

CORPORATE UPDATE

22 December 2021

SunMirror (Luxembourg) S.A. makes recommended takeover offer for Latitude 66 Cobalt Limited

Highlights

- Latitude 66 Cobalt Limited has entered into a Bid Implementation Agreement, pursuant to which SunMirror (Luxembourg) S.A. will offer to acquire all the issued ordinary shares of Lat66 by way of an off-market takeover offer;
- 100% cash consideration of A\$0.467 for each Lat66 Share;
- The Independent Directors of the Board, unanimously recommend that Lat66 Shareholders accept the Offer, in the absence of a superior proposal; and
- The Lat66 Directors that hold Lat66 Shares also intend to accept the Offer, in the absence of a superior proposal

Transaction overview

The Board of Directors (**Board**) of Latitude 66 Cobalt Limited (**Lat66** or the **Company**) is pleased to announce that they have entered into a Bid Implementation Agreement (**BIA**), pursuant to which SunMirror (Luxembourg) S.A. (**SMAG**) will offer to acquire all the issued ordinary shares of Lat66 (**Lat66 Shares**) by way of an off-market takeover offer (the **Offer**).

The Offer provides that Lat66 Shareholders will receive 100% cash consideration of A\$0.467 for each Lat66 Share they hold (**Offer Consideration**).

Independent Directors recommendation

Messrs Mark Connelly and Timothy Day, the Independent Directors of the Board, unanimously recommend that Lat66 Shareholders accept the Offer, in the absence of a superior proposal.

The Lat66 Directors that hold Lat66 Shares also intend to accept the Offer, in the absence of a superior proposal.

Key benefits to Lat66 Shareholders

The Offer provides a number of benefits to Lat66 Shareholders including that:

1. the Offer represents compelling value for Lat66 Shares, being an equity valuation of approximately A\$0.467 per share, implying an 87% return for Lat66 Shareholders who invested in the most recent capital raising and a 367% return for Lat66 Shareholders who invested in the seed financing round;
2. the Offer provides certainty of and immediate realisation of value via cash consideration which the Independent Directors consider is attractive to Lat66 Shareholders;
3. the Offer provides liquidity for Lat66 Shareholders;

4. the Offer will allow Lat66 Shareholders to cease to be exposed to the risks associated with an investment in Lat66; and
5. the Offer provides Lat66 Shareholders with an alternative to the possibility of equity dilution that may be associated with future exploration and development activities, as well as a potential future development decision on Lat66's projects.

Further detail regarding the reasons for and against accepting the Offer will be provided in Lat66's Target's Statement which will be sent to Lat66 Shareholders.

Lat66 Managing Director and Chief Executive Officer, Thomas Hoyer, commented:

"The Offer delivers an excellent outcome for Lat66 Shareholders, who, over the past several years have supported the company through its transition into one of Finland's leading exploration and development companies in the battery and precious materials space.

Lat66 is immensely proud of the way in which it conducts business in Finland. Lat66 has set the benchmark on local and regional stakeholder engagement, focused on informing and educating area residents, companies, landowners and political decision makers at all levels on mineral exploration, the impact of exploration and mining, and the role Finland can play in addressing the global electrification transition.

SMAG will provide the Company with the leadership and capital base to accelerate exploration and development efforts at K-Camp, as well as allow for appropriate investigation and exploration of the Company's comprehensive regional asset base.

The Offer provides a compelling valuation for Lat66 Shareholders and liquidity for their shareholding in the Company. An all-cash transaction enables certain and immediate value realisation."

Bid Implementation Agreement

A summary of the key terms of the BIA is provided in Schedule 1, including the bid conditions and exclusivity arrangements.

A copy of the BIA accompanies this announcement in Schedule 2 and is available on the Company's website. The Offer extends to all Lat66 Shares at a specified date. SMAG will make a separate offer to acquire the performance rights held by Lat66 Directors and management for consideration equal to the Offer Consideration.

Timetable and next steps

Further details regarding the Offer will be detailed in SMAG's Bidder's Statement and Lat66's Target's Statement, which are expected to be despatched to Lat66 Shareholders by 22 December 2021. The Bidder's Statement and Target's Statement will set out important information, including how to accept the Offer, information about SMAG and the reasons for and against why Lat66 Shareholders should accept the Offer. It is anticipated that the Offer will close on 4 February 2022.

A toll-free information line will be opened soon to address any Lat66 shareholder queries.

Investors are directed to the Company contacts below for any queries that may have regarding the Offer or transaction execution.

Latitude 66 Contacts

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Director

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International enquiries

Thomas Hoyer

Managing Director

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Schedule 1: Summary of the key terms of the Bid Implementation Agreement

On 19 December 2021, SMAG and Lat66 entered into the BIA outlining the terms on which SMAG would make the Offer.

The BIA provides that the Offer is subject to the following limited number of conditions:

1. **Minimum acceptance:** SMAG has a relevant interest in at least 90% of Lat66 Shares.
2. **Performance Rights:** all holders of performance rights have entered into agreements with SMAG to transfer all their performance rights to SMAG for the Offer Consideration.
3. **No restraints:** no judgment, injunction, order or decree which restrains or enjoins or otherwise prohibits the Offer or the completion of the takeover bid.
4. **Third party rights:** no third-party exercises, purports to exercise, or announces an intention to exercise, any change of control rights, pre-emptive rights, deemed offer or disposal or similar right pursuant to any material contracts of Lat66 as a result of the announcement of the Offer or any change of control that may occur as a result of acceptances of the Offer.
5. **No material acquisitions or disposals:** Lat66 does not make any material acquisitions or disposals unless by mutual written agreement with SMAG.
6. **No breach of representation or warranty:** certain warranties provided by Lat66 to SMAG remain true and correct in all material respects.
7. **No prescribed occurrences:** none of the events described in section 652C of the *Corporations Act 2001* (Cth) occurs.

The BIA provides customary deal protection mechanisms including "no shop" and "no talk and no due diligence" restrictions, as well as notification and matching rights in the event of the emergence of a competing proposal and fiduciary carve-outs from the "no talk and no due diligence" restrictions.

Lat66 may be required to pay SMAG a break fee of €450,000 in certain circumstances detailed in the BIA, including where the Independent Directors change or withdraw their recommendation of the Offer.

The BIA may be terminated by:

1. SMAG or Lat66 if the other party commits a material breach of its obligations under the BIA or certain representations and warranties provided by the other party in the BIA are untrue, inaccurate or misleading in any material respect;
2. SMAG if Lat66 breaches its obligations in relation to the Independent Directors' recommendation of the Offer or the exclusivity provisions of the BIA or if, in relation to Lat66, a prescribed occurrence, a material adverse change or a material transaction occurs;
3. Lat66 if SMAG (or any member of the SMAG board) withdraws or makes a public statement indicating SMAG may withdraw the Offer or if a superior proposal emerges; or
4. written mutual agreement between SMAG and Lat66.

Schedule 2: Bid Implementation Agreement

Bid Implementation Agreement

SunMirror (Luxembourg) S.A.

and

Latitude 66 Cobalt Limited

Ref OC:DN1069675

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Bid Implementation Agreement

Date **19 December 2021**

Parties **SunMirror (Luxembourg) S.A.**
company number B217501 of 121, Avenue de la Faïencerie, L-1511
Luxembourg (Grand Duchy of Luxembourg)
(SMAG)

Latitude 66 Cobalt Limited
ACN 623 040 773 of 29 Napoleon Street, Cottesloe, WA 6011, Australia
(Lat66)

Recitals

A. SMAG proposes to acquire Lat66 by means of the Takeover Bid.

B. This Agreement is entered into to record and give effect to the terms and conditions on which SMAG proposes to make the Takeover Bid and Lat66 intends to support the Takeover Bid.

The parties agree, in consideration of, among other things, the mutual promises contained in this Agreement as follows:

1. Definitions and interpretation clauses

1.1 Definitions

In this Agreement:

2021 Accounts means the statutory audited annual accounts of each of the Lat66 Subsidiary and Lat66 for the financial year ended on 30 June 2021.

Accounting Principles means either the generally accepted accounting principles in Finland, which are subject to the Finnish Accounting Act (1336/1997, as amended) and the Finnish Accounting Ordinance (1339/1997, as amended) as adopted and consistently applied by the Lat66 Subsidiary or the accounting standards required under the Corporations Act applied by Lat66, as applicable.

Agreement	means this agreement.
Announcement Date	means the date of issue by SMAG of its announcement in relation to the Takeover Bid in accordance with this Agreement.
ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning given in and as if section 12(1) of the Corporations Act included a reference to this Agreement and Lat66 were a designated body.
Authority	means: <ul style="list-style-type: none">(a) any government or governmental, semi-governmental or local authority within the Commonwealth of Australia, Switzerland, Luxembourg, Finland, or any of their respective states and territories and any department, office, minister, commission, board, delegate or agency of any such government or authority;(b) any judicial or administrative entity or authority within the Commonwealth of Australia, Switzerland, Luxembourg, Finland, the United Kingdom or Germany, or any of their respective states and territories; or(c) any other authority, commission, board, agency or other entity established or having power under statute within the Commonwealth of Australia, Switzerland, Luxembourg, Finland, the United Kingdom or Germany, or any of their respective states and territories; or(d) ASIC.
Bid Conditions	means each of the conditions of the Offer set out in Schedule 1.
Bidder's Statement	means the bidder's statement to be issued by SMAG to Lat66 Shareholders in relation to the Offer as required under section 633(1) of the Corporations Act.
Break Fee	means EUR 450,000.
Business Day	means a day on which banks are open for business in Perth, Australia, excluding a Saturday, Sunday or public holiday in that city.
Claim	means a claim, action, proceeding or demand made against the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

Competing Proposal

means, in respect of Lat66, any expression of interest, offer or proposal by a Third Party in respect of a transaction under which, if the transaction were completed, a person (whether alone or together with one or more Associates) would:

- (a) acquire, or have a right to acquire, a legal, equitable or economic interest or Relevant Interest in 20% or more of all of the voting shares in Lat66 (whether by way of acquisition of existing shares or the issue of new shares);
- (b) acquire, or have a right to acquire, a legal, equitable or economic interest in the whole or a substantial part of the business or assets of Lat66 and/or its related entities;
- (c) acquire Control of Lat66; or
- (d) otherwise acquire or merge with Lat66 (including by reverse takeover bid or takeover bid, scheme of arrangement or by establishing a dual listed company structure or stapled security structure).

