Quarterly Activities Report Ending 30 June 2022

HIGHLIGHTS

Byro East Project

- **Maiden Airborne Electromagnetic survey (AEM) utilising the UTS Geophysics, VTEM MAXTM time-domain system has been completed at the Byro East Project.**
- **A total of 2395 line kilometres were flown during the AEM survey, covering 602 square kilometres of gneissic-mafic-ultramafic terrane perspective for Ni-Cu-PGE magmatic sulphide-related mineralisation (Julimar, Nova-Bollinger etc.).**
- **AEM data processing is underway, with several late-time conductors identified. Preliminary results are expected to be announced in the next week.**
- **The AEM survey targeted Ni-Cu-PGE-related massive sulphides over priority areas identified from the regional Ground Gravity, Regional Surface Geochemistry and Airborne Magnetic datasets collected during the quarter.**
- **Appointment of Matthew Freedman as Non-Executive Director.**
- **The Company remains well funded with $3.3 million as of 30 June 2022.**

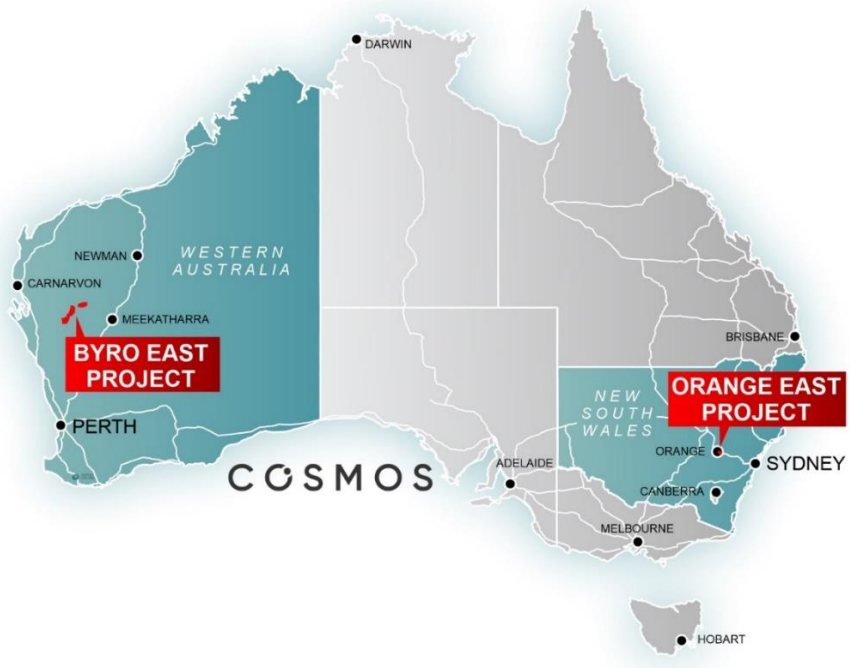


Figure 1 – Project Location Map

Cosmos Exploration (ASX: C1X) ("Cosmos" or "the Company") is pleased to announce its Quarterly Activities Report and Appendix 5B for the period ending 30 June 2022.

During the quarter, the Company gathered key regional ground gravity, surface geochemical and airborne magnetic/radiometric datasets over the central tenements reducing the search space for prospective Ni-Cu-PGE mafic host rocks in preparation for the AEM survey flown in June-July 2022.

Airborne Electromagnetic survey (AEM)

A 2395-line kilometre Airborne Electromagnetic (AEM) survey has been completed at the Byro East Project utilising the UTS (Geotech) VTEM Max™ system. The AEM survey covered 602 km2 of the central tenure, targeting bedrock conductors associated with massive Ni-Cu-PGE sulphides within mafic-ultramafic host rocks (Figure 2).

Early results are encouraging, with several late-time bedrock conductors identified in initial data. Preliminary results will be announced in the next 1-2 weeks once the remaining infill lines are processed.

