
3D RESOURCES LIMITED

ACN 120 973 775

NOTICE OF GENERAL MEETING

TIME: 11:00am

DATE: Monday, 21 December 2020

PLACE: DW Accounting & Advisory, Level 4, 91 William Street, Melbourne VIC 3000

Due to the ongoing COVID-19 pandemic, Shareholders are asked to avoid attending the meeting in person.

Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications to the *Corporations Act 2001* (Cth) and the *Corporations Regulations 2001* under the *Corporations (Coronavirus Economic Response) Determination (no.3) 2020*, no hard copy of the Notice of General Meeting and Explanatory Statement will be circulated. The Notice of Meeting has been given to those entitled to receive by it by one or more technologies. The Notice of Meeting is also available on the Australian Securities Exchange Market Announcements platform and on the Company's website at www.3DResources.com.au.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 3) 8611 5333.

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IMPORTANT INFORMATION

VENUE OF MEETING

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at DW Accounting & Advisory, Level 4, 91 William Street, Melbourne VIC 3000 on Monday, 21 December 2020 at 11:00am.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 11:00am (AEDT) on 19 December 2020.

VOTING IN PERSON

Due to the ongoing COVID-19 pandemic, Shareholders are to avoid attending the meeting in person. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions below.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to 3D Resources Limited, PO Box 253 Collins Street West VIC 8007; or
- email to the Company Secretary at adraffin@dwaccounting.com.au,

so that it is received not later than 11:00am (AEDT) on 19 December 2020.

Proxy Forms received later than this time will be invalid.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO DISPOSE OF COSMO GOLD PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 11.4.1(b) and for all other purposes, approval is given for:

- (i) the spin out and proposed ASX listing of Cosmo Gold Pty Ltd ("Cosmo Gold"), a subsidiary entity of the Company; and
- (ii) the Company to issue up to 6,000,000 Cosmo Gold Shares at an issue price of not less than \$0.10 per Cosmo Gold Share, the proceeds from which are to be used to repay the Company for costs incurred in relation to the Cosmo Newbery Gold Project and for the working capital of Cosmo Gold,

on the terms and conditions set out in the Explanatory Statement."

2. RESOLUTION 2 – APPROVAL FOR A REDUCTION OF CAPITAL AND IN-SPECIE DISTRIBUTION OF COSMO GOLD SHARES

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purposes of sections 256B and 256C of the Corporations Act and for all other purposes, the issued share capital of the Company be reduced by the Company making a pro-rata distribution in specie of Cosmo Gold Shares to all holders of ordinary shares in the Company at the Record Date, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

3. RESOLUTIONS 3(A)-3(D) – RATIFICATION OF PRIOR ISSUES OF SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following Resolutions as **ordinary resolutions**:

"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the following past issues of securities:

- (a) 128,900,000 fully paid ordinary shares issued on 11 May 2020 under a placement to professional and sophisticated investors, to fund the acquisition of the Adelong gold project, exploration and working capital, at an issue price of \$0.00125 per share;
- (b) 57,500,000 options to acquire fully paid ordinary shares issued on 24 July 2020 as part consideration for services provided to the Company;
- (c) 15,000,000 options to acquire fully paid ordinary shares issued on 2 September 2020 as consideration for services provided to the Company; and

(d) 122,500,000 options to acquire fully paid ordinary shares issued on 2 September 2020 as free attaching options to professional and sophisticated participants in a placement,

on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

VOTING EXCLUSIONS

The Company will disregard any votes cast in favour of the resolution (as set out in the table below) by or on behalf of:

- the named person or class of persons excluded from voting (as set out in the table below); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution	The named person or class of persons excluded from voting
1 – Approval to Dispose of Cosmo Gold Pty Ltd	the acquirer of the asset and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity).
3(A)-(D) – Ratification of Prior Issues of Securities	a person who participated in the issue (as set out in the Explanatory Memorandum).

DATED: 20 November 2020

BY ORDER OF THE BOARD



MR ANDREW DRAFFIN
3D RESOURCES LIMITED
COMPANY SECRETARY

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting of 3D Resources Limited (**3D Resources** or **Company**) to be held at DW Accounting & Advisory, Level 4, 91 William Street, Melbourne VIC 3000 on 21 December 2020 at 11:00 am.

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. BACKGROUND

1.1 Summary of this document

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 1:	Background
Section 2:	Resolutions 1 and 2 – Approval for the disposal of a major asset and reduction of capital and in-specie distribution of Cosmo Gold Shares
Section 3:	Resolution 3 – Ratification of Prior Issues of Securities
Section 4:	Enquiries
Section 5:	Definitions
Schedule 1:	Pro-forma Consolidated Statement of Financial Position – Company
Schedule 2:	Pro-forma Consolidated Statement of Financial Position – Cosmo Gold
Schedule 3:	Key risk factors facing Cosmo Gold
Schedule 4:	Tenement Schedule

A Proxy Form is located at the end of the Explanatory Memorandum.

1.2 Purpose of this document

The main purpose of this document is to:

- (a) explain the terms of the proposed Spin-out and In-specie Distribution (together, the **Transaction**), and the manner in which the Transaction (or parts of the Transaction) will be implemented (if approved); and
- (b) to provide such information as is prescribed or otherwise material to the decision of Shareholders whether or not to approve the Resolutions required to give effect to the Transaction.

This document includes a statement of all the information known to the Company that is material to Shareholders in deciding how to vote on Resolution 2, as required by section 256C(4) of the Corporations Act.

This document also seeks to obtain Shareholder approval for prior issues of securities by the Company, as set out in Section 3.

1.3 ASIC and ASX

This Notice of Meeting and Explanatory Memorandum has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this document.

1.4 Other legal requirements

Under applicable ASIC guidelines the invitation to Shareholders to vote on Resolution 2 constitutes an "offer" to transfer Cosmo Shares to Shareholders pursuant to the In-specie Distribution under Chapter 6D of the Corporations Act and a prospectus is required unless an exemption applies or ASIC provides relief.

The Company has obtained relief from ASIC from Chapter 6D of the Corporations Act to enable the Company to undertake an equal reduction of capital and the In-specie Distribution to Shareholders, without the need to comply with the offer disclosure provisions set out in that Chapter. Further, the Company has also obtained relief from ASIC from the secondary sale provisions of the Corporations Act to allow Shareholders to on-sell the Cosmo Shares transferred under the In-Specie Distribution. As such, no prospectus is required to be prepared and lodged by the Company in respect of the In-specie Distribution. In accordance with the relief, the Company confirms this Notice is in substantially the same form as the draft notice of meeting provided to ASIC on 21 October 2020.

There is no information known to the Company that is material to the decision by a Shareholder on how to vote on Resolution 2 other than as disclosed in this Notice and Explanatory Memorandum and information that the Company has previously disclosed to Shareholders. Shareholders should note that this Notice and Explanatory Memorandum is not a prospectus lodged under Chapter 6D of the Corporations Act.

1.5 Forward looking statements

Some of the statements appearing in this document may be in the nature of forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and similar expressions are intended to identify forward-looking statements. Indications of guidance on future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties, many of which are outside the Company's control. Those risks and uncertainties include factors and risks specific to the Company and Cosmo Gold such as (without limitation) the status of exploration and mining applications and licences and the risks associated with the non-grant or expiry of those applications and licences, liquidity risk, risks associated with the exploration or developmental stage of projects, funding risks, operational risks, changes to Government fiscal, monetary and regulatory policies, the impact of actions of Governments, the potential difficulties in enforcing agreements, protecting assets, increases in costs of transportation and shipping of international operations, alterations to resource estimates and the imprecise nature of resource and reserve statements, any circumstances adversely affecting areas in which the Company operates, fluctuations in the production, volume and price of commodities, any imposition of significant obligations under environmental regulations, fluctuations in exchange rates, the fluctuating industry and commodity cycles, the impact of inflation on operating and development costs, taxation, regulatory issues and

changes in law and accounting policies, the adverse impact of wars, terrorism, political, economic or natural disasters, the impact of changes to interest rates, loss of key personnel and delays in obtaining or inability to obtain any necessary Government and regulatory approvals, insurance and occupational health and safety. For more information on the risk factors facing Cosmo Gold, please refer to Schedule 3.

Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and such deviations are both normal and to be expected.

None of the Company, Cosmo Gold, any of their respective officers or any person named in this document or involved in the preparation of this document make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on those statements.

The forward-looking statements in this document reflect views held only as at the date of this document.

1.6 No financial Product advice

This document does not constitute financial product, taxation or investment advice nor a recommendation in respect of the Cosmo Gold Shares. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Before deciding how to vote or act, Shareholders should consider the appropriateness of the information, having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their circumstances.

Neither the Company nor Cosmo Gold is licensed to provide financial product advice. No cooling-off regime applies in respect of the acquisition of Cosmo Gold Shares under the In-specie Distribution (whether the regime is provided for by law or otherwise).

1.7 No internet site is part of this document

No internet site is part of this Notice of Meeting and Explanatory Memorandum. The Company maintains an internet site (www.3DResources.com.au). Any reference in this document to this internet site is a textual reference only and does not form part of this document.

1.8 Key dates

Event	Date
General Meeting to approve the In-specie Distribution of Cosmo Gold Shares	21 December 2020
ASX informed of Shareholder approval	
Cosmo Gold lodges prospectus with ASIC	18 January 2021
Priority Offer Record Date	5:00pm on 21 January 2021
Priority Offer Opening Date	25 January 2021

Event	Date
Public Offer Opening Date	25 January 2021
Priority Offer Closing Date	22 February 2021
Public Offer Closing Date	22 February 2021
Record Date for In-specie Distribution	5:00pm on 26 February 2021
In-specie Distribution to Shareholders of Cosmo Gold Shares Completed	1 March 2021
Allotment and issue of Shares under the Priority Offer	1 March 2021
Allotment and issue of Shares under the Public Offer	1 March 2021
Dispatch of holding statements for In-specie Distribution	2 March 2021
Cosmo Gold Shares commence trading on ASX	5 March 2021

These dates are indicative only and may change without notice. Refer to Section 2.4 for further details.

2. RESOLUTIONS 1 AND 2 – APPROVAL FOR DISPOSAL OF COSMO GOLD PTY LTD AND A REDUCTION OF CAPITAL AND IN-SPECIE DISTRIBUTION OF COSMO GOLD SHARES

2.1 Summary

On 27 August 2020, the Company announced its intention to seek shareholder approval for an initial public offering of its wholly owned subsidiary, Cosmo Gold Pty Ltd (**Cosmo Gold**), that holds all of its interests in the Cosmo Newbery Gold Project. Cosmo Gold proposes to undertake this initial public offering and seek admission to ASX (**Cosmo IPO**) (**Spin-out**). A successful Cosmo IPO would allow Cosmo Gold to separately fund the Cosmo Newbery Gold Project, which comprises the Tenements set out in Schedule 4, and enable the Company to focus on its short term goal of recommencing production at the Adelong Goldfield in Southern New South Wales.

The Company has mandated RM Corporate Finance Pty Ltd (**RM Corporate**) to act as lead manager and underwriter to the Cosmo IPO, with the underwriting being subject to execution of a formal underwriting agreement on terms to be agreed (see Section 2.13 for further details).

Under Listing Rules 11.4 and 11.4.1, a listed company can only spin out a major asset if:

- (a) the securities in the spin-out vehicle (other than those being retained by the company itself) are being offered, issued or transferred pro rata to the holders of the ordinary shares in the company, or in another way that, in ASX's opinion, is fair in all the circumstances; or
- (b) the company's shareholders approve the spin out.

The Cosmo IPO is regarded as a spin-out of a major asset for these purposes. Whilst the Company proposes to transfer all of its shares in Cosmo Gold to the Company's

shareholders (**Shareholders**), the Company proposes to obtain Shareholder approval to approve the transaction under paragraph (b) above.

Resolution 1 seeks the required Shareholder approval to the Cosmo IPO under and for the purposes of Listing Rule 11.4.1(b).

If Resolution 1 is passed, the Company will be able to proceed with the Cosmo IPO, which would result in two distinct companies:

- (a) 3D Resources, with its existing Board and management team focussed on production at the Adelong Goldfield; and
- (b) Cosmo Gold, holding the Cosmo Newbery Gold Project assets as a gold-exploration focussed company.

If Resolution 1 is not passed, the Company will not be able to proceed with the Cosmo IPO and will continue to directly pursue the Cosmo Newbery Gold Project.

2.2 Background and Overview of the Transaction

The purpose of the Meeting is for the Company to convene a meeting of its Shareholders to approve the proposed Cosmo IPO subject to obtaining any regulatory approvals required, and for the Company to conduct a capital reduction and an in-specie distribution of all of the Cosmo Gold Shares held by it to Shareholders on a pro rata basis (**In-specie Distribution**).

Cosmo Gold will shortly lodge a Prospectus with ASIC in accordance with section 710 of the Corporations Act. The Prospectus will contain an offer by Cosmo Gold to raise at least \$5,000,000 (**Minimum Subscription**) and up to \$6,000,000 (**Maximum Subscription**) before costs, through the issue of at least 25,000,000 and up to 30,000,000 Cosmo Gold Shares under the Public Offer, which includes the Priority Offer. The conditions of the Public Offer and the Priority Offer are set out below.

An application for admission of the Cosmo Gold Shares to quotation on the ASX will be made to ASX within 7 days after the date of the Prospectus, however, the Company's Shareholders must note that the Cosmo Gold Shares will not commence trading unless the conditions to the Public Offer are satisfied. Shareholders should note that there is no guarantee that the conditions will be satisfied, and even if these conditions are satisfied, there is no guarantee that the Cosmo Gold Shares will commence quotation on the ASX. For further information, see the risk in Schedule 3.

Cosmo Gold currently holds the Cosmo Newbery Gold Project that is comprised by the Tenements. As consideration for the transfer of the Cosmo Newbery Gold Project by the Company to Cosmo Gold, Cosmo Gold will pay the Company a total of \$750,000 as the repayment of an existing loan relating to costs incurred in relation to the Cosmo Newbery Gold Project. This amount will be paid as follows:

- (a) \$500,000 from the funds raised under the Seed Raising; and
- (b) \$250,000 from the funds raised under the Public Offer for the Cosmo IPO.