Confidential Information

means any information provided by one party to another party, or otherwise obtained by a party, whether obtained before or after execution of this Agreement, in connection with this Agreement including:

- (a) any confidential business information, documents, records, financial information, reports, technical information and forecasts which relate to a party or the business of a party;
- (b) any information which is by its nature confidential or which the other party knows, or ought to know, is confidential;
- (c) any intellectual property of a party; and
- (d) the fact that the Confidential Information may be or has been provided; and
- (e) the terms and conditions of this Agreement,

but does not include:

- (f) information which is in or becomes part of the public domain, other than through a breach of this Agreement or an obligation of confidence owed to a party; or
- (g) information which a party can prove was independently acquired or developed without breaching any of its obligations set out in this Agreement.

Consideration

means AUD0.467 for each Lat66 Share.

Control	in respect of an entity, has the meaning given in section 50AA of the Corporations Act.
Control Date	the date on which SMAG acquires a Relevant Interest in 50.1% or more of all Lat66 Shares on issue and the Takeover Bid has been declared free of defeating conditions.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Court	means the Federal Court of Australia, the Supreme Court of Western Australia or any other court of competent jurisdiction under the Corporations Act as SMAG and Lat66 agree in writing.
Encumbrance	means any mortgage, fixed or floating charge, pledge, lien, option, right to acquire a security or to restrain someone from acquiring a security (including under a right of pre-emption or right of first refusal), assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind (including a "security interest" as defined under the <i>Personal Property Securities Act 2009</i> (Cth)), and any agreement to create any of the foregoing or allow any of the foregoing to exist.
Exclusivity Period	means the period starting on the date of this Agreement and ending on the first to occur of: <ul style="list-style-type: none"> (a) termination of this Agreement; (b) the end of the Offer Period; and (c) the Long Stop Date.
Exploration Permit Applications	means the exploration permit applications (in Finnish: <i>malminetsintälupahakemus</i>) made by a member of the Lat66 Group that have been registered by the Finnish mining authority, the exploration permit applications (in Finnish: <i>malminetsintälupahakemus</i>) made by a member of the Lat66 Group currently being processed by the Finnish mining authority and the exploration permits (in Finnish: <i>malminetsintälupa</i>) as set out in the Mining Act granted to a member of the Lat66 Group but which are subject to appeal and which are disclosed in the Lat66 Disclosure Materials.
Exploration Permits	means the exploration permits as set out in the Mining Act granted to a member of the Lat66 Group and which are not subject to appeal and which are disclosed in the Lat66 Disclosure Materials.
Granted Exploration Permit	means the granted Exploration Permit ML 2011:0022: Ollinsou.

GST	has the meaning given in the GST Act.
GST Act	means the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Independent Lat66 Directors	means Mark Connelly and Timothy Day.
Insolvent	means, in respect of a party, any one or more of the following events: <ul style="list-style-type: none">(a) the party is or becomes unable to pay its debts as and when they fall due or is otherwise presumed to be insolvent under the insolvency laws applying to that party;(b) an administrator, liquidator, provisional liquidator, receiver, receiver and manager or equivalent officer has been appointed in respect of that party or the whole or any part of its assets or undertaking;(c) an arrangement, compromise, moratorium, assignment, composition or similar arrangement with creditors has been proposed, agreed or sanctioned in respect of that party (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other party);(d) an order or application has been made (and is not dismissed within 10 Business Days), or a resolution has been passed or proposed or a meeting convened, for the winding up or dissolution of that party; or(e) something having a substantially similar effect to paragraphs (a) to (d) occurs in respect of that party under the laws of any jurisdiction.
Lat66 Board	means the board of directors of Lat66 as constituted from time to time.
Lat66 Director	means a director of Lat66 as at the date of this Agreement.
Lat66 Disclosure Materials	means: <ul style="list-style-type: none">(a) the information and documents disclosed in writing by Lat66 or its Representatives about the Lat66 Group and its businesses to SMAG or its Representatives or otherwise disclosed by Lat66 to the public prior to the date of this Agreement; and(b) all written materials and documents (including the Q&A) contained in the electronic data room maintained by Ansarada available to SMAG and its Representatives in relation to the Lat66 Group and its

respective businesses and assets, all as provided as at 1700 (Perth time) on 19 December 2021.

- Lat66 Group** means Lat66 and its Subsidiaries.
- Lat66 Group Mining Rights** means the Exploration Permits, the Exploration Permit Applications, the Mining Concessions, the Reservation Applications and the Reservation Decisions.
- Lat66's Knowledge** means the actual knowledge of any Lat66 Directors acting diligently .
- Lat66 Insurance Quote** means the indicative run-off insurance quote received by Lat66 from insurance broker, KBI Pty Ltd, and a copy of which has been provided to SMAG prior to the date of this Agreement.
- Lat66 Material Adverse Change** means any event, matter or circumstance which individually, or when aggregated with all such other events, matters or circumstances results in or could reasonably be expected to result in:
- (a) the value of the consolidated net assets of the Lat66 Group reported in Lat66's financial statements for the financial year ending 30 June 2021 being reduced by at least €4,500,000; or
 - (b) the termination or loss of any Lat66 Material Contract, other than an event, matter or circumstance:
 - (c) required or permitted to be done by this Agreement;
 - (d) required to be done as a result of the Takeover Bid;
 - (e) the occurrence of which was fairly disclosed in the Lat66 Disclosure Materials prior to the date of this Agreement;
 - (f) that is an actual event, matter or thing which is actually known to SMAG prior to the date of this Agreement (which does not include knowledge of the risk of an event, occurrence or matter happening);
 - (g) the payment of any premium for directors and officers run-off insurance; or
 - (h) directly resulting from any actions taken (or omitted to be taken) following a written request from SMAG or with SMAG's prior written consent.
- Lat66 Material Contracts** means any agreement to which any member of the Lat66 Group is party:
- (a) that involves an economic commitment or annual cost by the member of the Lat66 Group in excess of EUR 50,000;

- (b) under which the member of the Lat66 Group has entered into non-compete, exclusivity or other similar business restricting arrangements; or
- (c) which cannot at any time be unilaterally terminated by the member of the Lat66 Group without cause and without penalties to end such agreement or arrangement within six months.

Lat66 Material Transaction

means any member of the Lat66 Group:

- (a) acquiring, offering to acquire or agreeing to acquire one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount in aggregate greater than EUR 450,000;
- (b) disposing of, offering to dispose of or agreeing to dispose of one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount, or in respect of which the book value is, in aggregate, greater than EUR 450,000;
- (c) entering into, agreeing to enter into or announcing any agreement to enter into any contract, commitment or arrangement, joint venture or partnership that:
 - (i) requires payments, expenditure or the foregoing of revenue by any member of the Lat66 Group of an amount in excess of EUR 450,000 on any individual basis or which is, in aggregate, greater than EUR 450,000; or
 - (ii) is material in the context of the Lat66 Group and is not in the ordinary course of business;
- (d) entering into or agreeing to enter into, terminating or agreeing to terminate a contract, commitment or arrangement for the provision of services or a licence to a Third Party that is a new or existing customer that results in any member of the Lat66 Group incurring costs greater than EUR 450,000 on an individual basis or is, in aggregate, greater than EUR 450,000 for the entire term of such contract, commitment or arrangement;
- (e) providing or agreeing to provide financial accommodation or a guarantee (other than to entities within the Lat66 Group) for any amount, or receives financial accommodation (other than from entities within the Lat66 Group) for any amount;
- (f) entering into, amending, or agreeing to enter into or amend, any material contract, commitment or other arrangement with a related party (as defined in section 228 of the Corporations Act) of Lat66;

- (g) incurring, agreeing to incur or bringing forward the time for incurring, or granting to a Third Party a right the exercise of which would involve any member of the Lat66 Group incurring or agreeing to incur an amount of capital expenditure in excess of EUR 450,000; or
- (h) announcing an intention to do any of the matters referred to in sub-paragraphs (a) to (g) above,

other than to the extent:

- (i) required or permitted to be done by this Agreement;
- (j) required to be done under the Takeover Bid;
- (k) fairly disclosed in the Lat66 Disclosure Materials prior to the date of this Agreement;
- (l) actually known to SMAG prior to the date of this Agreement (which does not include knowledge of the risk of an event, occurrence or matter happening);
- (m) the payment of any premium for directors and officers run-off insurance; or
- (n) directly resulting from any actions taken (or omitted to be taken) following a written request from SMAG or with SMAG's prior written consent, with such consent not to be unreasonably withheld or delayed.

Lat66 Prescribed Occurrence

means any of the following:

- (a) Lat66 converts all or any of its shares into a larger or smaller number of shares;
- (b) any member of the Lat66 Group resolves to reduce its share capital in any way or reclassifies, redeems or repurchases directly or indirectly any of its shares;
- (c) any member of the Lat66 Group enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) any member of the Lat66 Group issues securities or grants an option or performance right over any securities (including equity securities, debt securities or convertible securities) (or agrees to make such an issue or grant);
- (e) any member of the Lat66 Group creates or agrees to create any Encumbrance over the whole or any part of its assets or undertaking other than an Encumbrance arising in the ordinary course of business;
- (f) an order or application is made or a resolution is passed for the winding up of any member of the Lat66 Group;

- (g) an administrator, liquidator, provisional liquidator, receiver or receiver and manager is appointed in respect of any member of the Lat66 Group or the whole or any part of the assets or undertaking of any member of the Lat66 Group, or any member of the Lat66 Group executes a deed of company arrangement;
- (h) any member of the Lat66 Group ceases to carry on business or is deregistered under the Corporations Act;
- (i) any member of the Lat66 Group enters into any unusual or abnormal contract or commitment which is outside the ordinary course of business and which could reasonably be expected to:
 - (i) change the nature of the business conducted by the Lat66 Group; or
 - (ii) have a material adverse impact on the business conducted by the Lat66 Group;
- (j) any member of the Lat66 Group enters into a contract or commitment restraining any member of the Lat66 Group from competing with any person or conducting activities in any market;
- (k) any member of the Lat66 Group enters into or otherwise becomes a party to, any material transaction with a related party (as that term is defined in Chapter 2E of the Corporations Act) of Lat66 (other than between Lat66 and a direct or indirect wholly owned subsidiary of Lat66);
- (l) any member of the Lat66 Group (other than a direct or indirect wholly owned subsidiary of Lat66) declares, pays, or determines to be payable any distribution, bonus or other share of its profits or assets (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);
- (m) any member of the Lat66 Group disposes of, or offers or agrees to dispose of, any material business, asset, joint venture interest, entity or undertaking (or any interest in a business, asset, joint venture, entity or undertaking) or makes an announcement in relation to such a disposal, offer or agreement;
- (n) any member of the Lat66 Group:
 - (i) enters into any financing arrangement or commitment or agrees to extend, repay or materially amend any existing financing arrangement or commitment; or

- (ii) guarantees, indemnifies or provides security for the obligations of any person or entity other than a member of the Lat66 Group; and
- (o) any member of the Lat66 Group agrees or announces an intention to take any of the actions referred to in paragraphs (a) to (n) above,

provided that a Lat66 Prescribed Occurrence will not include any matter:

- (p) required or permitted to be done or procured by Lat66 under this Agreement or which is otherwise contemplated by this Agreement;
- (q) required to be done as a result of the Takeover Bid;
- (r) fairly disclosed in the Lat66 Disclosure Materials prior to the date of this Agreement;
- (s) actually known to SMAG prior to the date of this Agreement (which does not include knowledge of the risk of an event, occurrence or matter happening);
- (t) directly resulting from any actions taken (or omitted to be taken) following a written request from SMAG or with SMAG's prior written consent;
- (u) the payment of any premium for directors and officers run-off insurance; or
- (v) approved in writing by SMAG, such approval not to be unreasonably withheld or delayed.

