the Independent Solicitors Report forming Annexure B of this Prospectus.

This report has an effective date of 17th September 2021, being the most recent date Cosmos has made information on the projects available to JGA, and JGA is not aware of any material change in the information since this date.

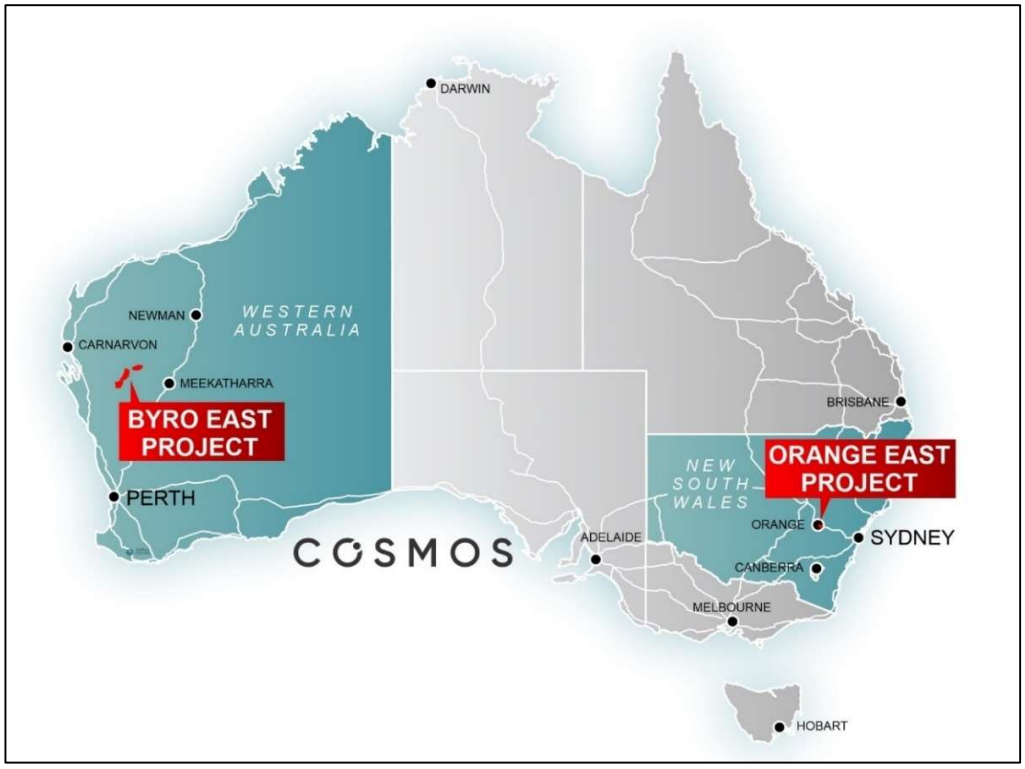


**Figure 1 Project Locations**

## 1.1 Compliance with the JORC and VALMIN Codes and ASIC Regulations

The IGR has been prepared in accordance with the 2015 VALMIN Code and the 2012 JORC Code. Both codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Institute of Geoscientists (AIG). The codes are also a requirement under the Australian Securities and Investment Commission (ASIC) rules and guidelines and the listing Rules of the Australian Stock Exchange (ASX).

The IGR is a Technical Assessment Report and a Public Report as described in the VALMIN Code and JORC Code. It is based on, and fairly reflects the information and supporting documentation provided by the company, and additional publicly available information from government bodies and public reporting on the ASX .

## 1.2 Sources of Information and Reliance of Other Experts

JGA has based this report on information provided by Cosmos as well as the authors own interrogation of the open file mineral reporting systems of the Geological Survey of New South Wales ("GSNSW") and the Geological Survey of Western Australia ("GSWA"). The Report has been compiled based on information available up to and including the date of this Report.

Cosmos provided JGA with a series of digital spreadsheets containing exploration drilling and surface geochemical sampling it compiled for both projects. The source of the digital data for the Orange East Project was RareX. The data for the Byro East Project was compiled by Cosmos from digital data submitted in annual technical reports to the Geological Survey of Western Australia (GSWA). JGA completed an audit of the data provided against data in historical exploration reports and found no discrepancies.

JGA has not independently verified the legal status or ownership of the tenements, or any of the underlying agreements, and offers no opinion as to the validity or ownership of the tenure. Full details of tenement ownership and material agreement are provided in the Independent Solicitors Report included in the prospectus.

This report contains statements attributed to third parties. These statements originally were made in published and unpublished reports generally available in the public domain. The authors of these statements were not consulted regarding the inclusion of their work into this report.

Cosmos has warranted to JGA that the information provided for the preparation for this report represent all the material information relevant to the project. A final draft of this Report was provided to Cosmos, along with a written request to identify any material errors or omissions prior to lodgment.

## 1.3 Competent Person Qualifications and Consent

The Report has been prepared by Mr. James Guy, Principal Consultant at James Guy and Associates. Mr. Guy has a BSc (Applied Geology) from the University of New South Wales and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. Mr. Guy is a member of the Australian Institute of Mining and Metallurgy (AusIMM).

Mr. Guy has more than 30 years' experience in mineral exploration and mining geology covering a range of commodities including gold, nickel, copper, potash, manganese, and industrial minerals in a variety of geological settings. Mr. Guy has the appropriate relevant qualifications, experience, competence, and independence to be considered a Specialist under the VALMIN code and a Competent Person under the JORC Code. Mr. Guy consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

## 1.4 Site Visits

No site visits by the Author were undertaken for the preparation of this report. Whilst site visits are generally seen as a requirement under the VALMIN and JORC codes, in this case the Author exercised discretion not to complete site visits for the following reasons:

1. Orange East Project. During the time this report was in preparation, restrictions on the movement of people were put in place by the New South Wales, and Western Australian State Governments to prevent the spread of COVID-19. As a result, travel from West Australia, where the author is based, to Orange was not possible due to lockdowns, and lengthy periods of quarantine on return. The Author has visited the Orange East Project area several times on other matters and is generally familiar with the geological setting and mineralisation within the district.
2. Byro East Project. There would be limited benefit gained from a site visit to this Early-Stage Exploration Project.

## 1.5 Independence

Neither James Guy and Associates Pty Ltd (JGA) nor James Guy personally have any material interest in the Tenements reported or Cosmos., and neither James Guy and Associates Pty Ltd, or James Guy have a relevant interest in any securities in Cosmos. The relationship between JGA and Cosmos is solely one of professional association between the client and independent consultant. The review work and this Report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

# 2.0 Byro East Project

## 2.0.1 Location

The Byro East Project covers an area of approximately 1,600 km$^2$ and is located approximately 300 km south-east of the town of Carnarvon, within the Gascoyne District of Western Australia, and approximately 200 km west from the town of Meekatharra (Figure 2).

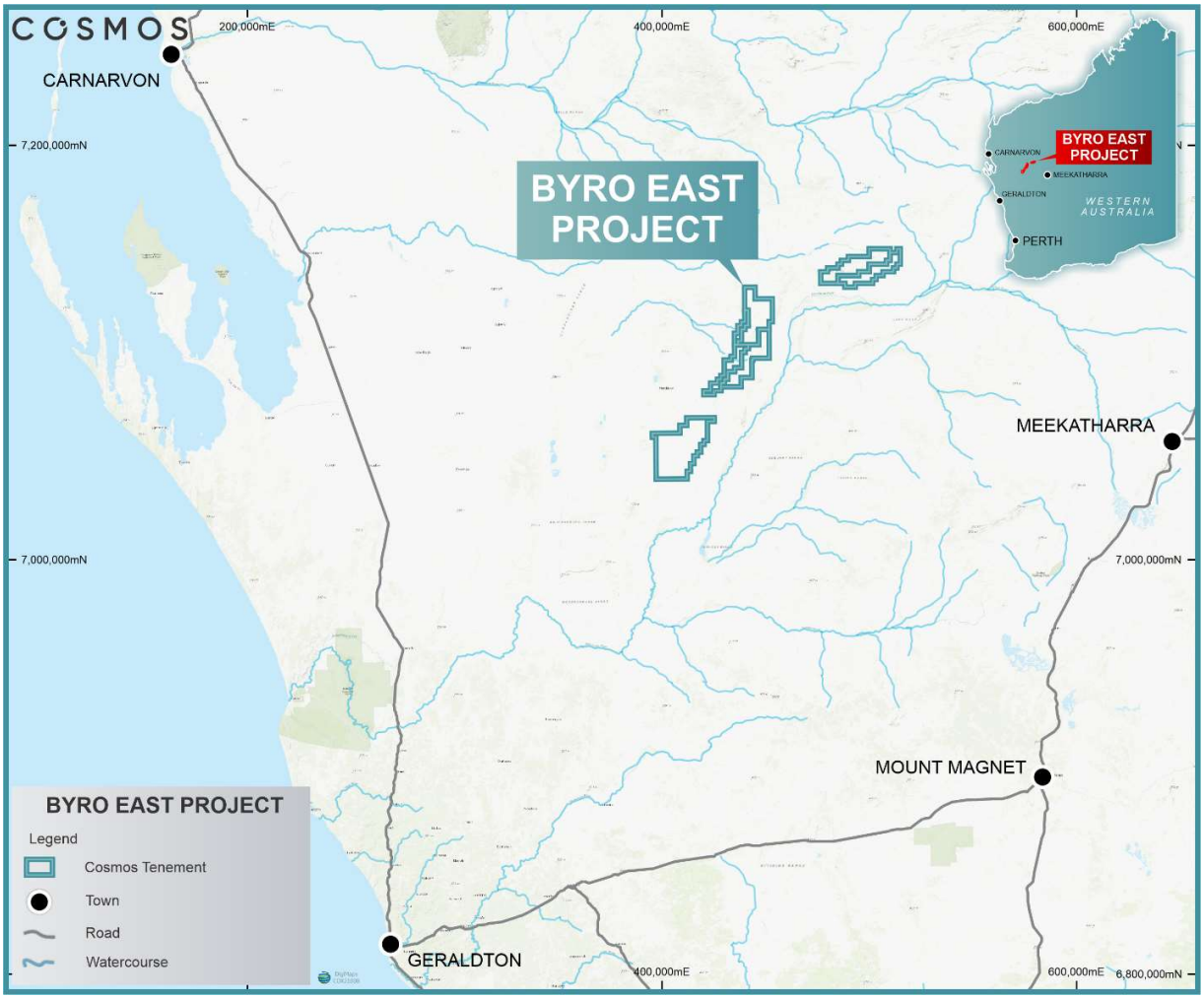


**Figure 2 Byro East Project - Location Plan**

The Project straddles the Byro [SG50-10], Glenburgh [SG50-06], and Robinson Range [SG 50-07] 1:250,000 map sheets.

## 3.0.2 Access and Infrastructure

Access to the project area is via the Carnarvon-Mullewa Road, to the west of the western most block of tenement, then turning east along the Beringerra to Byro Road which runs through the western tenement block. The easternmost tenement block is accessed via a series of station tracks that run off the Beringerra – Byro road.

### 2.0.3 Topography and Vegetation

The Project is within the catchment area of the westward flowing Murchison and Wooramel Rivers that drain to the coast. Hardpan wash plans dominated the landscape. The project area has extensive outcrop which forms prominent topographic highs. Vegetation consists of sparse mulga, woodlands with grasslands and saltbush shrublands occupying the alluvial plains.

### 2.0.4 Mineral Tenure

The Byro East Project comprises four (4) granted Exploration Licences (ELs) , and three (3) Exploration Licence Applications (ELAs) (Table 1).

**Table 1 Byro East Project - Tenement Details**

| Tenement ID | Registered Holder | Area (blocks) | Minimum Expenditure$ | Granted | Expiry |
|---|---|---|---|---|---|
| E 09/2386 | RareX | 88 | 88,000 | 31/03/2021 | 30/03/2026 |
| E 09/2387 | RareX | 13 | 20,000 | 27/05/2021 | 26/05/2026 |
| E 09/2408 | RareX | 79 | 79,000 | 29/03/2021 | 28/03/2026 |
| E 09/2409 | RareX | 77 | 77,000 | 31/03/2021 | 30/03/2026 |
| E 09/2443 | RareX | 39 | | Pending | |
| E 09/2525 | Cosmos | 57 | | Pending | |
| E 09/2527 | Cosmos | 173 | | Pending | |

Cosmos has signed a Demerger Implementation Deed and Tenement Sale Agreement where by on completion of the tenement Sale Agreement whereby on completion of the Tenement Sale Agreement (in accordance with the Demerger Implementation Deed) Cosmos will acquire a 100% interest in all Byro East Project titles held by RareX

. Investors are directed to the Independent Solicitor's Report in Annexure B of this prospectus for the terms of the agreement.

### 2.0.5 Land Tenure and Surface Rights

The tenements coexist with a number of leasehold Pastoral Stations including Milly-Milly, Beringarra and Byro. The present activity of these stations is grazing cattle.

### 2.0.6 Heritage

The project area lies within land claimed by the Wajarri Yamatji #1 claimant group. JGA understands that the claim has been accepted for registration but as yet no determination has been made.

RareX has entered into an access and heritage agreement with the Wajarri Yamatji #1 group for tenements E 09/2386, E 09/2408 and E 09/2409 and has the option to add additional tenements to this agreement. The native title agreement will be assigned to Cosmos as a condition precedent to completion of the Tenement Sale Agreement. Investors are referred to the Independent Solicitors Report in Annexure B for details of the agreement.

## 2.1 Previous Mining and Exploration

There is no evidence of historical mining activity within the prospect area. Modern mineral exploration for chrome, nickel, copper, platinum, diamonds, iron ore, and gold has been conducted in the area since the late 1960's by various companies. A summary of the significant exploration on the ground is presented below:

1969 Electrolytic Zinc Company

Exploration for chromite and Ni-Cu-PGE mineralisation. Work completed includes geological mapping, soil rock and laterite sampling, aeromagnetic surveying.

1971-1973 Jododex Australia Pty Ltd

Exploration targeted Ni-Cu and chromite mineralisation. Work completed includes gridding, geological mapping, rock and gossan sampling, soil and auger geochemistry, ground magnetics, IP and SP geophysical surveying**.**

Within the current project, systematic soil sampling was completed on a local grid along a 7 km strike of outcropping ultramafic units. The local imperial grid was established on 400' x 100' spacings with selective infill sampling on a 200' x 50' spacings. Samples were collected approximately 6" below the surface. The entire sample was analysed for Cu, Ni, Zn by AAS. A second phase of shallow auger sampling was completed over selected soil anomalies.

1996-2002 Redback Mining NL

Completed geological mapping, gossan analysis, ground IP and EM geophysical surveying.

1996-2007 Helix Resources Limited and Normandy Yandal Operation Joint Venture

Helix held ground covering parts of the eastern and western blocks of the Project. To the east, work focused on the Milly-Milly Prospect and included - 80# soil sampling analysed for Au, and stream sediment sampling analysed for Au, Pb, Zn, As, Mo, Ag and W. No significant results were returned. The ground was later joint ventured with Normandy who completed additional stream sediment sampling with no significant results.

2002-2006 Yilgarn Mining Pty Ltd

Yilgarn Mining explored the ground for Ni sulphide mineralisation. Work included the acquisition of detailed aeromagnetic and radiometric data, geological reconnaissance and gossan sampling, petrology, and ground EM geophysical surveying.

2005-2007 Mithril Resources Limited (JV with Yilgarn Mining)

Mithril held ground covering the Byro East Project which they explored for Ni sulphide mineralisation. Within the current project area, work was restricted to digitally capturing the Jododex soil sampling data and completing a small Geoferret EM geophysical survey over outcropping ultramafic units.

2009-2020 Complex Exploration Pty Ltd and Byro Exploration Pty Ltd Joint Venture

The joint venture ("JV") held a large land position in the Narryer Terrane however the majority of the work focused on areas outside the current Project tenure.

2010-2012 Athena Resources Limited (JV with Complex Exploration and Byro Exploration Pty Ltd)

Athena targeted orthomagmatic Ni-Cu mineralisation They completed field reconnaissance, geological mapping and rock chip sampling, data compilation and review before withdrawing from the JV and surrendering the tenements.

2012-2015 Aurora Minerals Limited

Aurora held parts of the eastern tenement area. They explored for gold (Au), base metals, and iron ore mineralisation. Work included geological mapping, reprocessing of open file, and government geophysical data and satellite imagery, stream sediment, and rock chip sampling Samples were analysed for a multielement suite of elements. No significant results were returned.

Past exploration work has been fragmented and concentrated in selected areas depending on historical tenement boundaries and generally restricted to areas of out crop or sub crop. Historical sample spacing has been generally wide spaced with minimal follow up. This has resulted in large areas of the project having had minimal or no first pass exploration undertaken in the past which provides an opportunity for discovery of mineralisation .

In addition to the above historical activities, the Geological Survey of Western GSWA) undertook a program of regional geochemistry and regolith mapping over the Byro and Glenburgh 1:250,000 map sheets which cover part of the Byro East Project (Morris & Verren 2001, Sanders *et al* 1998). The nominal sample spacing was one sample per 16 sq km. In 2008, the GSWA flew a magnetic and radiometric survey over the Byro and south portion of the Glenburgh map sheets.

## 2.2 Regional Geology

The Byro East Project is located within the Narryer Terrane, a gneissic complex at the north-western corner of the Yilgarn Craton (Figure 3). The project lies approximately 35 km south of the margin of the Errabiddy Shear Zone, which marks the collision between the Yilgarn Craton and the Glenburgh Terrane (Glenburgh Orogeny). Further deformation of this part of the Yilgarn Craton occurred during the latter Capricorn Orogeny). The Narryer Terrane contains some of the oldest rocks in the Yilgarn and is geological

distinct from the granite greenstone terranes to the south and east. The Yilgarn Craton is a globally significant source of gold as well as base metals.

The Narryer Terrane consists of a high-grade metasedimentary rock, predominately quartzo feldspathic gneisses and migmatites with amphibolite's, quartzites, Banded Iron Formations ("BIFs"), felsic volcanics and layered mafic-ultramafic intrusions (Occhipinti *et al* 2001). The mafic intrusives vary from large well layered quartz gabbro's to olivine cumulate, to lenses of amphibolite (Jordan 2011). The rocks have been metamorphosed to upper amphibolite to granulite facies, with greenschist retrograde metamorphism common (Williams *et al* 1983).