The current structure corporate structure of the Company is as below:

Figure 1. Current structure



Further information on Cosmo Gold, and the Cosmo Gold Shares, will be available in the Prospectus.

The Public Offer is subject to the satisfaction of the following conditions: the Company obtaining Shareholder approval for the In-specie Distribution;

- (c) the conditions precedent to the Transaction Implementation Deed being satisfied or waived;
- (d) the Company raising not less than \$5,000,000 (before costs) under the Public Offer; and
- (e) ASX granting in-principle approval to admit Cosmo Gold to the Official List on conditions which are satisfactory to the Directors, acting reasonably.

The In-specie Distribution will only proceed if conditions are met or waived (together, the **In-specie Conditions**), including the following:

- (a) the Company obtaining Shareholder approval for the purposes of the Corporations Act for the proposed In-specie Distribution;
- (b) Cosmo Gold receiving valid applications for not less than \$5,000,000 under the Public Offer;
- (c) Cosmo Gold obtaining a conditional admission letter from ASX on terms satisfactory to the Cosmo Gold directors, acting reasonably.

Should the In-specie Conditions be satisfied or waived, the In-specie Distribution will be effected by an equal reduction of 3D Resources capital on a pro rata basis. The Company's Shareholders will receive an in specie return of capital by way of the distribution of Cosmo Gold Shares in proportion to the number of the Company's Shares held by them at the Record Date. 3D Resources Shareholders will thereby retain direct ownership of the Company and will also receive direct ownership of Cosmo Gold.

The In-specie Distribution will result in some of the Company's Shareholders holding:

- (a) less than a marketable parcel of Cosmo Gold Shares (being a shareholding valued at less than \$500); and
- (b) less than \$2,000 worth of Cosmo Gold Shares (meaning that this Shareholders' shareholding will not be included as part of Cosmo's spread.

Further information regarding the ability of these Company Shareholders to subscribe for further Cosmo Gold Shares as part of the Priority Offer is set out at Section 2.9.

On 20 October 2020, ASIC published in its Gazette that Cosmo Gold would change its company type from a proprietary company limited by shares to a public company limited by shares. This change of company type will take effect on 20 November 2020, being one month after the date of the Gazette.

The Company's primary purposes in undertaking the Transaction are as follows:

- (a) to allow Cosmo Gold to fund the Cosmo Newbery Gold Project separately and enable the Company to focus on its short term goal of recommencing production at the Adelong Goldfield in Southern New South Wales. This will then allow the Company to dedicate its efforts to the Adelong gold project and, in doing so, remove the internal competition for valuable capital;
- (b) provide Shareholders with the opportunity to directly participate in the development of the Cosmo Newbery Gold Project, whilst maintaining their investment exposure to the Adelong gold project;
- (c) drive superior value for shareholders in both entities;
- (d) enable both Cosmo Gold and the Company to undertake more targeted marketing to investors as both companies will have a clear and more easily understood investment proposition; and
- (e) allow for the Company and Cosmo Gold to have independent administrative staff, reducing the associated costs borne by the Company in maintaining operations away from its Victorian base.

In the event that:

- (a) Resolutions 1 and 2 are passed;
- (b) the Company proceeds with the Spin-out; and
- (c) the In-specie Conditions are satisfied,

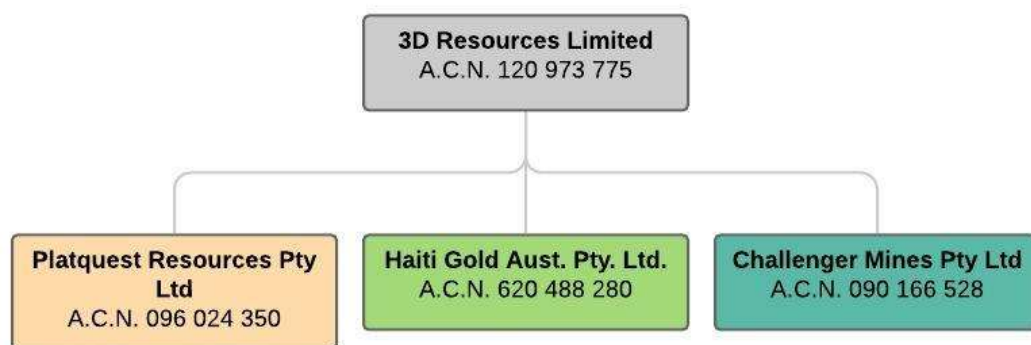
the Company and Cosmo Gold will have the following structure:

Figure 2. Structure post Transaction

Cosmo Gold structure:

Following the Transaction, Cosmo Gold will be the only entity within its group, as Cosmo Gold does not have any subsidiaries and will not have a parent company.

Company structure after the In-specie Distribution:



Should the In-specie Distribution not proceed as a result of the non-satisfaction of the In-specie Conditions, providing Resolution 1 is approved and the Conditions (other than the In-specie Conditions) are met, then the Company may still proceed with the Spin-out.

If the Spin-out does not proceed, the Company will then continue to focus its resources on developing all of its projects. The Company may need to raise further capital or source other funding to continue the development of its assets. Informal discussions have occurred in respect of the Cosmo Gold assets over the last year involving possible joint ventures, which would be an option open to the Company to further advance the Tenements should the Transaction not proceed. However, the Board considers that the Cosmo Newbery Gold Project is of more value if retained as a whole unit by a single entity, rather than being divested on a project by project basis. Accordingly, the Board intends for the Cosmo Newbery Gold Project to be owned 100% by Cosmo Gold on an unencumbered basis.

2.3 Plans for the Company and Cosmo Gold following completion of the Transaction

(a) Plans for the Company

The Company is a minerals explorer targeting high value commodities (gold, copper, lead, zinc and nickel) across Australia with a particular focus on Gold and owns the Adelong Goldfield in New South Wales (NSW).

In May 2020, the Company took control of the Adelong Gold Project which covers 70km², comprising the old Adelong Goldfield situated in Southern NSW located approximately 20km from Tumut and 80km from Gundagai. The project now carries a JORC (2012) Resource following the Resource upgrade in August 2020 of 180,600 oz of gold and 17 freehold properties with all mining and processing plant equipment onsite. Until recently, Adelong was a producing mine.

Work on the Adelong Gold Project continues towards the objective of a concise development plan by the end of 2020 and recommencement of production as soon as possible.

On 12 October 2020 the Company announced that it has entered an agreement to sell its 80% interest in the Halls Creek Copper project to joint venture partner Cazaly Resources Limited (ASX: CAZ) (**Cazaly**). The Sales Agreement with Cazaly which is subject to Conditions Precedent including:

- Receipt of Consent to the transfer from the Minister of Mines within 60 days;
- Cazaly assuming the obligations of the Company in respect to any royalties within 60 days; and
- the Company receiving all approvals (if any) required to sell its interest in the project within 60 days.

(b) Plans for Cosmo Gold

The Cosmo gold project is located around the Cosmo Newbery aboriginal community located ~90km north-east of Laverton in Western Australia. Due mainly to access restrictions, and with the exception of restricted reconnaissance sampling in 2017, the project tenements have been unexplored since 2002. Recent developments have allowed the Company to commence negotiation of required Access Agreements with the Waturta and combined Yilka and Sullivan/Edwards Native Title parties to allow ground-based exploration work.

The project tenements cover the entire interpreted ~50km long by 3-11km wide Cosmo greenstone belt and its extensions which is one of the last significantly underexplored greenstone belts in the Yilgarn Craton. The Cosmo greenstone belt is traversed by the regional NNW trending Sefton Shear Zone and other major margin faults. The belt has analogous geological and structural features to the Mt Venn (~60km long by 10km wide), Yamarna (250km long by 3 – 30km wide) and poorly exposed Dorothy Hills (90km long by 3 – 10km wide) greenstone belts to the east where significant exploration and mining activity is occurring. The Dorothy Hills belt includes the major Gruyere gold deposit (5.79 Mill Ounce Resource / 3.41 Mill Ounce Reserve - ASX 12 February 2020) commissioned by Gold Road Resources (ASX:GOR) in June 2019.

Historic gold workings are located within outcrop areas immediately north of the Cosmo Newbery Community. The majority of the Cosmo greenstone belt (~75%) is obscured by colluvium and sand cover which has restricted previous exploration work. This substantially unexplored and covered project represents considerable exploration opportunity using systematic first pass modern targeting and geochemistry methods. Ongoing integration and understanding of local and regional mineralisation controls using all geoscientific data with suitable regional geochemical surveys and expert interpretation is required to delineate drill targets. The Company has completed comprehensive data compilation and reviews by expert consultants. Future targets, surveys and strategy are planned and prioritized and high-level exploration work plans with costings prepared for rapid implementation once field access is allowed.

Initially the historic workings area is considered of secondary priority to the regional and covered areas. A high-level in principal Year 1 exploration work plan, based on development of local and regional mineralisation controls and a project wide geochemical approach is shown is proposed including heritage surveys, geological mapping, soil traverses and geochemistry and submission of work programs for proposed drilling in Year 2. The use of geoscience contractors is envisaged for completion of most field work. The Work Plans, which exclude access costs, are high level in principal only and subject to refinement once proper access and on ground work is possible.

Table 1: Initial Exploration Work Plan**Initial Exploration Work Plan – Year 1**

Task	Budget* \$5mill MIN	Budget \$6mill MAX	Program and Objective
Tenement Rate and Rents	\$90,000	\$90,000	For all tenements granted
Reconnaissance Field Trip	\$20,000	\$20,000	Meet Native Title Parties and assess geology (workings, mineral occurrences, outcrop), regolith (cover thickness, calcrete distribution and thickness), access, IGM anomalies and selected high priority aeromagnetic target areas.
Submission of Work Programs for Year 1 Exploration	\$10,000	\$10,000	Complete Year 1 Exploration Work Programs for approval by Native Title Parties
Heritage Surveys	\$50,000	\$50,000	Complete project heritage surveys for regional geochemical sampling and infill.
Geological Mapping of Central Outcrop Area and Historic Gold Workings	\$25,000	\$25,000	Expert mapping and reporting of historic mining centres and other outcrop to establish and apply mineralisation controls.
Orientation Soil Traverses	\$30,000	\$30,000	Complete orientation soil traverses to establish best sampling method.
Regional Soil Geochemistry	\$800,000	\$800,000	Complete tenement wide regional surface soil sampling (400m x 100m spaced) and infill using probable ultrafine <2micron technique and expert interpretation.
Infill Soil Geochemistry in Central Outcrop Area (provisional)	\$100,000	\$100,000	Due to location and data quality issues existing geochemical anomalies circa 1994 & 2001 in the area of historic mining centers are only a relative measure of potential. Provision is made for 100m x 50m resampling of this area and extensions to the north.
Submission of Work Programs for Year 2 Exploration Programme	\$5,000	\$5,000	Complete detailed Year 2 Exploration Work Programs for approval by Native Title Parties
Total	\$1,130,000	\$1,130,000	

Future Exploration Work Plan – Year 2

Task	Budget*		Program and Objective
Tenement Rates and Rents	\$90,000	\$90,000	
RAB or AC drilling	\$600,000	\$600,000	AC or RAB drilling of soil geochemical anomalies.
RC / DD Drilling	\$600,000	\$1,100,000	RC / DD drill follow up of anomalous AC / RAB.
Heritage Surveys	\$80,000	\$80,000	
	\$1,370,000	\$1,870,000	

*Does not include access costs.

TOTAL \$2,500,000 \$3,000,000

2.4 Capital reduction – General

The Company seeks Shareholder approval under Resolution 2 to enable the Company to reduce its capital by the distribution of specific assets to Shareholders, being 15,000,000 Cosmo Gold Shares (being the In-specie Distribution).

The Corporations Act and the Listing Rules set out the procedure and timing for a capital reduction. Refer to Section 1.8 for an indicative timetable in respect of the Transaction. The alteration to the Company's capital and the In-specie Distribution will become effective from the Record Date, provided that after the Record Date

has been set, the Directors have not provided a notice to ASX stating that the Company does not intend to proceed with the reduction of capital contemplated by Resolution 2.

Generally, the standard record date for a reorganisation of capital of an ASX-listed company is three business days following the effective date of the return of capital. However, in relation to the In-specie Distribution, the Company has provided for flexibility in the setting of the Record Date, such that the Directors may elect to defer the implementation of the In-specie Distribution depending on the timing of the satisfaction of all the In-specie Conditions.

As a result, the Record Date is to be set by the Directors after the date Resolution 2 is passed, such that the Record Date will be not less than five business days after the date on which Resolution 2 is passed and not later than six months after the date on which Resolution 2 is passed.

If the capital reduction proceeds, Shareholders will receive a pro rata entitlement to Cosmo Gold Shares and each Shareholder's name will be entered on the register of members of Cosmo Gold with each Shareholder having deemed to have consented to becoming a Cosmo Gold shareholder and being bound by its constitution.

A Shareholder's entitlement to Cosmo Gold Shares to be distributed is to be based on the number of 3D Resources Shares held at the Record Date.

Due to the outstanding Options on issue in the Company and also because of the potential future issue of Shares by the Company before the Record Date, it is not clear at the date of this Notice how many of the Company's Shares will be on issue at the Record Date nor therefore what the exact ratio for the In-specie Distribution will be. By way of illustration, if from the date of this Notice to the Record Date:

- (a) no Options are exercised, and no other Shares are issued by the Company, the ratio will be approximately 1 Cosmo Gold Share for every 238 Company Shares (or 0.0042 Cosmo Gold Share for every 1 DDD Share held by Company Shareholders);
- (b) all Options are exercised, but no other Shares are issued by the Company, the ratio will be 1 Cosmo Gold Share for every 279 Company Shares (or 0.00359 Cosmo Gold Share for every 1 DDD Share held by Company Shareholders); or
- (c) some or all Options are exercised, and the Company issues further Shares, the Company will only be able to determine the ratio of Company Shares held to receive 1 Cosmo Gold as at the Record Date.

