COSMOS

ABN 27 648 890 126

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED
31 December 2021

INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2021

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CORPORATE DIRECTORY

DIRECTORS

Jeremy Robinson (Executive Chairman)
Andrew Denniss (Non-Executive Director)
James Bahen (Non-Executive Director)

COMPANY SECRETARIES

James Bahen
Robbie Featherby

REGISTERED OFFICE

Unit 6, 94 Rokeby Road
SUBIACO WA 6008

POSTAL ADDRESS

Unit 6, 94 Rokeby Road
SUBIACO WA 6008

PRINCIPAL PLACE OF BUSINESS

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SUBIACO WA 6008

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Perth WA 6000

ASX CODE: C1X

DIRECTORS' REPORT

The directors of Cosmos Exploration Limited (**ASX**:**C1X**) (**Company** or **Cosmos**), for the half-year ended 31 December 2021 (**Period**) and the auditor's review report thereon. The Interim Financial Report has been prepared in accordance with AASB 134 Interim Financial Reporting. The Company was incorporated on 22 March 2021.

DIRECTORS

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

Director	Position
John Young	Non-Executive Chairman (Resigned 17 August 2021)
Jeremy Robinson	Executive Chairman
Cameron Henry	Non-Executive Director (Resigned 17 August 2021)
Shaun Hardcastle	Non-Executive Director (Resigned 17 August 2021)
Andrew Denniss	Non-Executive Director (Appointed 17 August 2021)
James Bahen	Non-Executive Director (Appointed 17 August 2021)

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

Company Secretaries	Position
Oonagh Malone	Company Secretary (Resigned 17 August 2021)
James Bahen	Company Secretary (Appointed 17 August 2021)
Robbie Featherby	Company Secretary (Appointed 17 August 2021)

OPERATING RESULTS

The Company has incurred a net loss after tax for the half-year ended 31 December 2021 of $572,989.

PRINCIPAL ACTIVITIES

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

REVIEW OF OPERATIONS

On 1 December 2021, the Company commenced trading on the Australian Securities Exchange ("**ASX**"), following a successful Public Offer to raise $5 million (before costs) at $0.20 per share. The Company is geared up to explore the highly prospective Byro East Nickel-Copper-PGE Project located in Western Australia and Orange East Gold Project located in New South Wales.

West Yilgarn Ni-Cu-PGE province
100% Cosmos – E09/2386, E09/2387, E09/2408, E09/2409, E09/2443
Byro East Project - Background

Byro East is a greenfields project and one of the most extensive under-explored landholdings not held by Chalice Mining Ltd (Chalice) (ASX:CHN) within the West Yilgarn Ni-Cu-PGE province, with a substantial land holding of over >1,600 km2, prospective for intrusion-related Ni-Cu-Co-Au-PGE mineralisation (Fig 1). The

discovery of the Gonneville (Julimar) PGE-Ni-Cu-Co-Au deposit by Chalice in March 2020 has demonstrated that the western margin of the Yilgarn craton is highly prospective for intrusion-related Ni-Cu-PGE deposits and can host large >10 Moz (Pt+Pd+Au) tier 1 deposits [1].