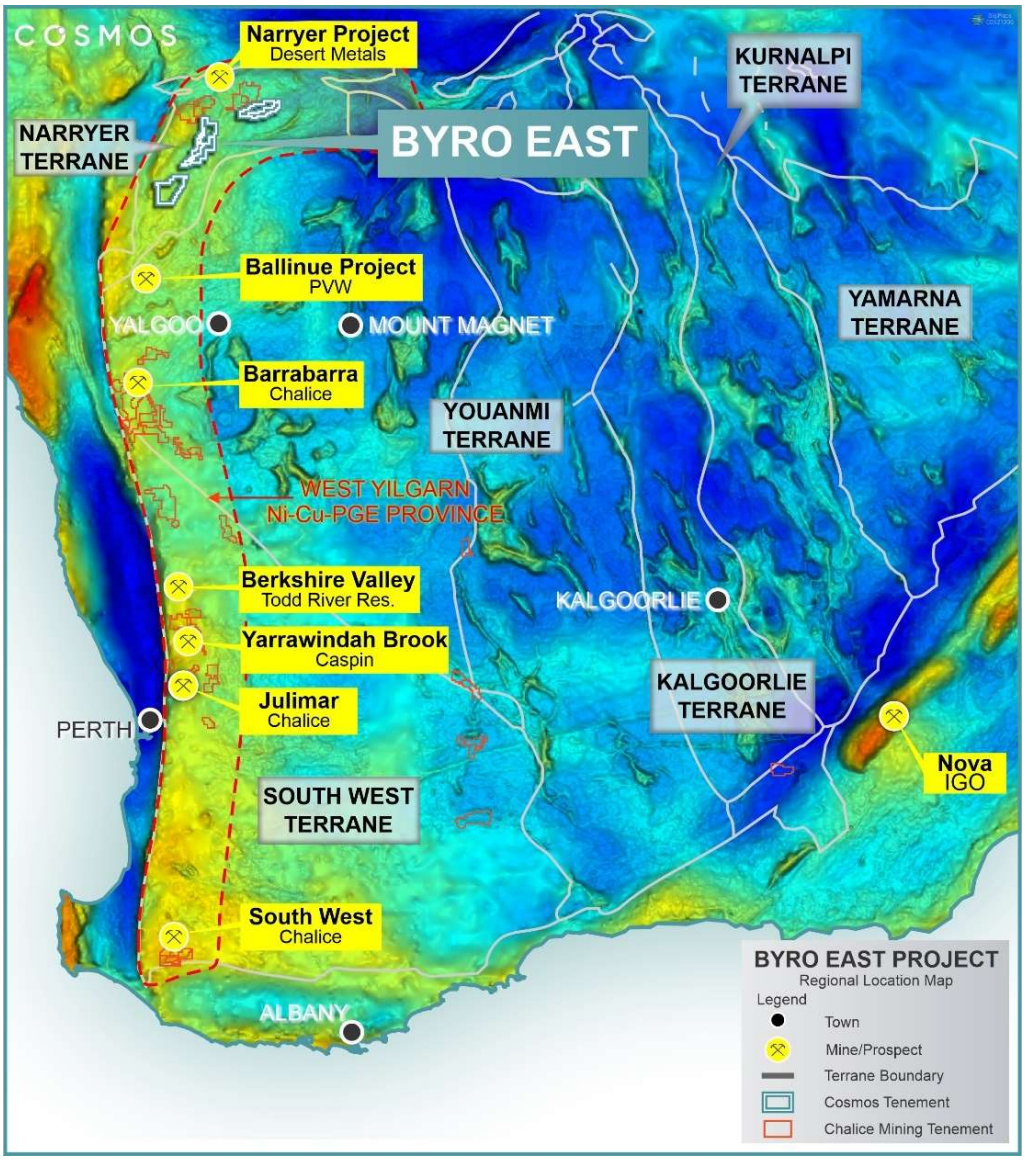


**Figure 3 Byro East Project Regional Geological Setting**

The main deformation events within the Narryer Terrane are related to continental scale collisions. The first of these was the 2700-2650 Ma. collision between the Narryer and Murchison Terranes along the Yalgar Fault Zone which resulted in thrusting, granitoid intrusions and associated upright folding (Occhipinti *et al* 2001). Two (2) Paleoproterozoic orogenic events are recognised, 1) the 2000-1960 Ma Glenburgh Orogeny, along the Errabiddy Shear, which thrust the Glenburgh Terrane over the Narryer Terrane, and 2) the 1830-1780 Ma Capricorn Orogeny related to the collision between the Pilbara and Yilgarn Cratons. Discrete shear zones cutting the north west margin of the Yilgarn Craton have been active throughout this time.

## 2.3 Local Geology

The western side of the Byro East Project area is predominately quartzo feldspathic gneiss and migmatites with amphibolite's, quartzites, Banded Iron Formation (BIF), felsic volcanics and layered mafic ultramafic intrusions (figure 4). Large areas over the north and eastern licences are covered by Quaternary alluvium and eolian cover.

GSWA and company geological mapping shows a series of ultramafic bodies along the western boundary of the project. The larger ultramafic body (Milly-Milly intrusion) is a lens shaped body, roughly 6 km long by 1.4 km wide, which has intruded the metasediment gneiss. Compared to the Milly-Milly intrusion immediately to the west, ultramafic units on the Cosmos ground are thinner and less continuous units within the gneissic rocks. Geological mapping of the Milly-Milly Intrusion indicates the ultramafic units are relatively homogenous, medium-grained and serpentinised peridotite without gabbro in association. The age of these ultramafic bodies is unknown. Surrounding rocks are Archean age, however, as the ultramafic are intrusive, it is possible they could be younger, possibly equivalent to the Proterozoic age ultramafic bodes of the Gascoyne Orogen (McKinnon-Matthews 2007). The margins of the ultramafic are generally intensely sheared (Hayden 1998).

On the eastern side of the project area, the outcrop is more extensive with rock units trending in an east – west direction. The dominant rock types are quartz–grunerite (including meta-BIF), calc silicate and amphibolite serpentinite–actinolite–talc chlorite ultramafic, feldspar–quartz biotite gneiss and migmatite (Williams *et al* 1997). Remnant Tertiary laterite caps are preserved as low hills along the northern side of the tenement. Quaternary covers increase toward the south.

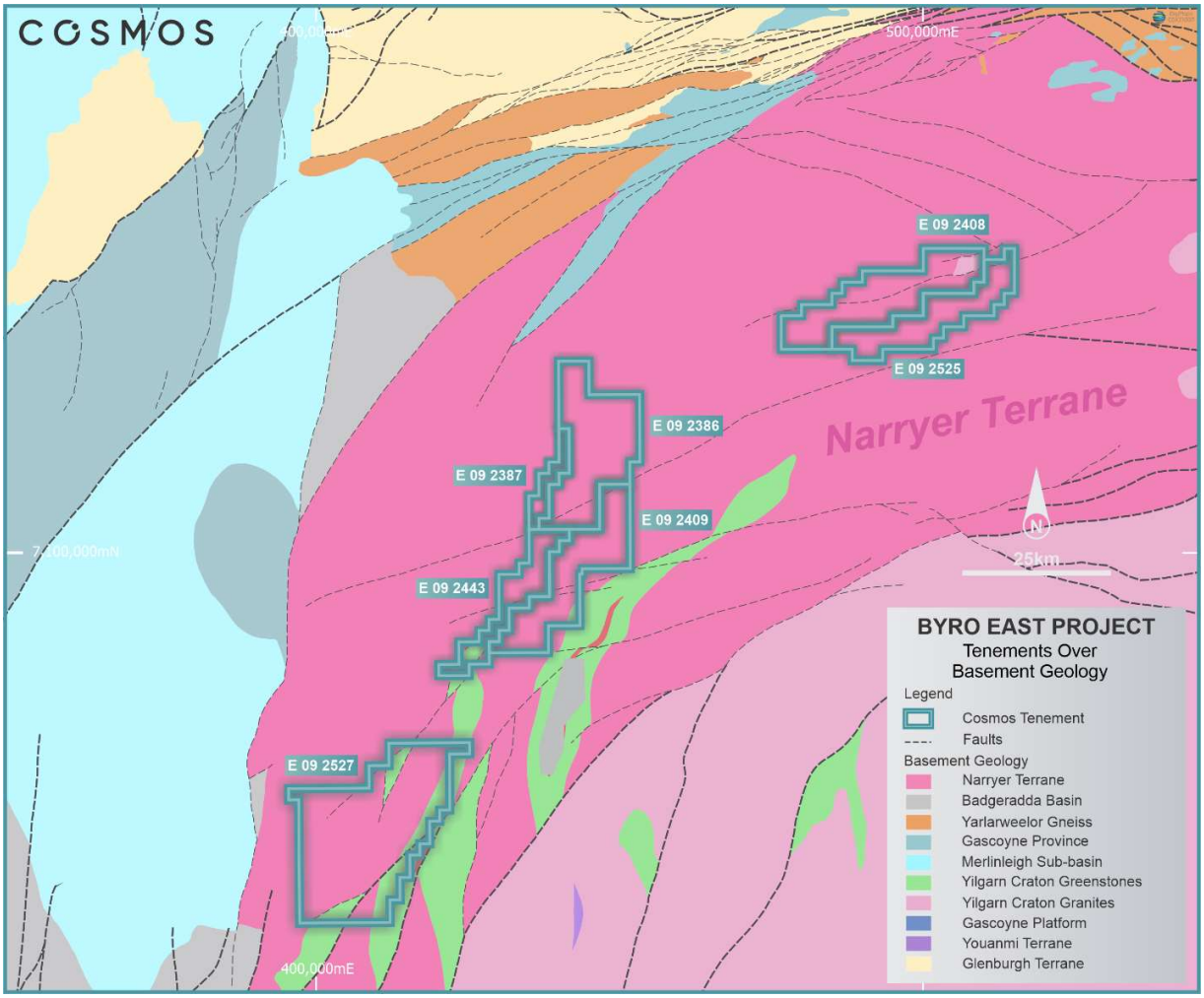


**Figure 4 Byro East Project - Tenements & Geological Setting**

## 2.4 Nickel-Copper-PGE Mineralisation

Cosmos believe that the Byro East Project area is prospective for orthomagmatic Ni-Cu ±PGE mineralisation and orogenic gold (Au) mineralisation.

**Orthomagmatic Ni-Cu-PGE Mineralisation.**

Tholeiitic intrusion hosted Ni-Cu-PGE deposits, such as Norilsk, Voisey's Bay and Jinchuan, dominate world nickel mining production. These deposits typically form on the margins of Archean Cratons.

In Western Australia, most nickel mines are Archean komatiitic hosted deposits, typified by the Kambalda and Forrestania Nickel Mining Camps. The 2012 discovery of the intrusion related Nova-Bolinger Ni-Cu Deposit, hosted within the Albany-Frazer Tectonic Zone, and the more recent 2020 discovery of the

Julimar PGE-Ni-Cu Deposit, near Perth, have confirmed the craton margin model seen elsewhere in the world and, in particular, highlighted the prospectivity of the West Yilgarn Ni-Cu-PGE Province (Figure 3).

The craton margin provides a zone of weakness that can facilitate the flow of mantle derived magmas into the crust. The degree of mineralisation within these bodies is a function of a number of factors including the parental magma composition, the source of sulfur (mantle or crust), and the degree of fractionation of the sulphide melt. Intrusive bodies are relatively small (10's to 100's of metres thick) and can form a variety of shapes including dykes, channel, and chonoliths (Maier & Groves 2011). Sulphide bodies can occur within a number of settings or trap sites within the intrusion including at the margins (especially base), or where the dykes enter magma chambers (Figure 5).

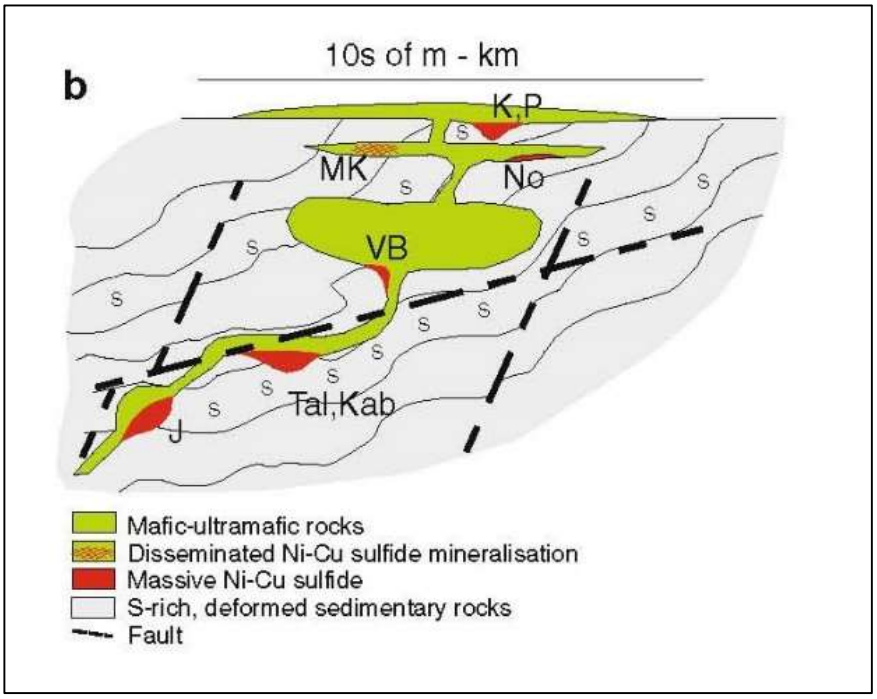


**Figure 5 Idealised Layered Intrusive showing potential massive sulfide trap sites (Maier and Groves 2011)**

Along an active craton margin, latter tectonic activity can remobilise intrusive bodies and massive sulphide bodies formed within them into secondary structural settings. Figure 6 below, from Barnes *et al* 2016, demonstrates the complex geology and mineralisation setting for several major orthomagmatic Ni-Cu-PGE deposits.

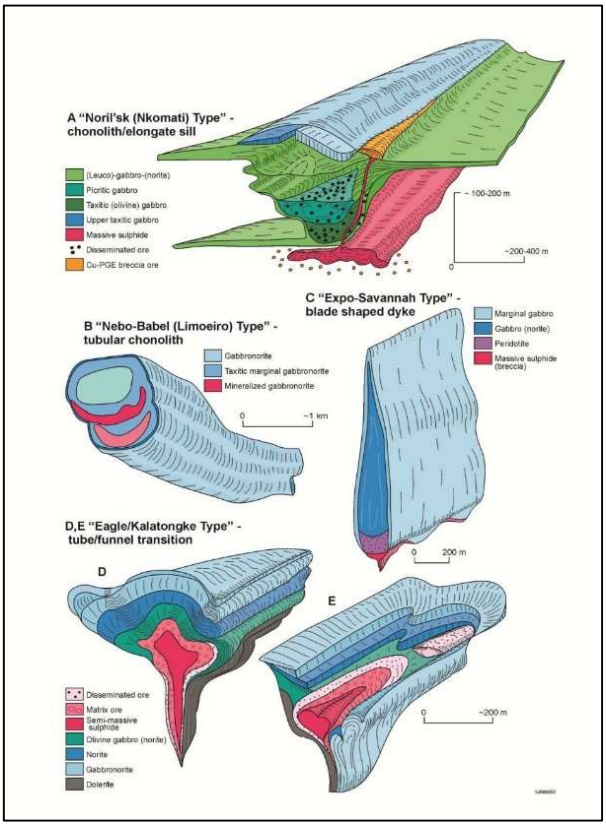


**Figure 6 Geological setting of major orthomagmatic Ni-Cu-PGE Deposits (Barnes et al 2016)**

The overall tectonic setting of the Narryer Terrane, in which the Byro East Project is located, has similarities with other intrusion related style Ni-Cu-PGE style deposits such as Nova-Bollinger and Julimar. These include:

- Located on the margins of the Yilgarn Craton
- Major district scale structures that could tap the mantle
- Presence of mafic and ultramafic intrusions within the Narryer Terrane
- Past exploration on ground outside the current project has returned indications of sulphide mineralisation including gossans and anomalous rock chip geochemistry

The Byro East Project occurs between Mount Rebecca Fault and Yalgar Fault, interpreted by the company to be first order bounding structures encasing the Narryer Terrane (Figure 7). It is believed these deep-seated structures and lesser splay faults could provide the necessary pathways for mafic- ultramafic melts to intrude the host rocks and form Ni-Cu-PGE mineralisation.

The Milly-Milly ultramafic intrusive, located immediately to the west of E09/2386 andE09/2387,is a large intrusive body with a strike of approximately 7 kilometers, hosted within metasediments and gneiss. Previous exploration returned low order pentlandite [$(Fe,Ni)_9S_8$] and chalcopyrite ($CuFeS_2$) mineralisation associated with pyrrhotite {Fe(1-x)S] and pyrite ($FeS_2$). Due to close spatial associations, a number of

smaller ultramafic bodies mapped by the GSWA within E09/2387 are thought to be part of the Milly-Milly Intrusive and are therefore considered to be prospective for Ni-Cu- PGE mineralisation.