Other than as Shareholders of the Company or as otherwise set out in this Explanatory Memorandum, none of the Directors have any interest in Resolution 2.

2.5 ASX Waiver and confirmation

Cosmo Gold anticipates that the In-specie Shares to be distributed in-specie to the Company's Shareholders will not be subject to the escrow restrictions set out in Appendix 9B to the Listing Rules.

This is on the basis that section 10.5 of Guidance Note 11 and the provisions of Guidance Note 13 provide that ASX recognises that Cosmo Gold is effectively the successor of DDD in relation to the assets being spun out and so a fresh application of escrow restrictions may not be appropriate.

2.6 Pro forma financial position of the Company and Cosmo Gold upon completion of the Transaction

Set out in Schedule 1 is the audited statement of financial position of the Company as at 30 June 2020 together with the pro forma statement of financial position of the Company following completion of the Transaction.

A pro forma statement of financial position for Cosmo Gold, reflecting the indicative balance sheet of Cosmo Gold following completion of the Transaction is set out in Schedule 2.

2.7 Advantages and disadvantages of the Transaction (assuming completion of the Spin-out and In-specie Distribution)

(a) Advantages

- (i) Provides the Company with a clearer focus and corporate strategy.
- (ii) The Spin-out provides Shareholders with scrip in two companies – the Company and Cosmo Gold – which the Board believes has a better prospect of delivering greater value to Shareholders than the Adelong Gold Project and Cosmo Newbery Gold Project being owned by one company.
- (iii) Shareholders may elect to retain exposure to either one or both companies as dictated by their investment preferences and objectives.
 - (A) All Shareholders will retain an interest in the Cosmo Newbery Gold Project through their individual pro rata shareholdings in Cosmo Gold and thereby have an opportunity to benefit from the development of the Cosmo Newbery Gold Project.
 - (B) All Shareholders will retain their current ownership interest in the capital of the Company and exposure to the Adelong Gold Project.
- (iv) The Spin-out will deliver a structure that allows for Cosmo Gold to focus specifically on advancing the Cosmo Newbery Gold Project and for the Company to focus its efforts on the Adelong Gold Project, with neither Cosmo Gold nor the Company affected by events or occurrences relating to the other's projects.
- (v) The Company's Board sees considerable underlying value in the Cosmo Newbery Gold Project that is not currently being valued by the market, and therefore a dedicated fully funded vehicle is required.
- (vi) Future capital raisings are expected to be more readily achieved by each individual entity as the focus of the funding will be on either specifically, the Company's Adelong Gold Project or Cosmo Gold's Cosmo Newbery Gold Project. In addition, the Spin-out is expected to provide greater flexibility to both the Company and Cosmo Gold to attract strategic investors.
- (vii) After a full and proper assessment of all available information, the Directors believe that the Transaction is in the best interests of the Company's Shareholders.

(b) **Disadvantages**

- (i) The Company will incur costs associated with the Spin-out, including, but not limited to legal, accounting and advisory fees incurred in the preparation of documentation required to give effect to the Transaction and tax advice obtained in relation to any taxation consequences of the Transaction.
- (ii) Shareholders may incur additional transaction costs if they wish to dispose of their Cosmo Gold Shares (e.g. brokerage costs).
- (iii) There are a number of potential disadvantages arising from Cosmo Gold seeking further funding. These include, but are not limited to:
 - (A) dilution of Cosmo Gold Shareholders' shareholdings via an initial public offer; and
 - (B) uncertainty regarding Cosmo Gold's ability to raise required funding,
- (iv) Assuming completion of the Spin-out, there will be two separate companies that will require funding and will incur ongoing administrative costs which in some instances may lead to duplication.
- (v) A significant amount of time will be spent during coming months by the Board and by Company management in giving effect to the Transaction.

2.8 Failure to achieve completion of the Transaction

Failure to achieve completion of the Transaction may result in a reduced level of expenditure on the Cosmo Newbery Gold Project by the Company, or development may occur on a delayed timetable. Alternatively, the Company may seek to fund the development of the Cosmo Newbery Gold Project by joint venture or other mechanisms.

The Board has considered all the alternatives currently available and believes that the Transaction will result in the most advantageous result for existing Shareholders.

2.9 Capital Raising

In conjunction with the Transaction, Cosmo Gold intends to seek admission to the Official List and undertake the Public Offer by way of a prospectus to raise at least \$5,000,000 and up to \$6,000,000 (before costs) (**Capital Raising**) by the issue of at least 25,000,000 and up to 30,000,000 Cosmo Shares (**Prospectus**). There will also be free attaching Cosmo Gold Options to the Cosmo Gold Shares on the basis of one new Cosmo Gold Option for every two Cosmo Shares subscribed for under the Public Offer.

It is Cosmo Gold's intention that the Prospectus will contain a general Public Offer, which will include a Priority Offer available to eligible Company Shareholders who hold Shares on the Record Date.

It is intended that the Company's Shareholders will be able to acquire further Cosmo Gold Shares under the Priority Offer, where the Cosmo Gold intends to apply the following priority in allocations:

- (a) if a Company Shareholder holds less than \$2,000 worth of Cosmo Gold Shares following the In-Specie Distribution, that Company Shareholder will be able to subscribe for further Cosmo Gold Shares so that they hold \$2,000 worth of Cosmo Gold Shares (based on an offer price of \$0.20 per new Cosmo Gold Share offered under the Public Offer); and
- (b) thereafter at the discretion of Cosmo Gold.

There will not be a sale facility under the Cosmo IPO. That is, Company Shareholders that receive Cosmo Shares under the In-specie Distribution will not be able to sell their Cosmo Shares under the IPO, and will only be able to transfer their Cosmo Shares on-market or off-market following Cosmo Gold's listing.

2.10 Summary of Cosmo Gold Assets

Cosmo Newbery is one of the few remaining underexplored greenstone belts in Western Australia with the Company holding the major part of this greenstone belt under granted exploration licences, applications and options, in its wholly owned subsidiary Cosmo Gold. The majority of the licences at Cosmo Newbery are located on an Aboriginal Reserve which is subject to special access requirements and the Company has maintained its tenement position whilst negotiating access. Delays were incurred due to disputes between the claimants and in September 2019 the Federal Court ratified an agreement between the Yilka claimant group and the Sullivan Edwards claimant group which facilitated the forming of a body corporate to administer the Aboriginal Reserve on which the Company's Cosmo Newbery exploration licences are located. The absence of such a body had prevented the Company from finalising an access agreement to progress exploration.

In late May 2020 the Company received a final draft access agreement and since that time the Company has been in discussions and negotiations with the claimant body corporate to finalise access. It is expected that this process will be completed in the near future.

The Cosmo Newbery greenstone belt is largely unexplored but has exciting potential. In this regard:

- (a) The greenstone belt contains gold mineralisation and has historically had some small scale high grade gold mining in a portion of the greenstone belt that is exposed (noting that a large part of the greenstone belt lies under wind-blown sand cover and so is largely unexplored).
- (b) Its location between the Laverton Greenstone belt to the west which has historically produced over 20 million ounces of gold, and the Dorothy Hill Greenstone belt to the east that hosts the 6 million ounce Gruyere Deposit that is currently being brought into production by Gold Road, makes this area prime ground for gold exploration.
- (c) Some early geochemical soil sampling carried out over an area just north of the Cosmo Newbery settlement, where the greenstone is partially exposed, generated a series of 10ppb and 20ppb gold anomalies in soils over a zone 5km long and more than 500m wide.
- (d) The Sefton Fault which forms the western boundary of the Cosmo Newbery greenstone belt is a major structure that has been traced for over 130km and as with many gold deposits in the Yilgarn, it is these major shears/structures that have the potential to host significant gold mineralisation.

In order to better define this potential and to prepare for gaining access to the ground, the company commissioned Southern Geoscience Consultants ("SGC") to

undertake an interpretation of newly acquired Airborne Magnetic Survey of the Cosmo Newbery licences. This work highlighted the strong similarity in geology between the Cosmo Newbery area and Dorothy Hill Greenstone that hosts the Gruyere deposit. SGC showed the similarities in granite /greenstone morphologies, greenstone belt size/volume and composition. Structural styles are also comparable. Even the position of the geochemical anomalies and historical gold mining at Cosmo Newbery fits into a similar pattern to that of the Dorothy Hill Shear shown on the map of the Gruyere deposit. In presenting SGC's views they provided a map of the two areas at the same scale (Figure 3):

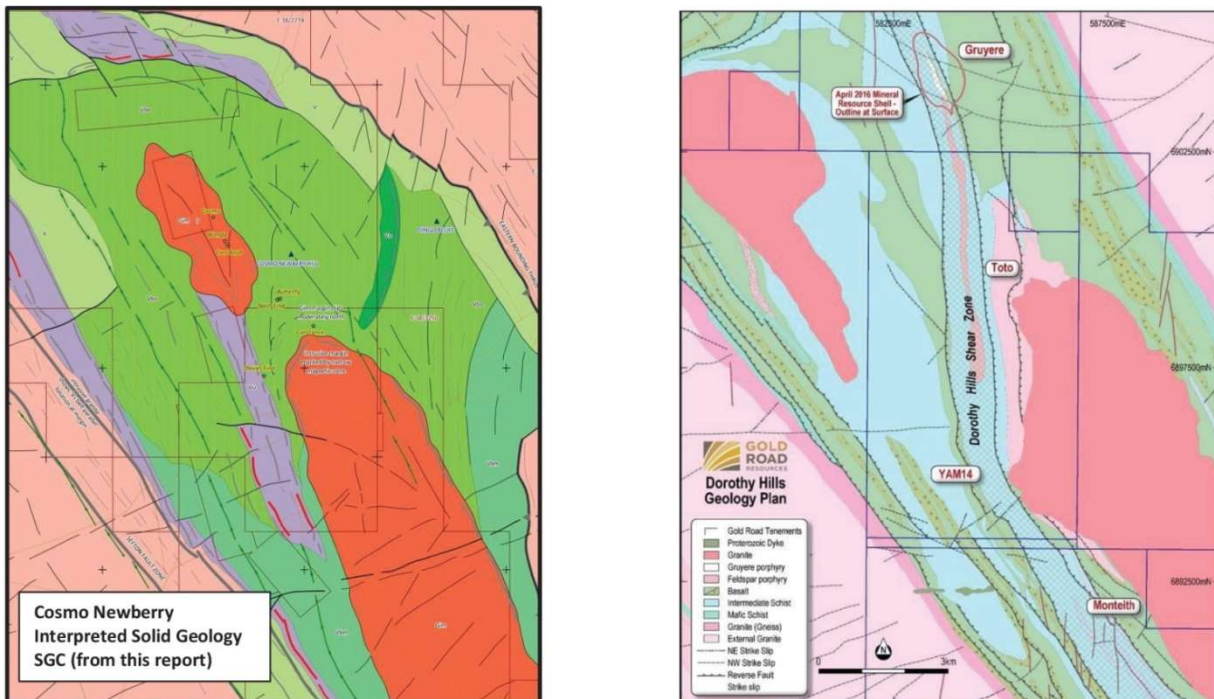


Figure 3: SGC comparison of the geology of Cosmo Newbery (left) with that of the Dorothy Hills Greenstone with location of Gruyere (right)

SGC has also defined a series of targets for exploration. These targets are typical structural and geological controls that elsewhere in the Western Australian Yilgarn have hosted gold mineralisation/deposits.

The Company holds an interest in nine licences comprising its Cosmo Gold project, through its wholly owned subsidiary Cosmo Gold or by way of option over an ungranted licence.

Cosmo Gold:

- (a) directly holds
 - (i) 100% of Licences E38/2627, E38/2774, E38/2851 and E38/3249; and
 - (ii) 75% of Licence E38/2274 (transfers pending); and

- (b) has applied for Licences E38/3250, E38/3456, E38/3457 and E38/3525 (all pending)

(together, the **Tenements**).

A schedule of the Tenements is set out in Schedule 5.

For further details on the Cosmo Newbery Gold Project, please refer to the Company's 2020 Annual Report and ASX announcements, which are available from the Company's ASX announcements platform and website (www.3DResources.com.au).

2.11 Cosmo Board and Key Management Personnel

The board of directors of Cosmo (**Cosmo Board**) is set out below.

- (a) The Cosmo Board is comprised of:

(i) **Mr Ian Hastings (Chairman)**

Mr Hastings is a corporate advisor with many years' experience in the field of finance, investment, securities markets compliance and regulation and has almost 40 years' experience in the finance Industry and regulatory bodies.

He is a former Member of the ASX and former Principal of several ASX Member Stock Brokers. Mr Hastings is a Practitioner Member (Master Stockbroking of the Stockbrokers Association of Australia), and holds a Bachelor of Commerce and Bachelor of Laws Degree.

Mr Hastings is the Non-executive Chairman of 3D Resources Limited (ASX:DDD), and the Executive Chairman of Gladiator Resources Limited (ASX:GLA).

(ii) **Mr Philip Ash (Managing Director)**

Mr Ash is an exploration geologist with mineral exploration and project development experience in a wide variety of geological terranes in Australia, Africa and Europe. His experience includes gold, iron, vanadium, base metals and tin tungsten with a strong focus on green-fields and mine-camp exploration, resource definition and feasibility study.

Mr Ash was the team leader for successful discovery and resource development at the Jundee and Granny Smith gold mine sites in Western Australia and for advanced resource projects in Tanzania. As Chief Executive Officer of Accent Resources NL (ASX:ACS) he was responsible for the resource definition and feasibility study of a Midwest magnetite iron project and part of its successful sale to Chinese interests.

(iii) **Mr John Chegwiddden (Non-executive Director)**

Mr Chegwiddden is a Chartered Accountant with over 30 years' experience, including managing his own chartered accounting practice, providing advice in management, accounting and taxation and consulting to manufacturing, mining, primary production and earth moving operations. Mr Chegwiddden has a strong knowledge of the mining and resources sector in Australia,

with key competencies in providing corporate advise, exploration, materials processing, marketing and financial management services in relation to junior mining.