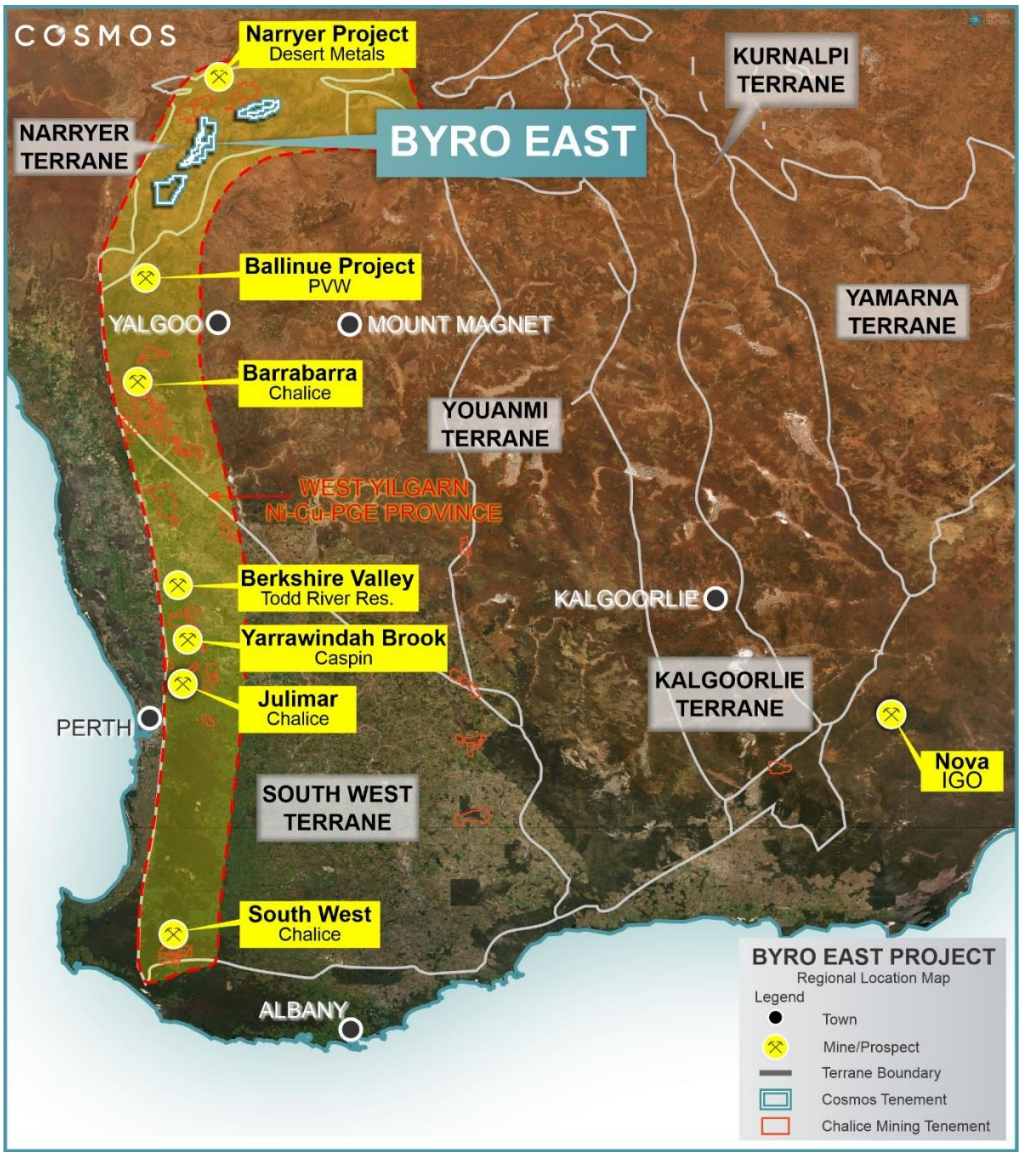

Fig 1 – Byro East Project Location within the West Yilgarn Ni-Cu-PGE Province

The Byro East Project has been subject to sporadic and fragmented exploration in the past and is vastly under explored. Exploration work has concentrated on outcropping or sub cropping areas and is predominantly restricted to rock chip, stream sediment or surface geochemical sampling, with the only gridded soil survey completed prior to 2021, in 1972. A total of two reverse circulation drill holes and two ground EM surveys are known within the project area in addition to surface geochemical sampling.

Cosmos will focus on four priority prospects (Fig 2) within the central tenement package at the Byro East Project for Q1 & Q2 of 2022 whilst acquiring regional airborne magnetic (AEM/RAD) and airborne electromagnetic (AEM) datasets throughout 2022 necessary for future target generation.