Lat66 Share	means a fully paid ordinary share in the capital of Lat66.
Lat66 Shareholder	means a holder of one or more Lat66 Shares.
Lat66 Subsidiary	means Latitude 66 Cobalt Oy, a company organised under the laws of Finland with Business ID 2656776-9.
Lat66 Subsidiary Shares	means all of the issued shares in the capital of the Lat66 Subsidiary, being 10 issued and outstanding shares which are legally and beneficially owned by Lat66.
Lat66 Superior Proposal	<p>means a written bona fide Competing Proposal after the date of this Agreement which the Independent Lat66 Directors, acting in good faith after receiving written advice from Lat66's external advisers, determines is:</p> <ul style="list-style-type: none"> (a) reasonably capable of being completed, taking into account all aspects of the Competing Proposal; and (b) more favourable than the Offer from the perspective of the Lat66 Shareholders, taking into account all terms and conditions of the Competing Proposal.

Long Stop Date	means the earlier of: (a) the date on which the Offer Period in respect of the Takeover Bid ends; and (b) 6 months after the date of this Agreement, or such other date as SMAG and Lat66 agree in writing.
Mining Act	means the Finnish Mining Act (621/2011, as amended, in Finnish: <i>kaivoslaki</i>).
Mining Concessions	means the mining concessions (in Finnish: <i>kaivospiiri</i>) and thereto related mining rights as set out in the Previous Mining Act which are granted to a member of the Lat66 Group and which are disclosed in the Lat66 Disclosure Materials.
Offer	means the offer by SMAG to acquire all Lat66 Shares (including all rights attaching to them) under the Takeover Bid for the Consideration.
Offer Period	means the period for which the Offer is open for acceptance by the Lat66 Shareholders.
Performance Right	means a performance right in the capital of Lat66.
Performance Rights Offer	has the meaning given to that term in clause 4.11(a).
Previous Mining Act	means the revoked Finnish Mining Act 503/1965 (in Finnish: <i>kaivoslaki 503/1965</i> , as amended).
Relevant Interest	has the meaning given in section 608 of the Corporations Act.
Representative	means: (a) in relation to Lat66, a member of the Lat66 Group, any director, officer or employee of any member of the Lat66 Group, and any financier, financial adviser, accounting adviser, auditor, legal adviser or technical or other expert adviser or consultant to any member of the Lat66 Group in relation to the Transaction; and (b) in relation to SMAG, any director, officer or employee of SMAG, any financier, financial adviser, accounting adviser, auditor, legal adviser, or technical or other expert adviser or consultant to SMAG in relation to the Transaction.
Reservation Applications	means the reservation application (in Finnish: <i>varausilmoitus</i>) as set out in the Mining Act made by a member of the Lat66 Group as well as the reservation applications granted to a

member of the Lat66 Group but which are subject to appeal and which are disclosed in the Lat66 Disclosure Materials.

Reservation Decision	means the reservation decisions (in Finnish: <i>varauspäättös</i>) as set out in the Mining Act granted to a member of the Lat66 Group and which are not subject to appeal and which are disclosed in the Lat66 Disclosure Materials.
Sale Agreement	means the share purchase agreement dated 27 August 2021 between SMAG, Lat66 and SunMirror AG.
SMAG Board	means the board of directors of SMAG as constituted from time to time.
SMAG Disclosure Materials	means the information and documents disclosed in writing by SMAG or its Representatives about SMAG and its activities to Lat66 or its Representatives.
SMAG Group	means SMAG and its Subsidiaries.
Subsidiary	has the meaning given to that term in the Corporations Act.
Takeover Bid	means the off-market takeover bid to be made by SMAG for all Lat66 Shares under Chapter 6 of the Corporations Act subject to the Bid Conditions and otherwise in accordance with the terms of this Agreement.
Target's Statement	means the target's statement to be issued by Lat66 to Lat66 Shareholders in relation to the Offer as required under item 10 of section 633(1) of the Corporations Act.
Terminating Party	has the meaning given in clause 10.1(a).
Third Party	means a person other than SMAG or a member of the Lat66 Group.
Timetable	means the indicative timetable set out in Schedule 2.
Transaction	means the acquisition of Lat66 by SMAG under the Takeover Bid.
Unconditional	means SMAG issuing a notice in accordance with section 630(3) of the Corporations Act declaring that the Takeover Bid is free or freed (as the case may be) from all defeating conditions otherwise applicable to the Takeover Bid.

1.2 Related entities

For the purposes of this Agreement, one entity is related to another if the first entity:

- (a) Controls the second entity;

- (b) is under the Control of the second entity; or
- (c) is under the Control of a third entity that also Controls the second entity,

in each case for the purposes of section 50AA of the Corporations Act but as if section 50AA(4) did not apply.

1.3 Rules of interpretation and construction

In this Agreement:

- (a) headings are for convenience only and do not affect interpretation; and
- (b) the Recitals are to be construed as part of this Agreement,

and unless the context indicates a contrary intention:

- (c) the expression 'person' includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (e) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (g) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (h) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Agreement, and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement;
- (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (j) the word 'includes' in any form is not a word of limitation; and
- (k) a reference to '\$' or 'dollar' is to Australian currency and a reference to 'EUR' is to euros.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Fully and fairly disclosed

In this Agreement, a fact, matter, event or circumstance is "fully and fairly disclosed" or "fairly disclosed" only if sufficient information has been disclosed to SMAG or Lat66, as the case may be, so as to enable a prudent and professional investor advised by professional advisers to identify, without the need to draw conclusions from several unrelated documents or sections therein, such fact, matter, occurrence or event and assess the legal, financial and/or operational impact of it.

2. Agreement to Propose Takeover Bid

2.1 Agreement to bid

- (a) SMAG agrees to make the Offer to Lat66 Shareholders subject to the Bid Conditions and otherwise in accordance with the terms of this Agreement.
- (b) The Offer will apply to all Lat66 Shares which are on issue prior to the close of the Offer Period.
- (c) SMAG may vary the terms and conditions of the Offer in any manner permitted by the Corporations Act, but only if the varied terms and conditions are no less favourable to Lat66 Shareholders than the terms of the Offer that applied immediately prior to the relevant variation.
- (d) SMAG will:
 - (i) announce the Takeover Bid (as contemplated by clause 5.1) no later than the time provided in the Timetable or such other time as agreed in writing by the parties;
 - (ii) use its best endeavours to lodge its Bidder's Statement with ASIC and provide a copy of the lodged Bidder's Statement to Lat66 in accordance with the Timetable or such other time as agreed in writing by the parties; and
 - (iii) use its best endeavours to ensure that the Offer is conducted in accordance with the Timetable.
- (e) Subject to the Corporations Act, Lat66 will use its best endeavours to ensure that the Offer is conducted in accordance with the Timetable.

2.2 Lat66 Board changes

If SMAG acquires a Relevant Interest in at least 90% of the Lat66 Shares and the Offer is declared unconditional, Lat66 must as soon as practicable:

- (a) take all actions necessary to cause:
 - (i) the appointment of such persons as directors and officers of Lat66 and the Lat66 Subsidiary as SMAG may notify Lat66 in writing before the end of the Offer Period; and
 - (ii) the resignation of the such persons as directors and officers of Lat66 and the Lat66 Subsidiary as SMAG may notify Lat66 in writing before the end of the Offer Period; and
- (b) ensure that all directors on the Lat66 Board (and the board of the Lat66 Subsidiary) resigning under clause 2.2(a)(ii) resign and unconditionally and irrevocably release Lat66 or the Lat66 Subsidiary, as applicable, from any claims they may have against Lat66 or the Lat66 Subsidiary, as applicable (without limitation to any rights they may have under any deed of access and indemnity or policy of directors' and officers' insurance).

3. Bid Conditions

3.1 Bid conditions

- (a) To the extent that it is within its power to do so, each party must use reasonable endeavours to procure that nothing occurs that will, or is likely to, cause any Bid Condition to be breached or will or is likely to prevent a Bid Condition from being satisfied.
- (b) If a fact, matter or circumstance occurs or arises of which either party is or becomes aware and which will or is likely to cause any Bid Condition to be breached, or will or is likely to prevent any Bid Condition from being satisfied or unreasonably delayed, that party must promptly notify the other party of that fact, matter or circumstance. Each party must, on request from the other party, advise of its progress to satisfy any Bid Condition.

3.2 Declaring free or unconditional

Subject to the Corporations Act, SMAG may at any time (but is not obliged to) declare the Takeover Bid to be free from any Bid Condition, or declare the Takeover Bid Unconditional, on such terms (if any) as it may determine.

3.3 Variation

SMAG may vary the terms and conditions of the Takeover Bid in any manner that is permitted by the Corporations Act.

3.4 Payment of Consideration

SMAG agrees that terms and conditions of the Offer will provide that SMAG will use its best endeavours to procure that the Consideration is paid to Lat66 Shareholders who accept the Offer:

- (a) if the Offer remains subject to the Bid Conditions, within 10 Business Days after SMAG gives Lat66 a notice under section 657F of the Corporations Act declaring the Offer free from the Bid Conditions; or
- (b) if the Offer is free from Bid Conditions, 10 Business Days after the Offer is accepted by the relevant Lat66 Shareholder.

4. Takeover Bid

4.1 Compliance with Timetable

- (a) Each party agrees to use reasonable endeavours to do all acts and things within its power as may be reasonably necessary for the implementation and performance of the Takeover Bid in accordance with the Timetable, however, nothing in this clause prevents Lat66, SMAG or their directors or officers from taking or failing to take action if the director or officer determines, acting in good faith after receiving written advice from its external advisers, that to do otherwise would or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the director or officer.
- (b) The parties acknowledge and agree that it is the intention of the parties to lodge the Bidder's Statement and Target's Statement with ASIC on the same date as indicated in the Timetable.