Mr Chegwidden is a Non-executive Director of 3D Resources Limited (ASX:DDD), and was formerly an Executive Director of ATC Alloys Limited (ASX:ATA) (delisted in 2020).

(b) Key Management Personnel

The Cosmo Board will be supported by Mr Andrew Draffin who will act as CFO and Company Secretary. Mr Draffin is an Executive Director and Company Secretary of Gladiator Resources Limited (ASX:GLA), Company Secretary of 3D Resources Limited (ASX:DDD), Mayfield Childcare Limited (ASX:MFD), and joint Company Secretary of Fatfish Group Limited (ASX:FFG), iCandy Interactive Limited (ASX:ICI) and LionHub Group Limited (ASX:LHB).

2.12 Transaction Implementation Deed

The Company and Cosmo Gold have entered into a Transaction Implementation Deed in relation to the Transaction (**TID**) on 16 November 2020 on the following terms.

(a) **Conditions precedent**

The conditions precedent for completion of the TID include (unless otherwise agreed to be waived) (**Conditions**):

- (i) the Company obtaining irrevocable board approval for the In-specie Distribution;
- (ii) the Company obtaining Shareholder approval for the Transaction;
- (iii) Cosmo Gold completing a share split;
- (iv) Cosmo Gold receiving valid applications for not less than \$5,000,000 under the Public Offer (which includes valid applications made under the Priority Offer);
- (v) Cosmo Gold obtaining escrow relief from ASX (if necessary) and confirmation in relation to the number of the Company's Shareholders that can be counted towards the Spread and Free Float requirements of the Cosmo IPO; and
- (vi) receipt of ASX conditional admission letter in relation to Cosmo Gold.

(b) **Other material terms**

Other material terms of the TID include:

- (i) **(Representations and warranties)** The parties providing representations and warranties that are considered standard for agreements of this nature.
- (ii) **(Funding)** The Company covering the costs expended for the benefit of Cosmo Gold in pursuing the Cosmo IPO until the date Cosmo Gold is admitted to the official list of ASX (**Admission**):

- (A) wages and fees associated with the employees and contractors employed by the Company working on Cosmo Gold activities as identified by monthly timesheets;
- (B) rents, rates and exploration costs on the Tenements; and
- (C) adviser and legal expenses associated with the In-specie Distribution and Public Offer,

(together, the **Cosmo Gold Expenses**).

At Admission, Cosmo Gold will repay the Cosmo Gold Expenses.

2.13 Broker Appointment and Seed Raising

As noted above, the Company has mandated RM Corporate (AFSL No. 315235) to act as lead manager and underwriter to the Cosmo IPO (**Mandate**). The underwriting of the Cosmo IPO is subject to execution of a formal underwriting agreement on terms to be agreed between the parties.

Under the terms of the Mandate, the Company anticipates completing a preliminary seed raising in Cosmo Gold (**Seed Raising**) (being part of the approval sought under Resolution 1). The key terms of the Seed Raising are as follows:

- (a) up to 6 million Cosmo Gold Shares to be issued at an issue price of not less than \$0.10 each to raise up to \$600,000 (before costs) to sophisticated and professional investors (**Seed Raising Shares**);
- (b) free-attaching Cosmo Gold Options to be issued on the basis of 1 Cosmo Gold Option for every 1 Seed Raising Share issued, each Cosmo Gold Option having an exercise price of \$0.25 (25 cents) and an expiry date of 3 years after the quotation of Cosmo Gold Shares commences on ASX;
- (c) the funds from the Seed Raising will be used by Cosmo as follows:
 - (i) repay the Company \$500,000 for part of the costs incurred in relation to the Cosmo Newberry Gold Project; and
 - (ii) \$100,000 to provide working capital to Cosmo Gold including to, amongst other things, the costs of the Seed Raising, finalise access agreements and meet initial exploration expenses of the Cosmo Gold Newberry Project.

As part of Resolution 1, the Company is seeking Shareholder approval for the issue of the Seed Raising Shares.

2.14 Disclosure to ASX

As an entity with Shares quoted on the Official List of the ASX, the Company is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of documents lodged in relation to the Company may be obtained for a fee from, or inspected at, an office of ASIC (subject to any ongoing COVID-19 restrictions) or can be accessed at either the ASX announcements platform or the Company's website.

2.15 Risk Factors

On successful completion of the Transaction, Shareholders will become Cosmo Gold Shareholders and should be aware of the general and specific risk factors which may

affect Cosmo Gold and the value of its securities. These risk factors are set out in Schedule 3.

2.16 Effect of Transaction on the Company

A pro-forma statement of financial position of the Company is contained in Schedule 1, which shows the financial impact of the capital reduction and the Transaction on the Company. Furthermore, the Company, being an ASX listed entity, is subject to the continuous disclosure requirements set out in Chapter 3 of the Listing Rules. As such, the Company is required to lodge quarterly reports detailing the Company's current cash position. Any use of funds by the Company will be detailed in these quarterly reports and any significant transactions will be disclosed to Shareholders.

The impact of the Transaction on the Company's key financial metrics is illustrated in the table below and in the pro forma balance sheet for the Company set out in Schedule 1. No allowance has been made in the table below for the effect of the In-Specie Distribution.

3D Resources Limited
Transaction Impact Analysis

	Audited 30 June 2020	Increase/Decrease due to Transaction	After transaction	Percentage change
Total Assets	3,126,385	(143,541)	2,982,844	-5%
Equity Interests	2,655,278	143,541	2,798,819	5%
Total Securities on Issue	3,571,622,092	-	3,571,622,092	0%
Annual Profit/Loss	(601,468)	(143,541)	(745,009)	24%
Annual Revenue	887	750,000	750,887	84555%
Exploration Expenditure	224,284	-	224,284	0%

Notes:

Total Assets

- Reduced by \$893,541 (capitalised cost of Cosmo Tenements)
- + \$750,000 (cash received for Cosmo Tenements)

Equity Interests & Annual Loss

- Loss on sale \$140,000 (\$810,000 - \$750,000)

Annual Revenue

- \$750,000 in proceeds received for Cosmo Tenements

2.17 Directors' Interests and Recommendations

The table below sets out the number of securities in the Company held by the Company's Directors and proposed directors and KMP of Cosmo Gold at the date of the Meeting:

Director	3D Resources Shares	%	3D Resources Options
Mr Ian Hastings	160,209,660	4.43%	16,500,000
Mr Peter Mitchell	161,226,018	4.46%	21,750,000
Mr John Chegwiddden	42,604,687	1.18%	6,437,500
Mr Philip Ash	100,000	0.003%	-
Mr Andrew Draffin	12,501,000	0.35%	-
Total Securities held by the Directors	376,641,365	10.42%%	44,687,500

The table below sets out the number of Cosmo Gold Shares the Company's Directors and proposed directors and KMP of Cosmo Gold are likely to have an interest in if Resolution 2 is passed and implemented:

Director	Approximate Number of Cosmo Gold Shares each Director will receive ¹	Number of Cosmo Gold Shares each Director will apply for	% at Minimum Subscription	% at Maximum Subscription
Mr Ian Hastings	664,770	-	1.43%	1.29%
Mr Peter Mitchell	668,988	-	1.44%	1.30%
Mr John Chegwiddden	176,783	-	0.38%	0.34%
Mr Philip Ash	415	-	0.001%	0.001%
Mr Andrew Draffin	51,871	-	0.11%	0.10%
Total Cosmo Gold Shares held by Directors after the Transaction	1,562,827		3.36%	3.04%

¹There will be a total of 46,475,000 Cosmo Gold Shares on issue under the Minimum Subscription, and 51,475,000 Cosmo Gold Shares on issue under the Maximum Subscription

After considering all relevant factors, the Directors recommend the Company's Shareholders vote in favour of Resolutions 1 and 2 for the reasons summarised in Sections 2.1, 2.2 and 2.7 of this Notice. Subject to any applicable voting exclusions, the Directors intend to vote all of their Shares in favour of Resolutions 1 and 2.

2.18 Effect of Proposed Capital Reduction on Shareholders

What will you receive?

If the Transaction is implemented, eligible Shareholders will receive an return of capital by way of the in-specie distribution of Cosmo Gold Shares in proportion to the number of Shares held by them at the Record Date.

Shareholders are not required to contribute any payment for the Cosmo Gold Shares which they are entitled to receive under the In-specie Distribution.

What is the impact on your shareholding in the Company?

The number of Shares in the Company that you hold will not change as a result of the Transaction.

If the Transaction is implemented, the value of your Shares in the Company may be less than the value held prior to the Transaction being implemented due to the removal of the Cosmo Newbery Gold Project from the Company's asset portfolio. The size of any decrease cannot be predicted and will be dependent on the value ascribed to the Cosmo Newbery Gold Project.

Do you have to do anything to receive your Cosmo Gold Shares?

You must hold Shares on the Record Date in order to receive your entitlement to Cosmo Gold Shares. If the Transaction proceeds, you will automatically receive the Cosmo Gold Shares you are entitled to receive (unless you are an ineligible overseas Shareholder, in which case you will receive the proceeds – see Section 2.25(b) for more information), even if you vote against the Transaction or do not vote at all.

Can I acquire more Cosmo Gold Shares under the Public Offer?

Yes, Shareholders may participate in the Public Offer of Cosmo Gold by making a valid application and paying the application monies under the Prospectus. It is Cosmo Gold's intention that the Public Offer will contain a Priority Offer available to the Company's Shareholders.

Will I be able to trade my Cosmo Gold Shares?

If the Transaction is approved by Shareholders and is implemented, a holder of Cosmo Gold Shares will be able to sell their Cosmo Gold Shares on ASX in the future.

What are the taxation implications of the Transaction?

A general guide to the taxation implications of the Transaction is set out in Section 2.27 of this Explanatory Memorandum. The description is expressed in terms of the Transaction and is not intended to provide taxation advice in respect of particular circumstances of any Shareholder. Shareholders should obtain professional advice as to the taxation implications of the Transaction in their specific circumstances.

What will happen if Resolution 2 is not approved?

In the event that Shareholder approval of Resolution 2 is not obtained, the Transaction will not proceed and the distribution of Cosmo Gold Shares to the Company's Shareholders will not occur.

2.19 Cosmo Gold Material Contracts

In addition to the Transaction Implementation Deed, Cosmo Gold has entered into the following material contracts:

(a) **Lead Manager/Underwriter and Corporate Advisory Mandate**

Cosmo Gold has executed the Mandate with RM Corporate in respect of RM Corporate acting as lead manager to the Seed Raising and underwriter to the Cosmo IPO, subject to execution of a formal underwriting agreement on terms to be agreed between the parties. The Mandate has the following key terms:

Seed Raising Fees: RM Corporate will receive the following fees under the Mandate in respect of the Seed Raising:

- **Lead Manager Fee:** A fee in the amount of 1% (plus GST in cash) in respect to funds raised pursuant to the Seed Raising facilitated by RM Corporate Finance or its nominees payable within 14 days of completion of the Seed Raising.
- **Placement Fee:** A fee in the amount of 5% in respect to funds raised pursuant to the Seed Raising for Cosmo Gold facilitated by RM Corporate Finance or their affiliates payable within 14 days of completion of the Seed Raising.
- **Corporate Advisory Fee:** A fee of \$8,000 (plus GST in cash) to be satisfied by the issue of 80,000 Shares in Cosmo Gold. The Shares are to be issued to RM Corporate Finance or its nominees within 14 days of settlement of the Seed Raising.

Cosmo IPO Fees: RM Corporate will receive the following fees under the Mandate in respect of the Cosmo IPO:

- **Lead Manager Fee:** A fee of \$25,000 (plus GST in cash) for acting as Lead Manager/Underwriter to the IPO for Cosmo Gold to be satisfied by the issue of 125,000 Shares in Cosmo Gold.
- **Underwriter Options:** An issue of a total of 2.5 million Options for acting as Underwriter (if the Cosmo IPO is underwritten).
- **Corporate Advisory Fee:** A fee of \$30,000 (plus GST in cash) to be satisfied by the issue of 150,000 Shares in Cosmo Gld.
- **Underwriter Manager Fee:** A fee of 1% (plus GST in cash) of the amount underwritten, for management of the underwriting (if underwritten), to be paid in cash.
- **A non-equity Underwriter Fee:** A fee of 5% (plus GST in cash) of the amount underwritten, for acting as Underwriter (if the Cosmo IPO is underwritten), to be paid in cash.

Term: the Mandate will endure for 12 months or until completion of the Cosmo IPO.

Termination: the Mandate may be terminated by RM Corporate Finance or Cosmo Gold, but only with cause on 14 days' notice. Indemnity and warranty clauses shall survive termination for a period of 12 months. In the event of fees or outlays that have accrued or are payable pursuant to the Mandate to date of termination, such amounts shall be paid to RM Corporate within 14 days of termination.

Right of first refusal: RM Corporate will have a first right of refusal to act as Lead Manager, Underwriter or Broker to any capital raising by Cosmo Gold (by way of debt, equity, hybrid securities, quasi debt, quasi equity, convertible loans, or convertible notes) within 12 months from the date of expiration of the Mandate.

Director nomination: subject to completing the Cosmo IPO, RM Corporate will have a right to nominate one suitably qualified individual to the board of Cosmo Gold on terms and conditions to be mutually agreed with Cosmo Gold.

(b) **Loan Agreement – Tenement Expenditure**

Cosmo Gold and the Company have entered into a loan agreement pursuant to which the Borrower will repay to the Company \$750,000 for expenditure incurred in relation to the Tenements. The loan is unsecured and interest free, and is to be repaid to the Company in an instalment of \$500,000 (from funds raised in the Seed Raising) and \$250,000 (from funds raised in the Cosmo IPO).