[1] Refer to Chalice Mining Ltd (ASX: CHN) announcement 9 November 2021

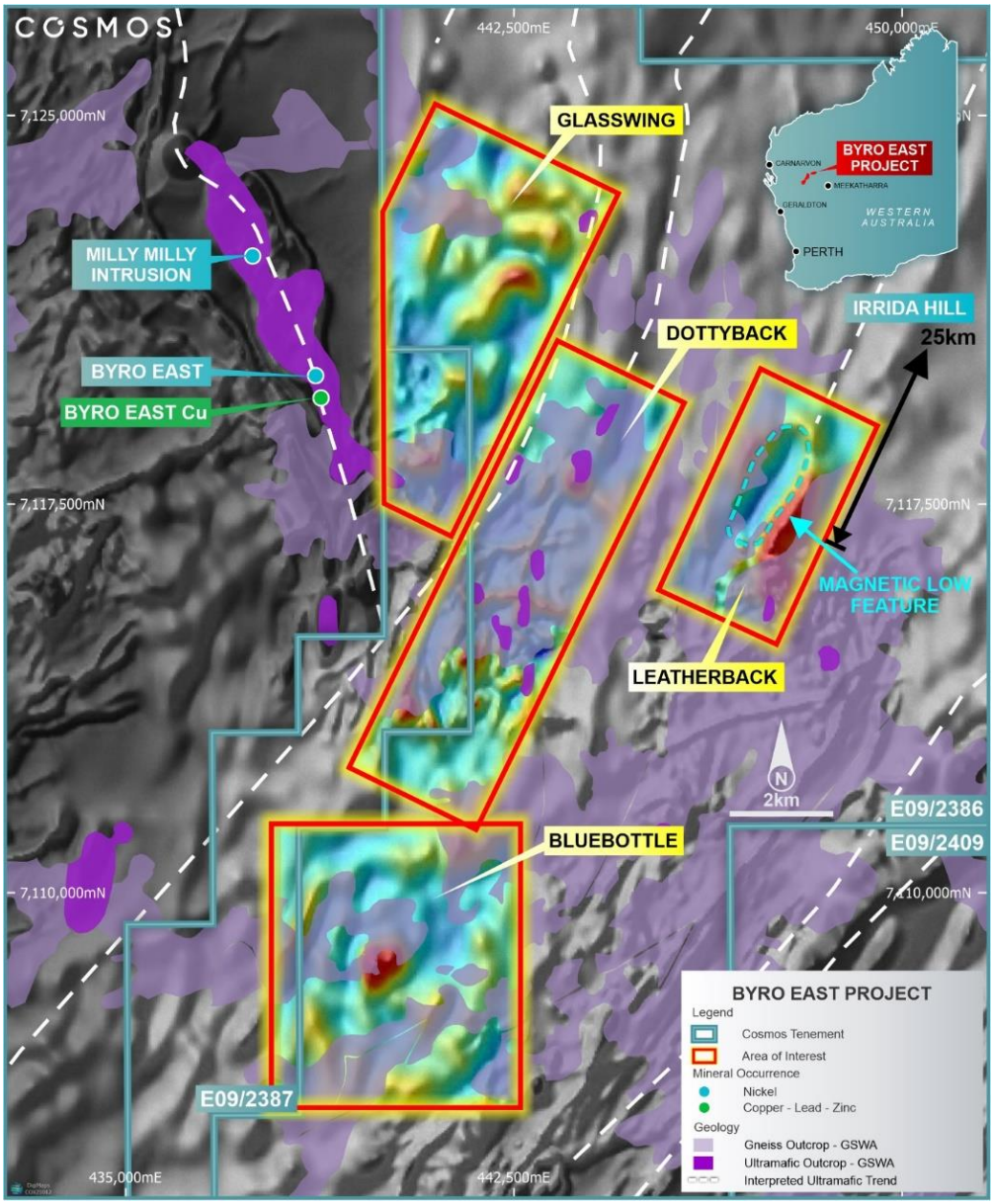

Fig 2 – Byro East Prospects Location Map over regional RTP magnetics

Dottyback Prospect (E 09/2386, E 09/2387)

The Dottyback prospect until Nov 2021 contained the only gridded geochemical survey within the Byro East project lease. Work completed by Jododex in 1972 identified numerous anomalous Ni-Cu geochemical anomalies (Fig 3) associated with mafic-ultramafic units over a strike length of 9km whilst exploring for Kambalda style nickel deposits.