4.2 Co-operation

SMAG and Lat66 must each:

- (a) use all reasonable endeavours and commit necessary resources (including management and the resources of external advisors); and
- (b) procure that its Representatives work in good faith and in a timely and co-operative fashion with the other party and its Representatives (including by attending meetings and by providing such record and information as the other party reasonably requires),

to implement the Takeover Bid.

4.3 Access to people and information

- (a) Between the date of this Agreement and the earlier of the end of the Offer Period and the date this Agreement is terminated, each party must, to the extent reasonably required to implement the Takeover Bid:

- (i) as soon as reasonably practicable provide the other party and its Representatives with any documents, records, and other information (subject to applicable privacy laws) reasonably requested by them; and
 - (ii) provide the other party and its Representatives with reasonable access within normal business hours to the other party's Representatives (provided that such access does not impose an undue burden) which the party reasonably requires for the purposes of:
 - (A) implementing the Takeover Bid;
 - (B) preparing for carrying on the business of Lat66 and SMAG following implementation of the Takeover Bid; and
 - (C) any other purpose which is agreed in writing between the parties.
- (b) The obligations in clause 4.3(a) do not apply to the extent that:
- (i) in respect of Lat66, the access of information is connected with the Lat66 Board's deliberations in relation to the transactions contemplated by this Agreement, or information connected to a potential Competing Proposal; and
 - (ii) in respect of SMAG, the access or information is connected to the SMAG Board's deliberations in relation to the transactions contemplated by this Agreement.

4.4 Bidder's Statement

- (a) SMAG will ensure that the Bidder's Statement (including any documentation attached to the Bidder's Statement) is consistent with the terms of the Takeover Bid as contemplated by this Agreement and complies with all applicable legal requirements.
- (b) SMAG must, within a reasonable time (and in any event no later than 5 Business Days) prior to lodgement of the Bidder's Statement with ASIC, provide an advanced and reasonably complete draft of the Bidder's Statement to Lat66 and its Representatives for review and consider in good faith the comments of Lat66 and its Representatives when finalising the Bidder's Statement.
- (c) SMAG and Lat66 acknowledge that SMAG will make all necessary disclosures in the Bidder's Statement to comply the Corporations Act, Takeovers Panel decisions and guidance notes and ASIC regulatory guides.
- (d) SMAG shall not lodge the Bidder's Statement with ASIC or despatch the Bidder's Statement to Lat66 Shareholders unless a final copy of the Bidder's Statement has been provided to Lat66 and Lat66 has provided its written consent to lodgement with ASIC and despatch to Lat66 Shareholders.

4.5 **Lat66 Assistance**

Lat66 must provide on a timely basis any assistance and information that is reasonably requested by SMAG to enable SMAG to prepare and finalise the Bidder's Statement.

4.6 **Target's Statement**

- (a) Lat66 will ensure that the Target's Statement (including any documentation attached to the Target's Statement) complies with all applicable legal requirements.
- (b) Lat66 must within a reasonable time (and in any event no later than 5 Business Days) prior to lodgement of the Target's Statement with ASIC, provide an advanced and reasonably complete draft of the Target's Statement to SMAG and its Representatives for review and consider in good faith the comments of SMAG and its Representatives when finalising the Target's Statement.
- (c) SMAG and Lat66 acknowledge that Lat66 will make all necessary disclosures in the Target's Statement to comply the Corporations Act, Takeovers Panel decisions and guidance notes and ASIC regulatory guides.
- (d) Subject to the Corporations Act, Lat66 shall not lodge the Target's Statement with ASIC or despatch the Target's Statement to Lat66 Shareholders unless a final copy of the Target's Statement has been provided to SMAG and SMAG has provided its written consent to lodgement with ASIC and despatch to Lat66 Shareholders.

4.7 **SMAG Assistance**

SMAG must provide, on a timely basis, any assistance and information that is reasonably requested by Lat66 to enable Lat66 to prepare and finalise the Target's Statement.

4.8 **No Independent Expert**

The parties agree that an independent expert's report for the Target's Statement is not required by section 640 of the Corporations Act. The parties acknowledge and agree that Lat66 does not currently intend to commission the preparation of an independent expert's report for the Target's Statement.

4.9 **Dispatch of Bidder's Statement and Target's Statement**

- (a) To the extent permitted under the Corporations Act, subject to this clause 4 and provided a Lat66 Superior Proposal has not been received by Lat66 in the interim, each of SMAG and Lat66 agrees that it will take prompt action to ensure that the Bidder's Statement and Target's Statement can be mailed together to Lat66 Shareholders in accordance with the Timetable.

- (b) Lat66 agrees that the Bidder's Statement may be despatched to Lat66 Shareholders on a date nominated by SMAG that is earlier than the date for sending under Item 6 of section 633(1) of the Corporations Act.

4.10 **Supplementary Bidder's Statement and Supplementary Target's Statement**

Each of SMAG and Lat66 covenants to comply with Division 4 of Part 6.5 and Chapter 6B of the Corporations Act.

4.11 **Performance Rights Offer**

- (a) As soon as practicable after SMAG makes the Offer, SMAG must make an offer to each of the holders of Performance Rights to have their Performance Rights transferred to SMAG and immediately cancelled upon transfer to SMAG, on the terms set out in clause 4.11(b) (**Performance Rights Offer**).
- (b) SMAG must make the Performance Rights Offer:
 - (i) by offering cash as consideration to each holder of Performance Rights that is equal to the Consideration as follows:

Class of Performance Rights	Number of Performance Rights	Expiry date	Consideration for Performance Rights
Tranche 1	20,000,000	July 2024	AUD0.467 per Performance Right
Tranche 2	20,000,000	July 2027	AUD0.467 per Performance Right

- (ii) to each holder of Performance Rights; and
- (iii) subject to a condition that the Performance Rights Offer will only become unconditional if the Offer becomes unconditional.

5. **Recommendation of Takeover Bid**

5.1 **Public announcement**

- (a) Immediately after execution of this Agreement, Lat66 and SMAG (at its election) must issue their respective announcements in a form agreed between Lat66 and SMAG (each acting reasonably).
- (b) Lat66 must issue the announcement by publishing it on its website at <https://lat66.com/>.

- (c) SMAG must issue the announcement by publishing it on its website at <https://sunmirror.com/investor-relations/ad-hoc-announcements/>.
- (d) Lat66 and SMAG each agree to provide the other party with a reasonable opportunity to review its respective proposed announcement before the announcement is issued, and to take into account the reasonable comments of the other party.

5.2 Lat66 Directors' recommendation

Lat66 represents and warrants to SMAG that each Independent Lat66 Director has informed Lat66, prior to its entry into this Agreement, that the Independent Lat66 Director:

- (a) supports the Takeover Bid;
 - (b) will publicly recommend that Lat66 Shareholders accept the Offer in respect of all of their respective Lat66 Shares; and
 - (c) will not change the Independent Lat66 Director's public recommendation,
- in each case, in the absence of a Lat66 Superior Proposal.

5.3 Joint promotion of Takeover Bid

- (a) Unless the Independent Lat66 Directors withdraw or change their recommendation of the Offer pursuant to clause 5.2, the Independent Lat66 Directors will:
 - (i) support the Offer made under the Takeover Bid during the Offer Period in the absence of a Lat66 Superior Proposal, and on condition that this Agreement has not been terminated; and
 - (ii) jointly promote the Takeover Bid to Lat66 Shareholders with SMAG, including:
 - (A) participating in joint conference calls and investor presentations; and
 - (B) meeting key Lat66 Shareholders, analysts, management, customers, press and other parties mutually agreed by SMAG and Lat66,

in each case, in the absence of a Lat66 Superior Proposal and on condition that this Agreement has not been terminated.

- (b) SMAG will not make any announcement or statement to a Third Party which concerns Lat66 unless such announcement or statement is consistent with communications made jointly in accordance with clause 5.3 and SMAG has given Lat66 reasonable prior notice of such announcement or statement and its content.

5.4 Change or withdrawal of recommendation

- (a) Subject to clauses 5.4(b) and 6.5, Lat66 will procure that the Independent Lat66 Directors do not change or withdraw their recommendation referred to in clause 5.2 once made and will not make any public statement which would suggest that the Offer is no longer recommended or that it supports a Competing Proposal in respect of Lat66 unless an Independent Lat66 Director determines that a Competing Proposal in respect of Lat66 constitutes a Lat66 Superior Proposal.
- (b) Before the Independent Lat66 Directors withdraw or changes their recommendation under clause 5.4(a), the Independent Lat66 Directors must ensure that Lat66 complies with its obligations pursuant to clauses 6.5 and 6.6.

6. Exclusivity

6.1 General

For the purposes of this clause 6, it is acknowledged that any actions by any director, officer or employee of any member of the Lat66 Group or any other Representative of Lat66 acting as authorised agent of Lat66 that would, if they were actions of Lat66, breach this clause 6, shall be deemed to be a breach by Lat66 of this clause 6 (including for the purposes of the definition of "Competing Proposal" and "Lat66 Superior Proposal").

6.2 No existing discussions

Lat66 warrants that as at the date of this Agreement, it is not, and must ensure that none of its Representatives are, in any negotiations or discussions, and that it has, and its Representatives have, ceased any existing negotiations or discussions, in respect of any Competing Proposal in respect of Lat66 (or which may reasonably be expected to lead to a Competing Proposal in respect of Lat66) with any person.

6.3 No shop

During the Exclusivity Period, Lat66 must not, and must ensure that each of its Representatives does not, directly or indirectly solicit, invite, encourage or initiate (including by the provision of non-public information) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or that may reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal in respect of Lat66 or communicate to any person any intention to do anything of those things.

6.4 No talk and no due diligence

Subject to clause 6.5, during the Exclusivity Period, Lat66 must not and must ensure that each of its Representatives does not, directly or indirectly, except with the prior written consent of the SMAG:

- (a) enter into, continue or participate in any negotiations or discussions with any person in relation to a Competing Proposal in respect of Lat66 or that may reasonably be expected to encourage or lead to the making of a Competing Proposal in respect of Lat66;
- (b) negotiate, accept, approve, recommend or enter into, or offer or agree to negotiate, accept, approve, recommend or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal in respect of Lat66;
- (c) disclose or otherwise provide any material non-public information about the business or affairs of Lat66 or its related entities to any person (other than a public authority) with a view to obtaining a Competing Proposal in respect of Lat66 or which may reasonably be expected to encourage or lead to the receipt of a Competing Proposal in respect of Lat66; or
- (d) communicate to any person an intention to do anything referred to in paragraphs (a) to (c) (inclusive) of this clause 6.4,

even if:

- (e) the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Lat66 or its Representatives; or
- (f) the Competing Proposal is publicly announced.