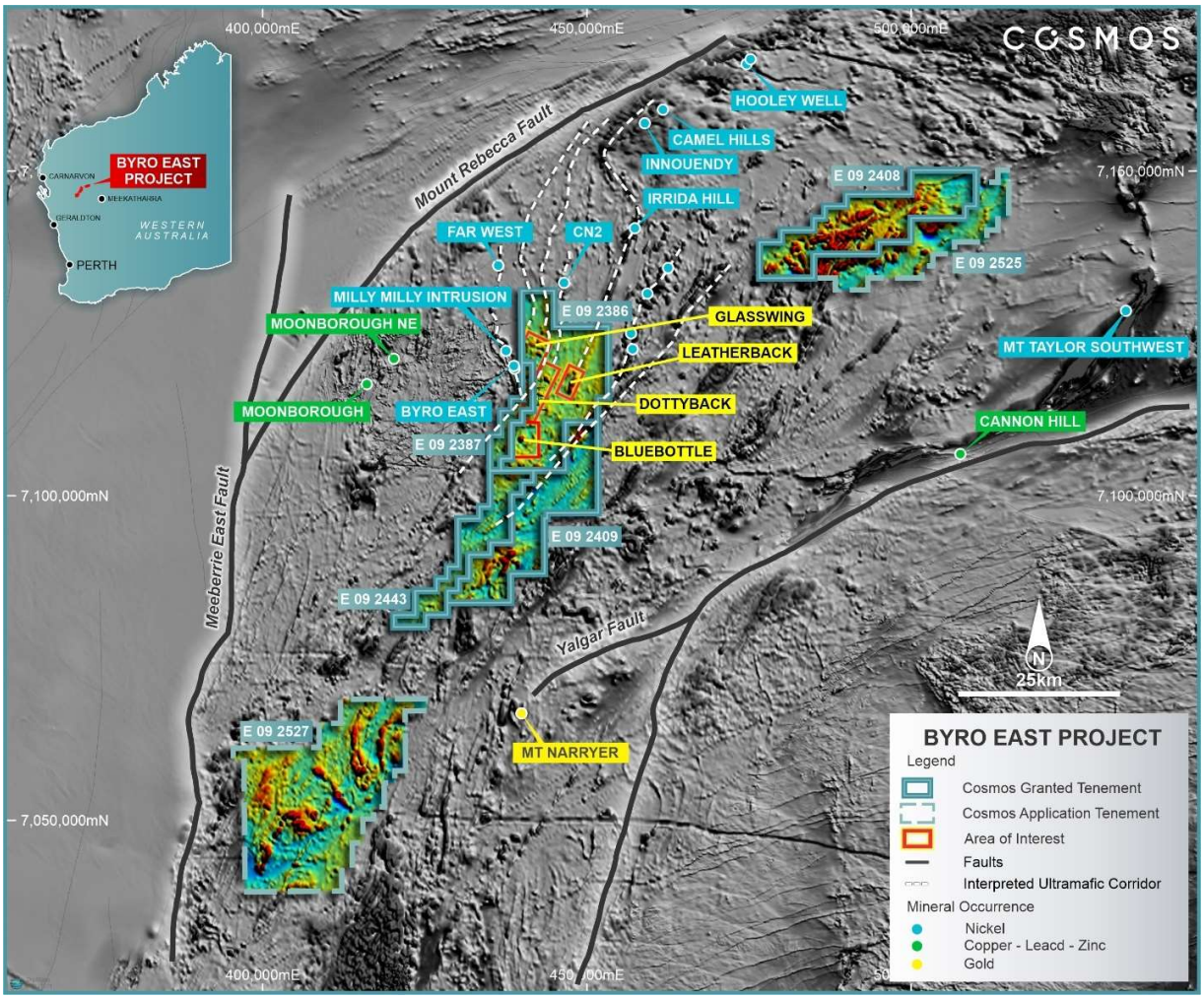


**Figure 7 Byro East Project - Regional Aeromagnetic's, Mineral Occurrences, Prospects and Tenure**

## 3.5 Exploration Potential

The Byro East Project is a large tenement position situated in an emerging mineral province, prospective for mafic–ultramafic intrusion related Ni–Cu-PGE mineralisation and potentially orogenic gold (Au) mineralisation.

Historical exploration work in the greater area has been fragmented, and rarely systematic exploration work has been completed. The Company is in the process of acquiring and validating historical exploration

data and compiling it into a relational digital database. Comos are also collating precompetitive government geophysical data and relevant GSWA geochemical data sets.

Preliminary exploration targeting undertaken by Cosmos has identified four (4) targets (Dottyback, Leatherback, Bluebottle and Glasswing) within the central tenure block and to the east of the Milly-Milly Intrusion (Figure 8). The Company intends to focus initial exploration activity on these prospects whilst it undertakes broader regional exploration across the greater project area to identify additional targets.

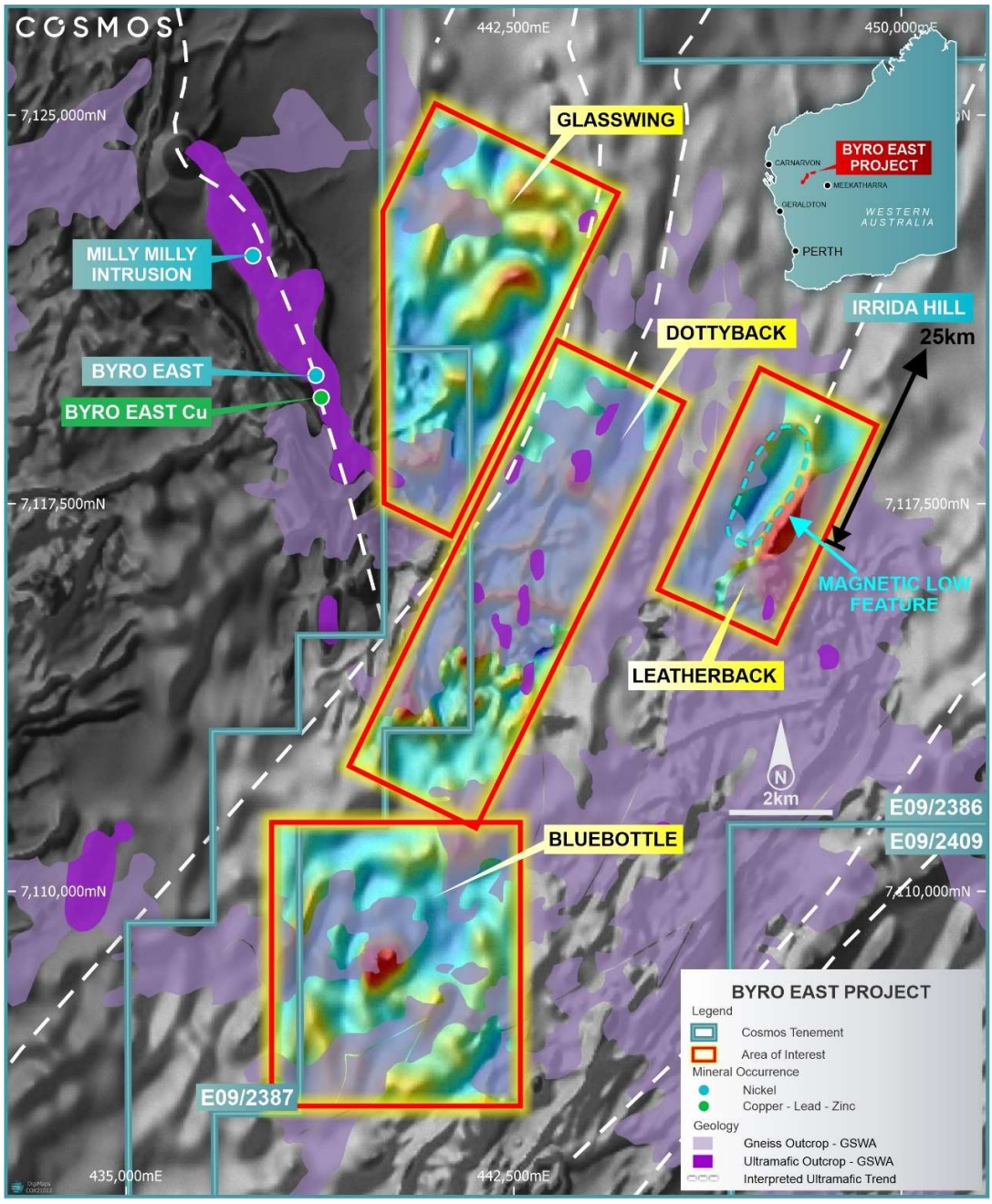


**Figure 8 Milly-Milly Intrusive and Target Areas**

### 3.5.1 Dottyback Prospect (E 09/2386, E 09/2387)

The Dottyback Prospect hosts numerous outcrops of pod-like mafic-ultramafic that appear to be related to the larger Milly-Milly Intrusion to the west (Figure 8). Structurally, the prospect is well located, being on a regional flexure (evident in the regional magnetics) and at the intersection of two (2) gravity ridges which suggests that deep-seated structures may have been active during emplacement of mafic-ultramafic units.

Only limited work has been undertaken on this prospect (Figure 9). Jododex completed a soil program over the area in 1973. The survey was undertaken on a local grid, but details concerning the sample medium taken, methodology and analytical procedures are poorly documented. Jododex drilled two (2) shallow holes to test their best geochemical anomalies. Details of the drilling are sparse, but a petrological sample taken from drill chips identified violarite, a weathered product of pentlandite (A 69061).

In 2004, Yilgarn Mining Limited completed a ground moving loop electromagnetic (EM) survey over a portion of the Jododex soil survey area. In 2006, Mithril Resources Limited completed a small, fixed loop EM survey over an outcropping gossan within the Yilgarn EM survey area. The Yilgarn Mining survey was compromised by heavy cyclonic rains, which caused the soils to become conductive. The survey identified several early time conductors interpreted to be responding to the conductive regolith and one possible shallow basement conductor, but no drill targets were identified.

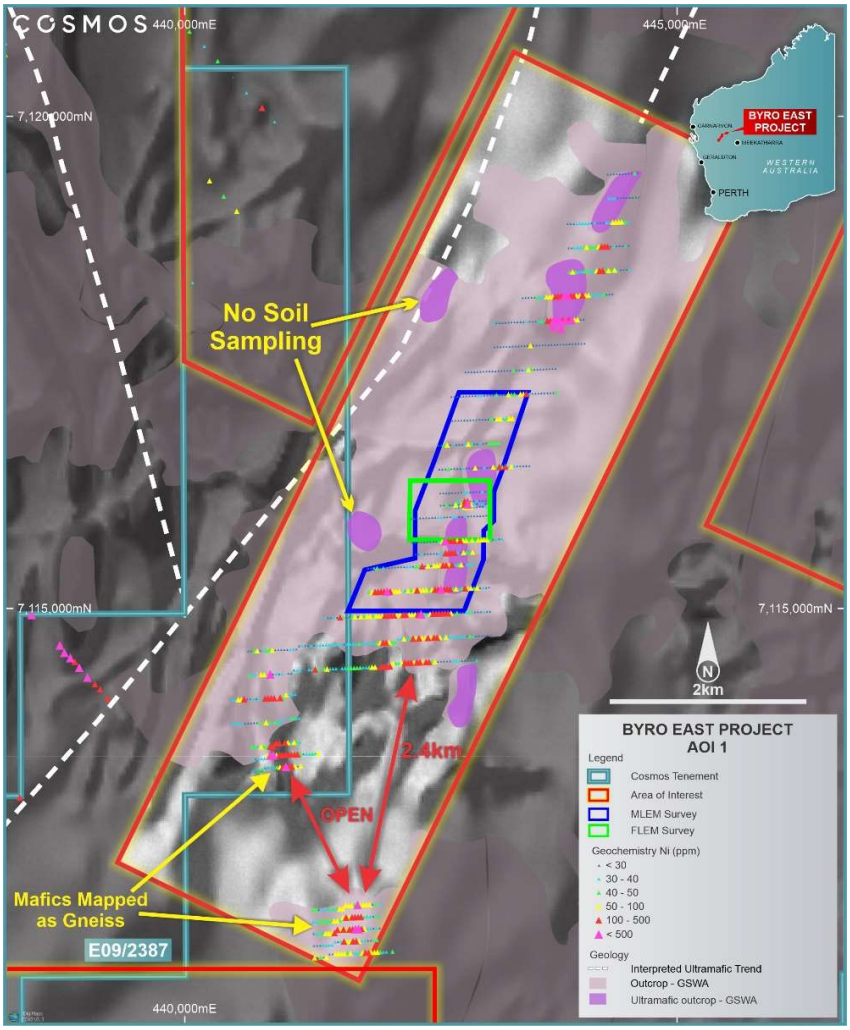


**Figure 9 Dottyback Prospect Past Exploration Work and Geology**

The Cosmos view which the author concurs with that Dottyback is under-explored, and there exists a greenfield opportunity to discover a Ni-Cu-PGE mineralised system. The presence of ultramafic bodies associated with the nearby Milly- Milly Intrusion, known areas with Ni-Cu geochemical anomalism and favourable structural setting; indicates that Dottyback is prospective for Ni-Cu mineralisation. In addition, several known ultramafic outcrops and their potential extensions under thin transported cover remain open for testing.

### 3.5.2 Leatherback Prospect (E 09/2386)

The Leatherback Prospect lies on the same magnetic trend as the Irrida Hill Prospect of Desert Metals Limited, located 25 kilometres to the north-east (Figure 7, Figure 10). The Irrida Hill Prospect is an oval shaped, discrete magnetic low identified in regional aeromagnetic's. VTEM surveying of the target identified a conductor that was drill tested and returned massive sulphide mineralisation.

The Leatherback Prospect is defined by a magnetic low measuring 2.0km x 0.9km adjacent to a linear magnetic high (Figure 10). To date, no exploration has been conducted on this target however the similarity of the Leatherback magnetic anomaly with the Irrida Hills Prospect is regarded as a positive feature that required additional exploration. Cosmos intends to undertake an airborne VTEM survey, ground geophysics and surface geochemical sampling across the prospect to define potential drill targets. Whist this is an early stage prospect further exploration appears warranted.

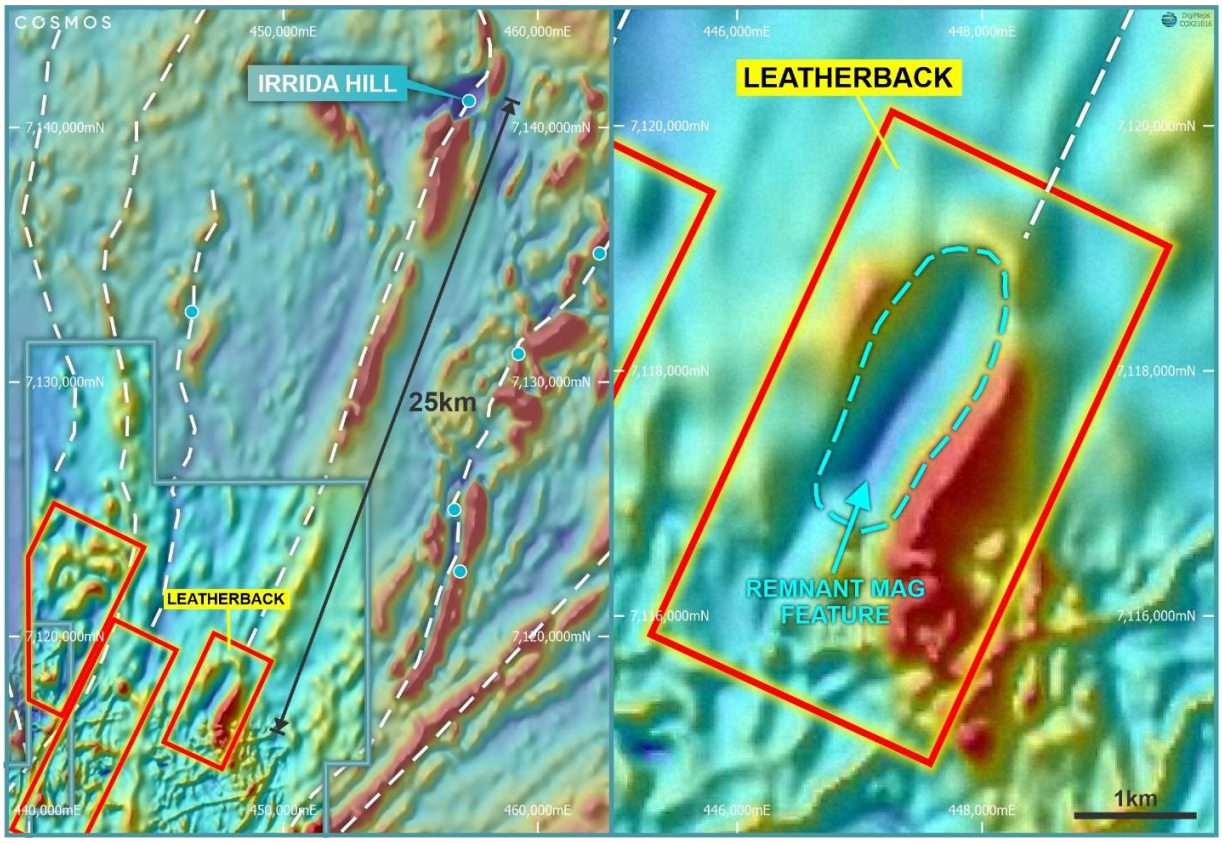


**Figure 10 Leatherback Target and Magnetic Signature**

The Dottyback Prospect has a similar magnetic signature and appear to be on the same regional magnetic trend to the Irrida Hills Prospect which has intersected massive sulphide mineralisation. Whilst there is no certainty the Dottyback Prospect contain similar geology or mineralisation, the target represents a valid exploration concept and warrants testing.

### 3.5.3 Bluebottle Prospect (E 09/2386)

The Blue Bottle Prospect is approximately 5 km south west of the Dottyback Prospect (Figure 11). The target, interpreted from regional aeromagnetic survey data, is a discrete 1km wide magnetic high within a broader 4km wide circular ring structure. The magnetic feature is located immediately south of the Milly-Milly Intrusion and coincides with a flexure in an adjacent gravity ridge (Figure 7, Figure 8). GSWA

geological mapping indicates that bedrock is porphyritic granite with inclusions of amphibolite and ultramafic rock.

The magnetic high could be caused by a number of factors. If it represents a buried ultramafic unit related to the Milly-Mill Intrusion, then it is prospective for Ni-Cu-PGE mineralisation.

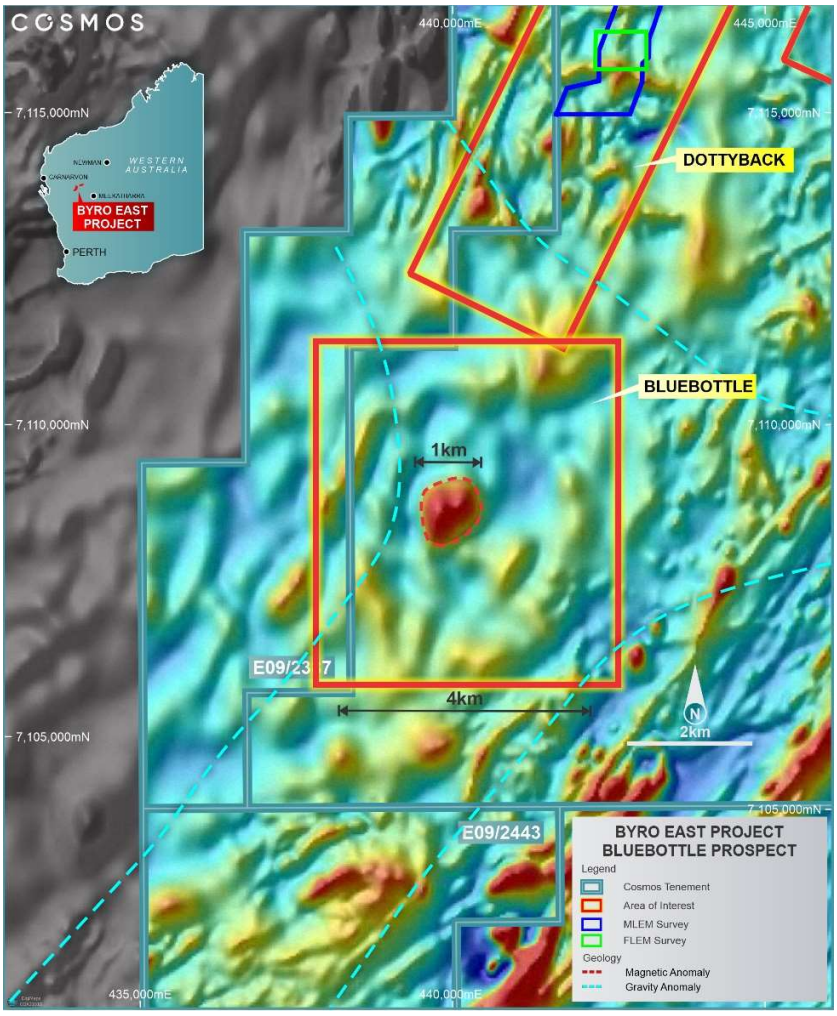


**Figure 11 Blue Bottle Prospect Target Outline on Regional Magnetics**

### 3.5.4 Glasswing Prospect (E 09/2386, E 09/2387)

The Glasswing Prospect (Figure 8) is the conceptual target developed from interpretation of regional aeromagnetic survey data. It is the closest target area to the Milly-Milly Intrusion (Figure 7, Figure 8). The aeromagnetic signature suggests it could be an extension of the intrusion under Cenozoic cover. The internal magnetic fabric is different, particularly when compared to the high magnetic response observed over the Milly-Milly intrusion which outcrops to the west of the project. This high magnetic response is likely due to the combination of outcropping lithology and a high content of magnetic minerals produced during serpentinisation of the Milly-Milly intrusion.