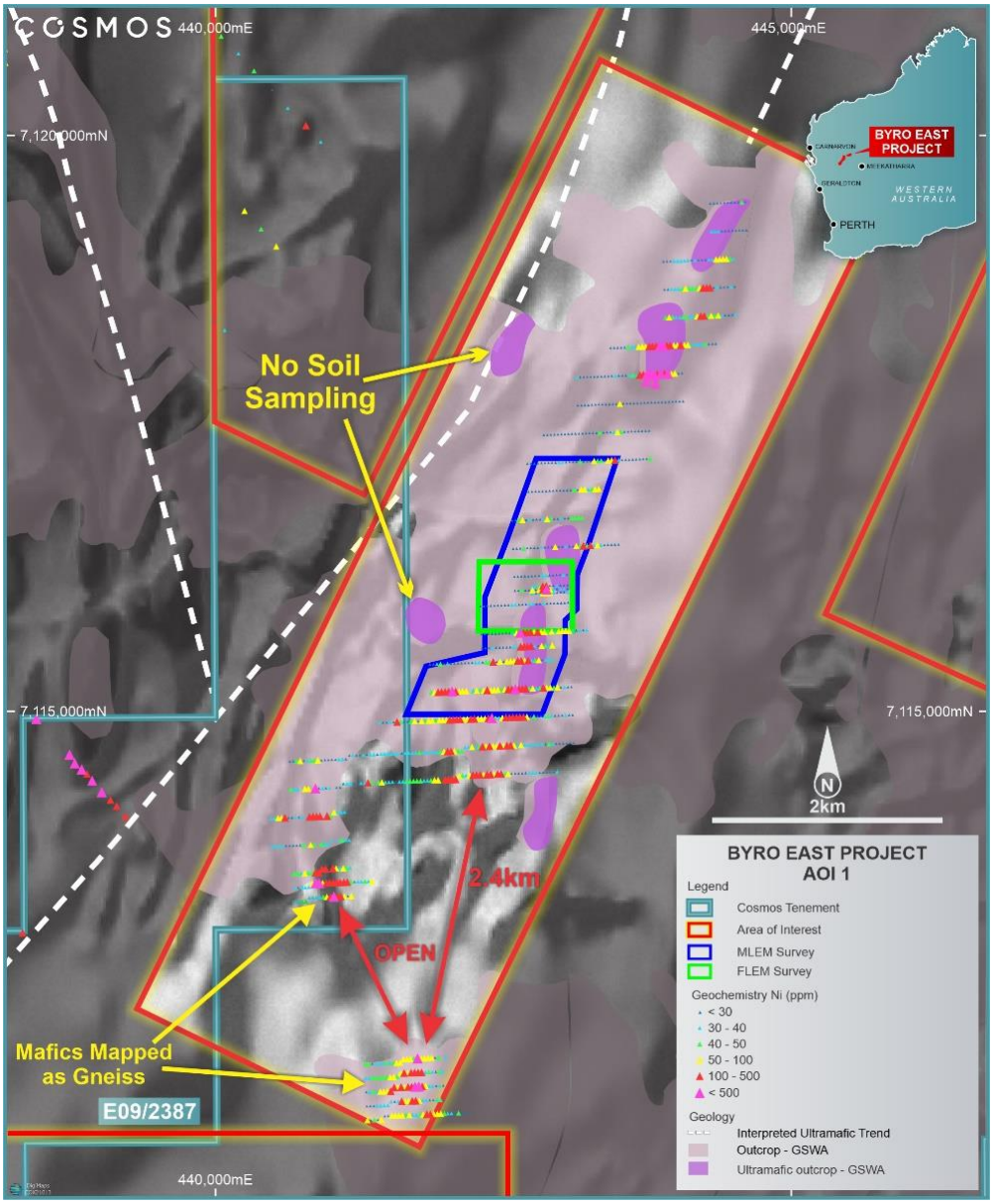

Fig 3 – Dottyback Prospect – Summary of Historic Exploration

Due to the limitations in technology in the early 1970's, analysis of geochemical samples were commonly restricted to the element suite of Au, Ni, Cu, Pb, Zn and As. Of these, Jododex only routinely analysed for Ni, Cu and Zn over the Dottyback prospect, leaving the enormous potential for undiscovered PGE and Au mineralisation.

Follow up exploration by Jododex comprised of auger and two shallow RC drill holes to test the geochemical anomalies. These two drill holes have no recorded assay or location information and are also the only drill holes within the entire Byro East Project. Petrology samples taken from the drill chips did indicate nickel mineralisation in the form of violarite, a weathered product of pentlandite (A 69061).

In 2004, a ground moving loop electromagnetic (EM) survey over a portion of the Jododex soil survey area was completed by Yilgarn Mining Limited (Fig 3). This survey was compromised by heavy cyclonic rains. Numerous early time conductors were identified and attributed to the moist conductive soils with one possible shallow basement conductor. In 2006, Mithril Resources Limited completed a small, fixed loop EM survey over an outcropping gossan within the Yilgarn EM survey area (Fig 3), however no follow up drilling was completed.

Due to the limited effectiveness of both electromagnetic and geochemical techniques in the past, Cosmos will leverage advancements in technology and knowledge to screen the area for untested, undercover or blind, mafic and ultramafic lithologies prospective for Ni-Cu-PGE-Au mineralisation. Cosmos will use modern surface geochemical techniques followed by a combination of high powered airborne and ground electromagnetic technologies suitable for the direct detection of massive sulphides.

Cosmos collected 1,115 geochemical samples on a 320m line spaced and 80m sample spaced grid over the Dottyback prospect in the December quarter. Samples were submitted in December 2021 for multi element mixed acid analysis testing for base metals, pathfinder elements and Au-PGE's by fire assay. Four additional 10kg bulk orientation soil samples were also collected over various lithologies. These four bulk samples were collected to test the optimal soil fraction size for analysis as metals will commonly concentrate, usually adhering to finer clay particles. Targeting a specific size fraction for analysis can help highlight subtle anomalies, particularly useful when sampling in transported covered terranes or detecting weak anomalism sourced from deeper mineralised horizons.

Bulk samples were sieved into five size fractions for mixed acid multielement analysis in addition to Au-PGE's by fire assay. Assay results received for the four bulk assays in Jan 2022 indicated the -75um fraction was the most suited for surface geochemical analysis at the Dottyback prospect with positive indicators returned for Ni-Cu-PGE-Au & Cr.
The soil program is the second gridded survey to be conducted within the entire Byro East project in over 50 years.

Leatherback Prospect (E 09/2386)

The Leatherback Prospect is a magnetic low geophysical feature measuring 2.0km x 0.9km in size (Fig 4). It is comparable to the Irridia Hill prospect, located 25km to the northeast along strike, within the same interpreted mafic/ultramafic trend. Diamond drilling completed by Desert Metals (ASX: DM1) targeting ground EM conductors confirmed the presence of pyrrhotite dominant, massive to semi massive orthomagmatic sulphides associated with mafic lithologies, prospective for Ni-Cu-PGE mineralisation [2].

Before November 2021, exploration over the Leatherback prospect was limited to mapping by GSWA. Cosmos geologists in the December quarter 21 visited the prospect to undertake reconnaissance style mapping in addition to the contracted geochemical sampling.