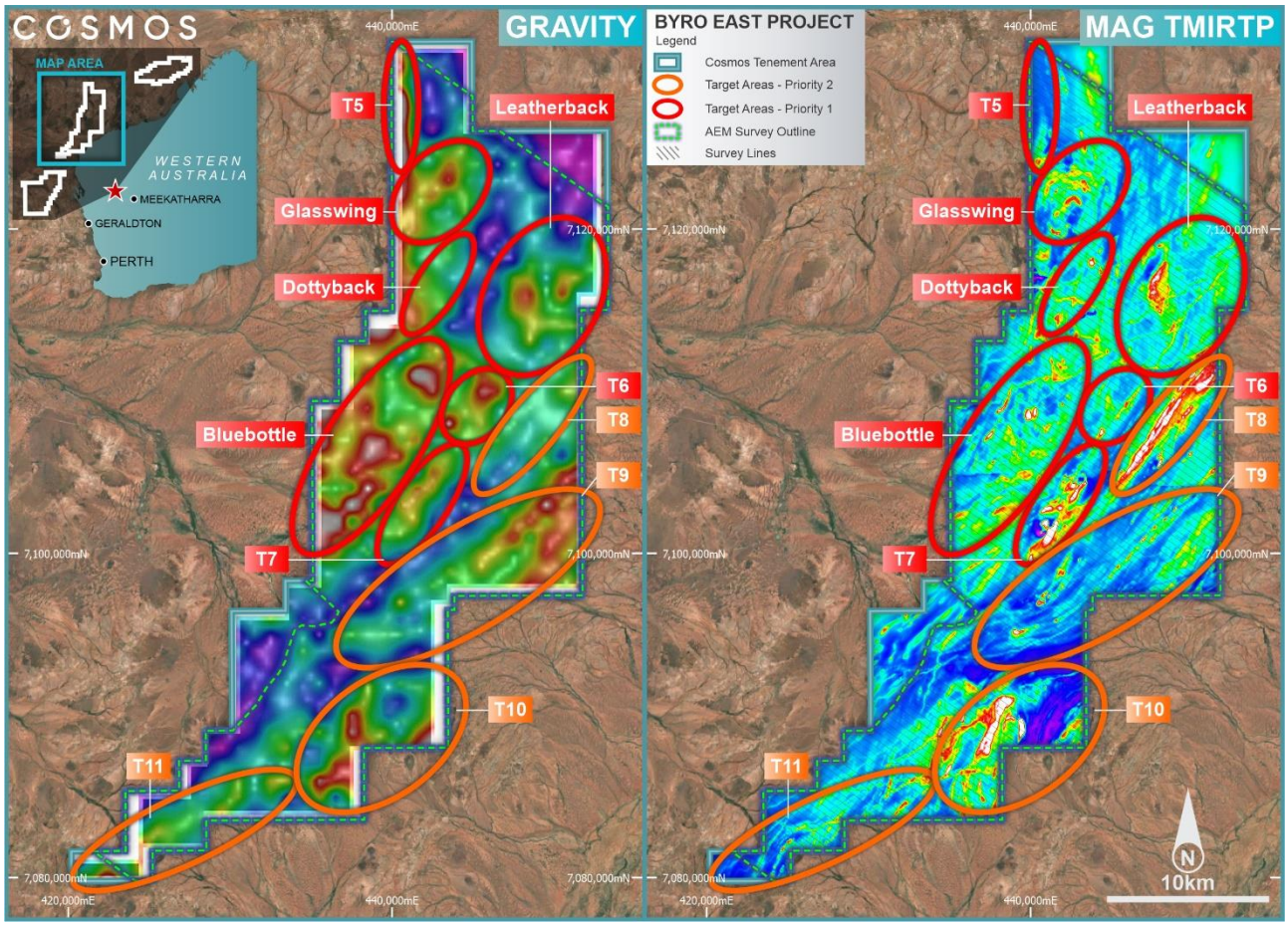


Figure 2 – AEM Survey Area, 400m spaced flight lines and Priority 1 & 2 Target Areas over Gravity and Magnetic Images

The AEM survey targeted Ni-Cu-PGE-related massive sulphides over priority areas identified from the regional Ground Gravity, Regional Surface Geochemistry and Airborne Magnetic datasets collected during the quarter.

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Flight lines were spaced at 400m and infilled to 200m over higher priority areas. An additional 454-line kilometres were flown to the planned 1941 line kilometres, infilling to 100m around late-time bedrock conductors identified in preliminary data. UTS will deliver the final levelled flight data in the next eight weeks. The survey was conducted from the end of June to the 16th of July.

