



COSMO EXERCISES OPTION TO ACQUIRE KANOWNA GOLD PROJECT

HIGHLIGHTS

- Cosmo exercises option to acquire 100% of La Zarza Minerals Pty Ltd the holder of the Kanowna Gold Project (KGP) adjacent to Northern Star's Kanowna Belle Mine where +5.4Moz Au has been produced since 1993¹
 - >20 km² tenure in 12 contiguous Prospecting Licences with heritage agreements in place
 - Significant near-surface gold intercepts from historical drilling at KGP including²:
 - 44m @ 2.4g/t Au from 24m, incl. 18m @ 5.3 g/t Au from 18m (FVRC50)
 - 50m @ 1.2 g/t Au from 30m to End-of-Hole incl. 10m @ 4.7 g/t Au from 32m (FVRC052)
 - 12m @ 1.8 g/t Au from 135m (FVRC104)
 - Limited effective historical exploration with only 12 holes drilled deeper than 150m
 - Located 13km from Kalgoorlie with bitumen access and within trucking distance of multiple mills
 - Leveraged and low-cost transaction to acquire 100% of the KGP
 - To fund completion of the acquisition and exploration at KGP, Cosmo seeks to raise approximately \$2.1 million via a Single Tranche Placement and Accelerated Non-Renounceable Entitlement Offer
 - On-ground exploration to commence immediately with RC and air-core drilling planned following completion of the capital raising and acquisition in late March/ early April 2024
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Cosmo's Managing Director, James Merrillees commented:

"The execution of the option to acquire the Kanowna Gold Project (KGP) is an exciting opportunity for Cosmo Metals' shareholders. The potential at the KGP is compelling with proven gold mineralisation adjacent to the world-class Kanowna Belle deposit including headline drill intercepts of 18m @ 5.3 g/t Au and 10m @ 4.7 g/t Au.

The Company has identified widespread near-surface gold mineralisation at the KGP associated with structures analogous to the Fitzroy Fault, which controls mineralisation at Northern Star's adjacent +7Moz

¹ Refer CMO ASX Announcement 19 January 2024

² Refer NST ASX Announcement 24 May 2016

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Shares on Issue: 65,696,668
Market Cap: \$3.3M (at 5.0cps)

Kanowna Belle gold project. Drill-ready targets with this association have already been identified at Don Álvaro, Laguna Verde and WKL, along with broad supergene targets that have never been followed up.

The acquisition of the KGP complements the Company's existing base metals and lithium portfolio at Yamarna and is a low-cost entry into the prolific Eastern Goldfields adjacent to world-class projects with exceptional infrastructure.

With the help of our corporate advisors, we are in the process of securing the support of existing and incoming shareholders for a capital raising to complete the acquisition and fund drilling and exploration programs at the KGP."