(c) **Loan Agreement – Cosmo IPO Costs**

Cosmo Gold and the Company have also entered into a loan agreement in respect of funds paid or to be paid by the Company on Cosmo Gold's behalf in respect of costs associated with the Cosmo IPO up to \$250,000. The loan is unsecured and interest free and will be repaid from proceeds of the Cosmo IPO.

(d) **Director documents**

Cosmo Gold will also enter into the following agreements prior to the Cosmo IPO:

- (a) an executive services agreement with Mr Philip Ash as Managing Director;
- (b) a letter of appointment as non-executive director with each of Mr Ian Hastings and Mr John Chegwidan;
- (c) a deed of indemnity, access and insurance with each of its directors; and
- (d) an executive services agreement with Mr Andrew Draffin or his nominee in respect of services to be provided as Cosmo Gold's CFO and Company Secretary.

2.20 Additional important information for the Company's Shareholders

- (a) The capital structure of the Company as at the date of this Notice is:

Security type	Number
Fully Paid Ordinary Shares	571,622
Total unlisted Options ¹	612

¹ Comprised of:

- 114,500,000 unlisted Options, Exercisable at \$0.003, Expiry 7 February 2022
- 375,395,120 unlisted Options, Exercisable at \$0.005, Expiry 31 May 2022
- 122,500,000 unlisted Options, Exercisable at \$0.007, Expiry 31 August 2022

(b) The indicative capital structure of Cosmo Gold post-completion of the Transaction will be:

Security type	Number (Minimum Subscription)	%	Number (Maximum Subscription)	%
Cosmo Gold Shares				
In-specie Distribution Shares	15,000,000	32.36%	15,000,000	29.21%
Seed Raising Investors	6,000,000	12.94%	6,000,000	11.68%
Corporate Advisory Fee – Seed Raising	80,000	0.17%	80,000	0.16%
IPO Shares	25,000,000	53.93%	30,000,000	58.42%
Corporate Advisory Fee – IPO	150,000	0.32%	150,000	0.29%
Lead Manager Fee	125,000	0.27%	125,000	0.24%
Total	46,355,000	100%	51,355,000	100%
Cosmo Gold Options				
Seed Raising Investors	6,000,000	28.57%	6,000,000	25.53%
IPO Options	12,500,000	59.52%	15,000,000	63.83%
Underwriter Options ¹	2,500,000	11.90%	2,500,000	10.64%
Total	21,000,000	100%	23,500,000	100%

¹ Issued to the underwriter if the Cosmo IPO is underwritten

Shareholders should note this structure is indicative only as at the date of this Notice and that Cosmo Gold retains discretion to amend the structure and issue more or less Cosmo Gold Shares, Cosmo Gold Options or other forms of securities.

Subject to approval, the capital reduction and In-specie Distribution will be implemented as follows:

- (c) The In-specie Shares will be distributed on a pro rata basis to all Shareholders (being holders of ordinary shares in the capital of the Company) on the Record Date on a pro rata basis based on the number of the Company's Shares held by such holders at the Record Date. The Record Date will be set by the Directors after the date Resolution 2 is passed and depends on the satisfaction of the In-specie Conditions. Due to the outstanding Options on issue in the Company and also because of the potential future issue of Shares by the Company before the Record Date, it is not clear at the date of this Notice how many Shares will be on issue in the Company at the Record Date nor therefore what the exact ratio for the In-specie Distribution will be. At the date of this Notice, there are 3,571,622,092 Shares on issue in the Company. Assuming this same number of Shares was on issue at the Record Date, the formula for the In-specie Distribution would be approximately 1 Cosmo Gold Share for every 238 Shares held. Any exercise of Options or further issue of the Shares in the Company on or prior to the Record Date will have the effect of lowering the number of Cosmo Gold Shares distributed for each Company Share (and conversely increasing the number of Company Shares to be held to receive 1 Cosmo Gold Share). Any fractions of entitlement will be rounded down/up to the next whole number on an equitable basis to ensure that the total number of Cosmo Gold Shares to be distributed to Company Shareholders will be 15,000,000.
- (d) The return of capital will be effected by a pro rata distribution of the Cosmo Gold Shares in specie, proportionately to all of the Company's Shareholders:
- (i) registered as such as at 5.00pm (AEDT) on the Record Date; or
 - (ii) entitled to be registered as a Shareholder in the Company by virtue of a transfer of Shares executed before 5.00pm (AEDT) on the Record Date and lodged with the Company at that time.

2.21 Information concerning the Company's Shares

The rights attaching to the Company's Shares will not alter as a result of the Transaction.

For the information of Shareholders, the highest and lowest recorded sale prices of the Company's Shares as traded on ASX during the 12 months immediately preceding the date of this Explanatory Memorandum, and the respective dates of those sales were:

Date	Highest Price	Date	Lowest Price
8/9/2020	\$0.01	6/11/19	\$0.001

The latest available closing price of the Company's Shares on ASX prior to the date of this Notice was \$0.005 on 19 November 2020.

2.22 Section 256C of the Corporations Act

The proposed reduction of capital by way of the In-specie Distribution is an equal capital reduction.

Under Section 256B of the Corporations Act, the Company may only reduce its capital if it:

- (a) is fair and reasonable to Shareholders as a whole;

- (b) does not materially prejudice the Company's ability to pay its creditors; and
- (c) is approved by Shareholders in accordance with Section 256C of the Corporations Act.

The Directors believe that the Transaction is fair and reasonable to Shareholders as a whole and does not materially prejudice the Company's ability to pay its creditors. Under the proposed reduction of capital, each Shareholder is treated equally and in the same manner since the terms of the reduction of capital are the same for each Shareholder. The In-specie Distribution is on a pro rata basis, and the proportionate ownership interest of each Shareholder remains the same before and after the Transaction. Further, the Directors consider that the Transaction will not result in the Company being insolvent at the time or after the In-specie Distribution.

In accordance with the Corporations Act:

- (a) the proposed reduction is an equal reduction and requires approval by an ordinary resolution passed at a general meeting of Shareholders;
- (b) this Explanatory Memorandum and previous ASX announcements set out all information known to the Company that is material to the decision on how to vote on Resolution 2; and
- (c) the Company has lodged with ASIC a copy of this Notice of Meeting and accompanying documentation.

Under the Corporations Act, an offer of securities generally requires disclosure to investors through a disclosure document, typically in the form of a prospectus. The Company has obtained relief from ASIC in relation to Chapter 6D of the Corporations Act to enable the Company to undertake an equal reduction of capital and the In-specie Distribution to Shareholders, without the need to comply with the offer disclosure provisions set out in that Chapter. Further, the Company has also obtained relief from ASIC from the secondary sale provisions of the Corporations Act to allow Shareholders to on-sell the Cosmo Shares transferred under the In-Specie Distribution. As such, no prospectus is required to be prepared and lodged by the Company in respect of the In-specie Distribution. In accordance with the relief, the Company confirms this Notice is in substantially the same form as the draft notice of meeting provided to ASIC on 21 October 2020.

There is no information known to the Company that is material to the decision by a Shareholder on how to vote on Resolution 2 other than as disclosed in this Notice and Explanatory Memorandum and information that the Company has previously disclosed to Shareholders. Shareholders should note that this Notice and Explanatory Memorandum is not a prospectus lodged under Chapter 6D of the Corporations Act.

2.23 ASX Listing Rule 7.17

ASX Listing Rule 7.17 provides in part that a listed entity, in offering shareholders an entitlement to securities, must offer those securities pro rata or in such other way as, in the ASX's opinion, is fair in all the circumstances. In addition, there must be no restriction on the number of securities which a shareholder holds before this entitlement accrues. The Transaction satisfies the requirements of ASX Listing Rule 7.17, as the issue of Cosmo Gold Shares is being made to Shareholders on a pro rata basis, and there is no restriction on the number of Shares a Shareholder must hold before the entitlement to the Cosmo Gold Shares accrues.

2.24 ASX Listing Rule 11.4

Listing Rule 11.4 provides that an entity must not dispose of a major asset if at the time of the disposal it is aware that the person acquiring the asset intends to issue or offer securities with a view to becoming listed. This rule does not apply if the holders of ordinary securities in the entity:

- (a) approve of the disposal;
- (b) if the disposal is made solely by way of a pro-rata distribution to shareholders;
or
- (c) the disposal is effected to a wholly owned subsidiary.

As Cosmo Gold intends to undertake the Capital Raising in conjunction with the Transaction, the exceptions in Sections 2.24(b) and 2.24(c) do not apply, and accordingly the Company must obtain shareholder approval for the disposal of the Cosmo Newbery Gold Project.

In accordance with paragraph 6.3 of ASX Guidance Note 13, the following information is provided in relation to Resolution 1:

- (d) The name of the spin-out vehicle: Cosmo Gold Pty Ltd, a wholly owned subsidiary of the Company. Further details on Cosmo Gold is set out in Section 2.11.
- (e) How the spin-out is intended to be effected: Cosmo Gold will pay the Company a total of \$750,000 as the repayment of costs incurred in relation to the Cosmo Newbery Gold Project. This amount will be paid as follows:
 - (i) \$500,000 from the funds raised under the Seed Raising; and
 - (ii) \$250,000 from the funds raised under the Public Offer for the Cosmo IPO.

Further information on how the spin-out is intended to be effected set out at:

- (iii) Section 2.20: the number of securities Cosmo Gold currently has on issue and the number of securities proposed to be issued in connection with its listing. The proposed issue price of those securities is the Offer Price, being \$0.20 per Cosmo Gold Share;
 - (iv) Section 2.9: the basis on which the Company's Shareholders can participate in the Priority Offer; and
 - (v) Section 1.8: the timetable for completing the proposed listing of Cosmo Gold.
- (f) Information about the asset or assets being spun-out, including:
- (i) a description of the asset or assets: see Section 2.10
 - (ii) the value of the asset or assets reflected in the listed entity's latest financial statements lodged with ASX: \$893,541. See Section 2.16;
 - (iii) on 14 September 2020, the Western Australia Office of State Revenue attributed a dutiable value of \$336,000 to EL 38/2274, EL 38/2627, EL 38/2774 and EL 38/2851; and

- (iv) the entity's estimate of the current market value of the assets is \$750,000, representing expenditure incurred in relation to the Cosmo Newbery Gold Project.
- (g) The impact the spin-out will have on the Company: See Section 2.16.
- (h) The impact the spin-out will have on the Company's security holders: see Section 2.18.
- (i) The reasons why the Directors of the Company consider effecting the spinout: see Section 2.7.
- (j) A summary of the material terms of the Transaction Implementation Agreement, pursuant to which the spin-out will occur: Section 2.12.

2.25 Effect of Shareholder approval

(a) General

If Resolution 2 is approved, Shareholders (as at the Record Date) will receive a pro rata beneficial entitlement to Cosmo Gold Shares based on the number of Shares held at the Record Date. The reduction in the Company's capital and the transfer and distribution of Cosmo Gold Shares will become effective from the Record Date (provided that after the Record Date has been set, the Directors have not provided a notice to ASX stating that the Company does not intend to proceed with the reduction of capital contemplated by Resolution 2). Any fractions of entitlement will be rounded down/up to the next whole number on an as equitable basis as possible to ensure that the total number of Cosmo Gold Shares to be distributed to Company Shareholders will be 15,000,000. Shares in Cosmo Gold are to be held subject to its constitution which is in standard form.

The actual dollar value of the proposed return of capital will be an amount equal to the value of the Cosmo Gold Shares transferred and distributed to be assessed by the Directors. Please refer to Schedules 1 and 2 for the pro-forma statements of financial position of both the Company and Cosmo Gold which show the indicative financial impact of the Transaction.

The Board considers the proposed reduction of capital will have no material effect on the interests of the Company's Shareholders, except as disclosed in the discussion of the advantages and disadvantages of the reduction set out in Section 2.7 above.

(b) Overseas Shareholders

The In-specie Distribution of the Cosmo Gold Shares to overseas Company Shareholders under the reduction of capital will be subject to legal and regulatory requirements in their relevant overseas jurisdictions. If the requirements of any jurisdiction where a Shareholder is resident are held to restrict or prohibit the distribution of securities as proposed or would impose on the Company an obligation to prepare a prospectus or other similar disclosure document or otherwise impose on the Company an undue burden, the Cosmo Gold Shares to which the relevant Shareholder is entitled will not in fact be issued to such Shareholders and instead will be sold by the Company on their behalf, in order that the Company will pay the relevant Shareholder a cash equivalent amount, or otherwise the Company will seek to make alternative arrangements with respect to the relevant Shareholder which are reasonable in all the circumstances.

If the Company elects to sell the Cosmo Gold Shares on a relevant Shareholder's behalf, the Company will then account to those Shareholders for the net proceeds of sale after deducting the costs and expenses of the sale. As the return of capital is being represented and satisfied by the In-specie Distribution and security prices may vary from time to time (assuming a liquid market is available), the net proceeds of sale to such Shareholders may be more or less than the notional dollar value of the reduction of capital. It will be the responsibility of each Company Shareholder to comply with the laws to which they are subject in the jurisdictions in which they are resident.

(c) **Effect of In-specie Distribution on existing Options**

In accordance with the terms of issue of each of the existing Options in the Company that are outstanding as at the date Resolution 2 is passed and in accordance with ASX Listing Rule 7.22.3, the number of Options will not decrease however the exercise price of each such outstanding Option in the Company will be automatically reduced by the same amount as the amount returned in relation to each Share.

2.26 Information concerning Cosmo Gold Shares

(a) **Summary**

A summary of the more significant rights that will attach to the Cosmo Gold Shares is set out below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Cosmo Gold Shareholders. Full details of the rights attaching to the Cosmo Gold Shares are set out in Cosmo Gold's constitution, a copy of which is available on request.

(b) **Ranking of Shares**

At the date of this Notice of Meeting, all Cosmo Gold Shares are of the same class and rank equally in all respects. Further Cosmo Gold Shares issued pursuant to the Capital Raising will rank equally with Existing Shares.

(c) **Voting Rights**

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

(d) **Dividend Rights**

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

(e) **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.

(f) **Transfer of Shares**

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely

transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.