[3] Refer to Desert Metals (ASX:DM1) announcement 26 July 2021

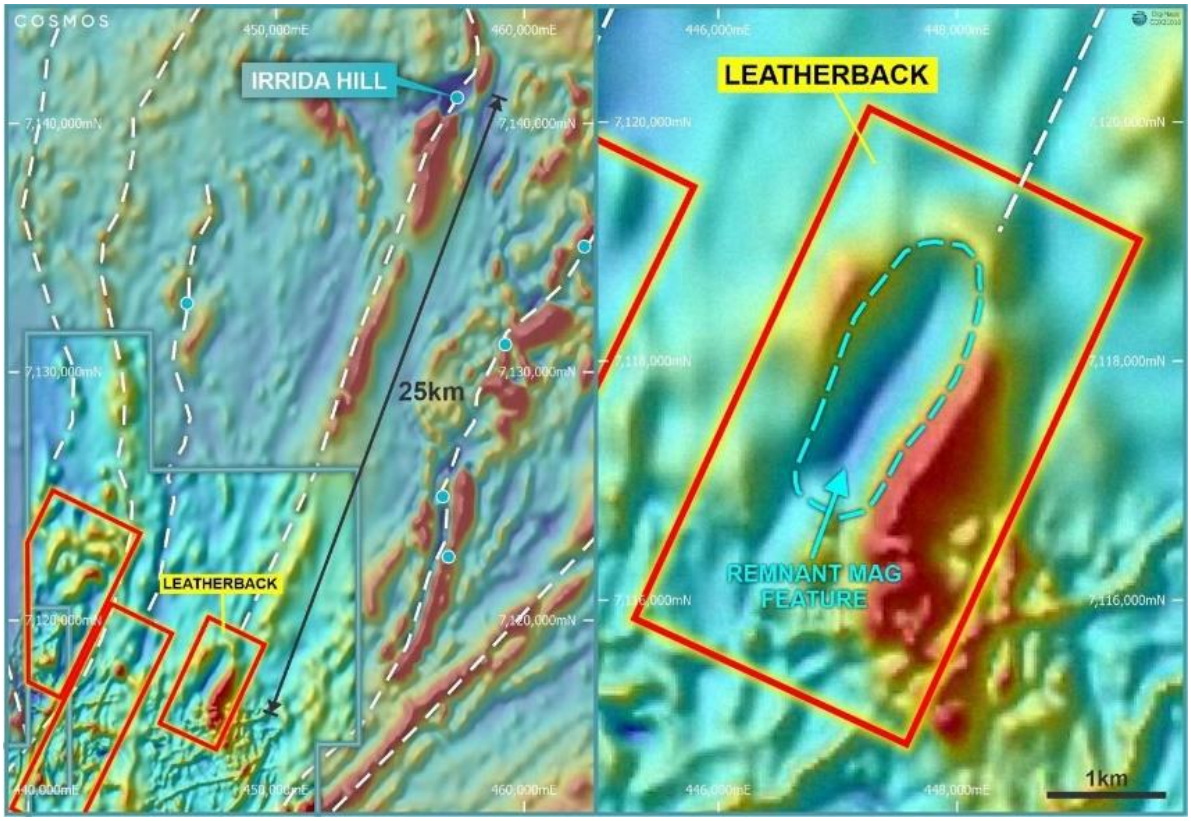

Fig 4 - Leatherback Prospect remnant magnetic feature – Regional RTP magnetics

Mapping revealed that the Leatherback magnetic feature coincides with a topographic low with granitic gneiss and metasedimentary units forming outcropping topographic highs to the west, south and east edges of the magnetic low feature as mapped by GSWA.. The underlying lithology forming the topographic low was obscured by qtz gneissic and metasedimentary colluvium likely sourced from the surrounding topographic highs. The contrast in topography may represent a change in lithology with the topographic low possibly representing mafic or ultramafic host lithologies that is more prone to weathering, but further work is needed to confirm this.

486 geochemical samples on a 320m line spaced and 80m sample spaced grid were taken across the Leatherback prospect in the December. The soil program aims to identify indicators for mafic-ultramafic lithologies and elevated anomalism associated with orthomagmatic intrusive related Ni-Cu-PGE mineralisation.

Samples were submitted for multi-element mixed acid analysis testing for base metals, pathfinder elements and Au-PGE's by fire assay.

Orange East Project - Lachlan Orogen Au-Cu province (>150Moz Au)
75% Cosmos / 25% RareX – (EL 8442)

Upon reviewing historical data at the Orange East Project, Cosmos has identified four priority prospects for future exploration efforts. All exhibit extensive, highly anomalous rock chip, surface geochemical soil/auger anomalies with limited or no drilling (Fig 5).