Structural architecture plays an significant role in the emplacement of magmatic related intrusive complexes. The prospect occurs at the apex of a significant structural offset in regional geology and is also evident in the magnetic imagery which shows magnetic trends wrapping around the feature of interest, changing from southwest to northerly trend.

### 3.5.5 Regional Ni-Cu-PGE Potential

Cosmos has a significant tenement portfolio within the Narryer Terrane which forms the northern portion of the developing West Yilgarn Ni-Cu-PGE Province, located at the edge of Yilgarn Craton (Figure 3). The recent (2020) Julimar PGE-Ni-Cu find highlights the discovery potential for orthomagmatic base metal deposits elsewhere within the belt. The company's tenement portfolio is largely unexplored for this deposit type. Regional aeromagnetic survey data interpretations indicate that the Byro East Project is in a favourable structural setting with a number of magnetic trends that may be related to igneous intrusive bodies (Figure 7). The potential to locate Ni-Cu mineralised mafic-ultramafic intrusions within the Project area remains good

### 3.5.6 Gold Potential

The Byro East Project, located on the NW margin of the Yilgarn Craton, is in a similar regional setting to the Tropicana Gold Deposit located in the Albany Fraser Zone at the SE margin of the Yilgarn Craton.

The Tropicana Gold Deposit, jointly owned by AngloGold Ashanti and Regis Resources Limited, is hosted within Neoarchean gneiss of the Plumridge Terrane of the Albany- Fraser Zone. The gneiss is derived from a felsic to mafic protolith and has been intruded by granite. The Tropicana Deposit is structurally controlled, with gold localised on listric faults that form an imbricated thrust stack (Doyle *et al* 2017).

The Byro East Project setting is considered analogous to the Tropicana setting. Both occur on the edge of Yilgarn Craton where deep crustal sutures, and associated splay faults occur. The gneiss host rock is similar and has also undergone high grade metamorphism.

No specific gold targets have been identified to date. During the course of the company's regional exploration work, the company intends to assay samples for gold and gold indicator elements and will follow up anomalies generated.

### 3.5.7 Planned Exploration

Cosmos has a plan to commence exploration on the Dottyback, Leatherback, Bluebottle, and Glasswing prospects. Prospect scale work, which aims to define drill targets, includes geological mapping, ground EM geophysical surveying and multielement soil and rock chip geochemistry surveys. In addition, the company intends to undertake low level airborne magnetic and radiometric surveys and airborne VTEM geophysical surveys over the project tenements to regionally map geological units, define structures and potential sulphidic bedrock conductors. The targets identified from the regional work will be field checked

and ranked based on Cosmos's criteria, suitable exploration programs will be undertaken in order to evaluate the targets .

# 3.0 Orange East Project

## 3.0.1 Location

The Orange East Project is located approximately 15 km southeast of Orange and 200 km west of Sydney, New South Wales (Figure 13). The city of Orange is a major regional centre, servicing a population of approximately 42,000 people. The major industries in the district are the agriculture, mining, and government services sectors. The city is well serviced by a network of roads, rail lines, and regular air services to Sydney.

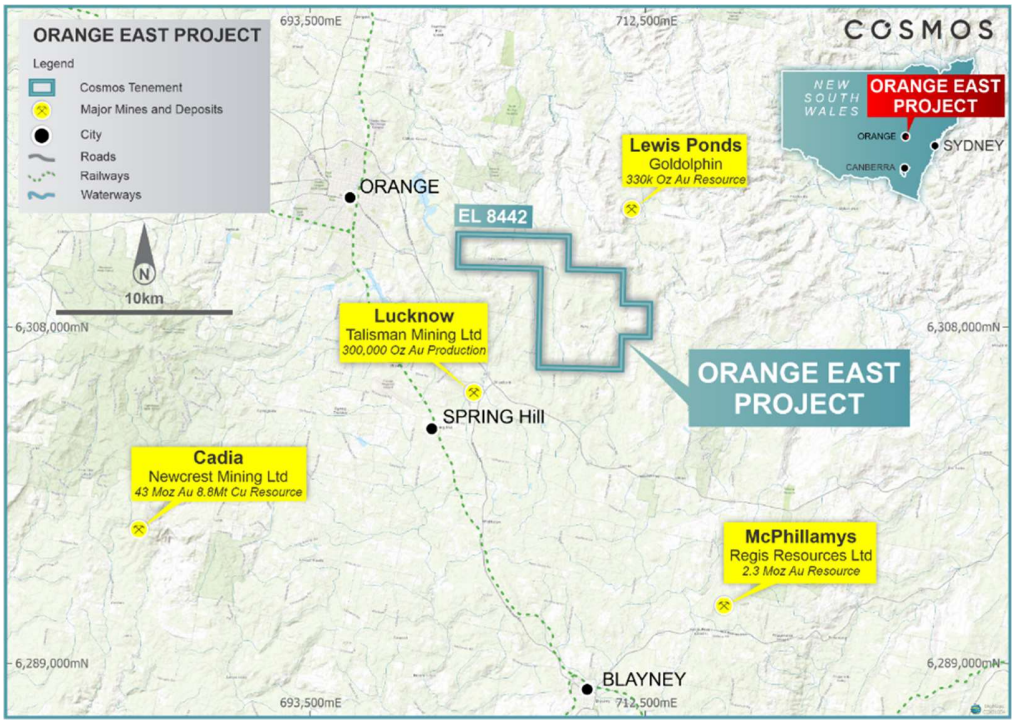


**Figure 12 Orange East Location Plan**

The Project lies within the 1:250,000 BATHURST [SH55-08] sheet area.

## 3.0.2 Access and Mining Infrastructure

The Great Western Highway runs to the southeast of the project. A network of sealed and unsealed shire roads runs off the highway providing access throughout the tenement.

## 3.0.3 Topography and Vegetation

The project area is in an area of gently rolling hills. Due to extensive clearing for agricultural purposes, most of the area has been cleared with little natural vegetation remains.

### 3.0.4 Mineral Tenure

The Orange East Project consists of a single Exploration License (EL) covering an area of 40 km$^2$ (Table 2).

| Tenement ID | Registered Holder | Area | Granted | Expiry |
|---|---|---|---|---|
| EL8442 | RareX Limited | 14 blocks | 11/5/2016 | 11 May 2026 |

**Table 2 Orange East Project Tenement Details**

RareX has been granted a 5-year extension of term on the 11 May 2021 by the Department of New South Wales Regional – Mining, Exploration and Geoscience Division who administer mineral titles in the state. As a condition of the renewal, RareX committed to undertake a 5-year work program involving surface geochemical sampling, ground geophysics and drilling. The total expenditure commitment over the five year period is $550,000.

Cosmos has signed a Demerger Implementation and Tenement Sale Agreement with RareX whereby on completion of the Tenement Sale Agreement (in accordance with the Demerger Implementation Deed) Cosmos will acquire a 75% interest in EL 8442. RareX will retain a 25% interest in the tenement which is to be by Cosmos until completion of a bankable feasibility study. Investors are directed to the Independent Solicitor's Report in Annexure B of the prospectus for details of the agreement.

### 3.0.5 Land Tenure and Surface Rights

The project tenure coexists with a number of freehold titles. The owners of these freehold titles use the land for commercial farming, as well as hobby and residential lots. To access the land for exploration and potentially mining purposes, the holder of the mineral title must negotiate access and compensation agreements with the individual landholders. The access agreements set out the conditions under which Cosmos can enter the land and carry out exploration, as well as compensation payable by Cosmos to the landholder. JGA understands that RareX has concluded several access deeds with landholders over parts of the project, and negotiations over other areas are ongoing. We have not reviewed the contents of the concluded access agreements, and potential investors are directed to the Solicitors report accompanying the prospectus. It is noted in several historical technical exploration reports that there have been lengthy delays in reaching agreements with some landholders in the area.

The network of shire roads crossing the tenure are within local road reserves where permission from relevant authorities is required prior to undertaking work.

### 3.0.6 Heritage

JGA understands there are currently no Registered Native Title Application, Determine Outcomes, or Indigenous Land Use Agreements in place over the project area.

### 3.0.7 Current District Mining Activity

There are several major open pit and underground mining operations in the vicinity of the Orange East Project including (Figure 13):

- Cadia Valley Operations (Newcrest Mining Ltd): A large tonnage underground block cave Cu-Au mine located approximately 25 km south-west of Orange. (Newcrest 2020 Annual Report)
- McPhillamys (Regis Resources Ltd): Located on the Godolphin Fault which also strikes through EL 8442 .. Regis is currently progressing mine permits and approvals.
- Lucknow (Talisman Mining Limited): The Lucknow gold field is located approximately 6 km SW of the project area. A series of historic underground mines produced approximately 400,000 oz Au (Talisman ASX announcement 27/8/2020). Mineralised lodes are developed on an easterly dipping contact between ultramafic unit and andesitic volcanics. Talisman are currently undertaking additional drilling.

## 3.1 Previous Mining and Exploration

Shortly after settlement of the area in the 1830's, small scale mining occurred in the district, with most extracting copper and gold ore via underground shafts. Within the EL8442 project area, there a number of old mine shafts, the largest of which is the Carangara Mine located in the south-eastern corner. Production records are incomplete, available records suggest approximately 700 tons of copper ore (malachite-bornite-chalcopyrite) ore was extracted from mine (Stevens 2021). Production records from the other mines within the project area are not available

Since the mid 1980's the EL8442 area has been subject to a number of mineral exploration programs targeting gold and base metal mineralisation:

1981-1983 Teck Exploration Pty Ltd

Teck targeted Silurian age volcanic sequences for volcanogenic base metal mineralisation ("VHMS"). Work undertaken included literature research, field mapping, and a DIGHEM II airborne electromagnetic survey. Field checking, and geochemical sampling was undertaken over a number of conductors which appear to be outside of current tenure. Follow-up base metal results were low, conductor targets were downgraded, and the ground was surrendered.

1993-1994 Compass Resources NL

Compass Resources explored the area for epithermal-mesothermal Cu-Au deposit types and VHMS style mineralisation. Work undertaken included literature research and following up anomalous historical geochemical results. Within the current tenure, the Carangara working were inspected, and chip sampled. Copper (Cu) mineralisation was found to be associated with a large number of narrow stockwork veins within slightly altered andesite. Silicified porphyry and massive quartz biotite altered rock was also observed in waste dumps. Historical records indicate that veins withs are approximately 45 cm wide and the working extend to approximately 73m below surface. Only five (5) rock chip samples were collected and analysed for Cu, Pb, Zn, Ag and Au.

1995-1997 Michelago Resources NL and North Limited JV

The Michelago/North JV covered part of the current tenure. The joint venture was formed to explore the Ordovician lithologies for large tonnage intrusion related Au-Cu deposits. Work included aeromagnetic

interpretation, geological mapping, rock chip sampling and stream sediment sampling. This work generated the Woodville and Raptor Cu-Au anomalies within the current tenement which were later drilled tested by rotary air blast ("RAB"), air core ("AC") and percussion drilling.

A total of 89 RAB holes, 77 AC holes and, 12 percussion holes were drilled vertically to test the defined anomalies. The drilling intersected a foliated sequence of juvenile lithic volcanoclastic which had been pervasively chlorite-talc altered. The vertical holes were drilled on a nominal east-west grid. Drill depths ranged from 2m and 46m. Two (2) metre downhole composite samples were analysed for Ag, As, Au, Bi, Cu, Fe, K, Mn, Mo, Pb, S, Sb, Sn, Te, and Zn.

Anomalous results in the upper part of the holes were interpreted to be a supergene enrichment caused by weathering processes and fluctuating water tables over geologic time. North Limited withdrew from the joint venture.

1998-2000 Michelago Resources NL

The company completed a data review whilst it tried to attract another JV partner before surrendering the ground.

2004-2016 Clancy Exploration Limited

Clancy undertook substantial exploration programs over the current Orange East Project. Work included:

- Landholder negotiations and consultation
- Probabilistic modeling
- Sampling:
    - 3,718 hand auger soil samples, analysed by laboratory and pXRF
    - 381 rock chip samples
- Geophysics:
    - Ground magnetics survey (542-line km)
    - 3D IP surveying (2 sq km) .
- Drilling:
    - Ten (10) reverse circulation ("RC") drill holes for 1,463m
    - Eight (8) diamond drill ("DD") holes for 1,564.3m
    - Petrology and infrared spectral analyses

The surface auger and rock chip sampling identified a number of targets along the major Godolphin Fault system, some were subsequently tested by ground geophysics and RC & DD drilling. The ground magnetics survey identified demagnetised zones along fault which were commonly associated with strongly potassic altered and mineralised rocks on surface. IP surveying between the Pendarves and Carangara South prospects identified several >20 mV IP chargeability units which were all within Anson Formation rocks, to the east of the Godolphin Fault. These targets were tested by 8 DD holes which intersected zones of moderate to intense potassic alteration, quartz veining and disseminated sulfides. Whilst no economic intersections were returned from the drilling, several holes intersected anomalous Au and Cu

geochemistry associated with wide zones of potassic alteration (refer Clancy Exploration Limited ASX announcements 29th October 2009 and 27 October 2010.)

2017-2020 Clancy Exploration Limited  Alkane Minerals JV

Alkane, the operator of the joint venture, did not complete any on-ground activities before withdrawing.

2020-2021 RareX Limited (formerly Clancy Exploration Limited)

RareX engaged Resource Potentials Pty Ltd, a Perth based geophysical consultancy firm, to:

- Compile and reinterpret all historic magnetic, gravity and IP geophysical data on the project, and
- Complete 3D inversion modelling of magnetic data and offset pole-dipole IP survey data.

**Exploration Database**

Pursuant to the  Tenement Sale Agreement between Cosmos and RareX, Cosmos has access to, and from completion of the Tenement Sale Agreement (in accordance with the Demerger Implementation Deed) will acquire ,an extensive digital exploration database compiled by RareX and Clancy, including drilling, surface geochemistry, exploration reports and geophysical data on the project and surrounding areas. Three (3) DD holes by Clancy are in storage at the Geological Survey of New South Wales (GSNSW) core library in Londonderry.  Figure 14 below spatially maps the past exploration activity.

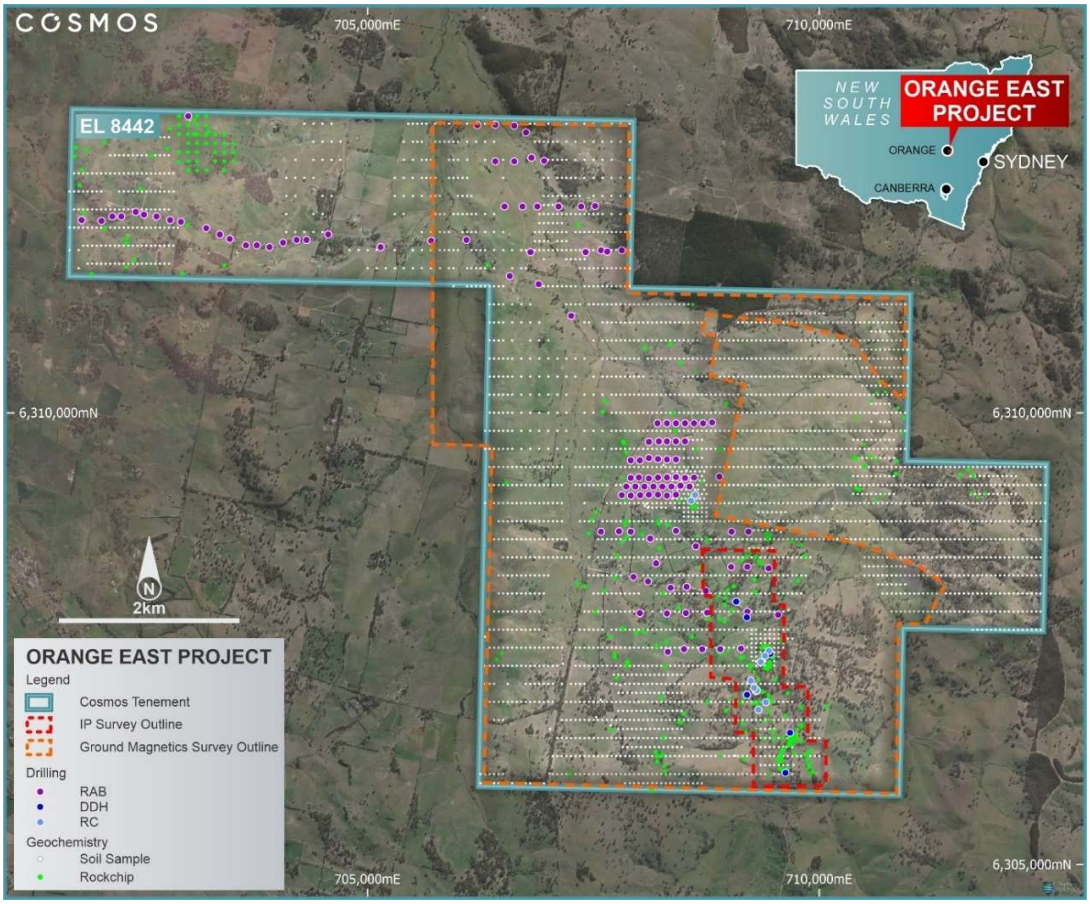


**Figure 13 Plan of Past Exploration Activities over the Project Area**

## 3.2 Regional Geology

The Orange East Project lies within the Lachlan Fold Belt (LBF) (Figure 14). The LBF is part of a convergent plate margin that occupies a large area of what is now Central New South Wales, Victoria, and Tasmania (Foster & Gray 2000). The LBF is part of a larger plate margin that stretched around the Gondwana supercontinent. The LBF consists of a series of accreted terrains dominated by Ordovician-Devonian age volcaniclastics and marine sedimentary rocks. Silurian to Devonian and Carboniferous age granites have intruded the sequence. Volcanism during the Cenozoic times extruded flood basalts across wide areas of the LBF as evidenced by flood basalts from the Mt Canobolous volcano to the north-east of the project area.