(g) **General Meetings**

Each shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

(h) **Rights on Winding Up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution;

- (i) divide among the shareholders the whole or any part of the Company's property; and
- (ii) decide how the division is to be carried out between the shareholders.

2.27 Taxation

(a) **Taxation implications for Shareholders**

The following comments are based on the application of Australian taxation laws in force at the date of this Explanatory Statement, and are only intended as a general outline of the Australian income tax consequences for Shareholders who participate in the In-specie Distribution. Should there be any amendment to the tax law between the date of this Explanatory Statement and the date of the capital reduction and In-specie Distribution, the implications below may change.

The views expressed in this summary are not intended as specific advice to Shareholders and should not be relied on as such. The application of tax legislation may vary according to the individual circumstances of Shareholders. In this regard, the comments below are only relevant to those Shareholders who are residents of Australia for income tax purposes and hold their Shares on capital account (i.e. have not been held as trading stock). The income tax consequences may differ where the Shares are held on revenue account, as trading stock or tax-exempt organisations. It should be emphasised that these comments are general in nature, may not be applicable to your individual circumstances and cannot be relied upon for accuracy or completeness.

You should therefore seek and rely on your own independent taxation advice in relation to the taxation consequences of the In-specie Distribution. Neither the Company nor any of its officers, or its advisers accept liability or responsibility with respect to such consequences.

Receipt of Cosmo Gold Shares

Generally, a receipt of the Cosmo Gold Shares via an In-specie Distribution will be a tax event for the receiving Shareholder. Taxation can arise under capital gains tax rules, and also as an assessable dividend, depending on the individual circumstances of a Shareholder.

- (a) Choice to apply rollover

Notwithstanding the receipt of Cosmo Gold Shares being a tax event for a Shareholder it is possible a Shareholder could choose to obtain a rollover under the demerger rules in Division 125 of the Income Tax Assessment Act 1997 (**the 1997 Act**).

If a Shareholder is able and chooses to obtain a rollover then any capital gain or capital loss the Shareholder makes on the receipt of Cosmo Gold Shares is disregarded.

In these circumstances the cost base and reduced cost base of the Shareholder's Shares in the Company just before the In-specie Distribution must be allocated between the Shareholder's Shares in the Company and the Shareholder's Cosmo Gold Shares just after completion of the In-specie Distribution on a reasonable basis having regard to the market values of the Shareholder's Shares in the Company and the Shareholder's Cosmo Gold Shares at the time of the In-specie Distribution.

In the above circumstances the Shareholder will be taken to have acquired the Shareholder's Cosmo Gold Shares when they acquired their corresponding Shares in the Company for the purpose of determining any entitlement to a discount on a capital gain arising on a future tax event relating to the Shareholder's Cosmo Gold Shares.

Further in the above circumstances the Shareholder will not be required to include any amount in the Shareholder's assessable income as a dividend as a result of receiving Cosmo Gold Shares.

Each Shareholder must consider their individual circumstances and independently obtain their own advice to determine whether they are able to choose to obtain a rollover under the demerger rules relating to their receipt of Cosmo Gold Shares. The Company will not be applying for a class ruling from the Australian Taxation Office relating to the application or otherwise of the demerger rules in Division 125 of the 1997 Act, or Section 45B of the Income Tax Assessment Act 1936 (the 1936 Act), to the In-specie Distribution.

(b) No choice to apply rollover

If a Shareholder is not able, or is able and decides not to choose to obtain a rollover under the demerger rules then the receipt of Cosmo Gold Shares will be a tax event for the Shareholder.

The In-specie Distribution will occur by the Company distributing Cosmo Gold Shares in part from share capital. Accordingly, taxation will arise under the capital gains tax rules, and also as an assessable dividend.

(i) Capital gains tax

The receipt of Cosmo Gold Shares will be subject to the capital gains tax rules to the extent Cosmo Gold Shares are distributed by the Company to a Shareholder from share capital.

To this extent the cost base of the Shareholder's Shares in the Company will be reduced. If this reduction exceeds the cost base of the Shareholder's Shares in the Company then

the Shareholder will derive a capital gain equal to the excess. The cost base of the Shareholder's Shares in the Company will be reduced to nil in these circumstances.

A Shareholder may be entitled to treat any capital gain as a discount capital gain if the Shareholder acquired their Share in the Company upon which the In-specie Distribution is made at least 12 months before the In-specie Distribution occurs, and the Shareholder is otherwise eligible to make a discount capital gain.

(ii) Dividend

The receipt of Como Gold Shares will be assessable to a Shareholder as a dividend to the extent Cosmo Gold Shares are distributed by the Company to a Shareholder other than from share capital. The dividend will be unfranked.

Each Shareholder must consider their individual circumstances and independently obtain their own advice to determine whether the receipt of Cosmo Gold Shares will be subject to the capital gains tax rules to the extent Cosmo Gold Shares are distributed by the Company to a Shareholder from share capital. The Company will not be applying for a class ruling from the Australian Taxation Office relating to the application or otherwise of the capital streaming rules in Section 45B and Section 45BA of the 1936 Act to the In-specie Distribution.

(b) **Taxation implications for the Company and Cosmo Gold**

The In-Specie Distribution is not expected to result in a taxable event for the Company or Cosmo Gold and therefore no commentary around the potential impact is provided.

2.28 Lodgement with ASIC

The Company has lodged with ASIC a copy of this Notice and Explanatory Memorandum in accordance with Section 256C(5) of the Corporations Act. ASIC and its officers take no responsibility for the contents of this Notice or the merits of the transaction to which this Notice relates.

If Resolution 2 is passed, the reduction of capital is required to take effect in accordance with a timetable approved by ASX. Please refer to Section 1.8 for the proposed indicative timetable for completion of the Transaction, which is subject to change by the Company and any requirements of the Listing Rules and the Corporations Act.

2.29 Voting exclusions

Pursuant to requirements of the Corporations Act and Listing Rules, certain voting exclusions apply to Resolution 1. Please refer to the Notice for details of the applicable voting exclusions.

2.30 Chair's voting intentions

The chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

2.31 Other Material Information

There is no information material to the making of a decision by a Shareholder in the Company whether or not to approve Resolution 2 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders in the Company) other than as disclosed in this Explanatory Memorandum and all relevant Schedules.

3. RESOLUTIONS 3(A)-(D) – RATIFICATION OF PRIOR ISSUES OF SECURITIES

3.1 Background

The Company is seeking Shareholder approval under Resolutions 3(A)-(D) to ratify the following issues of securities:

- (a) 128,900,000 Shares issued on 11 May 2020 under a placement to sophisticated and professional investors;
- (b) 57,500,000 Options issued on 24 July 2020 as consideration for services provided;
- (c) 15,000,000 Options issued on 2 September 2020 as consideration for services provided; and
- (d) 122,500,000 Options issued on 2 September 2020 as attaching Options to professional and sophisticated participants in a placement.

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies.

Each issue of securities the subject of Resolutions 3(A)-(D) was made under the Company's Listing Rule 7.1 capacity.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time of the issue, and shareholders subsequently approve it. As the issues of securities the subject of each of Resolutions 3(A)-(D) were within the Company's placement capacity under ASX Listing Rule 7., and were not previously approved by Shareholders, the Company now seeks Shareholder ratification of the issues pursuant to ASX Listing Rule 7.4.

If Resolutions 3(A)-(D) are approved, the prior issues the subject of each Resolution will be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore be able to issue additional equity securities under its Listing Rule 7.1 capacity without the securities subject of Resolutions 3(A)-(D) counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

3.2 Information required by Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders in respect of Resolutions 3(A)-(D) for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

(a) Name of the person/s to whom the Company issued the securities

- (i) The Shares the subject of Resolution 3(A) were issued to the following recipients:

Name of recipient of Shares	Number of Shares
Mr Kyle Douglas Shields <Shields Children Family A/C>	40,000,000
Bin Liu and Ms Chuny An Niu	88,900,000
TOTAL:	128,900,000

- (ii) The Options the subject of Resolution 3(B) were issued to the following recipients:

Name of recipient of Options	Number of Options
Gtt Global Opportunities Pty Ltd	4,800,000
Hustler Investments Pty Ltd	5,200,000
IRX Enterprises Pty Ltd	12,500,000
MAPD Nominees Pty Ltd	35,000,000
TOTAL:	57,500,000

- (iii) The Options the subject of Resolution 3(C) were issued to the following recipients:

Name of recipient of Options	Number of Options
Mounts Bay Investments Pty Ltd <CT Superannuation Fund A/C>	3,500,000
Syracuse Capital Pty Ltd <The Tenacity A/C>	3,500,000
Kcirtap Securities Pty Ltd <N&P Glovac Family A/C>	3,500,000
Hustler Investments Pty Ltd	3,500,000
Miss Sharni Kate Cetinich	500,000
Mrs Anna Maria Mackintosh	500,000
TOTAL:	15,000,000

- (iv) The Options the subject of Resolution 3(D) were issued to the following recipients:

Name of recipient of Options	Number of Options
Inji Investments Pty Ltd	1,500,000
D C Corporation Pty Ltd	1,000,000
Moustafa Awada	2,000,000
Mr Nicholas Dennis Karanges	1,000,000
10 Bolivianos Pty Ltd	5,000,000
Foxtail Pty Ltd (D1544486 / Mac Equity)	2,500,000
Tassone Investments Pty Ltd	1,000,000
Jindabyne Capital Pty Ltd <Providence Equity A/C>	4,000,000
Saba Nominees Pty Ltd <Saba A/C>	4,000,000
Miss Sharni Kate Cetinich	300,000
Svjetlana Bjeljic	700,000
Klip Pty Ltd <The Beirne Super Fund A/C>	15,000,000
Klip Pty Ltd <Beirne Super Fund A/C>	15,000,000
Rotherwood Enterprises Pty Ltd	20,000,000
TOTAL:	122,500,000

(b) Terms of the securities

- (i) The Shares the subject of Resolution 3(A) rank equally in all respects with all other Shares that the Company has on issue.
- (ii) The Options the subject of Resolution 3(B) are each exercisable for one Share at a price of \$0.005 and have an expiry date of 31 May 2022. The full terms of the Options are set out in the Company's prospectus dated 22 April 2020.
- (iii) The Options the subject of Resolution 3(C) are each exercisable for one Share at a price of \$0.005 and have an expiry date of 31 May 2022. The full terms of the Options are set out in the Company's prospectus dated 22 April 2020.
- (iv) The Options the subject of Resolution 3(D) are each exercisable for one Share at a price of \$0.007 and have an expiry date of 31 August 2022. The Options were issued on the same terms as set out in the Company's prospectus dated 22 April 2020, other than the exercise price (\$0.007) and expiry date (31 August 2022).

(c) Date on which the securities were issued

- (i) The Shares the subject of Resolution 3(A) were issued on 11 May 2020.

- (ii) The Options the subject of Resolution 3(B) were issued on 24 July 2020.
- (iii) The Options the subject of Resolution 3(C) were issued on 2 September 2020.
- (iv) The Options the subject of Resolution 3(D) were issued on 2 September 2020.

(d) Issue price or consideration received

- (i) The Shares the subject of Resolution 3(A) were issued at a price of \$0.00125 per Share.
- (ii) The Options the subject of Resolution 3(B) were issued as part consideration for services provided to the Company.
- (iii) The Options the subject of Resolution 3(C) were issued as consideration for services provided to the Company in relation to a capital raising.
- (iv) The Options the subject of Resolution 3(D) were issued for nil consideration as free attaching Options to participants under a placement

(e) Purpose and use of funds

- (i) The Company has applied the funds received from the issue of the Shares the subject of Resolution 3(A) to complete the acquisition of the Adelong Gold Project and for general working capital.
- (ii) The Options the subject of Resolution 3(B) were issued as part consideration for services provided. In the event all of the Options the subject of Resolution 3(B) are exercised, the Company will receive \$287,500 which the Company intends to apply to working capital.
- (iii) The Options the subject of Resolution 3(C) were issued as consideration for services provided in relation to a capital raising. In the event all of the Options the subject of Resolution 3(C) are exercised, the Company will receive \$75,000 which the Company intends to apply to working capital.
- (iv) No funds were raised by the issue of Options subject of Resolution 3(D), which were issued as free attaching Options to participants in a placement. In the event all of the Options the subject of Resolution 3(D) are exercised, the Company will receive \$857,500 which the Company intends to apply to working capital.

(f) Voting Exclusion Statement

A voting exclusion statement for Resolutions 3(A)-(D) is set out in the Notice.

3.3 Additional Information required by Listing Rule 14.1A

In accordance with Listing Rule 14.1A, in the event that Shareholders do not approve any of Resolutions 3(A)-(D), the Company's placement capacity under Listing Rule 7.1 will be reduced by the number of securities the subject of that Resolution until the earlier of subsequent Shareholder approval to ratify the issue of the securities or 12 months from the date of issue of the securities.

3.4 Directors' Recommendation

The Board recommends that Shareholders vote in favour of each of Resolutions 3(A)-(D). The Chair of the Meeting intends to vote undirected proxies in favour of Resolutions 3(A)-(D).

4. ENQUIRIES

Shareholders are required to contact Mr Andrew Draffin (+ 61 3) 8611 5333 if they have any queries in respect of the matters set out in the Notice or Explanatory Statement.

5. GLOSSARY

\$ means Australian dollars.

Adelong Gold Project means New South Wales exploration licence EL 5782, New South Wales mining lease ML 1435, and 16 mineral claims and 17 freehold properties in New South Wales.

Admission means the date Cosmo Gold is admitted to the official list of ASX.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ATO means the Australian Taxation Office.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Capital Raising means the capital raising conducted by Cosmo Gold for a minimum of the Minimum Subscription and a maximum of the Maximum Subscription offered pursuant to the Prospectus.

Company or **3D Resources** means 3D Resources Limited (ACN 120 973 775).

Conditions has the meaning given in Section 2.122.12(a) of the Explanatory Memorandum.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Cosmo Gold means Cosmo Gold Pty Ltd (ACN 636 743 649).