These include,

- Carangara
- Pendarves
- Wentworth
- Gunnarbee

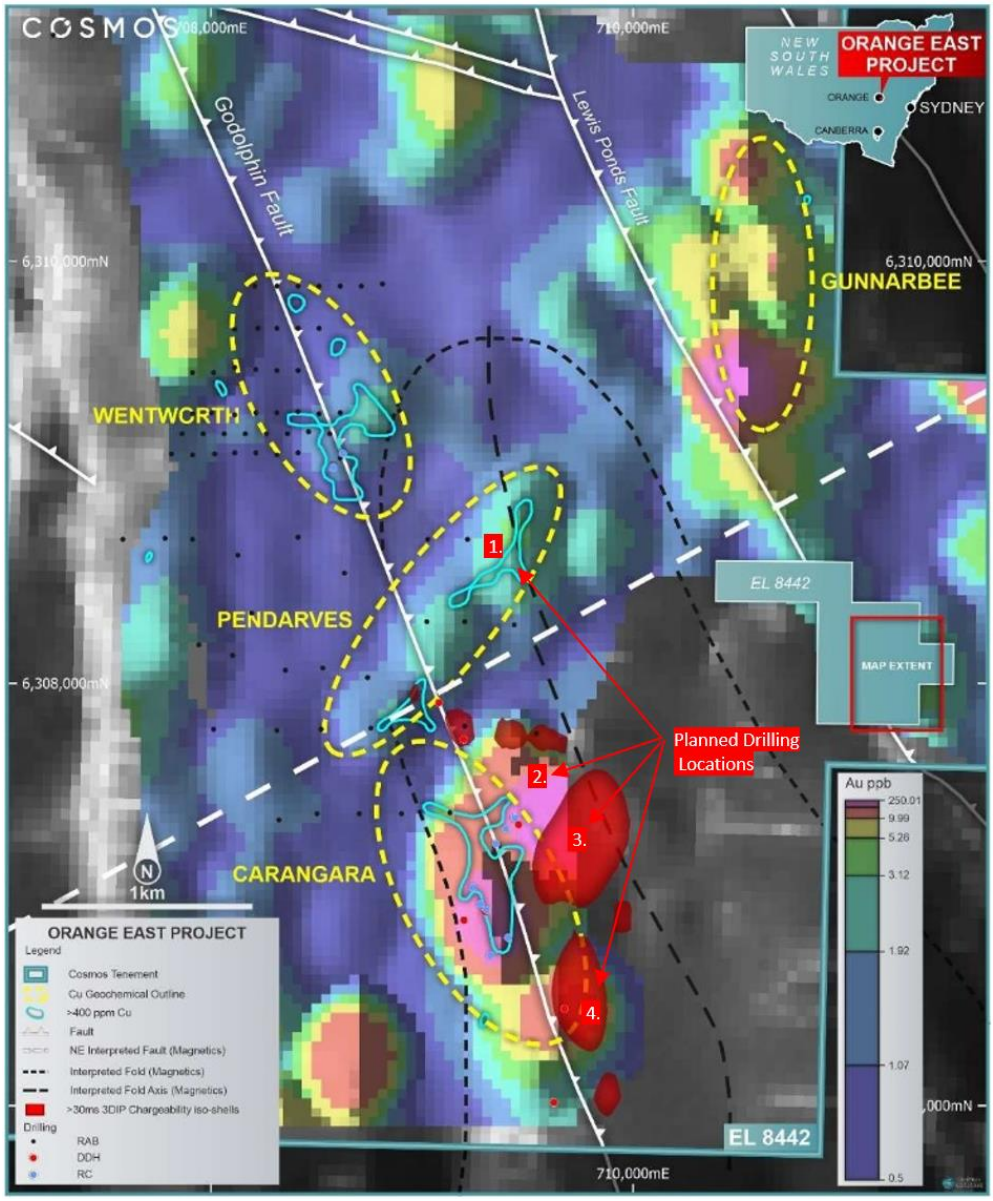

Fig 5 - Prospect Location Map displaying historic drill collar location, >400ppm contoured Cu over gridded Au (ppb) geochemical anomalies, >30ms high chargeability IP iso-shells, structure, and planned drill locations.

CAPITAL MANAGEMENT

The Company maintains 35,000,000 fully paid ordinary shares on issue and $4,366,712 in net cash as at the end of the Period.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

SIGNIFICANT CHANGE IN THE STATE OF AFFAIRS

During the period the Company commenced official quotation on the ASX on 1 December 2021 and completed spinning-out the Orange East Project and Byro East Project as set out in the Company's Prospectus dated 20 September 2021. There were no other significant changes in the state of affairs of the Group other than as referred to elsewhere in this consolidated half-year report and in the accounts and notes attached thereto.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the half-year is set out on page 10 of this report.

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



Jeremy Robinson
Executive Chairman
Perth, Western Australia this 15th day of March 2022

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

As lead auditor for the review of Cosmos Exploration Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

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



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 15 March 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cosmos Exploration Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the condensed half-year financial report of Cosmos Exploration Limited (the Company), which comprises the condensed statement of financial position as at 31 December 2021, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying condensed half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

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

Responsibility of the directors for the financial report

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

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 15 March 2022

DIRECTORS' DECLARATION

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

(a) Comply with Australian Accounting Standards AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;

(b) Give a true and fair view of the financial position of the entity as at 31 December 2021 and of its performance for the period ended on that date.