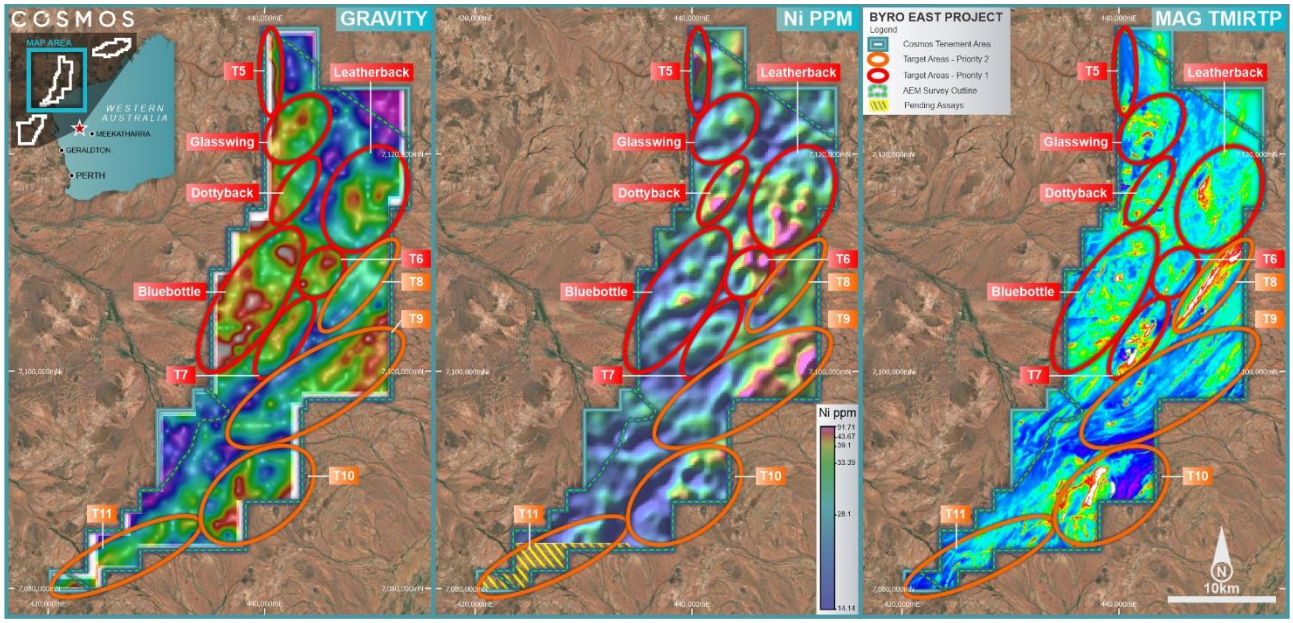


Figure 3 – AEM Survey Area and Priority Target Areas over Gravity, Gridded Ni and Magnetic Images

Gravity

From the 7th to the 13th of May 2022, 662 gravity stations were collected over the central four Byro East tenements to improve the poor resolution in the existing regional gravity data set from up to 28km2 to 1km2.

Gravity can be an effective geophysical tool in the Narryer terrane to screen large areas for sizeable bodies of the mafic and ultramafic host rock. Mafic rocks are generally denser than the surrounding granitic-gneiss and metasedimentary country rocks and, when incorporated into the country rock, commonly appear as gravity highs.

Concentric to oval-shaped gravity highs are particularly important as these features may represent intrusion-related layered mafics, pipes or feeder zones associated with Ni-Cu-PGE deposits (Figure 3 - Gravity).

Several oval-shaped and high-priority gravity features with supporting mafic lithogeochemistry have been identified at the Bluebottle, Leatherback and T6 targets (Figure 3). These, plus other Priority 1 and 2 targets identified in the newly acquired data, were the focus of the AEM survey.



Figure 4 – Atlas Geophysics, May 2022 Ground gravity survey (1km x 1km station spacing)

Regional Geochemistry

In April/May this year, Cosmos contracted sampling specialists XM logistics to collect 2905 surface geochemical samples on a 450m x 450m grid across the central tenements covering an area of 656km2. The primary aim of the survey was to quickly screen large areas for prospective mafic-ultramafic host rocks and associated Ni-Cu-PGE mineralisation. An additional 735 samples were collected on an 80m spaced grid over priority areas with assays still pending.

Assay results from the geochemical surveys have been encouraging, highlighting significant, widespread coincident Ni-Cr-Cu lithogeochemistry across the central tenement package. These findings indicate that mafic host rocks are far more prominent within the Byro East gneissic terrane than previously interpreted from GSWA 250k mapping (Figure 6), increasing the potential for the project to host magmatic sulphide deposits.

Geochemical sampling over areas of the deeper transported cover has largely been ineffective in detecting mafic/ultramafic host rocks; however, the recent AEM survey will be a valuable tool to gauge the depth of cover for any future follow-up work whilst screening for massive sulphide in these areas.