Cosmo Gold Expenses has the meaning given in clause 2.12(b)(ii).

Cosmo Gold Option means an option to acquire a Cosmo Gold Share.

Cosmo Gold Share means a fully paid ordinary share in the capital of Cosmo Gold.

Cosmo Gold Shareholders means a holder of a Cosmo Gold Share.

Cosmo IPO means the proposed IPO of Cosmo Gold.

Cosmo Newbery Gold Project means the Tenements.

Directors means the current directors of the Company.

Explanatory Memorandum means the explanatory statement accompanying the Notice.

Free Float means the free float requirement out in Listing rule 1.1, condition 7.

General Meeting or **Meeting** means the meeting convened by the Notice.

In-specie Conditions has the meaning given in Section 2.2 of the Explanatory Memorandum.

In-specie Distribution has the meaning given in Section 2.2 of the Explanatory Memorandum.

In-specie Shares means 15,000,000 Cosmo Gold Shares currently held by the Company and, subject to obtaining Shareholder approval, to be distributed to Shareholders pursuant to the In-specie Distribution.

IPO means initial public offering.

Key Management Personnel or **KMP** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Mandate means the mandate entered into between the Company and RM Corporate in relation to the Cosmo IPO.

Maximum Subscription means the maximum subscription under the Capital Raising, being \$6,000,000 before costs.

Minimum Subscription means the minimum subscription under the Capital Raising, being \$5,000,000 before costs.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Memorandum and the Proxy Form.

Offer Price means \$0.20 per Cosmo Gold Share.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Priority Offer means the right of the Company's Shareholders to subscribe for up to 10,000,000 Cosmo Gold Shares at the Offer Price to raise \$2,000,000 as part of the Public Offer.

Public Offer means the IPO by Cosmo Gold of:

- (a) a minimum offer of 25,000,000 Cosmo Gold Shares at the Offer Price to raise \$5,000,000 (before costs of the offer); and
- (b) a maximum offer of 30,000,000 Cosmo Gold Shares at the Offer Price to raise \$6,000,000 (before costs of the offer),

which includes the Priority Offer.

Prospectus has the meaning given in Section 2.9.

Proxy Form means the proxy form accompanying the Notice.

Record Date means the record date to be set by Directors in accordance with Section 2.4.

Resolutions means the resolutions set out in the Notice, and **Resolution** has the corresponding meaning.

RM Corporate means RM Corporate Finance Pty Ltd (ACN 108 084 386).

Seed Raising means the capital raising to be conducted by the issue of Cosmo Gold Shares and free-attaching Options to raise up to \$600,000 (before costs).

Seed Raising Shares means the Cosmo Gold Shares to be issued under the Seed Raising.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Spin-out has the meaning given in Section 2.1 of the Explanatory Memorandum.

Spread means the number of Shareholders set out in Listing rule 1.1, condition 8.

Tenements means the tenements and tenement applications set out in Schedule 4.

TID means the transaction implementation deed between the Company and Cosmo Gold dated 16 November 2020.

Transaction means the proposed Spin-out and In-specie Distribution as set out in Section 2.1 of the Explanatory Memorandum.

Schedule 1: Pro-forma Consolidated Statement of Financial Position – Company

3D RESOURCES LIMITED A.C.N. 120 973 775
PRO-FORMA STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

Note	Pro-Forma 30/06/2020 \$	Placement and Option Exercise \$	Impact of Cosmo Spin-out \$	Pro-Forma Post IPO \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	405,957	1,569,000	750,000	2,724,957
Trade and other receivables	54,783	-	-	54,783
Other assets	647,662	-	-	647,662
TOTAL CURRENT ASSETS	1,108,402	1,569,000	750,000	3,427,402
NON-CURRENT ASSETS				
Exploration expenditure	1,062,554	-	(893,541)	169,013
Property, plant and equipment	955,399	-	-	955,399
TOTAL NON-CURRENT ASSETS	2,017,953	-	(893,541)	1,124,412
TOTAL ASSETS	3,126,355	1,569,000	(143,541)	4,551,814
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	471,077	-	-	471,077
TOTAL CURRENT LIABILITIES	471,077	-	-	471,077
TOTAL LIABILITIES	471,077	-	-	471,077
NET ASSETS	2,655,278	1,569,000	(143,541)	4,080,737
EQUITY				
Issued capital	15,009,488	1,625,000	-	13,634,488
Reserves	69,270		3,000,000	3,069,270
Retained earnings	(12,423,480)	(56,000)	-	(12,623,021)
TOTAL EQUITY	2,655,278	1,569,000	(143,541)	4,080,737

Notes**Impact of Placement and Option Exercise**

\$1,493,000 was raised via a placement and \$132,000 via the exercise of options less \$56,000 in associated costs

Impact of Cosmo Spin-out

Cosmo Tenements transferred for \$750,000

Carrying cost of tenements priors to transfer \$893,541

Revaluation of investment in Cosmo Gold Ltd \$3,000,000

In-specie distribution, reduction in equity \$3,000,000

Impact of further capital raising

The Company may conduct other capital raising between the date of this Notice of Meeting and the Meeting. Any such raising may impact the Company's financial position to that set out above.

COSMO GOLD PTY LTD A.C.N. 636 742 649
PRO-FORMA STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	Pro-Forma 30/06/2020 \$	Impact of Seed Raise \$	Impact of IPO (minimum raise) \$	Pro-Forma Post IPO \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		100	64,000	4,200,000	4,264,100
Trade and other receivables		-	-	-	-
Other assets		-	-	-	-
TOTAL CURRENT ASSETS		100	64,000	4,200,000	4,264,100
NON-CURRENT ASSETS					
Exploration expenditure		750,000	-	-	750,000
Property, plant and equipment		-	-	-	-
TOTAL NON-CURRENT ASSETS		750,000	-	-	750,000
TOTAL ASSETS		750,100	64,000	4,200,000	5,014,100
LIABILITIES					
CURRENT LIABILITIES					
Loan - 3D Resources Ltd		750,000	(500,000)	(250,000)	-
TOTAL CURRENT LIABILITIES		750,000	(500,000)	(250,000)	-
TOTAL LIABILITIES		750,000	(500,000)	(250,000)	-
NET ASSETS		100	564,000	4,450,000	5,014,100
EQUITY					
Issued capital		100	608,000	5,055,000	5,663,100
Retained earnings		-	(44,000)	(605,000)	-
TOTAL EQUITY		100	564,000	4,450,000	5,014,100

Notes*Impact of Seed Raise*

- \$600,000 raised, \$500,000 used to pay down 3D Loan, \$36,000 paid in commission at \$6%

- \$8,000 Corporate Advisory fee settled via the issue of 80,000 shares at \$0.10 per share

Impact of IPO

\$5,000,000 raised, \$250,000 used to pay down 3D loan

\$25,000 Lead Manager fee and \$30,000 Corporate Advisory fee to be settled via the issue of 125,000 and 150,000 shares respectively at \$0.20 per share.

\$250,000 in IPO cost expenses

\$300,000 6% commission on \$5mil raise

1. Introduction

This Section identifies the areas the Directors regard as the major risks associated with an investment in Cosmo Gold. Potential investors should be aware that an investment in the Cosmo Gold, as a mining and exploration entity, involves many risks, which may be higher than the risks associated with an investment in other companies. Accordingly, the Cosmo Gold Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities (as applicable).

The following summary, which is not exhaustive, represents some of the major risk factors potential investors need to be aware of as they may in the future materially affect the financial performance of Cosmo Gold and the value of the Cosmo Gold Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of more specific risks associated with Cosmo Gold's business and its involvement in the exploration and mining industry. These risk factors are largely beyond the control of Cosmo Gold and its directors because of the nature of the proposed business of Cosmo Gold.

2. Specific risks relating to the Company and its Operations

(a) COVID-19 Pandemic and Possible Similar Future Outbreaks Risk

At the time of issue of this Notice, the global pandemic COVID-19 is having a significant and material impact on global markets and providing substantial impingement on the day-to-day operations of businesses. The pandemic may disrupt or prevent Cosmo Gold from undertaking its operations and intended programs and may impact Cosmo Gold's ability to raise capital in the near to medium term future.

Different regions in the world have from time to time experienced outbreaks of various viruses. At this time, a widespread global pandemic of severe acute respiratory syndrome coronavirus 2 (commonly known as SARS-CoV-2) and the infectious disease COVID-19, caused by the virus, is taking place. As the virus and the diseases it causes are relatively new, effective cure and vaccines are yet to be developed. While COVID-19 is still spreading and the final implications of the pandemic are difficult to estimate at this stage, the pandemic has had and will continue to have a significant and severe impact on the lives of a large portion of the global population and cause significant effects on global markets and trade. At this time, the pandemic has caused states of emergencies to be declared in various countries, travel restrictions and bans being imposed, quarantines being established and various industries, businesses, companies and institutions to close.

The ongoing effect of COVID-19 and any possible future outbreaks of viruses may have a significant adverse effect on Cosmo Gold's operations, such as preventing Cosmo Gold from carrying out its planned exploration activities and disruptions to Cosmo Gold's supply chains and access to employees/ contractors. The current pandemic may also have a severe negative impact on the economies in which Cosmo Gold operates, which may affect Cosmo Gold's ability to raise capital, decrease incomes of Cosmo Gold and/or Cosmo Gold's ability to pay its creditors in the event that its operations are negatively affected.

(b) Tenure and Title Risk

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for tenements will be approved in full or at all. In addition, interests in tenements in Australia are governed by the respective State

legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Cosmo Gold could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(c) Access and Infrastructure Risk

Access on and to tenements may be subject to the availability of appropriate infrastructure or the consent of third parties. There is no guarantee that agreement can be reached with interested third parties or that the necessary infrastructure required to access or develop the tenements will be available or viable.

Cosmo Gold does not have a current access agreement with the Waturta Claim Group or the Yilka Talintji Aboriginal Corporation to provide access to the tenements making up the Cosmo Newbery project area to undertake exploration work. There is no guarantee that an arrangement will be agreed between these parties and Cosmo Gold with respect to the long term unrestricted access to the tenements. Access arrangements with the Waturta Claim Group relate to less than 10% of the total tenements and less than 10% of the proposed expenditure in Years 1 and 2, and is not considered a material risk. If access cannot be secured over Waturta Claim Group ground in Years 1 and 2, then the exploration activity will focus on the remaining ground which requires access arrangements be completed with the Yilka Talintji Aboriginal Corporation.

If agreement cannot be reached with all interested parties in the future regarding ongoing access to the tenements, there is a risk that Cosmo Gold cannot continue its operations in respect of this project. Further, under the agreement by which Cosmo Gold acquired its 75% interest in exploration licence E38/2274, forming a portion of the Cosmo Newbery Project, if Cosmo Gold gains access but then fails to complete an initial exploration program within 2 years of the grant of any mining access permit, the original beneficial owner is entitled to repurchase Cosmo Gold's 75% interest in that licence.

A significant part of the area covered by exploration licence E38/3250 (pending) is covered by the 'exclusion zone' surrounding the Cosmo Newbery Aboriginal settlement where the WA Department of Mines and Petroleum does not permit exploration or mining activity. Several other prospecting licences in a similar position/area remain pending after many years. Accordingly there is a risk that exploration licence E38/3250 may not be granted, and if granted, exploration will not be permitted over a significant part of the area of that licence.

(d) Operational Risk

Exploration for and mining of minerals is highly speculative and no assurance can be given that production will be obtained from the areas in which Cosmo Gold has or may acquire an interest, or that production and marketing of any materials discovered by Cosmo Gold will prove to be economic.

Should a discovery be made, there is no guarantee that it will be commercially viable for a host of factors beyond Cosmo Gold's control, for example, the economics of mining operations. While the Directors will make every effort to reduce the above risks through their experience in the exploration and mining industry, the fact remains that a commercially viable mineral discovery is very much the exception rather than the rule and success can never be guaranteed. Until Cosmo Gold is able to realise value from Cosmo Gold's projects, Cosmo Gold is likely to incur ongoing operating losses.

In summary, mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable ore reserves;
- successful conclusions to bankable feasibility studies;
- access to adequate capital for project development;
- design and construction of efficient mining and processing facilities within capital expenditure budgets;
- securing and maintaining title to tenements;
- obtaining consents and approvals necessary for the conduct of exploration and mining; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees.

Other factors that could affect Cosmo Gold's operations include:

- failure to achieve predicted grades in exploration and mining;
- poor performance levels from external contractors;
- operational and technical difficulties encountered in mining;
- difficulties in commissioning and operating plant and equipment;
- availability of suitable plant and expertise from contractors and consultants;
- mechanical failure or plant breakdown;
- unanticipated metallurgical problems which may affect extraction rates and costs;
- adverse weather conditions;
- industrial and environmental accidents;
- industrial disputes;
- availability of water and power; and
- unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.

Consequently, there can be no assurance that through the projects Cosmo Gold will be able to develop and commercialise mineral extraction from its tenements and generate positive cashflow to sustain Cosmo Gold's financial viability.

(e) Native Title Risk

It is possible that, in relation to tenements which Cosmo Gold has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of Cosmo Gold to gain access to tenements (through obtaining consent of any relevant native title claimant), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Yilka Talintji Aboriginal Corporation has a native title claim with respect to the Cosmo Newbery area and initiated discussions regarding access with Cosmo Gold in early 2020. There is no guarantee that an arrangement will be agreed between the new body corporate and Cosmo Gold with respect to the long-term access to the tenements. If agreement cannot be reached with all interested parties in the future regarding access to the tenements, there is a risk that Cosmo Gold cannot undertake exploration in respect of the Cosmo Newbery Project.

The Directors continue to closely monitor the potential effect of native title claims involving tenements in which Cosmo Gold has or may have an interest.

(f) *Ore Reserves and Mineral Resource Estimates*

Ore Reserve and Mineral Resource estimates are expressions of judgment based on knowledge, experience and industry practice, and may require revision on actual production experience. All Mineral Resources estimates previously disclosed to the market are necessarily imprecise and depend to some extent on statistical inferences, which may prove unreliable or be revised in the light of additional information that comes to hand.