6.5 Exceptions

Clauses 6.4 and 6.6 do not prohibit or require any action or inaction by Lat66 or any of its Representatives if the Independent Lat66 Directors, acting in good faith after receiving written advice from Lat66's external advisers, determine that:

- (a) where there is a Competing Proposal in respect of Lat66, the Competing Proposal is or may reasonably be expected to lead to a Lat66 Superior Proposal; and
- (b) failing to respond to, or provide information in respect of, that Competing Proposal constitutes or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the Independent Lat66 Directors,

provided that the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Lat66 or any of its Representatives in a manner that would breach its obligations under clause 6.4.

6.6 Notice of Competing Proposal

- (a) During the Exclusivity Period, Lat66 must as soon as possible notify SMAG in writing if Lat66, or any of its Representatives, becomes aware of any direct or indirect:

- (i) approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate negotiations or discussions, in respect of any expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal in respect of Lat66;
 - (ii) proposal made to Lat66 or any of its Representatives, in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal in respect of Lat66; or
 - (iii) provision by Lat66 or any of its Representatives of any material confidential information concerning Lat66 or its related entities or their respective operations to any person in relation to an actual, proposed or potential Competing Proposal in respect of Lat66.
- (b) For the avoidance of doubt, any of the acts described in clause 6.6(a) may be taken by Lat66 only to the extent permitted or not prohibited under clauses 6.3 to 6.5 (inclusive).
 - (c) A notification given under clause 6.5(a) must include the identity of the proponent of the Competing Proposal and a summary of all material terms and conditions of the actual, proposed or potential Competing Proposal.

6.7 Matching right

Without limiting clause 6.6(a), during the Exclusivity Period and if Lat66 receives a Competing Proposal, Lat66 must:

- (a) not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) under which a Third Party and/or Lat66 proposes to undertake or give effect to an actual, proposed or potential Competing Proposal; and
- (b) procure that Independent Lat66 Directors do not change their respective recommendation in favour of the Offer to publicly recommend the actual, proposed or potential Competing Proposal,

unless:

- (c) the Independent Lat66 Directors determine that the actual, proposed or potential Competing Proposal is or may reasonably be expected to lead to a Lat66 Superior Proposal from the perspective of the Lat66 Shareholders;
- (d) Lat66 has provided SMAG with the material terms and conditions of the actual, proposed or potential Competing Proposal, including the price and the identity of the Third Party making the actual, proposed or potential Competing Proposal in accordance with clause 6.6;
- (e) Lat66 has given SMAG at least 3 Business Days after the provision of the information referred to in clause 6.7(d) to revise, or provide proposed revisions, to the Offer (as the case may be) to match or better the actual, proposed or

potential Competing Proposal if SMAG so chooses in its absolute discretion;
and

- (f) SMAG has not, within the time period referred to in clause 6.7(e), revised, or provided proposed revisions, to the Offer (as the case may be) which the Lat66 Board determines, in good faith after receiving written advice from its external legal advisers, matches or betters the actual, proposed or potential Competing Proposal.

Each party acknowledges and agrees that each successive material modification of any actual, proposed or potential Competing Proposal will constitute a new actual, proposed or potential Competing Proposal for the purposes of this clause 6.7.

6.9 Compliance with law

This clause 6 does not impose any obligation on the parties if the performance of that obligation would:

- (a) involve a breach of statutory, fiduciary or other duty of a director of either party;
- (b) otherwise be unlawful (except that it is acknowledged that a performance of an obligation would not be unlawful merely because it would result in a breach of a contractual obligation of the relevant party); or
- (c) constitute unacceptable circumstances (as declared by the Takeovers Panel or a court) under Part 6.10 (Division 2) of the Corporations Act.

7. Other Obligations during Exclusivity Period

7.1 Conduct of business

Subject to clauses 7.2 and 7.3, between the date of this Agreement and the earlier to occur of the completion of the Takeover Bid and the termination of this Agreement, Lat66 must procure that each member of the Lat66 Group carries on business in the ordinary and usual course and in substantially the same manner as conducted at the date of this Agreement, as well as using its reasonable endeavours to procure that:

- (a) no Lat66 Prescribed Occurrence and no Lat66 Material Transaction occurs;
- (b) each member of the Lat66 Group:
 - (i) preserves its relationships with all authorities, material customers and suppliers, licensors, licensees, joint venturers and others with whom they have business dealings;
 - (ii) preserves intact its current business organisation and maintains its material assets in good working order necessary to operate all aspects of its business;

- (iii) maintains current liabilities at normal levels and discharge current liabilities as they fall due or otherwise in the ordinary course;
 - (iv) does not incur any borrowings or other debt finance from any Third Party;
 - (v) does not repay any borrowings or debt finance earlier than the applicable due date;
 - (vi) does not incur capital expenditure other than in accordance with the budget contained in the Lat66 Disclosure Materials;
 - (vii) keeps available the services of its senior employees and procures that those senior employees continue to conduct the business and affairs of the Lat66 Group in the ordinary and usual course;
 - (viii) does not enter or agree to enter into any agreement in respect of the employment or engagement of a person in a managerial or executive office (as that expression is defined in the Corporations Act);
 - (ix) does not alter or agree to alter the terms of employment or benefits of any employee where such alteration would result in the total compensation payable by the Lat66 Group to an employee increasing by more than 5% of the total compensation paid to that employee as at the date of this Agreement;
 - (x) does not enter or agree to enter into any unusual or abnormal contract or commitment;
 - (xi) does not permit any of its insurances to lapse or do anything that would make any policy of insurance void or voidable; and
- (c) no member of the Lat66 Group engages in any conduct that would or is reasonably likely to result in a Lat66 Material Adverse Change.

7.2 Exceptions

The obligations under clause 7.1 do not apply to actions undertaken by any member of the Lat66 Group:

- (a) which are required or permitted to be undertaken under this Agreement;
- (b) which are required to be undertaken as a result of the Takeover Bid;
- (c) have been fairly disclosed by Lat66 to SMAG prior to the date of this Agreement;
- (d) actually known to SMAG prior to the date of this Agreement (which does not include knowledge of the risk of an event, occurrence or matter happening); or
- (e) with the prior written consent of the parties, such consent not to be unreasonably withheld or delayed.

7.3 Notification

Each party must promptly notify the other party in writing after it becomes aware of a matter which is in breach of or inconsistent with clause 7.1.

8. Reimbursement of Costs

8.1 Background and acknowledgments

- (a) The parties acknowledge that SMAG has incurred, and will continue to incur, significant costs and expenses in pursuing the Offer.
- (b) In the circumstances referred to in this clause 8.1(a), the parties have negotiated the inclusion of this clause 8, and would not have entered into this Agreement without it.
- (c) Lat66 acknowledges and agrees that:
 - (i) it considers this clause 8 to be fair and reasonable and that it is appropriate to agree to the terms in this clause 8 in order to secure the significant benefits to it (and Lat66 Shareholders) if the Takeover Bid is successful; and
 - (ii) it has received advice from its external legal advisers in relation to the operation of this clause 8.
- (d) Lat66 acknowledges that the amount payable by Lat66 under this clause 8 represents a reasonable amount to compensate SMAG for the following:
 - (i) advisory costs;
 - (ii) costs of management and directors' time;
 - (iii) out of pocket expenses; and
 - (iv) the reasonable opportunity costs in pursuing the Offer or not pursuing other alternative transactions or strategic initiatives and, should the Offer not be successful, the loss of opportunity,

and the parties agree that to the extent to which the costs and expenses actually incurred by SMAG in relation to the Offer cannot be accurately ascertained, the Break Fee is a genuine and reasonable pre-estimate of those costs.

8.2 Break Fee

- (a) Subject to clauses 8.2(b) and 8.2(c), Lat66 must pay to SMAG the Break Fee, without withholding or set off, within five Business Days of receiving a written demand from SMAG for payment of the Break Fee if:

- (i) during the Offer Period, any Independent Lat66 Director fails to recommend that Lat66 Shareholders accept the Offer, or publicly changes (including by attaching qualifications to) or withdraws (including by abstaining) that recommendation;
 - (ii) a Competing Proposal is announced or made before the end of the Offer Period and is publicly recommended, promoted or otherwise endorsed by the Independent Lat66 Directors or by any of the Lat66 Directors;
 - (iii) a Competing Proposal is announced or made before the end of the Offer Period and is completed at any time prior to the date 6 months from the date of this Agreement and, as a result, a Third Party acquires a Relevant Interest and/or economic interest in at least 20% of the Lat66 Shares;
 - (iv) a person other than SMAG or a Subsidiary of it acquires the whole, a substantial part, or a material part of Lat66's assets, business or property during the Offer Period;
 - (v) Lat66 breaches a material provision of this Agreement (including a breach of warranty) and, to the extent that the breach is capable of remedy, that breach is not remedied by Lat66 within five Business Days of it receiving notice from SMAG of the details of the breach; or
 - (vi) during the Offer Period, Lat66 or any of the Independent Lat66 Directors does (or omits to do) anything (whether or not permitted by this Agreement) that results in any of the Bid Conditions being breached or becoming incapable of being satisfied, and SMAG does not waive that Bid Condition.
- (b) Despite any other term of this Agreement, Lat66 will not be required to pay the Break Fee more than once.
- (c) Despite any other term of this Agreement, the Break Fee will not be payable to SMAG if:
- (i) the Offer is completed notwithstanding the occurrence of any event in clause 8.2(a); or
 - (ii) completion under the Sale Agreement occurs,
- in which case the Break Fee, if already paid, must be refunded by SMAG.
- (d) Save for any wilful or deliberate breach of this Agreement and without limiting any equitable remedies, notwithstanding any other provision of this Agreement:
- (i) the maximum aggregate liability of Lat66 to SMAG under this Agreement, including in respect of any breach of this Agreement, will be the Break Fee; and

- (ii) a payment by Lat66 in accordance with this clause 8, or a series of payments by Lat66 totalling in aggregate the Break Fee whether made under this clause 8 or otherwise, represents the sole and absolute liability of Lat66 under this Agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by Lat66 under this Agreement.