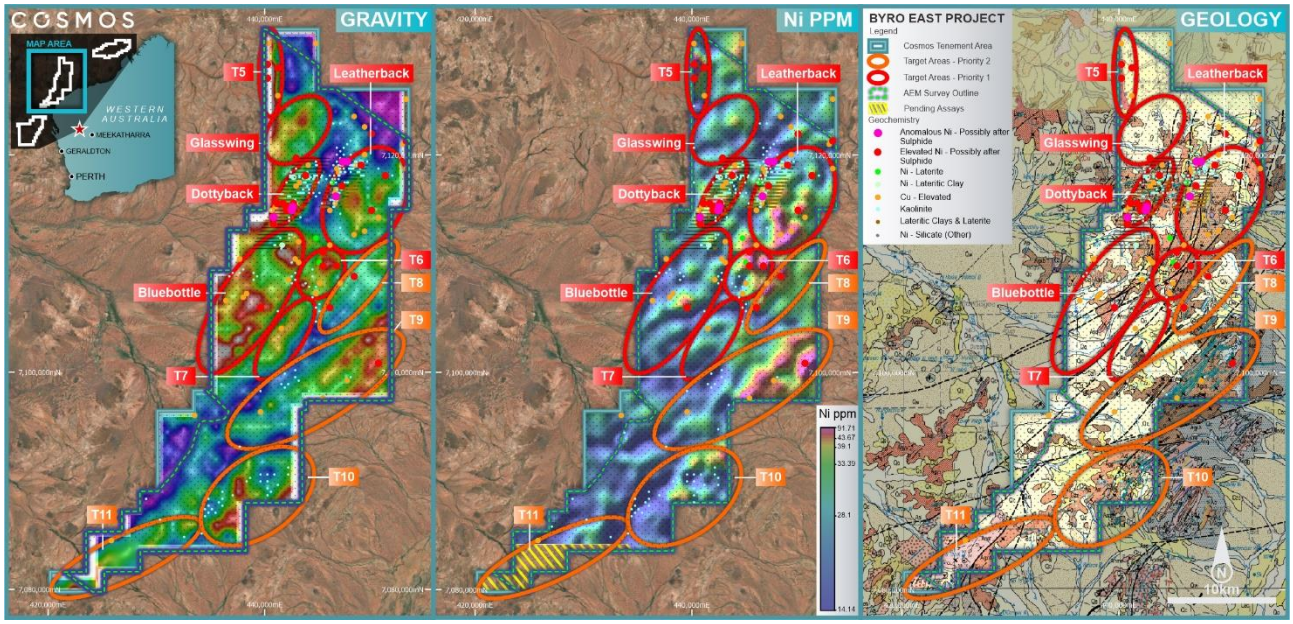


Figure 5 – Surface Geochemical (soil) locations highlighting samples with elevated Ni and Cu over Gravity, Gridded Ni and GSWA Byro 250k mapsheet.

Preliminary interpretation of the geochemical data has indicated that a portion of samples elevated in nickel is likely to have formed as nickel sulphide rather than nickel silicates or from being concentrated in laterites.

If this is proven to be accurate, this finding will be a significant step forward for the project, as it shows that mafic magmatic melts at these locations have undergone key sulphide forming processes essential for creating Ni-Cu-PGE sulphide deposits. The samples' locations are displayed in Figures 5 and 6, and interpretation is implied from Ni: Cr & Ni: Fe log plots in Appendix B.

To date, 5241 geochemical samples have been collected over the central tenements targeting Ni-Cu-PGE, gold and ionic clay REE's. Outstanding assay data is expected to be received in the next six weeks.

Cosmos will conduct further on-ground mapping and investigation of the geochemical anomalies in the coming months with additional infill sampling.



Figure 6 – Gridded IoGAS Element images (200m cell size) with locations of interpreted elevated Ni & Cu

Airborne Magnetic and Radiometric (AMAG/RAD) Survey

A detailed airborne magnetic and radiometric (AMAG/RAD) survey has been completed over Cosmos' Byro East Project (Figure 7). A total of 8427-line kilometres were flown for the survey at 100m spaced flight lines covering a large portion of the project with poor resolution.

The new dataset (Figures 2 and 3) will have a vital role in improving the structural understanding of the project and assist in ranking conductors identified in the AEM survey. Data collection for the survey ended on 8th of May 2022.