(g) *Commodity and Currency Price Volatility*

Commodity prices are subject to influencing factors beyond the control of Cosmo Gold and can be subject to significant fluctuations. Some of these influencing factors include:

- the COVID-19 pandemic;
- world demand for particular commodities;
- the level of production costs in major commodity producing regions; and
- expectations regarding inflation, interest rates and US dollar exchange rates.

Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on Cosmo Gold's operations and financial position.

Factors affecting commodity prices include:

- supply and demand fluctuations for specific commodities;
- changes in investor sentiment toward specific commodities;
- speculative trading;
- forward selling activities; and
- macro-economic factors such as inflation and interest rates.

(h) *Development Risk/Profitability*

Cosmo Gold's commercial viability will be dependent upon the successful development and operation of Cosmo Gold's projects and any other activity that Cosmo Gold may undertake. No assurances can be given that Cosmo Gold will be able to initiate or sustain successful mining operations at any of Cosmo Gold's current tenements or that operations will achieve commercial viability. Equally, no representation as to future profitability or dividends can be given.

(i) *Environmental Risks*

Environmental risks are inherent in mining operations. Cosmo Gold adopts practices which Cosmo Gold believes are appropriate to minimise the potential of causing environmental

damage in all Cosmo Gold's operations, but no assurance can be made that Cosmo Gold will not be affected by environmental claims or issues in the future.

The Board is strongly committed to conducting operations in an environmentally responsible manner, applying the highest standards and industry best practice to all Cosmo Gold's field activities. Surface disturbance is kept to a minimum, but where it is necessary, full cognisance is given to the environmental impact of the work to be carried out. Relevant government approvals are obtained and measures are taken to minimise the environmental impact and to ensure that following the activities involved, the land is restored and rehabilitated to as close as possible to its original condition.

The Board is not aware of any complaints about Cosmo Gold's environmental practices or impacts of its activities from owners of land on which Cosmo Gold has operated or from any relevant Government officers or agencies with regulatory responsibility.

(j) *Production and Cost Estimates*

By their very nature, production and cost estimates and assumptions are inherently subject to significant uncertainties. Actual results may materially differ from Cosmo Gold's estimates and assumptions and may materially and adversely affect Cosmo Gold's commercial viability and future results.

(k) *Government and Regulatory Approvals*

There can be no assurance that all of the relevant approvals and permits necessary to conduct mining operations will be granted by the relevant governments and regulatory authorities or that they will remain in good standing where already granted.

(l) *Regulatory*

Cosmo Gold's activities will require compliance with various laws relating to the protection and rehabilitation of the environment, health and safety, culture and heritage and other matters.

In addition, Cosmo Gold is required to obtain numerous government permits, leases, licences and approvals in respect of our exploration and mining operations.

There is a risk that Cosmo Gold may not obtain or may lose permits, leases, licences or approvals, essential to our operations.

Cosmo Gold cannot predict how existing, or future laws and regulations may be interpreted by enforcement agencies or court rulings, whether additional laws and regulations will be adopted, or the effect such changes may have on Cosmo Gold's business or financial condition.

(m) *Uninsured Loss and Liability*

Exploration for and development of minerals involves hazards and risks that could result in Cosmo Gold incurring losses and liabilities to third parties. There is a risk that Cosmo Gold may not be insured against all losses or liabilities that could arise from Cosmo Gold's operations. If Cosmo Gold incurs losses or liabilities which are not covered by Cosmo Gold's insurance policies, the funds available for exploration and development will be reduced and the value and/or tenure of Cosmo Gold's assets may be at risk.

(n) *Occupational Health and Safety*

There is an inherent risk of work place accidents occurring during the conduct of mining activity. The Board is totally committed to providing a safe and healthy work place for Cosmo Gold's employees and contractors, where engaged from time to time. Hazardous activities are

avoided wherever possible, but when necessary, all employees and contractors are required to conduct themselves in accordance with all applicable laws and policies in force from time to time in respect of occupational health and safety.

(o) Future capital requirements

Cosmo Gold's ongoing activities will require ongoing expenditures. There can be no guarantee that the funds raised by Cosmo Gold under the Seed Raising, Public Offer and other capital raisings will be sufficient to successfully achieve all the objectives of Cosmo Gold's overall business strategy. If Cosmo Gold is unable to continue to use equity to fund expansion after the substantial exhaustion of Cosmo Gold's existing funds, there can be no assurances that Cosmo Gold will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional funds on terms acceptable to Cosmo Gold or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which may limit Cosmo Gold's operations and business strategy. Cosmo Gold's failure to raise capital if and when needed could delay or suspend Cosmo Gold's business strategy and could have a material adverse effect on Cosmo Gold's activities.

(p) Going concern

The ability of Cosmo Gold to continue as a going concern is dependent upon the ability of Cosmo Gold to secure funds by raising capital from equity markets and managing cash flow in line with available funds. The events and conditions, including the losses in previous financial periods, indicate the existence of a material uncertainty that may cast significant doubt about Cosmo Gold's ability to continue as a going concern and therefore Cosmo Gold may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the financial report.

(q) Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of Cosmo Gold may be dependent upon Cosmo Gold's senior management, key personnel and consultants. There can be no assurance given that there will be no detrimental impact on Cosmo Gold if one, or a number of, those employees or consultants cease their employment or engagement with Cosmo Gold.

(r) New Projects

To achieve Cosmo Gold's objectives, Cosmo Gold may acquire or invest in new projects from time to time. However, there is always risk that Cosmo Gold may not be successful in negotiating for an acquisition of a new project.

3. General Risks

(a) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Cosmo Gold's exploration, development and future production activities, as well as on its ability to fund those activities.

(b) Currency Fluctuations

The future value of Cosmo Gold Shares and options may fluctuate in accordance with movements in foreign currency exchange rates.

(c) Taxation

Cosmo Gold's profitability may be affected by changes in overseas, Australian and State government taxation laws and policies, including royalties payable in respect of any future mining operations.

There may be tax implications arising from the acquisition of securities in Cosmo Gold, any possible receipt of dividends (both franked and un-franked) and the disposal of securities in Cosmo Gold (as appropriate). Investors should carefully consider these tax implications and if uncertain as to the relevant taxation issues, obtain further advice from a qualified professional adviser. Tax liabilities are the responsibility of each individual investor and neither the Directors nor Cosmo Gold will be responsible for any tax or related penalties incurred by investors.

(d) Stock Market Risks

The market price of the Cosmo Gold Shares may be significantly adversely affected by a variety of factors including (but not limited to) perceptions of, or variations in, general market conditions, operating performance, commodity prices, project and country risk, Board and management strength and expertise and a broad range of other factors which may or may not relate to Cosmo Gold's operations.

(e) Geopolitical

Politics on a global, regional or local scale could impact Cosmo Gold's operations and financial position. Acts of terrorism or outbreak of war may disrupt or prevent Cosmo Gold from undertaking its operations and intended programs.

(f) Other Risk Factors

There are risks involved with any investment in listed shares. The value of Cosmo Gold's securities may rise or fall depending upon a range of factors and share conditions which are unrelated to Cosmo Gold's future financial performance. Share market conditions are affected by many factors including, but not limited to:

- economic conditions in both Australia and internationally;
- investor sentiment and local and international share market conditions;
- changes in interest rates and the rate of inflation;
- changes in metal and commodity prices;
- changes to government regulation, policy or legislation;
- changes in exchange rates; and
- the nature of competition in the industry in which Cosmo Gold operates.

Some of these risks can be mitigated by the use of contingency plans and safeguards. However, many are outside the control of Cosmo Gold and cannot be mitigated.

Like all businesses, Cosmo Gold is affected by general economic conditions including the level of interest rates, inflation and consumer spending. Any prolonged downturn in economic activity could be expected to have a negative impact on Cosmo Gold. As a company having a smaller market capitalisation, the market in Cosmo Gold's securities may suffer periods of illiquidity.

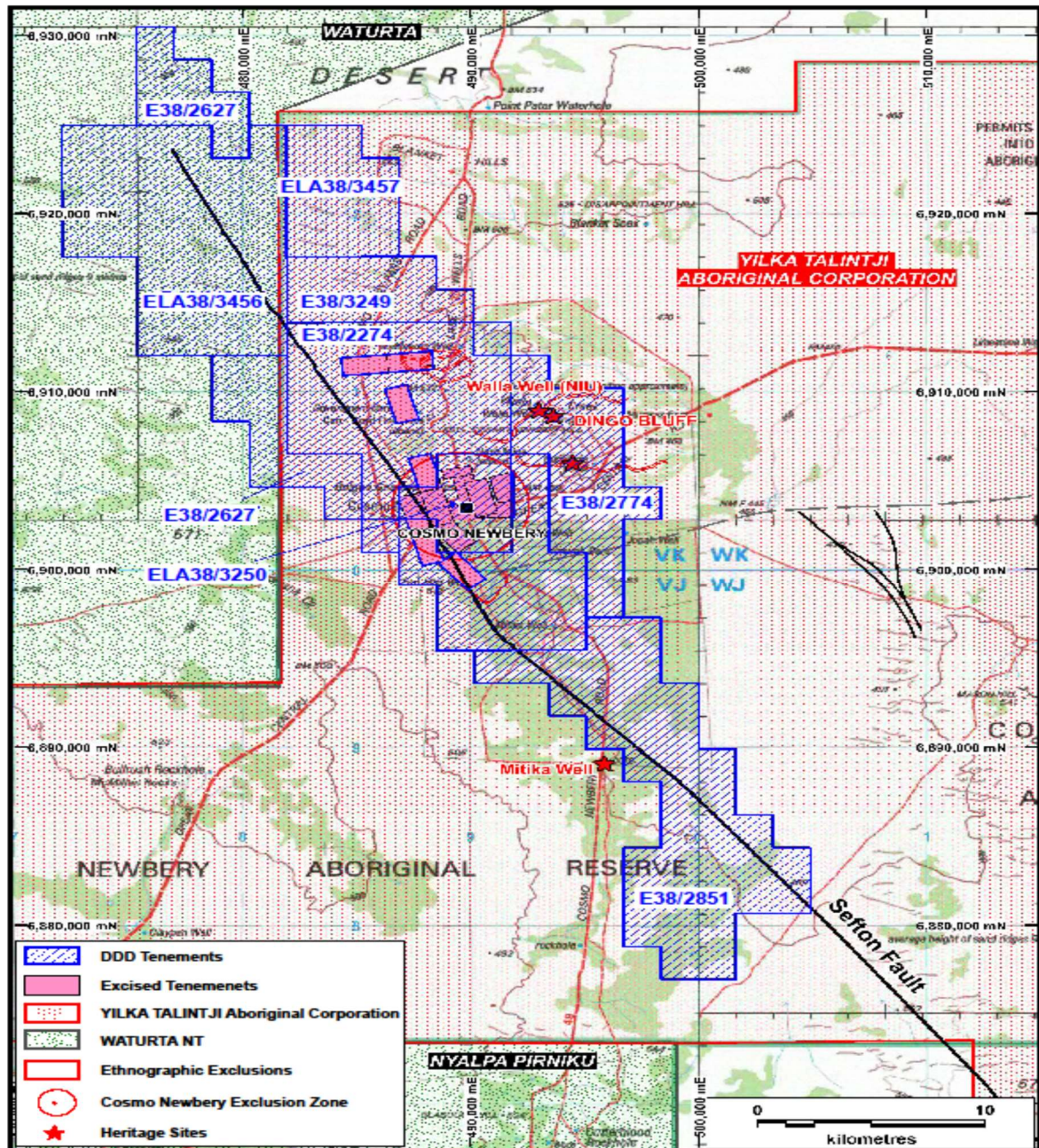
Other risk factors include those normally found in conducting business including litigation resulting from the breach of agreements or in relation to employees (through personal injuries,

industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with Cosmo Gold's business or trade.

Investment in Cosmo Gold is regarded as speculative and neither Cosmo Gold nor any of its Directors guarantees that any specific objective of Cosmo Gold will be achieved or that any particular performance of Cosmo Gold or its securities will be achieved.

The above list of risk factors should not be taken as an exhaustive list of the risks faced by Cosmo Gold. The above factors, and others not specifically referred to above, may in the future materially affect Cosmo Gold's financial performance and the value of the Cosmo Gold Shares.

Schedule 4: Tenement Schedule



Tenement	Status	Holder	Grant Date
E38/2274	Granted	Cosmo Gold 75% Foley 25%	10/6/11
E38/2627	Granted	Cosmo Gold 100%	11/5/12
E38/2774	Granted	Cosmo Gold 100%	29/7/13
E38/2851	Granted	Cosmo Gold 100%	12/3/14
E38/3249	Granted	Cosmo Gold 100%	18/7/18
E38/3250	Pending	Cosmo Gold 100%	-
E38/3456	Pending	Cosmo Gold 100%	-
E38/3457	Pending	Cosmo Gold 100%	-
E38/3525	Pending	Cosmo Gold 100%	-

PROXY FORM

3D RESOURCES LIMITED
ACN 120 973 775

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:

☐

the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at DW Accounting & Advisory, Level 4, 91 William Street, Melbourne on Monday, 21 December 2020 at 11:00am, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Approval to Dispose of Major Asset	☐	☐	☐
Resolution 2 Approval for a reduction of capital and in-specie distribution of Cosmo Gold Shares	☐	☐	☐
Resolution 3(A) Ratification of Prior Issue of Shares	☐	☐	☐
Resolution 3(B) Ratification of Prior Issue of Options	☐	☐	☐
Resolution 3(C) Ratification of Prior Issue of Options	☐	☐	☐
Resolution 3(D) Ratification of Prior Issue of Options	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail:

YES ☐ NO ☐

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to 3D Resources Limited, PO Box 253 Collins Street West VIC 8007; or
 - (b) email to the Company Secretary at adraffin@dwaccounting.com.au,

so that it is received not later than 11:00 am on 19 December 2020.

Proxy Forms received later than this time will be invalid.