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

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

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



Jeremy Robinson
Executive Chairman
Perth, Western Australia this 15th day of March 2022

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2021

	Note	Half-Year Ended 31 Dec 2021 $
Interest Income		8
Rarex Loan forgiveness	6	322,453
Expenses		
Corporate compliance costs		(10,824)
Accounting, Audit and Corporate fees		(272,053)
Directors' fees, salaries, superannuation, and consulting costs		(37,955)
Administration costs		(24,133)
Legal fees		(13,809)
Travel Expenses		(519)
Exploration expenditure expensed		(259,042)
Share based payment expensed	5	(277,115)
Total Expense		**(572,989)**
Income tax (benefit)/expense		-
Loss after tax from continuing operations		**(572,989)**
Other comprehensive loss for the period, net of tax		-
Total comprehensive loss net of tax for the Period		**(572,989)**
Basic and diluted loss per share (cents)		(9.717)

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

CONDENSED STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

	Note	As At 31 Dec 2021 $	As At 30 Jun 2021 $
Current assets			
Cash and cash equivalents	2	4,336,712	1
Trade and other receivables		100,664	2,796
Total current assets		**4,437,376**	**2,797**
Non-Current assets			
Exploration Assets	3	2,000,000	-
Total Non-Current assets		**2,000,000**	**-**
Total assets		**6,437,376**	**2,797**
Current liabilities			
Trade and other payables		174,973	16,269
Provision for Employee Benefits		10,782	2,387
Loan		-	126,017
Total current liabilities		**185,755**	**144,673**
Total liabilities		**185,755**	**144,673**
Net Assets		**6,251,621**	**(141,876)**
Equity			
Issued capital	4	6,534,372	1
Reserve		432,115	-
Accumulated losses		(714,866)	(141,877)
Total Equity		**6,251,621**	**(141,876)**

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

CONDENSED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2021

	Note	Issued Capital $	Option Reserve	Accumulated Losses $	Total Equity $
Balance at 1 July 2021		**1**	**-**	**(141,877)**	**(141,876)**
Other Comprehensive loss		-	-	-	-
Loss for the Period		-	-	(572,989)	(572,989)
Total comprehensive loss for the Period		**-**	**-**	**(572,989)**	**(572,989)**
Share based payments	**5**	1,920,000	277,115	-	2,197,115
Shares issued during the period		5,000,000	-	-	5,000,000
Capital raising costs		(385,629)	155,000	-	(230,629)
Balance at 31 December 2021		**6,534,372**	**432,115**	**(714,866)**	**6,251,621**

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

CONDENSED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2021

	Note	Half-Year Ended 31 Dec 2021 $
Cash flows from operating activities		
Payments to suppliers and employees		(102,664)
Payment for exploration activities		(94,470)
Interest received		8
Net cash (used in)/generated by operating activities		**(197,126)**
Cash flows from investing activities		
Payment for spin-out of RareX		(235,534)
Payment for acquisition of exploration assets		-
Net cash (used in)/generated by investing activities		**(235,534)**
Cash flows from financing activities		
Proceeds from issue of shares		5,000,000
Issued capital cost		(230,629)
Net cash (used in)/generated by financing activities		**4,769,371**
Net (decrease)/ increase in cash and cash equivalents		**4,336,711**
Cash and cash equivalents at the beginning of the Period		1
Foreign exchange differences		-
Cash and cash equivalents at the end of the Period	2	**4,336,712**

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

1. BASIS OF PREPARATION

1.1. BASIS OF PREPARATION

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

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Cosmos Exploration and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

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

1.2. COMPARATIVE FIGURES

Comparative figures for the statement of financial position are that of 30 June 2021. No comparative figures are available for the statement of profit or loss.

1.3. STATEMENT OF COMPLIANCE

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

1.4. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

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

EXPLORATION AND EVALUATION COSTS

Mineral exploration and evaluation costs are expensed as incurred. Acquisition costs are capitalised to the extent they are expected to be recovered. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the tenement.

Accumulated acquisition costs in relation to an abandoned tenement are written off in full against the profit and loss in the year which the decision to abandon the tenant is made

Where a decision has been made to proceed with development in respect of a particular area of interest, all future costs are recorded as a development asset.

1.5. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY ESTIMATES

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

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021, except for those noted below.

1.6. NEW AND REVISED ACCOUNTING STANDARDS

Standards and Interpretations applicable to 31 December 2021

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised standards and interpretations issued by the AASB that are relevant to the Group's operations. It has been determined that there is no material impact of the standards and interpretations and therefore, no change is required to the Group's accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to the Group's accounting policies.