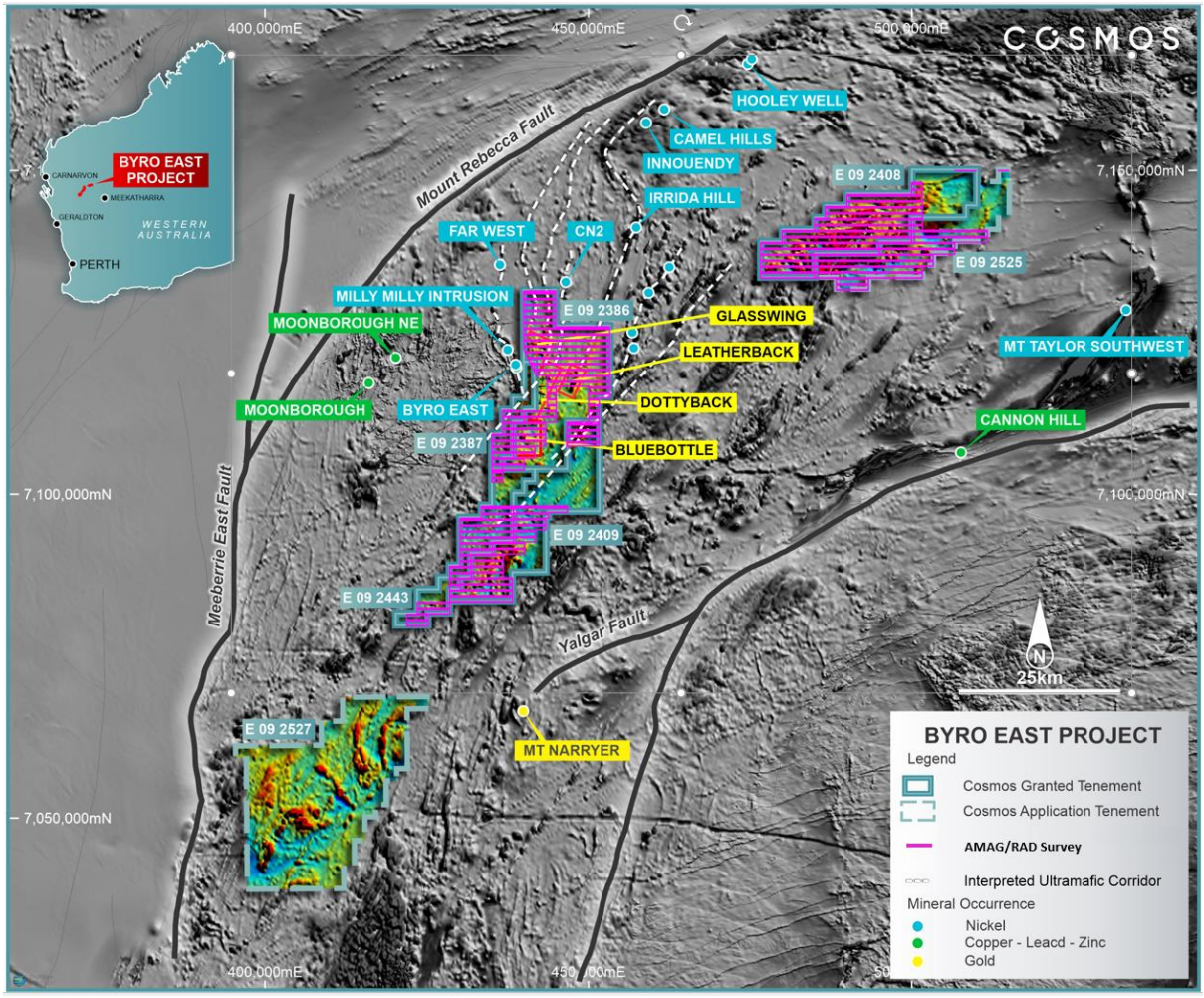


Figure 7 – Completed Airborne Magnetic and Radiometric (AMAG/RAD) survey area (pink) over regional magnetics

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Next Quarter Highlights

Activities planned for the September 2022 quarter include:

Byro East Ni-Cu-PGE Project (100% Cosmos)

- Pending the results of the VTEM survey and statutory approvals
  - Ground EM
  - Heritage Survey
  - Drilling
- Surface geochemical data review and infill sampling

Corporate

Director Appointment

On 2 May 2022, the Company announced the appointment of Mr Matthew Freedman as a Non-Executive Director following the resignation of Mr Andrew Denniss from the board due to external work commitments.

Mr Freedman has 14 years of experience in the mining and related services sector and is currently Executive Director of Dynamic Group Holdings Limited (ASX: DDB). Mr Freedman has previously spent time working for Rio Tinto Limited (ASX: RIO), Worley Limited (ASX: WOR) and Emeco Holdings Limited (ASX: EHL). Mr Freedman holds a Bachelor of Business Administration.