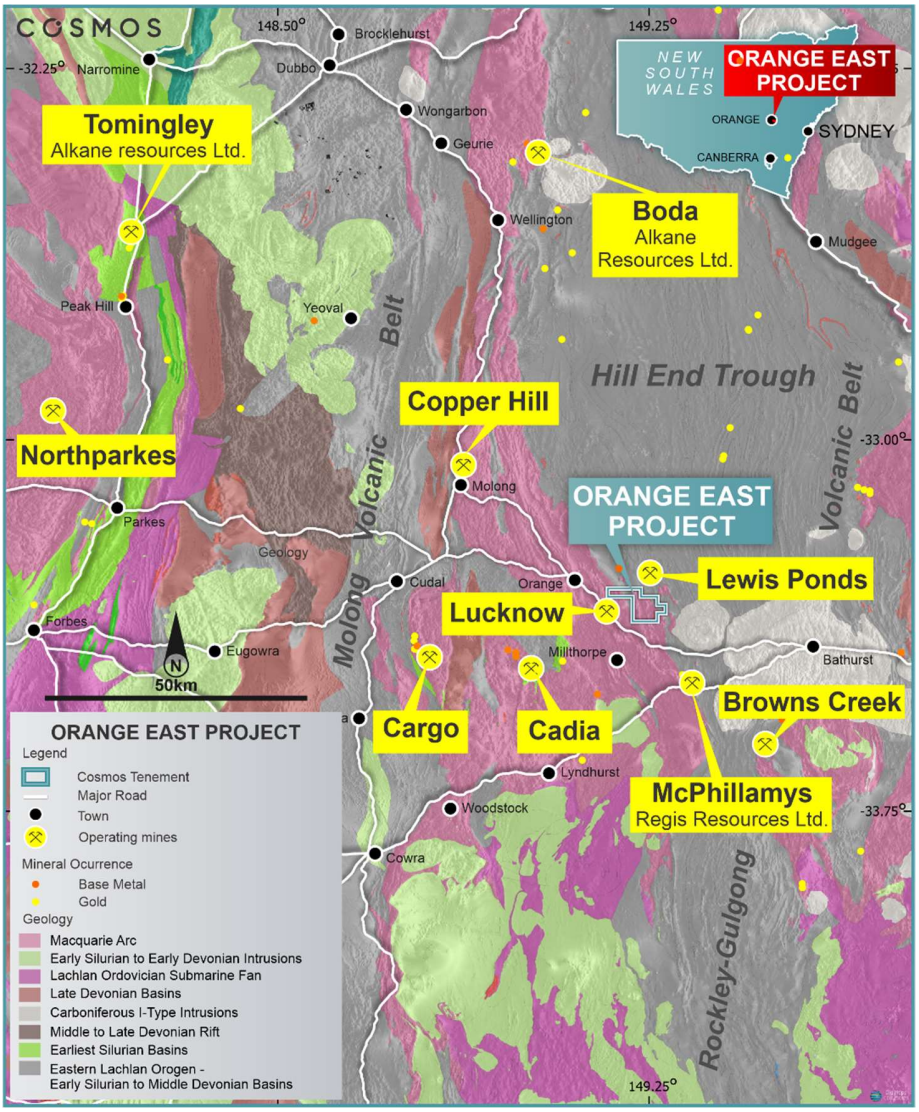


**Figure 14 Orange East Project Regional Geological Setting and Mineral Deposits**

The project hosts the Molong Volcanic Arc and the Hill End Trough. The Godolphin Fault zone, which runs through the project, separates these two (2) domains. The Molong Volcanic Arc is characterised by Ordovician to Silurian age mafic to intermediate volcanics with porphyry intrusions, including those that host the Cadia Cu-Au and Copper Hill Deposits. The Hill End Trough is characterised by Silurian – Devonian age siliciclastic sediments and acid volcanics. The Carboniferous age Bathurst granite batholith intrudes the sequence to the south-east of the project area.

## 3.3 Local Geology

The Orange East Project comprises a series of slices of Ordovician – Silurian stratigraphy offset by a series of roughly N_NW strike faults, dominated by the Godolphin Fault (Figure 16). The interpreted bedrock geology and structure of the project was obtained from the Geological Survey of New South Wales (GSNSW). Principal rock unit details are presented in Table 3 below.

| Setting | Age | Formation | Description |
|---|---|---|---|
| Hill End Trough | Upper Silurian | Mullions Range Volcanics | Rhyolite, tuffaceous mudstones, rhyolite breccia, volcanic conglomerate, dacite and limestone |
| | Lower Silurian | Anson Formation | Carbonaceous pyritic siltstones, felsic volcanics, volcanic sandstone and limestone |
| Molong Rise | Upper Ordovician | Byng Volcanics | Vesicular, flow banded porphyritic basalt, basalt, andesite and volcanoclastic sediments |
| | | Unassigned | Ultramafic intrusions |

**Table 3 Orange East Project Stratigraphy (GSNSW)**

Interpretation of Clancy's diamond drill data, obtained from the Carangara South, Wentworth and Pendarves South prospects, indicates that siltstone lithologies in the SE of the project are similar to the Anson Formation rather than the Oakdale Formation shown on regional maps (Vassallo 2012). Whether these siltstones are faulted rafts of Anson Formation caught up along the Godolphin Fault or a different unit is unknown but they could be significant as the McPhillamys Deposit is hosted in Anson Formation sediments.

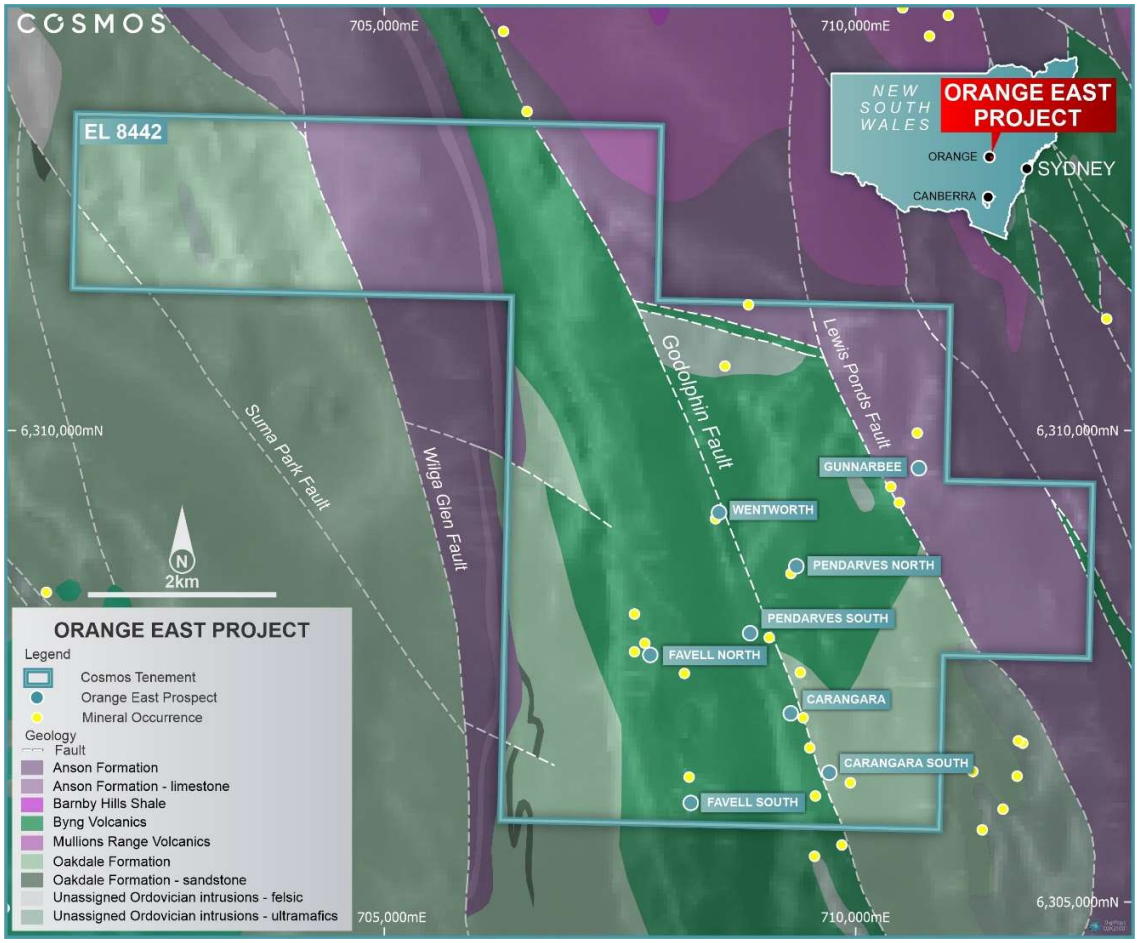


**Figure 15 Orange East Project - Interpreted Bedrock Geology and Prospects**

Work completed by previous explorers has identified two (2) broad styles of hydrothermal alteration within the project area (Vassallo 2012):

- Potassic (amphibolite- biotite – K-feldspar – carbonate) alteration. This style of alteration has been recognised in the vicinity of the Carangara Copper Mine. The source of the alteration is not known but could be related to a buried intrusion.
- Albite-chlorite-sericite orogenic style alteration associated with gold (Au) mineralisation.

The spatial relationship between the two (2) styles of hydrothermal alteration is not fully understood due to the limited subsurface drilling completed so far on the tenement.

Structurally, the area is dominated by the Godolphin Fault, a regionally significant NW-SE trending terrane boundary structure that has a strike length of approximately 60 kms from the thrusted boundary between the Molong Arc and Hill End Trough. Several district scale thrust faults, including the Lucknow and Lewis Ponds Faults, splay off the Godolphin within the tenement area (Figure 16). These faults have juxtaposed large blocks of stratigraphy against each other. Significant gold and base metal mineralisation, including McPhillamys (2.02 Moz Au Resource), Lucknow (300 koz Au past production) and Lewis Ponds (300 koz Au + base metals), all occur on or adjacent to these structures suggesting they played a major role in the conduit of ore fluids throughout the district (Figure 13, Figure 16, Figure 17).

## 3.4 Deposit Types and Mineralisation

Gold and base metal mineralisation is widespread throughout the region. The main mineralisation styles that Cosmos are exploring for include:

- McPhillamys' style structurally controlled gold (Au) hosted in Anson Formation sediments to the east of the Godolphin Fault
- Porphyry Style Au-Cu Mineralisation. Examples include the world class Cadia Deposit associated within Ordovician to Early Silurian mafic to intermediate volcanics, volcanoclastic and alkaline to shoshonite intrusions
- Fault or hydrothermally controlled Au mineralisation within volcanics and sediments in the western part of the project, similar to the Lucknow Gold Deposits

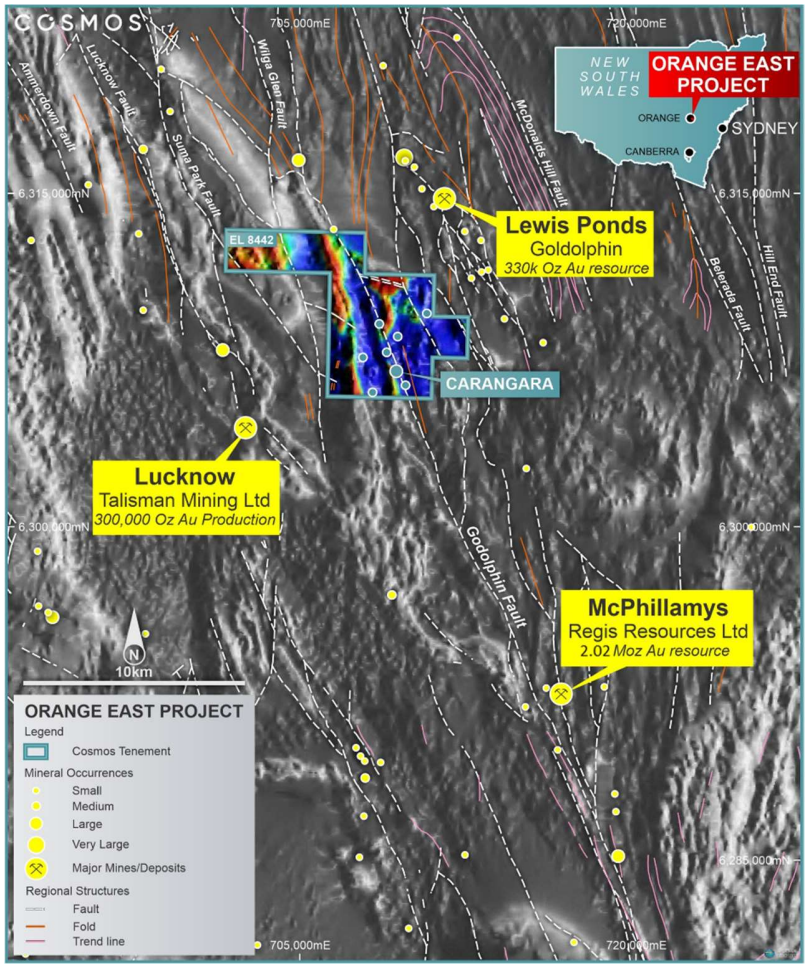


**Figure 17 Orange East Project - Plan of Regional Aeromagnetics and Major Structures**

## 3.5 Exploration Potential

Based on a review of the past exploration, Cosmos has identified four (4) targets (Carangara, Pendarves, Wentworth, and Gunnarbee)(figure XX) which it intends to focus its exploration activities

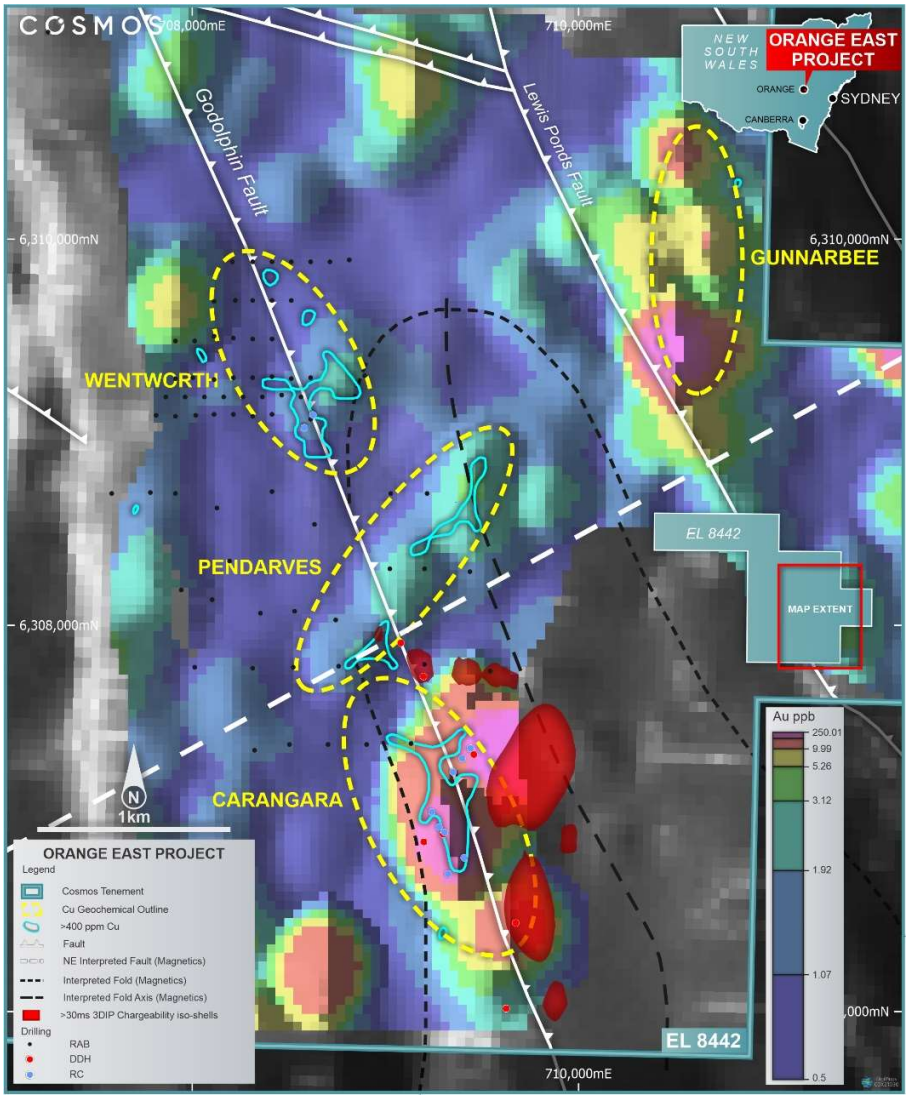


**Figure 17 Orange East Project - Prospect Plan**

### 3.5.1 Carangara Prospect

The Carangara Prospect is centered around the historic Carangara mine which produced 760 t of oxide copper ore. Previous exploration work has identified a number of targets within the area that remain largely untested and warrant additional exploration.

The Carangara Prospect straddles the Godolphin Fault (Figure 17). Regional geological plans indicate that Byng Volcanics underlay the area, however, drilling undertaken by Clancy indicated that siltstone units intersected on the eastern side of the Godolphin Fault may be Anson Formation which would be significant as this setting is similar to the McPhillamys deposit to the south.

Recent reprocessing of Carangara IP data has identified two >30 siemens chargeability anomalies to the east of the Carangara Mine which have been poorly tested to date (Figure 18). The northern IP anomaly is undrilled. The southern anomaly has a single DD hole into the top of the IP anomaly (Figure 19).