9. Representations and Warranties

9.1 Lat66 warranties

Lat66 represents and warrants to SMAG that each of the following statements is true, accurate and not misleading, subject to those matters which were fairly disclosed in the Lat66 Disclosure Materials before the date of this Agreement:

- (a) the Lat66 Subsidiary is duly incorporated and validly existing under the laws of Finland and Lat66 has the requisite power and authority to enter into and perform this Agreement. True, complete and current copies of the articles of association and trade register extract of the Lat66 Subsidiary are attached to the Sale Agreement, and no changes to them are pending;
- (b) the Lat66 Subsidiary has not filed (or has had filed against it) any petition for its winding-up, is not insolvent within the meaning of applicable laws, rules or regulations or similar requirements, and has not made any assignment in favour of its creditors, nor has any petition for receivership or any administration order been presented in respect of the Lat66 Subsidiary. The Lat66 Subsidiary has not initiated any proceedings with respect to a compromise or arrangement with its creditors or for the dissolution, liquidation or reorganisation of the Lat66 Subsidiary or the winding-up or cessation of the business conducted by the Lat66 Subsidiary. No receiver or administrative receiver or liquidator has been appointed in respect of the Lat66 Subsidiary or any of its material assets;
- (c) Lat66 is duly incorporated and validly existing under the laws of the jurisdiction in which Lat66 was incorporated, as well as duly qualified to conduct business as conducted as at the date of this Agreement and has the requisite power and authority to enter into and perform this Agreement and any other undertaking to be executed by Lat66 pursuant to this Agreement;
- (d) Lat66 has not filed (or has had filed against it) any petition for its winding up, is not insolvent within the meaning of applicable laws, rules or regulations or similar requirements, and has not made any assignment in favour of its creditors or any class of them, nor has any petition for receivership or any administration order been presented in respect of Lat66. Lat66 has not initiated any proceedings for a compromise or arrangement with its creditors or for the dissolution, liquidation or reorganisation of Lat66 or the winding-up or cessation of the business of Lat66. No receiver or administrative receiver or liquidator has been appointed in respect of Lat66 or any of its material assets and no execution have been levied upon any of its material assets;

- (e) this Agreement and any other documents or instruments to be executed by Lat66 pursuant to this Agreement and the performance by Lat66 of its obligations under them have been duly authorised by all necessary corporate actions on the part of Lat66, and this Agreement will, when executed, constitute valid and binding obligations of Lat66 in accordance with its terms;
- (f) the execution and performance by Lat66 of this Agreement or any other documents or instruments to be executed under it, do not and will not:
 - (i) result in a breach of any provision of the constitution of Lat66;
 - (ii) result in any breach of any resolution adopted by the shareholders or board of directors of Lat66;
 - (iii) require any consent by the shareholders of Lat66, or any class of them, which has not been unconditionally and irrevocably obtained;
 - (iv) result in a breach of any applicable law order, judgement or decree of any court or governmental agency or of any agreement to which Lat66 is a party or by which Lat66 is bound (including any merger control or other approval or clearance of any governmental or other authorities having competence over the affairs of Lat66); or
 - (v) result in a breach of any laws or governmental authority's decision applicable to Lat66;
- (g) Lat66 owns the Lat66 Subsidiary Shares and the Lat66 Subsidiary Shares constitute all the issued and outstanding shares of the Lat66 Subsidiary;
- (h) the Lat66 Subsidiary Shares have been duly authorised and validly issued and are fully paid. There are no arrangements or commitments (including stock-options or other special rights) which call for the issue or transfer of any shares, warrants, convertible debentures or other securities of the Lat66 Subsidiary. The Lat66 Subsidiary Shares are not subject to any Encumbrance;
- (i) in all material respects, 2021 Accounts give a true and fair view of the financial position and the results of the operations of the Lat66 Subsidiary and of Lat66 for the financial period ended on 30 June 2021. The 2021 Accounts have been prepared in accordance with the Accounting Principles;
- (j) the Lat66 Subsidiary is the sole and exclusive holder of the Mining Concessions and thereto related mining rights, and they are not subject to Encumbrances. The Mining Concessions have been duly and validly applied for and obtained by the Lat66 Subsidiary pursuant to applicable Laws, and they remain valid. Application for keeping the Mining Concession regarding the Juomasuo mining district in force has been filed by the Lat66 Subsidiary with the Finnish mining authority in accordance with Laws and in due course;
- (k) at the date of this Agreement, the Lat66 Subsidiary does not hold any exploration permits other than the Granted Exploration Permit;

- (l) the Lat66 Subsidiary has duly and validly made the Exploration Permit Applications, has priority over possible competing applications and the Lat66 Subsidiary has, subject to the discretion of the relevant Finnish mining authority (currently Tukes) and the outcome of appeals (where applicable and always as stated in the Sale Agreement), the sole and exclusive rights to be granted the exploration permits that are the subject of those Exploration Permit Applications. The Exploration Permit Applications fulfil, to Lat66's Knowledge, the requirements of the Mining Act to receive precedence, and have been registered as pending by the Finnish mining authority. Selected Exploration Permit Applications (ML2018:0092 Haarakupmu 1, ML2020:0008 Haarakupmu A, ML2020:0018 Haarakupmu B and ML2019:0050: Hangaslampi 1)) have been duly and validly applied for pursuant to the applicable Laws and granted by the Finnish mining authority but are, as at the date of this Agreement, the subject of appeal;
- (m) the Lat66 Subsidiary has been granted the Reservation Decisions. The Reservation Decisions have been duly and validly applied for and obtained by the Lat66 Subsidiary pursuant to applicable Laws, and they remain valid; and
- (n) all statutory payments to landowners and authorities based on the Mining Act and the Previous Mining Act regarding the Lat66 Group Mining Rights have been duly paid in accordance with relevant Laws. The Lat66 Subsidiary has complied with the Mining Act and the Previous Mining Act, permit conditions, and authority orders in its operations relating to the Lat66 Group Mining Rights. The Lat66 Subsidiary has not received a written notice of any proposal to terminate or vary the terms of, or rights attaching to, the Lat66 Group Mining Rights from any governmental authority, except for those provided in the Lat66 Disclosure Materials, such as the application for the amendments of the Mining Concessions.

9.2 SMAG warranties

SMAG represents and warrants to Lat66 that each of the following statements is true, accurate and not misleading, subject to those matters which are fairly disclosed by SMAG prior to the date of this Agreement:

- (a) SMAG and each of its Subsidiaries is a corporation validly existing under the laws of its place of incorporation, with the requisite power and authority to own and use its properties and assets, and to carry on its business as currently conducted. No member of the SMAG Group is in violation or default of any of the provisions of its respective certificate or notice of articles, articles or other organizational or charter documents;
- (b) SMAG has the power to execute, deliver and to perform its obligations under this Agreement, and has taken all necessary corporate action to authorise such execution, delivery and the performance of such obligations;
- (c) SMAG has not filed (or has had filed against it) any petition for its winding up, is not insolvent within the meaning of applicable laws, rules or regulations or similar requirements, and has not made any assignment in favour of its creditors or any class of them, nor has any petition for receivership or any

administration order been presented in respect of SMAG. SMAG has not initiated any proceedings for a compromise or arrangement with its creditors or for the dissolution, liquidation or reorganisation of SMAG or the winding up or cessation of the business of SMAG. No receiver or administrative receiver or liquidator has been appointed in respect of SMAG or any of its material assets and no execution have been levied upon any of its material assets;

- (d) SMAG's obligations under this Agreement are legal, valid and binding obligations enforceable in accordance with their terms;
- (e) no regulatory action of any nature has been taken as at the date of this Agreement which would prevent, inhibit or otherwise have a material adverse effect on the ability of SMAG to fulfil its obligations under this Agreement;
- (f) other than those approvals referred to in the Bid Conditions, and except to the extent that SMAG may be directed to seek certain approvals by any Authority, no approvals are required to be obtained by SMAG under any law, rule or regulation to perform and observe its obligations under this Agreement and to consummate the Transaction;
- (g) the execution and delivery by SMAG of this Agreement does not and will not conflict with or constitute a default under any provision of:
 - (i) any agreement or instrument to which it is a party; or
 - (ii) result in a breach of any provision of the memorandum or articles of association or any provision of any other constitutional document of SMAG;
 - (iii) require any consent by the shareholders of SMAG, or any class of them, which has not been unconditionally and irrevocably obtained; or
 - (iv) any law, order, judgment, award, injunction, decree, rule or regulation by which it is bound;
- (h) SMAG has sufficient cash resources of at least €45 million to pay the Consideration under the Offer; and
- (i) SMAG is not Insolvent.

9.3 Timing of warranties

Each of the representations and warranties in clauses 9.1 and 9.2 is given:

- (a) as at the date of this Agreement and each day up to and including the end of the Exclusivity Period; or
- (b) if the representation or warranty is expressly stated to be given at a different time, at that time.

9.4 Acknowledgements

- (a) Each party acknowledges and confirms that:
 - (i) in entering into this Agreement:
 - (A) the other party has relied on the representations and warranties made by the first-mentioned party under this clause 9;
 - (B) they have not relied on any representation or warranty other than those contained in this clause 9 and all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this Agreement, the circumstances surrounding the party's entry into it and the transaction contemplated by it are expressly excluded; and
 - (ii) each representation and warranty in this clause 9 is severable and survives termination of this Agreement.
- (b) SMAG agrees that it is not entitled to make any Claim, and Lat66 is not liable to SMAG, for any breach of a warranty provided by Lat66 under this clause 9 to the extent that SMAG has already made a Claim against Lat66 arising from the same facts or circumstances for a breach of warranty under the terms of the Sale Agreement. SMAG also agrees to refund Lat66 the Break Fee in circumstances where the Break Fee was paid to SMAG pursuant to clause 8 due to a breach of a warranty by Lat66 and SMAG has been successful in a Claim for a breach of warranty under the terms of the Sale Agreement arising from the same facts or circumstances giving rise to SMAG's entitlement to the Break Fee.

9.5 Notice

If any party becomes aware of a matter or circumstance which results in or is likely to result in any of the representations or warranties given by that party in this clause 9 being untrue, inaccurate or misleading, it must give notice to the other party specifying that matter or circumstance in reasonable detail as soon as reasonably practicable after it becomes aware of that matter or circumstance. The failure by any party to give notice as contemplated by this clause 9.5 in relation to any matter or circumstance does not, for the avoidance of doubt, prevent the other party from making any claim arising from that matter or circumstance.