Cashflows for the Quarter

Attached to this report is the Appendix 5B containing the Company's cash flow statement for the quarter. The significant cashflows outflows relating to the quarter included $417,000 spent on exploration and evaluation expenditure. This was primarily associated with the costs relating to exploration activities at Byro East. $99,000 was spent on expenditure on administration and corporate costs of which $57,000 were payments made to related parties. These payments relate to the remuneration agreements for Executive and Non-Executive Directors.

Cash held by the Company at 30 June 2022 was $3.3 million.

Pursuant to ASX listing rule 4.7C.2, the Company advises the proposed use of funds contained in section 1.3 of Cosmos's Prospectus in comparison to the actual use of funds following admission of Cosmos to the official list of the ASX:

Use of Funds	Prospectus Amount (24 Months)	Actual to Date
Repayment of estimated expenses associated to the IPO to RareX	$100,000	$124,236
Payment to RareX as reimbursement of expenditure - Byro East Project tenements	$30,000	$30,000
Payment to RareX as reimbursement of expenditure - Orange East Project tenements	$50,000	$50,000
Exploration expenditure - Byro East Project	$2,476,300	$456,675
Exploration expenditure – Orange East Project	$767,500	$51,315
Directors' fees	$344,000	$84,879
General administration fees and working capital	$795,097	$351,289
Public Offer expenses	$437,103	$296,068
Total	**$5,000,000**	**$1,665,485**

The Company confirms that it expects to utilise the funds raised under its Prospectus in accordance with the use of funds statement and the key business objectives underlying the expected use of funds remain intact.

June Quarter - ASX Announcements

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

11 Jul 2022 – VTEM Commences Over Hugh Priority- Anomalies – Byro East
2 May 2022 – Director Appointment and Resignation
28 Apr 2022 – Quarterly Activities/Appendix 4B Cash Flow Report
26 Apr 2022 - Airborne Magnetic and Radiometric commences at Byro East
4 Apr 2022 – Strong Coincident Ni-Cu-PGE Anomaly identified at Dottyback

These announcements are available for viewing on the Company's website www.cosmosx.com.au. Cosmos confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

This announcement has been authorised by the Board of Cosmos Exploration Limited.

For further information please contact:

Jeremy Robinson
Executive Chairman

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jeremy@cosmosx.com.au

About Cosmos Exploration Limited

Cosmos Exploration (ASX: C1X) is an ASX listed and Australian focussed Nickel-Copper-PGE and Gold-Copper explorer focussed on making world class discoveries at both its highly prospective Byro East Nickel-Copper-PGE Project located in Western Australia and Orange East Gold Project located in New South Wales.

Byro East (100% Cosmos) was identified by RareX prior to the Julimar Discovery and has potential for mafic-ultramafic intrusion related nickel-copper and PGE mineralisation.

Orange East (75% Cosmos) is an advanced exploration project located on the boundary between the Molong Arc and Hill End Trough within the Lachlan Fold Belt, a major mineral province, within a similar geological setting and along strike from the multi-million-ounce McPhillamys Gold Mine.

Competent Person Statement

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

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

Information on historical results outlined in this announcement is contained in the Independent Geologist Report within Cosmos' Prospectus dated 20 September 2021, released in an ASX announcement on 29 November 2021.

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

Appendix A - Tenement Information

Tenement ID	Status	State	Location	Project Name	Area Km2	Interest at the beginning of the quarter - %	Interest acquired or disposed - %	Interest at the end of the quarter - %
E09/2386	Granted	WA	350km NE of Geraldton	Byro East	271.0	100	-	100
E09/2387	Granted	WA	345km NE of Geraldton	Byro East	40.0	100	-	100
E09/2408	Granted	WA	400km NE of Geraldton	Byro East	243.7	100	-	100
E09/2409	Granted	WA	334km NE of Geraldton	Byro East	225.4	100	-	100
E09/2443	Granted	WA	326km NE of Geraldton	Byro East	119.9	100	-	100
E09/2525	Application	WA	402km NE of Geraldton	Byro East	175.8	-	-	-
E09/2527	Application	WA	402km NE of Geraldton	Byro East	530.2	-	-	-
EL/8442	Granted	NSW	20km E of Orange	Orange East	40.0	75	-	75
E80/5763	Application	WA	265km SE of Halls Creek	Tanami West	632.2	-	-	-
E80/5764	Application	WA	295km SE of Halls Creek	Tanami West	637.7	-	-	-
E80/5765	Application	WA	285km SE of Halls Creek	Tanami West	641.5	-	-	-
E80/5766	Application	WA	260km SE of Halls Creek	Tanami West	417.6	-	-	-