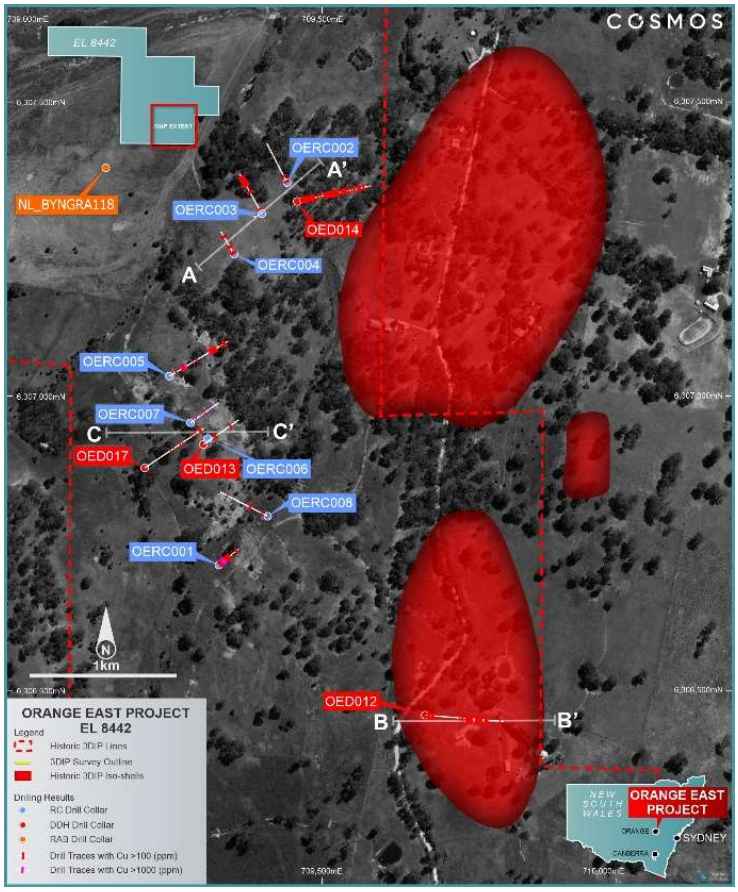


**Figure 18 Carangara Prospect - Drilling, IP targets and Section Lines**

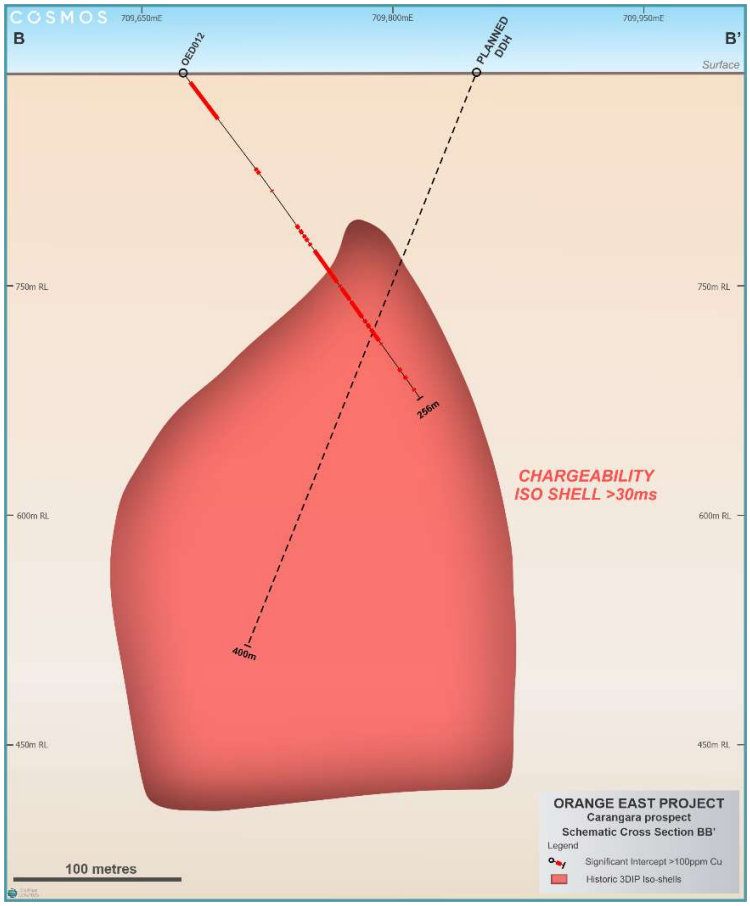


**Figure 19 Carangara South IP Anomaly Cross Section showing planned drillhole**

Previous DD hole OED012 intersected a sedimentary package of siltstones, carbonaceous siltstones, volcanic sandstones, and sedimentary breccias and ended in dacite tuff. Zones of chlorite, silica and sericite alteration were recorded within the hole. Structural measurements, taken from interbeds of siltstone and shale, indicate that the beds dip moderately to the east, which is sub parallel to the drill direction. No significant mineralisation was returned, however broad zones of low tenor copper anomalism were intersected.

To the north-west of the northern IP anomaly, a series of RC drillholes were completed by Clancy to test the Carangara North soil geochemistry anomaly. The northern most hole, OERC002, drilled through a sequence of volcanic sandstones which have been interpreted as Anson Formation (Figure 16, Figure 20). No significant mineralisation was returned in the drilling however several zones of weakly anomalous gold and copper mineralisation were returned in holes OERC 002 and OERC003. There is potential for the mineralised envelope to improve as it plunges north. This target remains open and warrants additional drill testing.

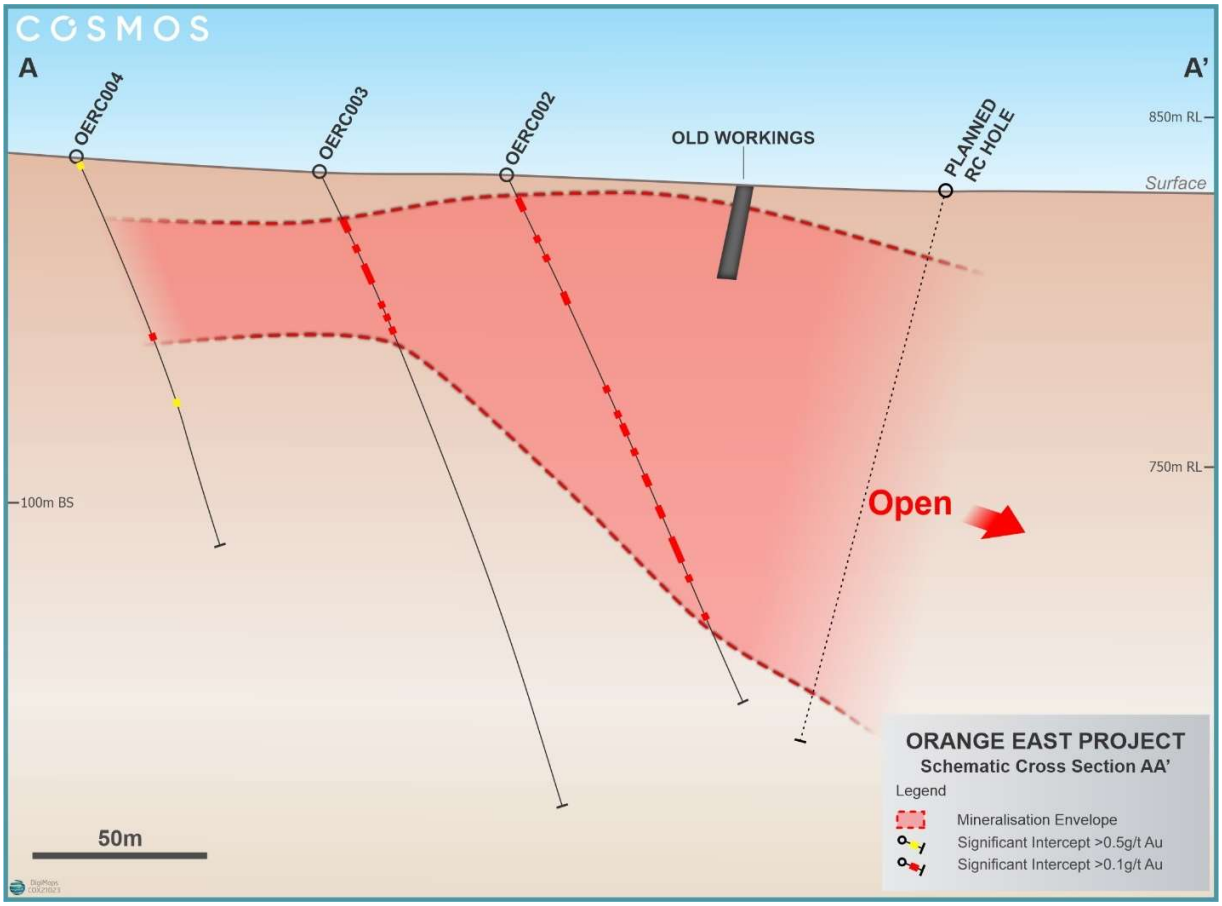


**Figure 20 Carangara Drill Cross Section (looking west) (see Figure 18 for section line)**

### 3.5.2 Pendarves Prospect

The Pendarves Prospect, located to the north of the Carangara Prospect, is a north east striking Cu-Au geochemical soil anomaly straddling the Godolphin Fault (Figure 17). Interpretation of regional magnetics suggests that the prospect sits on a regional anticline and is subparallel to an interpreted cross structure. The geochemical anomaly has a strike of approximately 1600m and has not been drill tested. Due to the complex structural setting and strong geochemical signature, the prospect represents an attractive target for Cu-Au mineralisation.

### 3.5.3 Wentworth Prospect

The Wentworth Prospect is a series of geochemical soil anomalies that straddle the Godolphin Fault (Figure 17). The bedrock geology is interpreted to be Byng volcanics. No drill testing of the anomaly has been undertaken . Due to the location of the anomaly being on a major regional mineralised structures the prospect represents an attractive target for Au or Cu-Au mineralisation

### 3.5.4 Gunnarbee Prospect

The Gunnarbee Prospect is located on the north-eastern side of the tenement (Figure 17). The prospect occurs to the east of the Lewis Ponds Fault which is a major splay structure off the Godolphin Fault. Regional geological mapping indicates that the underlying bedrock lithologies are carbonaceous pyritic siltstone, felsic volcanics, and volcanic sandstones of the Anson Formation. Regional radiometric imagery also indicates potassic altered bedrock which indicates that the geological setting is similar to the McPhillamys Gold Deposit (Figure 17)

Previous surface geochemical sampling over the area has identified a N-S striking Au in soil geochemical anomaly . The anomaly approximately 1000m long and 200m wide. Whist the prosect is at an early stage of exploration due to is overall similarities to the McPhillamy Deposit drill testing is warranted

### 3.5.3 Planned Exploration

At Carangara, Cosmos intends to complete a program of deep diamond drill to test IP defined targets. The IP anomalies suggest a mineralised quartz stockwork system or McPhillamys style gold mineralisation.

In addition, RC drilling will also be completed on the and Pendarves and Wentworth Prospects. Both prospects have been poorly tested however past exploration has identified strong geochemical anomalies warranting additional drill testing.

At Gunnarbee, drilling will test of the existing geochemical anomaly for a McPhillamys' style gold mineralisation.

The planned exploration work on the Orange East Project will be conditional on Cosmos obtaining necessary landholder access approval. At the time of preparation of this report, the company had yet to receive the necessary consents from landholder to undertake some of the planned work programs.

# 4.0 Technical Risks

All compiled data presented in this report has been derived from open-source state geological survey data, and historical exploration reports submitted state geological surveys by previous explorers. In the compilation of this report, Cosmos and JGA undertook searches of the WAMEX system in the case of Byro East Project and the DIGS system in the case of the Orange East Project. These searches were thorough but rely on reports being catalogued correctly and, in the case of pre digital era, this may not always be the case and, therefore, best efforts may have failed to identify material information. In addition, recent exploration work is in some cases retained in confidentiality by the geological surveys for varying periods of time. As such, this recent data may not be available which could have a material impact on future exploration decisions.

The accuracy and quality of the data in the historical exploration reports, including accuracy of location of observations, drillholes and sample points, sampling methodology, laboratory techniques and quality assurance of analytical data, can be variable and is not always adequately detailed. The inability to properly validate historical data, included in this report, and upon which future exploration decisions will be made, increases the overall risk of the exploration process.

No Mineral Resources have been defined to date within the Orange East or Byro East Projects. Exploration is an intrinsically risky process, particularly at an early stage. It is likely, based on industry accepted statistics, that no significant mineralisation will be located within the Projects. Both projects are in geological terranes prospective for the styles of mineralisation Cosmos is exploring for. Whilst there can be no certainty of success, additional exploration on both projects is warranted. In the event that significant mineralisation is identified on the project, factors both in and out of the control of the Company may impede the definition of mineable resources. This may include, but is not limited to, factors such as a social licence to operate, mineability of the mineralised body, metallurgy of the ores, meeting regulatory requirements, ability to develop infrastructure appropriately, and mine closure processes. In addition, variations in commodity prices, saleability of commodities and other factors outside the control of the Company may have either negative or positive impacts on the project.

# 5.0 Proposed Exploration Budget and Use of Funds

Cosmos has developed a two (2) year exploration plan which aims to evaluate the mineral potential of the Byro East Project and the Orange East Project.

The Byro East Project is located in Western Australia. It is an Early-Stage Exploration Project within the Narryer Terrane, a gneiss complex on the north western margin of the Yilgarn Craton. Only limited base metal exploration has been undertaken to date. The company has identified the potential for a new target type, namely PGE-Ni-Cu mineralisation associated with layered mafic-ultramafic intrusions. The setting of the Project is analogous to similar deposits on the margins of the Yilgarn Craton, such as the Novo-Bollinger Mine and the Julimar Prospect. The project is to the east of the Milly-Milly Ultramafic Intrusive. Cosmos has identified four (4) prospects that appear to be associated with the Milly-Milly intrusive which will be the initial focus of its exploration. Work planned includes detailed soil geochemistry and ground EM surveys. Anomalies generated from this work will be tested by reverse circulation (RC) drilling or

diamond drilling (DD). In addition, existing regional scale aeromagnetic data exhibit signatures that could represent previously unrecognised mafic – ultramafic bodies within the metasedimentary sequence. The company intends to fly low level airborne aeromagnetic and radiometric surveys, and airborne electromagnetic surveys (VTEM) over prospective areas. The aeromagnetic data assist with geological and structural interpretive maps and models, while VTEM surveys are expected to identify conductive bodies that could be related to massive or semi massive sulphide mineralisation. These are standard techniques for early stage exploration. Follow up work will include surface geochemical sampling, ground electromagnetic (EM) surveying and geological mapping. Gold and gold pathfinder elements will be added to the analytical suite as gold potential has not been fairly tested by exploration to date.

The Orange East Project is an Advanced Exploration Project located in New South Wales. The Project is on the Molong Arc within the Lachlan Fold Belt (LFB). The company has identified several targets associated with the Godolphin Fault, a major structure which bisects the property. The Project is prospective for McPhillamys style gold mineralisation and, potentially, Au-Cu porphyry mineralisation at depth. The company is planning to undertake DD and RC drilling on these targets to assess their mineral potential.

The two (2) year exploration budget prepared by Cosmos amounts to $3,243,800 (Table 4). The activities budget includes all associated costs, such as field labor, travel, assaying, interpretation, field operation costs supervision, as well as heritage and land access costs. The exploration program and budget will be subject to modifications on an ongoing basis, depending on results obtained from exploration activities as they progress. The proposed budget is sufficient to cover the minimum expenditure commitments for the existing tenements as specified by statutory authorities in Western Australia and New South Wales.

The Author opinion that the Company's proposed exploration program and budget over the two (2) years is reasonable, and consistent with its stated objectives. It is also considered that the program is warranted and justified based on the potential for discovery of economic mineral resources within the tenement package, and results of past exploration efforts.

| | Year 1 (A$) | Year 2 (A$) | Total (A$) |
|---|---|---|---|
| **Byro East Project** | | | |
| **Heritage Surveys** | 50,000 | 40,000 | 50,000 |
| **Geochemistry** | | | |
| Regional | 206,000 | | 438,500 |
| Target Areas | 161,000 | | 161,000 |
| **Geophysics** | | | |
| Aeromagnetic and Radiometric Survey Acquisition and Processing | 93,300 | | 93,300 |
| Airborne Electromagnetic Survey Acquisition and Processing | 450,000 | | 450,000 |
| Ground Electromagnetic Acquisition and Processing | 277,000 | 177,000 | 454,000 |
| **Drilling** | | | |
| Air core and Reverse Circulation | 318,000 | 331,000 | 649,000 |
| Diamond | | 373,000 | 373,000 |
| **Project Total** | **1,555,300** | **921,000** | **2,476,300** |
| | | | |
| **Orange East Project** | | | |
| **Land Access** | 40,000 | 25,000 | 65,000 |
| **Geochemistry** | | | |
| Regional | 23,000 | | 23,000 |
| **Geophysics** | | | |
| Aeromagnetic Acquisition and Processing | 36,000 | | 36,000 |
| Gravity acquisition and Processing | 46,000 | | 46,000 |
| **Drilling** | | | |
| Reverse Circulation | 225,000 | | 225,000 |
| Diamond | | 372,500 | 372,500 |
| **Project Total** | **370,000** | **397,500** | **767,500** |
| | | | |
| **Total** | **1,925,300** | **1,318,500** | **3,243,800** |