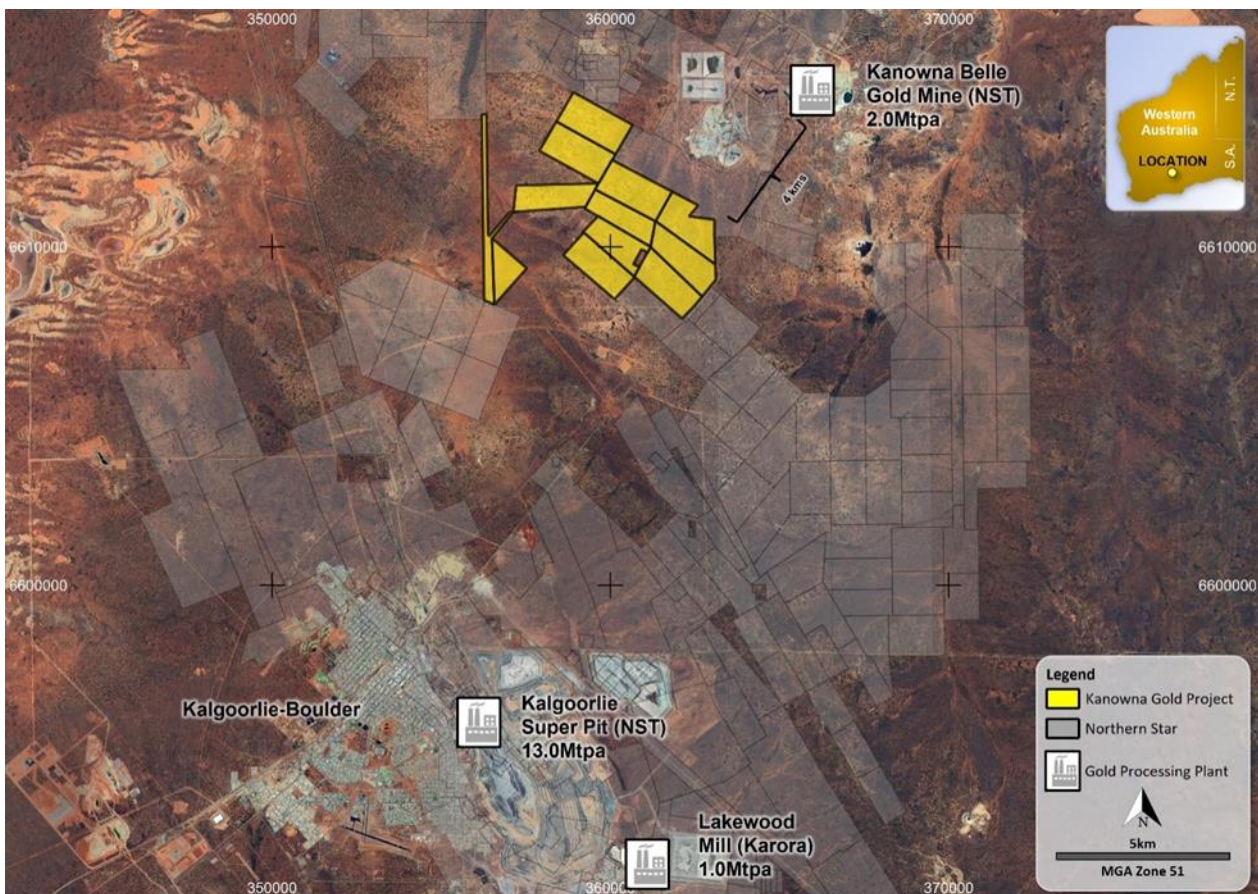


Figure 1: Kanowna Gold Project, Eastern Goldfields Western Australia.

Cosmo Metals Ltd (“Cosmo” or the “Company”) (ASX: CMO) is pleased to announce the exercise of its option to acquire 100% of the shares in La Zarza Minerals Pty Ltd (“La Zarza”), holder of 12 contiguous Prospecting Licenses that comprise the Kanowna Gold Project (“KGP” or the “Project”).

KANOWNA GOLD PROJECT

The KGP is 1km west of Northern Star Resources’ world class Kanowna Belle gold operations which has produced more than 5.4Moz of gold since 1993 and currently runs at an annual production rate of approximately 150koz. The 20km² KGP comprises 12 Prospecting Licenses 13km by sealed road east of Kalgoorlie in the Eastern Goldfields of Western Australia, one of the most prolifically well-endowed gold producing regions globally (refer Figures 1 & 2).