Appendix B

Surface Geochemistry – Dottyback & Leatherback Propects

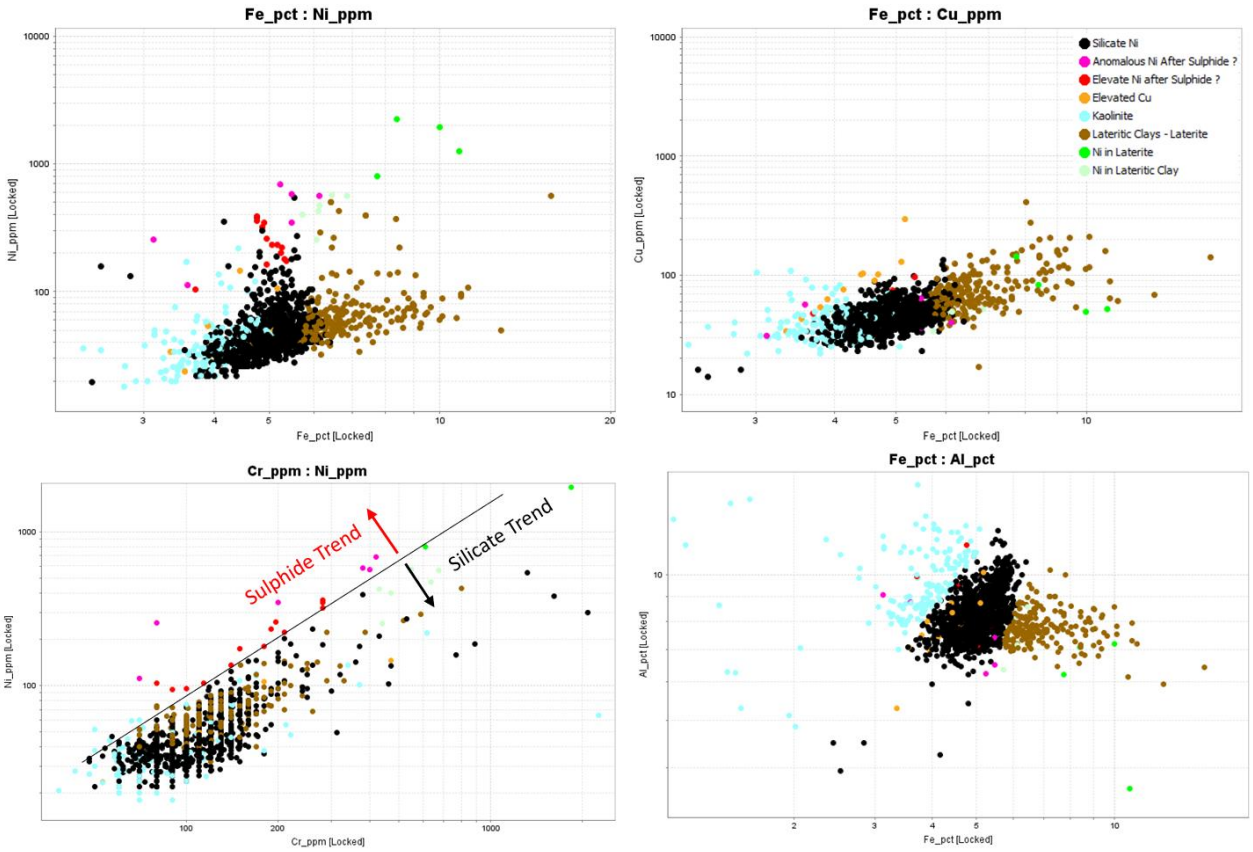


Figure 8. Interpretation of the Dottyback and Leatherback Prospects Surface Geochemistry Using Log plots for Al:Fe (Determine laterite-koalinite proportions), Ni:Cr (silicate Ni vs sulphide Ni), Ni/Cu : Fe (determine elevated Ni & Cu not in lateritic profile). 1601 samples were taken on a 320m x 80m grid with the -75um clay fraction assayed for multielements using a mixed acid digest and ICP-MS/AES finish.