**Table 4 Cosmos Exploration Limited - Proposed Two (2) Year Exploration Budget**

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# 7.0 Glossary

| | |
|---|---|
| **alteration** | A change in mineral composition of a rock commonly due to hydrothermal fluids |
| **Anorthosite** | A plutonic rock comprised almost entirely of plagioclase that is usually the Ca-rich labradorite variety. |
| **Anomaly** | An area where exploration has revealed results higher than expected background level |
| **anticline** | Applied to strata which dip in opposite directions from a common ridge or axis. |
| **Archean** | The oldest rocks of the Precambrian era, older than about 2,500 million years. |
| **arenite** | A sedimentary rock composed of cemented or compacted detrital mineral grains. |
| **Auger sampling** | A sampling method using auger drill to penetrate the upper profile to sample up to 2 – 4 metres below the surface |
| **basalt** | A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene. |
| **base metal** | Referring to the transition elements, including iron, copper, zinc and lead. |
| **basement** | The igneous and metamorphic crust of the earth, underlying sedimentary deposits. |
| **BIF** | A rock consisting essentially of iron oxides and cherty silica |
| **billion years** | 1,000,000,000 years |
| **Cainozoic** | An era of geological time spanning the period from 65 million years ago to the present. |
| **chert** | Fine grained sedimentary rock composed of cryptocrystalline silica. |
| **chromite** | Rock composed primarily of the mineral chromite, an opaque mineral of chromium pentoxide. |
| **Clastic** | Components of a sedimentary rock that were deposited by erosion and transportation of mineral and rock fragments. |
| **Colluvium** | A loose heterogenous and incoherent mass of soil material |
| **Coeval** | Formed at the same time |
| **Conduits** | The main pathways that facilitate the movement of mineralised fluids |
| **craton** | Large, and usually ancient, stable mass of the earth's crust. |
| **cumulate** | Textural term relating to layers formed by gravity settling of crystals within a magma chamber. The term can be modified to distinguish the texture and proportion of gravity-settled crystals relative to the minerals formed by crystallisation from the fluid trapped between those crystals. |
| **deformation** | A general term for the process of folding, faulting, shearing, compression or extension of rocks as a result of stress. |
| **depletion** | The lack of gold in the near surface environment due to leaching process during weathering |

| | |
|---|---|
| **dilational** | Open space within a rock mass commonly formed as a response to folding or faulting |
| **DIGHEM II** | A form of airborne electromagnetic geophysical surveying |
| **3D IP survey** | Form of IP surveying utilizing an array of receivers rather than a single line and specialist computer modelling of the data |
| **dolerite** | A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar. |
| **dolomite** | A mineral composed of calcium and magnesium carbonate; a rock predominantly comprised of this mineral is also referred to as dolomite or dolostone. |
| **ductile** | Deformation of rocks or rock structures involving stretching or bending in response to folding or faulting |
| **dyke** | Thin, sheet-like intrusion of magmatic rock |
| **fault zone** | A wide zone of structural dislocation and faulting |
| **Follow up** | A term used to describe more detailed exploration work over targets generated during earlier exploration |
| **felsic** | Light colored rocks containing an abundance of feldspars and quartz. |
| **gabbro** | A coarse grained intrusive rock, which is low in silica and has relatively elevated levels or iron and magnesium minerals. |
| **gabbronorite** | Iron-rich intrusive rock comprised of pyroxene, calcic plagioclase, and iron oxides |
| **granite** | A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas. |
| **greenstone** | Term commonly applied to low metamorphic grade rocks of basic composition and comprised of the minerals chlorite and amphibole. Commonly applied to Archaean rock sequences dominated by these rock types. |
| **hydrothermal** | Pertaining to hot aqueous solutions having temperatures up to 400ºC. The solutions transport and deposit metals and chemicals in solution. |
| **igneous** | Rocks that have solidified from magma. |
| **intrusive** | A mass of rock formed by magma cooling beneath the earth's surface. |
| **IP Survey** | A geophysical survey method involving the measurement of the decay of voltage in the ground after a pulse of current has been turned off |
| **Inversion Modelling** | Is a suite of mathematical and statistical techniques used for recovering information on subsurface physical properties (magnetic susceptibility, density, electrical conductivity from observed geophysical data**.** |
| **leuco (eg. leucogabbro)** | Description indicating rocks with a dominance of white minerals, usually plagioclase feldspar and sometimes olivine. |
| **Lherzolite** | Ultramafic rock composed dominantly of olivine and containing greater than 5% of the mineral pyroxene. |
| **lineament** | A significant linear feature of the earth's crust, usually equating a major fault or shear structure. |
| **lopolith** | Saucer-shaped igneous intrusion with concave upward form. |
| **mafic** | Descriptive of rocks composed dominantly of magnesium, iron and calcium-rich rock-forming silicates. |
| **magnetic anomalies** | Zones where the magnitude and orientation of the earth's magnetic field differs from adjacent areas. |
| **Mesoproterozoic** | Middle Proterozoic era of geological time, 1,600 to 1,000 years ago. |

| | |
|---|---|
| **metamorphic** | A rock that has been modified by the effects of pressure, heat and fluids within the crust. |
| **nickel laterite mineralisation** | Nickel ore hosted within the laterite profile, usually derived from the weathering of olivine-rich ultramafic rocks. |
| **norite** | A coarse-grained igneous rock of basic composition consisting essentially of plagioclase (near labradorite in composition) and orthopyroxene. |
| **olivine** | An olive-green magnesium-iron silicate (Mg, Fe)2SiO4, common in mafic and ultramafic igneous rocks. |
| **peridotite** | A general term for intrusive ultramafic igneous rocks dominantly consisting of olivine and lacking feldspar. |
| **PGE** | An abbreviation for the platinum group elements, referring to ruthenium, rhodium, palladium, osmium, iridium and platinum. |
| **pyroxenite** | A coarse grained igneous intrusive rock dominated by the mineral pyroxene. |
| **RAB** | A form of drilling whereby air is blown down the inside of the drill rods and lifts sample cuttings through the outside annulus. |
| **RC** | A form of drilling where sample cutting are returned inside the drill rods, allowing for less contamination and cleaner sample |
| **sulphur saturation** | Condition at which the chemical concentration of an element(s) in a magma (fluid or melt) is sufficiently high such that crystallization of a mineral must occur. |
| **sediment hosted** | Referring to rocks, typically of mineralisation, that are hosted within sedimentary rocks but which are not necessarily of sedimentary origin. |
| **stockwork** | A network of (usually) quartz veinlets of varying orientation, produced during pervasive brittle fracture. |
| **stratabound** | Referring to rocks that may be replacement in origin, but which occur predominantly within a specific package of sedimentary beds. |
| **stratigraphy** | Sequence of layering formed in rocks by the depositional from a fluid, usually applied to sedimentary rocks but also to igneous rocks showing compositional variations within former magma chambers. |
| **thrust** | A low angle (shallowly inclined) fault or shear on which the rocks on the top have moved up and over the rocks on the bottom. |
| **ultramafic** | Igneous rocks consisting essentially of ferromagnesium minerals with trace quartz and feldspar. |
| **under-saturated** | Condition where the composition of an element(s) in a magma (fluid or melt) is too low to allow crystallization of a mineral. |
| **VTEM™** | Versatile Time Domain Electromagnetic, an airborne EM survey method |

# Appendix I – JORC Code 2012 Table 1

## Section 1: Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Sampling techniques** | *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* | All information reported on is historical and was obtained from open file exploration reports. Samples are from early-stage exploration work comprising surface soil and rock samples, auger soil samples, rotary air blast (RAB) geochemical sampling. Some prospects have reverse circulation (RC) percussion sampling and limited diamond drilling. The majority of the samples collected for analysis were processed through commercial laboratories, but pXRF readings with limited laboratory checks were used on number of soils programs<br>Because of the early-stage exploration style of the work, limited documentation and quality control are available. The inability to properly validate historical data, included in this report, and upon which future exploration decisions will be made increases the overall risk of the exploration process |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | All work reported in this report was completed by previous explorers. Based on the information provided in the reports the work was completed in a competent manner using industry standard techniques and systems to collect and read the data. |
| | *Aspects of the determination of mineralisation that are Material to the Public Report.* | The Competent Person has reviewed all the past exploration reports. No economic intersections of mineralisation have been returned from either project. At the Orange East Project, mineral alteration and anomalous gold and base metal assays have been returned from wide spaced exploration drilling, sufficient to indicate further investigations are required. At the Byro East Project, there has been no drilling. |
| | *In cases where "industry standard" work has been done this would be relatively simple (e.g. "reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay"). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.* | All data presented in the report is from historical exploration. Specific details on sample collecting were not always provided in the past reports.<br>Based on the information provided in the exploration reports there is sufficient confidence that sampling was performed to adequate industry standards for the time in which it was undertaken and is fit for the purpose of planning exploration programs and generating targets for investigation. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Drilling techniques** | *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).* | Various drill types have been used previously including RAB, RC and diamond. Detail such as hole diameter for the RAB and RC drilling were not provided but not considered material to support the assessment of the prospectively of the project areas |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Drill sample recovery** | *Method of recording and assessing core and chip sample recoveries and results assessed.* | Cosmos is undertaking validation of the data to determine whether this information has been collected in full.<br>The Competent Person is satisfied that the data is fit for purpose of planning exploration programs and generating targets for investigation. |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | |
| | *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | |
| **Logging** | *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* | Orange East: No geological logs were provided for the RAB drilling. Drill logs for the RC and diamond core are provided However, it was not possible to verify the quality and level of detail of the geological logging data. As none of the holes intersected significant mineralisation, it is unlikely, they would be used to estimate Mineral Resources.<br>In the Competent Person's opinion, Cosmos has completed sufficient verification of the data to provide reasonable confidence that the logging was performed to prevailing industry standards and is fit for the purpose of planning exploration programs and generating targets for investigation. |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | |
| | *The total length and percentage of the relevant intersections logged.* | |
| **Subsampling techniques and sample preparation** | *If core, whether cut or sawn and whether quarter, half or all core taken.* | No details were provided regarding core preparation. |
| | *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* | No details were provided in the historical reports on the field sample methods. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | In the Competent Person's opinion, Cosmos has completed sufficient verification of the data, to provide reasonable confidence that the sampling was performed to prevailing industry standards and is fit for the purpose of planning exploration programs and generating targets for investigation. |
| | *Quality control procedures adopted for all subsampling stages to maximise representivity of samples.* | |
| | *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* | |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | |
| **Quality of assay data and laboratory tests** | *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* | A review of information provided in historical exploration reports indicates that single acid, three acid and aqua regia digestions have been used. For oxide or near surface materials, these digestions are appropriate. |
| | *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* | Orange East: Operations reports for the ground magnetic surveys and IP surveys were not provided in the annual exploration reports but it is believed that the surveys undertaken according to industry standards. However, this is yet to be validated. pXRF analysis was undertaken using a Delta Premium – Instrument 510344. Sample Test Mode was Soil 3 beam, reading time for majority was 115 seconds. Cosmos has access to all raw geophysical files. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | Byro East Geophysical reports, included in Annual technical reports, provide details of survey parameters and processing. |
| | *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | Orange East: Not all historical programs detail the nature of quality control procedures undertaken. Clancy submitted certain selected samples from the pXRF sampling program for multielement geochemical analysis, but it is believed the samples selected were biased toward samples with anomalous pXRF readings.<br>Byro East: Several companies have collected data over the project area and utilised varying QA/QC practices depending on the company's internal procedures. |
| **Verification of sampling and assaying** | *The verification of significant intersections by either independent or alternative company personnel.* | Orange East: Drilling to date has not generated any ore grade intersections. The competent person calculated anomalous intersections from the drill assays.<br>Byro East: No drilling reported. |
| | *The use of twinned holes.* | No twinned holes completed. |
| | *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | All primary data used has been derived from exploration reports submitted by previous explorers to the respective state geological surveys. |
| | *Discuss any adjustment to assay data.* | Original assay records are not routinely submitted with exploration reports. No adjustments were noted in the Exploration reports. |
| **Location of data points** | *Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* | Orange East: North Limited drilling - no details are provided on how drillhole positions were captured. Clancy Exploration drilling and surface sampling - information provided in technical reports state that a GPS was used to locate data points.<br>A Mineral Resource or Ore Reserve is not determined.<br>Byro East: No drilling |
| | *Specification of the grid system used.* | Orange East: All data from North Limited and Clancy Exploration was collected on GDA 94 Zone 55<br>Byro East: Some of the early work was completed on local grids. Relationship between local and AMG datum was provided in reports. Mithril transformed the JODODEX soil sampling over the Dottyback prospect into GDA94-50 based on grid conversion data provided in the original report. Exploration reports on recent stream sediment and rock sampling has used AMG 84-50 are GDA 94-50 datum with sites located using a GPS. |
| | *Quality and adequacy of topographic control.* | Orange East: A GPS reading of the RL is sufficiently accurate for the current phase of exploration.<br>Byro East: Only government topographic data is available. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Data spacing and distribution** | *Data spacing for reporting of Exploration Results.* | Orange East: Surface soil sampling has been undertaken on a systematic grid pattern across most of the tenement. Drill hole spacing is variable as the majority of the drilling has been to test specific geophysical targets or, mine workings. Figure 14 in the report spatially displays the past exploration work.<br>Byro East: The majority of the sampling has been stream, and rock chip samples which are collected on a random pattern subject to terrane and outcrop. |
| | *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* | Not applicable as a Mineral Resource or Ore Reserve is not determined. |
| | *Whether sample compositing has been applied.* | Not applicable as a Mineral Resource or Ore Reserve is not determined. |
| **Orientation of data in relation to geological structure** | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | Orange East: The orientation of controlling structures has not been fully determined and a variety of drill orientations have been used previously to test specific geochemical and geophysical targets.<br>Byro East: Grid based soil sampling on Dottyback was orientated perpendicular to the assumed strike of the targets. |
| | *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | Orange East: Orientation of main mineralised features have not been determined as yet.<br>Byro East: No drilling data. |
| **Sample security** | *The measures taken to ensure sample security.* | Due to the historical nature of the data, this has not and may not be determinable. It is unknown if historical samples or laboratory pulps have been preserved. |
| **Audits or reviews** | *The results of any audits or reviews of sampling techniques and data.* | Cosmos has not performed any audits at this time. The author of this IGR completed spot checks on drill data comparing data from the original exploration reports with digital databases supplied by Cosmos. No error or omissions were identified. |

## Section 2: Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Mineral tenement and land tenure status** | *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* | The tenement details are provided in tables 1 and 2 of this report. Several of the tenements are currently in the name of RareX Limited. There is a demerger agreement in place between RareX and Cosmos that will assign 75% interest in the EL8442 to Cosmos and 100% of E 09/2386, E 09/2387, E 09/2408, E 09/2409, E 09/2443 to Cosmos subject to certain conditions that are set out in the Solicitors report included in the prospectus. Exploration licences applications E 09/2525 and E 09/2527 are 100% owned by Cosmos.<br>There are no third-party royalties on the tenements.<br>There is heritage access agreement in place for the Byro East Project between RareX and the traditional owners which will be assigned across to Cosmos.<br>The company has negotiated several land access agreements with freehold title holders for EL 8442, but negotiations are continuing with a number of other parties. Details of the agreement are provided in the Solicitors report in the prospectus. |
| | *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | Orange East: EL 8442 the company requires access agreements with the holders of the overlying freehold titles to undertake exploration on the ground. At this stage agreements with several landholders have not been concluded which will impede exploration activity in these areas.<br><br>Byro East: E 09/2386, E 09/2387, E 09/2408, E 09/2409 are granted titles in good standing with DMIRS. E 09/2443, E 09/2525 and E 09/2527 are applications but there are no known impediments to the grant of the title. |
| **Exploration done by other parties** | *Acknowledgment and appraisal of exploration by other parties.* | All past exploration reported in this IGR has been completed by a variety of companies, as noted in the text of the report, and described more fully in the open file exploration reports submitted to the respective geological surveys which are referenced throughout the text.<br>Previous exploration has been completed on Cosmos' projects by a variety of companies. Please refer to the relevant sections in the IGR for details and references to the previous work. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Geology** | *Deposit type, geological setting and style of mineralisation.* | The Orange East Project is situated within the Ordovician to Silurian aged Lachlan Fold Belt in New South Wales. The project covers a sequence of mafic to felsic volcanics, ultramafic intrusive, volcanoclastic sediments and siltstones and limestones. The project area is prospective for shear hosted gold and porphyry style gold copper mineralisation.<br>The Byro East Project is located within the Narryer Terrane, a gneiss complex in the northern most part of the Yilgarn Craton. The regional geology is predominately quartzo feldspathic gneisses and migmatites with amphibolite's. quartzites, Banded Iron Formations (BIF), felsic volcanics and layered mafic ultramafic intrusions. Regional folding and thrusting has resulted in a steep dominantly west dip and north east strike. The project is prospective for magmatic Ni-Cu-PGE mineralisation associated with mafic ultramafic intrusions and orogenic gold associated with regional shear zones. |
| **Drill hole information** | *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>• *easting and northing of the drill hole collar*<br>• *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>• *dip and azimuth of the hole*<br>• *downhole length and intersection depth*<br>• *hole length.* | A table of all drill holes completed in the Orange East Project is included as Appendix II. The data was obtained from company exploration reports and the New South Wales Geological Survey.<br><br>There are no known drillholes in the Byro East Project. |
| | *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | No material drill information has been excluded. |
| **Data aggregation methods** | *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* | There has been no cutting of assay results discussed in the body of the text. All assays are based on analytical data collected by previous explorers and reported in statutory technical reports and have been treated at face value. Cosmos is acquiring a digital database from RareX for the Orange East Project which contains details of all data has compiled the data into a digital data base to assist interpretation. No validation or check assaying has been carried out by Cosmos. |
| | *Where aggregate intersections incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* | Assay results discussed in the body of the text are not considered to be of economic significance at this stage and have not been biased by intervals of higher-grade results. |
| | *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | Not applicable. Metal equivalent values not reported. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Relationship between mineralisation widths and intersection lengths** | *These relationships are particularly important in the reporting of Exploration Results.* | Previous drilling has been undertaken on various drill orientations, and thus does not represent true width intersections. |
| | *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* | Not applicable, as the geometry of the mineralisation with respect to the drill angles has yet to be verified. |
| | *If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. "downhole length, true width not known").* | Not applicable. |
| **Diagrams** | *Appropriate maps and sections (with scales) and tabulations of intersections should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | Please refer to the IGR for details. |
| **Balanced reporting** | *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | Appendix II provides details all RAB, reverse circulation and diamond drillholes including holes that did not intersect significant mineralisation. |
| **Other substantive exploration data** | *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | All data presented in this report was undertaken by previous explorers. Cosmos is yet to complete a full validation of the nature and quality of the previous work undertaken within its tenements. All material data provided by Cosmos to date has been reported herein. |
| **Further work** | *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* | Cosmos has prepared a two (2) year exploration program for each of the projects. The details of the programs are discussed in the IGR. |
| | *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Please refer to the IGR. |
| | *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Please refer to the ITAR. |