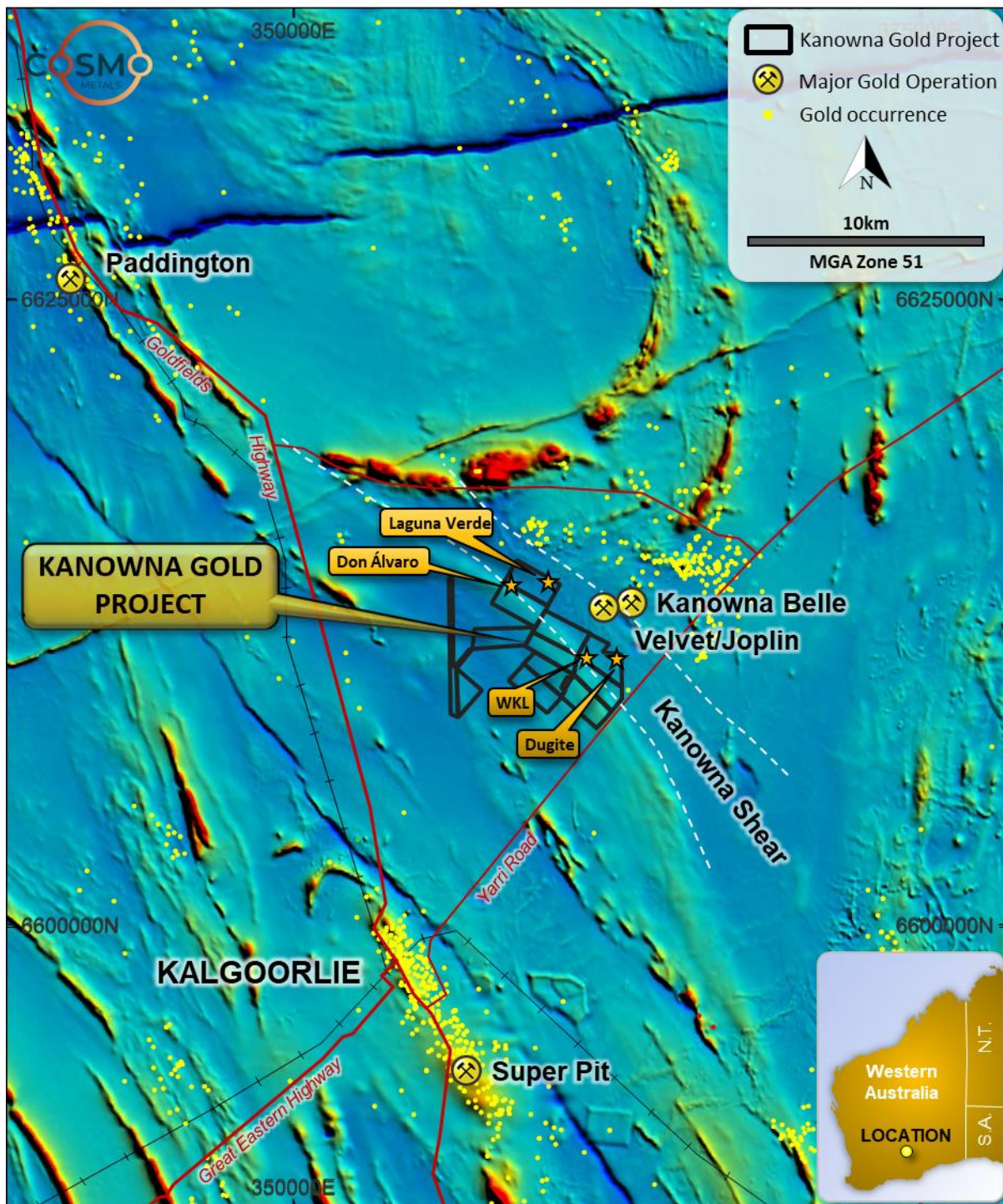


Figure 2: Kanowna Gold Project, Eastern Goldfields Western Australia on background magnetic image (RTP TMI).

Due diligence by Cosmo’s technical team has confirmed four high priority, drill ready prospects at Don Álvaro, Laguna Verde, Dugite and WKL on the basis of:

- 1) Widespread surficial and near-surface gold at WKL and Dugite;
- 2) High grade gold in historical drilling including intersections at Don Álvaro and Laguna Verde; and
- 3) The association of the prospects with NE-trending structures cutting the Kanowna Shear which bisects the KGP from NW to SE.



Additional targets include numerous shallow aircore anomalies which have not been followed up including an intersection of 2m @ 3.6g/t Au from 36m in aircore hole EVAC05160 drilled by Evolution Mining in 2019. EVAC05160 was drilled at the northeast end of a drill line and remains open along strike and at depth (refer Figure 3).

All targets have been lightly tested with less than 12 holes in the entire project area drilled deeper than 150m noting recent discoveries at Velvet and Joplin less than 2km to the east have been at >400m vertical depth and where Northern Star have announced intersections including³:

- 24.5m @ 30.6g/t
- 42.7m @ 13.4g/t
- 36.3m @ 13.7g/t
- 58.6m @ 3.3g/

Forward Plan

Completion of the La Zarza acquisition is subject to approval of Cosmo shareholders at a General Meeting to be scheduled in or around late March / early April 2024.

Following the completion of the acquisition, the Company expects to immediately commence exploration at the KGP to include up to 2,000m of RC drilling to test high-priority targets at Don Álvaro, Laguna Verde, WKL and Dugite.

Shallow auger drilling is also planned to cover zones where favourable NE-trending structures intersect supergene gold anomalies in the project area.

The Company also notes widespread pyrite has been reported in historical exploration at Don Álvaro and Laguna Verde. Pyrite is also associated with gold mineralisation at Northern Star's adjacent Velvet deposit and may represent a target for surface electrical geophysics (IP).