9.6 Releases

- (a) SMAG releases its rights against, and will not make a claim against, any past or present director or Representatives of Lat66 in relation to:
 - (i) Lat66's execution or delivery of this Agreement;
 - (ii) any breach of any representation or warranty by Lat66 in this Agreement;

- (iii) Lat66's response to the Takeover Bid;
- (iv) the acquisition of any Lat66 Shares under the Takeover Bid;
- (v) any information that is fully and fairly disclosed by Lat66 in the Lat66 Disclosure Materials;
- (vi) any information disclosed by Lat66 containing any statement which is false or misleading (whether by omissions or otherwise);
- (vii) any failure to provide information by Lat66; or
- (viii) any other act, matter or thing done or purported to be done in connection with the Takeover Bid or any transaction contemplated by this Agreement,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except to the extent that the past or present director or other Representative of Lat66 has not acted in good faith or has engaged in wilful misconduct, fraud or wilful misrepresentation (including by omission). Lat66 receives and holds the benefit of this clause as agent for its directors and Representatives and this clause may be enforced by Lat66, its directors or Representatives.

- (b) Lat66 releases its rights against, and will not make a claim against, any past or present director or Representatives of SMAG in relation to:
 - (i) SMAG's execution or delivery of this Agreement;
 - (ii) any breach of any representation or warranty by SMAG in this Agreement;
 - (iii) SMAG making the Takeover Bid;
 - (iv) the payment of any Consideration to Lat66 Shareholders;
 - (v) any information that is fully and fairly disclosed by SMAG in the SMAG Disclosure Materials;
 - (vi) any information disclosed by SMAG containing any statement which is false or misleading (whether by omissions or otherwise);
 - (vii) any failure to provide information by SMAG; or
 - (viii) any other act, matter or thing done or purported to be done in connection with the Takeover Bid or any transaction contemplated by this Agreement,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except to the extent that the past or present director or other Representative of SMAG has not acted in good faith or has engaged in wilful misconduct, fraud or wilful misrepresentation (including by omission).

SMAG receives and holds the benefit of this clause as agent for its directors and Representatives and this clause may be enforced by SMAG, its directors or Representatives.

9.7 Deeds of indemnity and insurance

- (a) Subject to SMAG acquiring a Relevant Interest in 50.1% or more of all Lat66 Shares and the Takeover Bid becoming unconditional, SMAG undertakes in favour of Lat66 and each past or present director or Representatives of Lat66 that it will:
- (i) for a period of 7 years from the Control Date:
 - (A) where SMAG has a Relevant Interest of less than 75% of all Lat66 Shares, use best endeavours to procure; or
 - (B) where SMAG has a Relevant Interest of at least 75% of Lat66 Shares, procure,

that the constitutions of Lat66 and each other member of the Lat66 Group continue to contain such rules as are contained in those constitutions at the date of this Agreement that provide for each company to indemnify each of its previous directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the Lat66 Group;
 - (ii) procure that Lat66 and each member of the Lat66 Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time; and
 - (iii) procure that Lat66 and each other member of the Lat66 Group maintains all run-off insurance put in place before the Control Date and continues to pay all premiums and other costs of such insurance for the full period (of up to 7 years from the Control Date) agreed or arranged on or prior to the Control Date and does not permit such insurance to be used for purposes contrary to such agreements or arrangements.
- (b) The provisions contained in this clause 9.7 are subject to any Corporations Act restriction and will be read down accordingly.
- (c) The undertakings contained in clause 9.7(a) are given until the earlier of the end of the relevant period specified in clause 9.7(a) or the relevant member of the Lat66 Group ceases to be part of the SMAG Group.
- (d) SMAG agrees that Lat66 will take out run-off insurance cover with a reputable insurer, on terms that are no less advantageous to each person who is or was a director or officer of a member of the Lat66 Group at the date of this Agreement than the coverage provided under the existing insurance policies of the Lat66 Group or the Lat66 Insurance Quote disclosed to SMAG prior to the date of this Agreement, insuring each applicable person for a period of 7 years after the Control Date, to the maximum extent permitted by law, against all liabilities

incurred by the applicable person in the course of their service as a director of officer of any member of the Lat66 Group.

- (e) Lat66 agrees to consult in good faith with SMAG regarding the cost of the insurance cover referred to in clause 9.7(d) in advance of taking out such cover.

10. Termination

10.1 Material breach

- (a) A party (**Terminating Party**) may terminate this Agreement at any time by giving written notice to the other if:
 - (i) the other party is in breach of a material term of this Agreement or any representation or warranty given by the other under this Agreement is untrue, inaccurate or misleading in any material respect and such representation or warranty is of a kind that, had it been disclosed to the Terminating Party before its entry into this Agreement, could reasonably be expected to have resulted in Terminating Party either not entering into this Agreement or entering into it on materially different terms, other than as a result of a breach of this Agreement by the Terminating Party;
 - (ii) the Terminating Party has given notice to the other party of its intention to terminate this Agreement under this clause 10.1, setting out the details of the matters or circumstances giving rise to the termination right; and
 - (iii) in the case of a breach of a material term of this Agreement, that breach has not been remedied within 5 Business Days (or such other time as agreed by the parties) after the date of receipt by the other party of the Terminating Party's notice under clause 10.1(a)(ii).
- (b) On receipt of a notice under clause 10.1(a)(ii), the recipient of that notice must use its reasonable endeavours for the 5 Business Days referred to in clause 10.1(a)(iii) to remedy the breach that is set out in that notice.

10.2 SMAG termination events

SMAG may terminate this Agreement at any time by giving written notice to Lat66 if:

- (a) Lat66 is in breach of its obligations in clause 5.4 or 6 (for the avoidance of doubt, no cure period of the kind referred to in clause 10.1(a)(ii) applies to any breach of clause 5.4 or 6);
- (b) the Independent Lat66 Directors (or any one or more members of the Independent Lat66 Directors) change or withdraws their recommendation that Lat66 Shareholders accept the Offer or their intention to accept the Offer in respect of all of their Lat66 Shares or make a public statement indicating that it no longer supports the Offer or that it supports a Competing Proposal in respect

of Lat66, other than where Lat66 is entitled to validly terminate this Agreement under clauses 10.1 or 10.3;

- (c) a Lat66 Prescribed Occurrence occurs;
- (d) a Lat66 Material Adverse Change occurs; or
- (e) a Lat66 Material Transaction occurs.

10.3 **Lat66 termination events**

Lat66 may terminate this Agreement at any time by giving written notice to SMAG if:

- (a) SMAG (or any one or more members of the SMAG Board) withdraws or makes any public statement indicating that it no longer intends to make or intends to withdraw the Offer (as the case may be); or
- (b) the Independent Lat66 Directors (or any one or more members of the Independent Lat66 Directors) change or withdraws their recommendation that Lat66 Shareholders accept the Offer in accordance with clause 5.4.

10.4 **Other termination events**

Either party may terminate this Agreement by giving written notice to the other if during the Offer Period:

- (a) a Court or Authority issues a final and non-appealable order or ruling or takes an action which permanently restrains or prohibits the Offer;
- (b) the Offer lapses without the Bid Conditions being satisfied or waived; or
- (c) the Long Stop Date is reached and the Offer Period has not concluded.

10.5 **Effect of termination**

If this Agreement is terminated under this clause 10 then:

- (a) except for this clause 10 and clauses 1, 8, 9, 11 and 14 and any other term which by its nature is intended to survive termination of this Agreement, all the provisions of this Agreement will lapse and cease to have effect, and the parties will have no further obligation to comply with any of those provisions; and
- (b) neither the lapsing of those provisions nor their ceasing to have effect will affect any accrued rights or liabilities of either party in respect of damages for non-performance of any obligation under this Agreement falling due for performance before such lapse and cessation.

11. Announcements and Confidentiality

11.1 Announcements

As soon as reasonably practicable after the execution of this Agreement, Lat66 and SMAG must each issue their respective announcements in the form agreed between the parties.

11.2 Other announcements

Subject to clause 11.3, each party must not make, and must procure that its Representatives do not make:

- (a) any public announcement concerning the Transaction or the terms of or the negotiations relating to, this Agreement other than the announcement referred to in clause 11.1; or
- (b) any announcement or statement to a Third Party which directly or indirectly implies that the Offer made under the Takeover Bid will not be successful.

11.3 Permitted announcements

Nothing in clause 11.2 prevents any announcement being made:

- (a) with the written consent of both parties, which must not be unreasonably withheld or delayed; or
- (b) to the extent required by law, or any court of competent jurisdiction or any Authority, but if any party is required to make any such announcement, it must promptly notify the other party, where reasonably practicable and lawful to do so, before the announcement is made and must cooperate with the other party regarding the timing and content of such announcement or any action which the other party may reasonably elect to take to challenge the validity of such requirement.

11.4 Disclosure of Confidential Information

A party (**Receiving Party**) must not disclose any Confidential Information of another party (**Supplying Party**) except:

- (a) to representatives of the Receiving Party or its related bodies corporate requiring the information for the purposes of this Agreement or the implementation of the Transaction;
- (b) with the written consent of the Supplying Party;
- (c) if required to do so by law; or
- (d) if the Receiving Party is required to do so in connection with legal proceedings.

11.5 Bidder's Statement and Target's Statement

- (a) SMAG may use Confidential Information relating to Lat66 for the purpose of preparing the Bidder's Statement, but must consult with Lat66 and act reasonably in relation to any disclosure of Confidential Information in the Bidder's Statement.
- (b) Lat66 may use Confidential Information relating to SMAG for the purpose of preparing the Target's Statement, but must consult with SMAG and act reasonably in relation to any disclosure of Confidential Information in the Target's Statement.

11.6 Disclosure by recipient of Confidential Information

- (a) A party disclosing information under clause 11.4 or 11.5 must use all reasonable endeavours to ensure that any person receiving Confidential Information from it does not disclose the information except in the circumstances permitted by this clause 11.
- (b) A party who has received Confidential Information from another under this Agreement must, on the request of the other party after the termination of this Agreement, immediately deliver to that party or destroy all documents or other materials containing or referring to that information which are in its possession, power or control or in the possession, power or control of persons who have received Confidential Information from it under clause 11.4.

11.7 Exceptions

- (a) The obligations of confidentiality under this clause 11 do not extend to Confidential Information that (whether before or after this Agreement is executed):
 - (i) is rightfully known or in the possession or control of the Receiving Party and is not subject to an obligation of confidence (including an obligation under this Agreement);
 - (ii) is lawfully generally available to the public, other than as a result of a breach of this Agreement; or
 - (iii) the Receiving Party is required by law or by order of a court of competent jurisdiction to disclose.
- (b) The Receiving Party must, whenever practicable and permitted by law, prior to making any disclosure permitted by clause 11.7(a)(iii), advise the Supplying Party of the form and content of the proposed disclosure and will provide the Supplying Party with a reasonable opportunity to comment on the proposed disclosure.