# Appendix II Orange East Project Drillhole collars

| HOLE ID | Prospect | Type | Datum | North | East | RL | TD | Azi | Dip | Company | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NL_BYNGRA013 | Regional | RAB | MGA94_55 | 6312133 | 701833 | 882 | 20 | 0 | -90 | North | 1997 |
| NL_BYNGRA014 | Regional | RAB | MGA94_55 | 6312123 | 702053 | 900 | 37 | 0 | -90 | North | 1997 |
| NL_BYNGRA015 | Regional | RAB | MGA94_55 | 6312173 | 702173 | 915 | 10 | 0 | -90 | North | 1997 |
| NL_BYNGRA016 | Regional | RAB | MGA94_55 | 6312173 | 702273 | 920 | 19 | 0 | -90 | North | 1997 |
| NL_BYNGRA017 | Regional | RAB | MGA94_55 | 6312223 | 702433 | 925 | 15 | 0 | -90 | North | 1997 |
| NL_BYNGRA018 | Regional | RAB | MGA94_55 | 6312193 | 702523 | 930 | 8 | 0 | -90 | North | 1997 |
| NL_BYNGRA019 | Regional | RAB | MGA94_55 | 6312173 | 702663 | 920 | 7 | 0 | -90 | North | 1997 |
| NL_BYNGRA020 | Regional | RAB | MGA94_55 | 6312133 | 702813 | 920 | 11 | 0 | -90 | North | 1997 |
| NL_BYNGRA021 | Regional | RAB | MGA94_55 | 6312113 | 702933 | 920 | 14 | 0 | -90 | North | 1997 |
| NL_BYNGRA022 | Regional | RAB | MGA94_55 | 6312043 | 703213 | 920 | 15 | 0 | -90 | North | 1997 |
| NL_BYNGRA023 | Regional | RAB | MGA94_55 | 6311973 | 703363 | 900 | 13 | 0 | -90 | North | 1997 |
| NL_BYNGRA024 | Regional | RAB | MGA94_55 | 6311923 | 703473 | 895 | 8 | 0 | -90 | North | 1997 |
| NL_BYNGRA025 | Regional | RAB | MGA94_55 | 6311853 | 703653 | 890 | 5 | 0 | -90 | North | 1997 |
| NL_BYNGRA026 | Regional | RAB | MGA94_55 | 6311853 | 703773 | 882 | 11 | 0 | -90 | North | 1997 |
| NL_BYNGRA027 | Regional | RAB | MGA94_55 | 6311833 | 703913 | 878 | 8 | 0 | -90 | North | 1997 |
| NL_BYNGRA028 | Regional | RAB | MGA94_55 | 6311883 | 704063 | 870 | 17 | 0 | -90 | North | 1997 |
| NL_BYNGRA029 | Regional | RAB | MGA94_55 | 6311913 | 704213 | 865 | 11 | 0 | -90 | North | 1997 |
| NL_BYNGRA030 | Regional | RAB | MGA94_55 | 6311913 | 704323 | 860 | 28 | 0 | -90 | North | 1997 |
| NL_BYNGRA031 | Regional | RAB | MGA94_55 | 6311973 | 704563 | 848 | 18 | 0 | -90 | North | 1997 |
| NL_BYNGRA032 | Regional | RAB | MGA94_55 | 6311833 | 705143 | 835 | 57 | 0 | -90 | North | 1997 |
| NL_BYNGRA033 | Regional | RAB | MGA94_55 | 6311903 | 705703 | 835 | 18 | 0 | -90 | North | 1997 |
| NL_BYNGRA034 | Regional | RAB | MGA94_55 | 6311913 | 706093 | 830 | 42 | 0 | -90 | North | 1997 |
| NL_BYNGRA035 | Regional | RAB | MGA94_55 | 6311513 | 706573 | 860 | 4 | 0 | -90 | North | 1997 |
| NL_BYNGRA036 | Regional | RAB | MGA94_55 | 6311423 | 706893 | 850 | 10 | 0 | -90 | North | 1997 |
| NL_BYNGRA037 | Regional | RAB | MGA94_55 | 6311073 | 707253 | 845 | 11 | 0 | -90 | North | 1997 |
| NL_BYNGRA093 | Regional | RAB | MGA94_55 | 6313283 | 703013 | 931 | 2 | 0 | -90 | North | 1998 |
| NL_BYNGRA098 | Regional | RAB | MGA94_55 | 6308683 | 707583 | 908 | 3 | 0 | -90 | North | 1998 |
| NL_BYNGRA099 | Regional | RAB | MGA94_55 | 6308688 | 707783 | 902 | 18 | 0 | -90 | North | 1998 |
| NL_BYNGRA100 | Regional | RAB | MGA94_55 | 6308683 | 707913 | 906 | 6 | 0 | -90 | North | 1998 |
| NL_BYNGRA101 | Regional | RAB | MGA94_55 | 6308608 | 708128 | 853 | 7 | 0 | -90 | North | 1998 |
| NL_BYNGRA102 | Regional | RAB | MGA94_55 | 6308693 | 708413 | 863 | 6 | 0 | -90 | North | 1998 |
| NL_BYNGRA103 | Regional | RAB | MGA94_55 | 6308523 | 708633 | 841 | 14 | 0 | -90 | North | 1998 |
| NL_BYNGRA105 | Regional | RAB | MGA94_55 | 6308293 | 709023 | 818 | 13 | 0 | -90 | North | 1998 |
| NL_BYNGRA106 | Regional | RAB | MGA94_55 | 6308683 | 709028 | 830 | 19 | 0 | -90 | North | 1998 |
| NL_BYNGRA107 | Regional | RAB | MGA94_55 | 6308683 | 709216 | 817 | 12 | 0 | -90 | North | 1998 |
| NL_BYNGRA108 | Regional | RAB | MGA94_55 | 6308293 | 709203 | 844 | 5 | 0 | -90 | North | 1998 |
| NL_BYNGRA109 | Regional | RAB | MGA94_55 | 6308278 | 709438 | 835 | 6 | 0 | -90 | North | 1998 |

| HOLE ID | Prospect | Type | Datum | North | East | RL | TD | Azi | Dip | Company | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NL_BYNGRA111 | Regional | RAB | MGA94_55 | 6307383 | 708503 | 902 | 4 | 0 | -90 | North | 1998 |
| NL_BYNGRA112 | Regional | RAB | MGA94_55 | 6307383 | 708703 | 872 | 4 | 0 | -90 | North | 1998 |
| NL_BYNGRA114 | Regional | RAB | MGA94_55 | 6307778 | 708313 | 905 | 5 | 0 | -90 | North | 1998 |
| NL_BYNGRA115 | Regional | RAB | MGA94_55 | 6307783 | 708523 | 927 | 4 | 0 | -90 | North | 1998 |
| NL_BYNGRA116 | Regional | RAB | MGA94_55 | 6307788 | 708758 | 899 | 52 | 0 | -90 | North | 1998 |
| NL_BYNGRA117 | Regional | RAB | MGA94_55 | 6307383 | 708903 | 863 | 19 | 0 | -90 | North | 1998 |
| NL_BYNGRA118 | Regional | RAB | MGA94_55 | 6307388 | 709133 | 893 | 3 | 0 | -90 | North | 1998 |
| NL_BYNGRA119 | Regional | RAB | MGA94_55 | 6309088 | 707813 | 912 | 4 | 0 | -90 | North | 1998 |
| NL_BYNGRA120 | Regional | RAB | MGA94_55 | 6309088 | 708018 | 890 | 10 | 0 | -90 | North | 1998 |
| NL_BYNGRA121 | Regional | RAB | MGA94_55 | 6309093 | 708213 | 887 | 10 | 0 | -90 | North | 1998 |
| NL_BYNGRA122RP | Regional | RAB | MGA94_55 | 6309093 | 708413 | 893 | 52 | 0 | -90 | North | 1998 |
| NL_BYNGRA123 | Regional | RAB | MGA94_55 | 6309068 | 708613 | 920 | 9 | 0 | -90 | North | 1998 |
| NL_BYNGRA124 | Regional | RAB | MGA94_55 | 6309293 | 708893 | 854 | 22 | 0 | -90 | North | 1998 |
| NL_BYNGRA125 | Regional | RAB | MGA94_55 | 6312283 | 706515 | 847 | 8 | 0 | -90 | North | 1998 |
| NL_BYNGRA126 | Regional | RAB | MGA94_55 | 6312283 | 706713 | 841 | 9 | 0 | -90 | North | 1998 |
| NL_BYNGRA127 | Regional | RAB | MGA94_55 | 6312283 | 706878 | 841 | 10 | 0 | -90 | North | 1998 |
| NL_BYNGRA128 | Regional | RAB | MGA94_55 | 6312783 | 706413 | 835 | 8 | 0 | -90 | North | 1998 |
| NL_BYNGRA129 | Regional | RAB | MGA94_55 | 6312783 | 706623 | 835 | 7 | 0 | -90 | North | 1998 |
| NL_BYNGRA130 | Regional | RAB | MGA94_55 | 6312823 | 706813 | 830 | 6 | 0 | -90 | North | 1998 |
| NL_BYNGRA131 | Regional | RAB | MGA94_55 | 6312788 | 706953 | 829 | 11 | 0 | -90 | North | 1998 |
| NL_BYNGRA132 | Regional | RAB | MGA94_55 | 6313103 | 706753 | 829 | 5 | 0 | -90 | North | 1998 |
| NL_BYNGRA134 | Regional | RAB | MGA94_55 | 6313188 | 706413 | 829 | 15 | 0 | -90 | North | 1998 |
| NL_BYNGRA135 | Regional | RAB | MGA94_55 | 6313183 | 706213 | 826 | 6 | 0 | -90 | North | 1998 |
| NL_BYNGRA136 | Regional | RAB | MGA94_55 | 6312283 | 707113 | 832 | 13 | 0 | -90 | North | 1998 |
| NL_BYNGRA138 | Regional | RAB | MGA94_55 | 6312288 | 707518 | 863 | 6 | 0 | -90 | North | 1998 |
| NL_BYNGRA139 | Regional | RAB | MGA94_55 | 6311798 | 707583 | 847 | 2 | 0 | -90 | North | 1998 |
| NL_BYNGRA140 | Regional | RAB | MGA94_55 | 6311783 | 707653 | 850 | 16 | 0 | -90 | North | 1998 |
| NL_BYNGRA141 | Regional | RAB | MGA94_55 | 6311798 | 707813 | 847 | 10 | 0 | -90 | North | 1998 |
| NL_BYNGRA142 | Regional | RAB | MGA94_55 | 6311778 | 707413 | 835 | 9 | 0 | -90 | North | 1998 |
| NL_BYNGRA143 | Regional | RAB | MGA94_55 | 6311778 | 706803 | 856 | 6 | 0 | -90 | North | 1998 |
| NL_BYNGRA144 | Regional | RAB | MGA94_55 | 6308183 | 707943 | 896 | 18 | 0 | -90 | North | 1998 |
| NL_BYNGRA151 | Regional | RAB | MGA94_55 | 6309883 | 708208 | 872 | 4 | 0 | -90 | North | 1998 |
| NL_BYNGRA152 | Regional | RAB | MGA94_55 | 6309883 | 708313 | 872 | 6 | 0 | -90 | North | 1998 |
| NL_BYNGRA154 | Regional | RAB | MGA94_55 | 6309883 | 708513 | 878 | 4 | 0 | -90 | North | 1998 |
| NL_BYNGRA155 | Regional | RAB | MGA94_55 | 6309883 | 708613 | 887 | 4 | 0 | -90 | North | 1998 |
| NL_BYNGRA156 | Regional | RAB | MGA94_55 | 6309883 | 708713 | 878 | 8 | 0 | -90 | North | 1998 |
| NL_BYNGRA157 | Regional | RAB | MGA94_55 | 6309893 | 708813 | 838 | 9 | 0 | -90 | North | 1998 |
| NL_BYNGRA158 | Regional | RAB | MGA94_55 | 6309473 | 707913 | 905 | 2 | 0 | -90 | North | 1998 |
| NL_BYNGRA159 | Regional | RAB | MGA94_55 | 6309473 | 708013 | 893 | 9 | 0 | -90 | North | 1998 |
| NL_BYNGRA160 | Regional | RAB | MGA94_55 | 6309498 | 708113 | 884 | 6 | 0 | -90 | North | 1998 |

| HOLE ID | Prospect | Type | Datum | North | East | RL | TD | Azi | Dip | Company | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NL_BYNGRA162 | Regional | RAB | MGA94_55 | 6309483 | 708313 | 878 | 12 | 0 | -90 | North | 1998 |
| NL_BYNGRA164 | Regional | RAB | MGA94_55 | 6309283 | 708613 | 905 | 5 | 0 | -90 | North | 1998 |
| NL_BYNGRA165 | Regional | RAB | MGA94_55 | 6309278 | 708513 | 893 | 5 | 0 | -90 | North | 1998 |
| NL_BYNGRA166 | Regional | RAB | MGA94_55 | 6309288 | 708413 | 884 | 12 | 0 | -90 | North | 1998 |
| NL_BYNGRA167 | Regional | RAB | MGA94_55 | 6309283 | 708313 | 884 | 7 | 0 | -90 | North | 1998 |
| NL_BYNGRA168 | Regional | RAB | MGA94_55 | 6309283 | 708213 | 887 | 9 | 0 | -90 | North | 1998 |
| NL_BYNGRA169 | Regional | RAB | MGA94_55 | 6309273 | 708113 | 890 | 5 | 0 | -90 | North | 1998 |
| NL_BYNGRA170 | Regional | RAB | MGA94_55 | 6309283 | 708003 | 899 | 4 | 0 | -90 | North | 1998 |
| NL_BYNGRA171 | Regional | RAB | MGA94_55 | 6309278 | 707913 | 905 | 9 | 0 | -90 | North | 1998 |
| NL_BYNGRA172 | Regional | RAB | MGA94_55 | 6309083 | 707913 | 911 | 5 | 0 | -90 | North | 1998 |
| NL_BYNGRA173 | Regional | RAB | MGA94_55 | 6309093 | 708113 | 893 | 6 | 0 | -90 | North | 1998 |
| NL_BYNGRA174 | Regional | RAB | MGA94_55 | 6309083 | 708313 | 887 | 22 | 0 | -90 | North | 1998 |
| NL_BYNGRA175 | Regional | RAB | MGA94_55 | 6309183 | 708563 | 905 | 8 | 0 | -90 | North | 1998 |
| NL_BYNGRA176 | Regional | RAB | MGA94_55 | 6309193 | 708463 | 896 | 6 | 0 | -90 | North | 1998 |
| NL_BYNGRA177 | Regional | RAB | MGA94_55 | 6309183 | 708363 | 887 | 9 | 0 | -90 | North | 1998 |
| NL_BYNGRA178 | Regional | RAB | MGA94_55 | 6309183 | 708263 | 887 | 3 | 0 | -90 | North | 1998 |
| NL_BYNGRA179 | Regional | RAB | MGA94_55 | 6309183 | 708163 | 890 | 4 | 0 | -90 | North | 1998 |
| NL_BYNGRA180 | Regional | RAB | MGA94_55 | 6309183 | 708063 | 902 | 5 | 0 | -90 | North | 1998 |
| NL_BYNGRA181 | Regional | RAB | MGA94_55 | 6309183 | 707963 | 908 | 4 | 0 | -90 | North | 1998 |
| NL_BYNGRA182 | Regional | RAB | MGA94_55 | 6309183 | 707863 | 911 | 9 | 0 | -90 | North | 1998 |
| NL_BYNGRA183 | Regional | RAB | MGA94_55 | 6309678 | 708113 | 881 | 10 | 0 | -90 | North | 1998 |
| NL_BYNGRA184 | Regional | RAB | MGA94_55 | 6309683 | 708223 | 878 | 7 | 0 | -90 | North | 1998 |
| NL_BYNGRA185 | Regional | RAB | MGA94_55 | 6309683 | 708313 | 875 | 3 | 0 | -90 | North | 1998 |
| NL_BYNGRA186 | Regional | RAB | MGA94_55 | 6309683 | 708413 | 887 | 5 | 0 | -90 | North | 1998 |
| NL_BYNGRA187 | Regional | RAB | MGA94_55 | 6309683 | 708513 | 899 | 5 | 0 | -90 | North | 1998 |
| NL_BYNGRP104 | Regional | RAB | MGA94_55 | 6308333 | 708193 | 890 | 43 | 0 | -90 | North | 1998 |
| NL_BYNGRP133 | Regional | RAB | MGA94_55 | 6313178 | 706623 | 829 | 46 | 0 | -90 | North | 1998 |
| NL_BYNGRP137 | Regional | RAB | MGA94_55 | 6312283 | 707363 | 844 | 25 | 0 | -90 | North | 1998 |
| NL_BYNGRP145 | Regional | RAB | MGA94_55 | 6308133 | 708103 | 884 | 9 | 0 | -90 | North | 1998 |
| NL_BYNGRP146 | Regional | RAB | MGA94_55 | 6308063 | 708353 | 853 | 19 | 0 | -90 | North | 1998 |
| NL_BYNGRP147 | Regional | RAB | MGA94_55 | 6308073 | 708530 | 890 | 7 | 0 | -90 | North | 1998 |
| NL_BYNGRP148 | Regional | RAB | MGA94_55 | 6308028 | 708743 | 856 | 10 | 0 | -90 | North | 1998 |
| NL_BYNGRP149 | Regional | RAB | MGA94_55 | 6307798 | 709203 | 835 | 10 | 0 | -90 | North | 1998 |
| NL_BYNGRP150 | Regional | RAB | MGA94_55 | 6307763 | 709543 | 814 | 16 | 0 | -90 | North | 1998 |
| NL_BYNGRP153 | Regional | RAB | MGA94_55 | 6309883 | 708413 | 872 | 12 | 0 | -90 | North | 1998 |
| OERC001 | Carangara | RC | MGA94_55 | 6306713 | 709325 | 774 | 90 | 60 | -60 | Clancy | 2009 |
| OERC002 | Carangara | RC | MGA94_55 | 6307363 | 709441 | 834 | 168 | 330 | -60 | Clancy | 2009 |
| OERC003 | Carangara | RC | MGA94_55 | 6307310 | 709398 | 835 | 197 | 330 | -60 | Clancy | 2009 |
| OERC004 | Carangara | RC | MGA94_55 | 6307241 | 709351 | 839 | 120 | 330 | -60 | Clancy | 2009 |
| OERC005 | Carangara | RC | MGA94_55 | 6307034 | 709241 | 865 | 225 | 60 | -51 | Clancy | 2009 |

| HOLE ID | Prospect | Type | Datum | North | East | RL | TD | Azi | Dip | Company | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| OERC006 | Carangara | RC | MGA94_55 | 6306928 | 709306 | 855 | 40 | 60 | -65 | Clancy | 2009 |
| OERC008 | Carangara | RC | MGA94_55 | 6306796 | 709408 | 798 | 167 | 296 | -55 | Clancy | 2009 |
| OERC009 | Wentworth | RC | MGA94_55 | 6309090 | 708625 | 914 | 102 | 255 | -60 | Clancy | 2009 |
| OERC010 | Wentworth | RC | MGA94_55 | 6309024 | 708580 | 913 | 120 | 102 | -55 | Clancy | 2009 |
| OED011 | Carangara South | DDH | MGA94_55 | 6306015 | 709625 | 860 | 146.8 | 258 | -60 | Clancy | 2010 |
| OED012 | Carangara | DDH | MGA94_55 | 6306458 | 709675 | 890 | 256 | 94 | -55 | Clancy | 2010 |
| OED013 | Carangara | DDH | MGA94_55 | 6306918 | 709299 | 863 | 208 | 58 | -70 | Clancy | 2010 |
| OED014 | Carangara | DDH | MGA94_55 | 6307331 | 709458 | 833 | 226 | 77 | -55 | Clancy | 2010 |
| OED015 | Carangara | DDH | MGA94_55 | 6307735 | 709197 | 840 | 187 | 318 | -65 | Clancy | 2010 |
| OED016 | Carangara | DDH | MGA94_55 | 6307909 | 709080 | 838 | 223 | 278 | -50 | Clancy | 2010 |
| OED017 | Carangara | DDH | MGA94_55 | 6306878 | 709199 | 869 | 89.9 | 58 | -70 | Clancy | 2010 |
| OED018 | Carangara | DDH | MGA94_55 | 6306878 | 709199 | 869 | 235 | 58 | -60 | Clancy | 2010 |