Agreement Terms

Further to Cosmo's ASX release of 19 January 2024, Cosmo has agreed to acquire 100% of the issued shares in La Zarza Minerals Pty Ltd (and effective ownership of the Kanowna Gold Project) (**Acquisition**) under a share purchase agreement on the following terms:

- **Share purchase:** Cosmo to acquire 100% of the issued shares in La Zarza free of encumbrances from the trust entities of prospectors Andrew Wood and Robbie Parr.
- **Consideration:** Total consideration of \$800,000, to be paid as follows:
- **Initial Cash Consideration:** \$100,000 cash (inclusive of the \$50,000 exclusivity fee) already paid on signing the agreement.
- **Completion Cash Consideration:** \$100,000 cash payable at completion of the sale and transfer of 100% of the La Zarza shares to the Company.
- **Script Consideration:** \$400,000 in Cosmo shares – 8,000,000 shares to be issued at a deemed issue price of \$0.05 per share. 50% of the shares will be subject to voluntary escrow restrictions for a period of 6 (six) months.
- **Deferred Cash Consideration:** \$200,000 cash payable in 6 (six) months of the date of the agreement.
- **Royalty:** Grant of 0.5% net smelter royalty to the vendors over gold won from the Project tenements.

³ Refer NST ASX Announcement 24 May 2016



- **Condition to issue of scrip consideration:** The issue of the consideration shares is subject to the approval of Cosmo's shareholders for the purposes of ASX listing rule 7.1 by 30 April 2024.
- **Warranties:** The vendors of La Zarza warrant that La Zarza is the holder of the tenements comprising the Kanowna Gold Project and the tenements are in good standing.
- **Drilling commitment:** Cosmo agrees to conduct a minimum 2,000m RC or diamond drill program in the first six months from completion of the Acquisition.

Capital Raising

The Company seeks to raise approximately \$2.1 million by way of a Single Tranche Placement and Accelerated Non-Renounceable Entitlement Offer ("ANREO" or "Entitlement Offer")(Collectively the "Offer" or "Capital Raising").

Placement

Single Tranche placement to raise \$356,000 (before costs) via the issue of 8.9 million New Shares under the Company's existing placement capacity under ASX Listing Rule 7.1 at an offer price of \$0.040 per New Share ("Offer Price").

Entitlement Offer

Two (2) for three (3) offer of ~43.8 million New Shares at the Offer Price pursuant to an ANREO to raise proceeds of ~\$1.75 million comprising:

- An accelerated institutional entitlement offer of ~16.7 million shares to raise ~\$666,667 which includes a bookbuild offering of New Shares not taken up by eligible securityholders under the Institutional Entitlement Offer; and
- An underwritten non-renounceable retail entitlement offer of ~27.1 million to raise ~\$1.09 million from existing eligible retail shareholders with a registered address in Australia or New Zealand or who is a shareholder that the Company has otherwise determined is eligible to participate in the retail entitlement offer on the Record Date of Wednesday, 21 February 2024.

Please refer to the Prospectus dated 19 February 2024 for additional information on the Capital Raising.

This announcement is authorised for release to the ASX by the Board of Cosmo Metals Ltd.

For further information please contact:


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About Cosmo Metals Ltd

Cosmo Metals Ltd (Cosmo; ASX: CMO) is an ASX-listed, gold and base metals exploration company with key projects located in Western Australia.

In early CY 2024, Cosmo announced the intention to acquire the Kanowna Gold Project (KGP) located adjacent to the 7 million ounce Au Kanowna Belle gold mine some 13km northeast of Kalgoorlie.

Cosmo is also active in the underexplored Yamarna Belt in the Eastern Goldfields region which is considered highly prospective for copper-nickel-cobalt (Cu-Ni-Co) and platinum group elements (PGE).

Cosmo's activities are supported by a well-regarded technical team who are advancing exploration on multiple fronts to unlock the potential of both the KGP and Yamarna Projects.



Compliance Statement

The information in this announcement that relates to Exploration Results for the Kanowna Gold Project is contained in the Company's announcement to ASX released 17 January 2024 'Kanowna Gold Project Acquisition'. The Company confirms that it is not aware of any new information or data that materially affects the information included in its previous announcement.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Cosmo's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Cosmo believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.