2. CASH AND CASH EQUIVALENTS

	As At 31 Dec 2021 $	As At 30 Jun 2021 $
Current		
Cash at bank	4,336,712	1

3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	As At 31 Dec 2021 $	As At 30 Jun 2021 $
Opening Balance:	-	-
Project Acquisition[1]	2,000,000	-
Closing Balance	2,000,000	-

[1]Refer to note 6 for further details.
The ultimate recoupment of the expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

4. ISSUED CAPITAL

	As At 31 Dec 2021 No.	As At 30 Jun 2021 No.
Fully paid ordinary shares	35,000,000	1

	As At 31 Dec 2021		As At 30 Jun 2021	
	No.	$	No.	$
Opening Balance	1	1	1	1
Elimination of Share Capital	(1)	-	-	-
Shares issued under the Public Offer	25,000,000	5,000,000	-	-
Consideration Shares issued to RareX – Note 6	10,000,000	1,920,000	-	-
Capital raising costs	-	(385,629)	-	-
Balance at end of the period	35,000,000	6,534,372	1	1

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

5. SHARE BASED PAYMENT RESERVE

	As At 31 Dec 2021 $	As At 30 Jun 2021 $
Opening Balance:	-	-
Issue of Director Options/rights (share-based payment expensed)	277,115	-
Issue of Advisor Options (cost of equity)	155,000	-
Closing Balance	432,115	-

The Advisor Options and the Director Options are defined as share based payments. The valuation of share based payment transactions is measured by reference to fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

ITEM	VALUE OF INPUT		
	Lead Manager Options	Corporate Advisor Options	Exploration Manager Options
Fair value per instrument	$0.124	$0.124	$0.124
Number of options	1,250,000	1,750,000	350,000
Expected volatility	110%	110%	110%
Implied option life	3 years	3 years	3 years
Expected dividend yield	Nil	Nil	Nil
Risk free rate	0.120%	0.120%	0.120%
Exercise Share Price	$0.25	$0.25	$0.25
Underlying share price at grant date	$0.20	$0.20	$0.20
Total Fair Value	$155,000	$217,000	$43,400

The fair value is determined using the Hoadley model, taking into account the terms and conditions upon which the rights were granted.

ITEM	Tranche 1[1]	Tranche 2[1]	Tranche 3[1]
Fair value per option	$0.1607	$0.1550	$0.1423
Number of Rights	1,000,000	1,000,000	1,000,000
Share Price Target	$0.30	$0.35	$0.40
Expected volatility	122.9%	122.9%	122.9%
Implied life	3	3	3
Expected dividend yield	0%	0%	0%
Risk free rate	0.93%	0.93%	0.93%
Vesting Date	21/11/2024	21/11/2024	21/11/2024
Underlying share price at grant date	$0.20	$0.20	$0.20
Total Fair Value	$160,700	$155,000	$142,300

These rights have an attached service condition and has vesting over a 3 period. The total share-based payment expense from the rights vested is $16,715.

[1]Directors of Cosmos Exploration Limited were granted 3 million performance rights on 21 November 2024. Vesting Conditions for each of the tranches are listed below

- 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.
- 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.
- 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.

6. ASSET ACQUISTION

	As At 31 Dec 2021	
	No.Shares	$
Purchase Consideration	10,000,000	1,920,000
Net identifiable assets		
Deferred Exploration		2,000,000
Fair value liabilities assumed under Demerger and Implementation Deed and Tenement Sale Agreement		(80,000)
Total	10,000,000	1,920,000

During the period Cosmos completed the satisfaction of the conditions precedent to the Demerger Implementation Deed and Tenement Sale Agreement, on completion, the Company issued 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. As part of the Demerger from RareX costs associated with the IPO will be split between RareX and Cosmos on a 50:50 basis. This had led to 322,453 being forgiven by RareX Limited.

7. SEGMENT REPORTING

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

The Company operates in the mineral exploration sector in Australia. All assets and liabilities are held in Australia other than, capitalised exploration costs which is outlined in note 3.

8. SUBSEQUENT EVENTS

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

9. FAIR VALUE MEASUREMENT

The Directors consider that the carrying amount of other financial assets and liabilities recognised in the consolidated financial statements approximate their fair value.

10. RELATED PARTY TRANSACTIONS

During the half-year ended 31 December 2021 the following related party transaction was undertaken between the Group and director related entities:

- Refer to note 5 for the issue of performance rights to Directors

11. COMMITMENTS AND CONTINGENT LIABILITIES

11.1. TENEMENT RELATED COMMITMENTS AND CONTINGENCIES

The Company is required to meet minimum committed expenditure requirements to maintain current rights of tenure to exploration licences. These obligations may be subject to re-negotiation, may be farmed-out or may be relinquished and have not been provided for in the statement of financial position. A summary of aggregate commitments is as follows:

	As At 31 Dec 2021 $	As At 30 Jun 2021 $
Within one year	264,000	-
One to five years	550,000	-
	814,000	-

Other than the above, there are no other contingencies or commitments.