Surface Geochemistry – Regional Samples

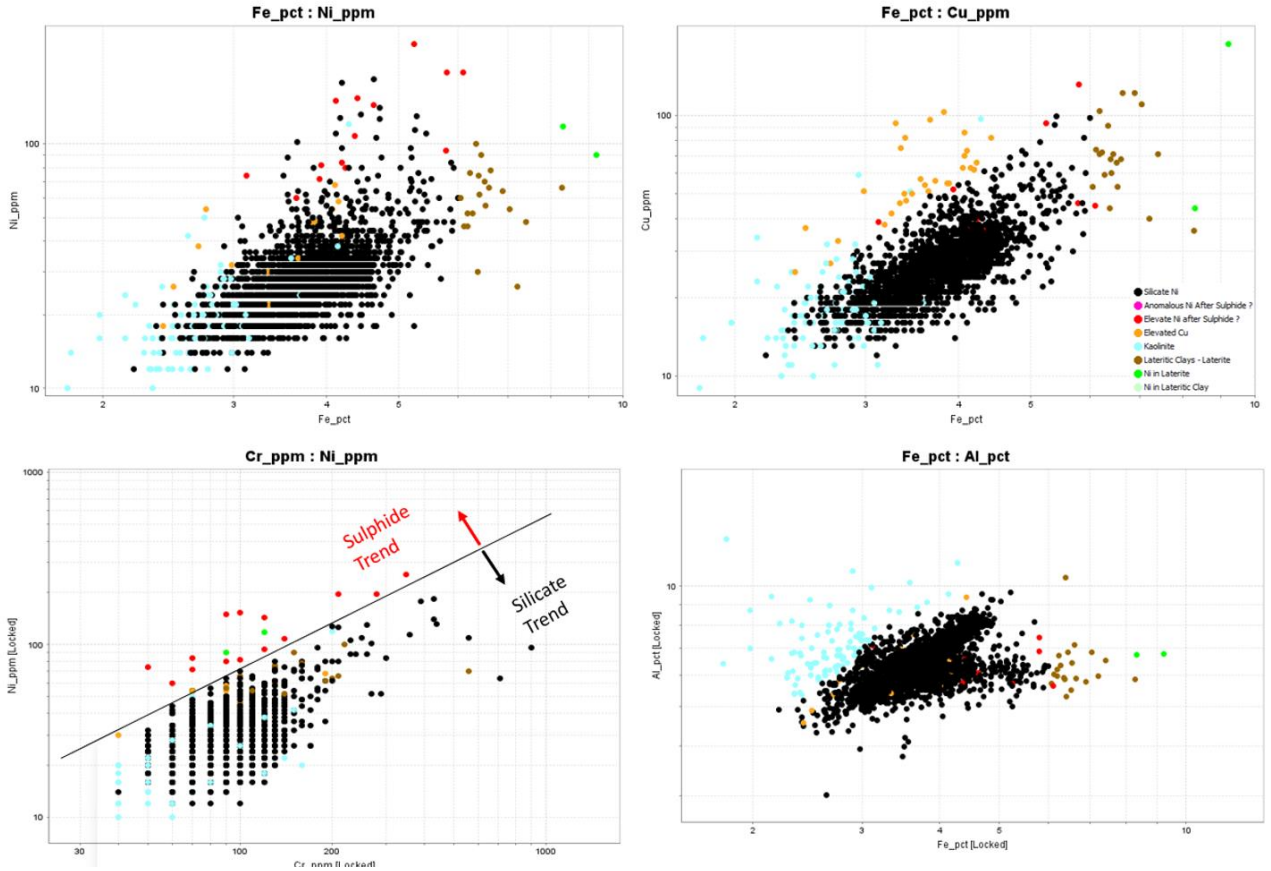


Figure 9. Interpretation of the Regional Soil Surface Geochemistry Using Log plots of Al:Fe (Determine laterite-koalinite proportions), Ni:Cr (silicate Ni vs sulphide Ni), Ni/Cu : Fe (determine elevated Ni & Cu not in lateritic profile). 2786 assays received to date of a total 2905 samples. Samples were taken on a 450m x 450m grid with the -180um fraction assayed for multielements using a mixed acid digest and ICP-MS/AES finish.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Cosmos Exploration Limited	
ABN	**Quarter ended ("current quarter")**
27 648 890 126	30 June 2022

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(417)	(693)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(43)	(92)
	(e) administration and corporate costs	(99)	(303)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(558)**	**(1,084)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	(113)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities – RareX Limited repayments	-	(236)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**(349)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(231)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**4,769**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,894	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(558)	(1,084)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(349)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,769

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,336**	**3,336**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	836	1,394
5.2	Call deposits	2,500	2,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,336**	**3,894**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	57
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(558)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(558)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,336
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,336
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	6

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: ...27 July 2022.....

Authorised by: ...Board of the Company.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.