11.8 Termination

This clause 11 will survive termination of this Agreement.

12. GST

12.1 Definitions

Words and expressions defined in the GST Act have the same meaning in this clause 12.

12.2 Payments exclusive of GST

Unless expressly stated otherwise, all amounts payable under or in connection with this Agreement are exclusive of GST. If GST is payable on a taxable supply made under or in connection with this Agreement, the recipient of the supply must pay the supplier an additional amount equal to the GST payable on that supply provided that the supplier first issues a tax invoice for that supply.

12.3 Input tax credits

Without limiting clause 12.2, if an amount payable under or in connection with this Agreement is calculated by reference to a liability incurred by a party, then the amount of the liability must be reduced by the amount of any input tax credit to which that party is entitled in respect of the acquisition of the supply to which the liability relates. A party will be assumed to be entitled to a full input tax credit unless it demonstrates that its entitlement is otherwise before the date on which payment must be made.

13. Payments

13.1 Accounts for payments

Unless otherwise expressly stated (or as otherwise agreed in the case of a given payment), any payment to be made to Lat66 under this Agreement must be made in Australian dollars by transfer of the relevant amount into the account nominated in writing by Lat66 on or before the date on which the payment is due. Unless otherwise expressly stated (or as otherwise agreed in the case of a given payment), any payment to be made to SMAG under this Agreement must be made in EUR by transfer of the relevant amount into the account nominated in writing by SMAG on or before the date on which the payment is due.

13.2 Gross up

If Lat66 is required by law to make a deduction or withholding in respect of any sum payable under this Agreement, SMAG must, at the same time as the sum which is the subject of the deduction or withholding is payable, make a payment to Lat66 of such additional amount as is required to ensure that the net amount received by Lat66 will equal the full amount which would have been received by it had no such deduction or withholding been required to be made. If SMAG is required by law to make a deduction or withholding in respect of any sum payable under this Agreement, Lat66 must, at the same time as the sum which is the subject of the deduction or withholding is payable,

make a payment to SMAG of such additional amount as is required to ensure that the net amount received by SMAG will equal the full amount which would have been received by it had no such deduction or withholding been required to be made.

14. General

14.1 No representations or reliance

- (a) Each party acknowledges that no party (nor any person acting or its behalf) has made any representation or other inducement to it to enter into this Agreement, except for representations or inducements expressly set out in this Agreement and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this Agreement, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.
- (b) Each party acknowledges and confirms that it does not enter into this Agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this Agreement.
- (c) Each party acknowledges and confirms that clauses 14.1(a) and 14.1(b) do not prejudice any rights a party may have in relation to information which has been filed by the other party with ASIC.

14.2 No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

14.3 Consents

Any consent referred to in, or required under, this Agreement from any party may not be unreasonably withheld, unless this Agreement expressly provides for that consent to be given in that party's absolute discretion.

14.4 Notices

- (a) Any notice or other communication including, but not limited to, any request, demand, consent or approval, to or by a party under this Agreement:
 - (i) must be in legible writing and in English;
 - (ii) must be addressed as shown below:

Name: SunMirror (Luxembourg) S.A.

Address: 121, Avenue de la Faiencerie, L-1511
Luxembourg (Grand Duchy of Luxembourg)

For the attention of: Roger Hermann

Email: roger.hermann@sunmirror.ch

Name: Latitude 66 Cobalt Limited

Address: Level 1, 29 Napoleon Street, Cottesloe, WA
6011, Australia

For the attention of: Russell Delroy

Email: rjd@nerofund.com.au

(or as otherwise notified by that party to the other party from time to time);

- (b) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (c) must be delivered or posted by prepaid priority post to the address, or sent by email to the email address, of the addressee, in accordance with clause 14.4(a); and
- (d) will be deemed to be received by the addressee:
 - (i) (in the case of prepaid priority post) on the third Business Day after the date of posting to an address within Australia, and on the fifth Business Day after the date of posting to an address outside Australia;
 - (ii) (in the case of email)
 - (A) at the time shown in the delivery confirmation report generated by the sender's email system; or
 - (B) if the sender's email system does not generate a delivery confirmation report within 12 hours after the time the email is sent, unless the sender receives a return email notification that the email was not delivered, was undeliverable or similar, at the time which is 12 hours from the time the email was sent;
 - (iii) (in the case of delivery by hand) on delivery at the address of the addressee as provided in clause 14.4(a), unless that delivery is made on a non-Business Day, or after 5.00 pm on a Business Day, when that communication will be deemed to be received at 9.00 am on the next Business Day.

- (e) Any such notice or other communication can be relied upon by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.
- (f) This clause 14.4 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

14.5 **Governing law and jurisdiction**

- (a) This Agreement is governed by the laws of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the court of Western Australia and courts competent to hear appeals from those courts.

14.6 **Waivers**

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this Agreement by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this Agreement.
- (b) Any waiver or consent given by any party under this Agreement is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Agreement operates as a waiver of another breach of that term or of a breach of any other term of this Agreement.

14.7 **Variation**

This Agreement may only be varied by document signed by or on behalf of each of the parties.

14.8 **Assignment**

A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this Agreement without the prior consent of the other party.

14.9 **Severability**

If the whole or any part of a provision of this Agreement is invalid or unenforceable in a jurisdiction it must, if possible, be read down for the purposes of that jurisdiction so as to be valid and enforceable. If, however, the whole or any part of a provision of this Agreement is not capable of being read down, it is severed to the extent of the invalidity or unenforceability without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of that provision in any other jurisdiction.

14.10 Acknowledgement

Each party acknowledges that the remedy of damages may be inadequate to protect the interests of the parties for a breach of clause 6 and that a party is entitled to seek and obtain, without limitation, injunctive relief if the other party breaches clause 6.

14.11 No Third Party beneficiary

This Agreement shall be binding on and inure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this Agreement is intended to or shall confer on any other person, any Third Party beneficiary rights.

14.12 Costs

The parties agree that:

- (a) subject to clause 14.12(b), each party shall bear its own costs in relation to, and associated with, this Agreement and giving effect to this Agreement, including (including legal costs) incurred in the negotiation of, and the performance of, this Agreement and the implementation or attempted implementation of the Takeover Bid; and
- (b) the parties shall bear the costs and expenses in relation to any share registry services engaged for or in connection with the Takeover Bid (including, without limitation, printing, dispatch and acceptance reports) in equal proportions.

14.13 Further action

Each party will do all things and execute all further documents necessary and reasonable to give full effect to this Agreement and the transactions contemplated by it.

14.14 Time

- (a) Time is of the essence of this Agreement.
- (b) If the parties agree to vary a time requirement, the time requirement so varied is of the essence of this Agreement.
- (c) An agreement to vary a time requirement must be in writing.

14.15 Entire agreement

To the extent permitted by law, in relation to its subject matter, this Agreement:

- (a) embodies the entire understanding of the parties, and constitutes the entire terms agreed by the parties; and
- (b) supersedes any prior written or other agreement of the parties.

14.16 Counterparts

- (a) This Agreement may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this Agreement by signing any counterpart. A party who has executed a counterpart of this Agreement may deliver it to, or exchange it with, another party by emailing a pdf (portable document format) copy of the executed counterpart to that other party.

Schedule 1 Bid Conditions

1. **Minimum acceptance**

At the end of the Offer Period, SMAG has a Relevant Interest in at least 90% (by number) of all Lat66 Shares.

2. **Performance Rights**

Prior to the end of the Offer Period, all holders of Performance Rights have entered into agreements with SMAG to transfer all their Performance Rights to SMAG and for the consideration in accordance with the terms of the Performance Rights Offer.

3. **No restraints**

Between the Announcement Date and the end of the Offer Period (each inclusive), there is no judgment, injunction, order or decree which restrains or enjoins or otherwise prohibits the Offer or the completion of the Takeover Bid.

4. **Third party rights**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Third Party exercises, purports to exercise, or announces an intention to exercise, any change of control rights, pre-emptive rights, deemed offer or disposal or similar right in any Lat66 Material Contracts, as a result of either the announcement of the Offer or any change of control which may occur as a result of acceptances of the Offer.

5. **No material acquisitions or disposals**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Lat66 Material Transaction occurs unless by mutual agreement in writing. For the avoidance of doubt, SMAG acknowledges and agrees that the distribution payable under any royalty deed approved by SMAG will not trigger this condition.

6. **No breach of representation or warranty**

Between the Announcement Date and the end of the Offer Period (each inclusive), each of the representations and warranties given by Lat66 under clause 9.1 of this Agreement are and remain true and correct in all material respects, subject to matters disclosed prior to the date of this Agreement.

7. **No prescribed occurrences**

During the period from the Announcement Date to the end of the Offer Period (inclusive), none of the events described in section 652C of the Corporations Act occurs. For the avoidance of doubt, SMAG acknowledges and agrees that the distribution payable under any royalty deed approved by SMAG will not trigger this condition.

Schedule 2 Indicative Timetable

Event	Date
SMAG and Lat66 issue their respective announcements in relation to Takeover Bid	20 December 2021
Bidder's Statement lodged with ASIC and served on Lat66	22 December 2021
Target's Statement lodged with ASIC and served on SMAG	22 December 2021
Bidder's Statement and Target's Statement sent to Lat66 Shareholders	22 December 2021
Notice to Lat66 and ASIC that Bidder's Statement and Offer has been sent to Lat66 Shareholders	22 December 2021
Offer closes	4 February 2022
Send compulsory acquisition notices	4 February 2022
Completion of compulsory acquisition	4 March 2022

Signing page

Executed as an agreement

**Executed by SunMirror (Luxembourg)
S.A.** in accordance with its constituent
documents by:

Signature of authorised signatory

Signature of authorised signatory

Full name (print)

Full name (print)

**Executed by Latitude 66 Cobalt Limited
ACN 623 040 773** in accordance with
section 127(1) of the *Corporations Act 2001*
(Cth) by:



Signature of Director



Signature of Director/Company Secretary

Mark Connelly

Full name (print)

Timothy Day

Full name (print)

Signing page

Executed as an agreement

**Executed by SunMirror (Luxembourg)
S.A.** in accordance with its constituent
documents by:



Signature of authorised signatory

CHARLES ETOUZE

Full name (print)



Signature of authorised signatory

Amanda Jackson

Full name (print)

**Executed by Latitude 66 Cobalt Limited
ACN 623 040 773** in accordance with
section 127(1) of the *Corporations Act 2001*
(Cth) by:

Signature of Director

Signature of Director/Company Secretary

Full name (print)

Full name (print)