



LATITUDE 66 COBALT LIMITED

ACN 623 040 773

TARGET'S STATEMENT

in relation to an Offer by SunMirror (Luxembourg) S.A., a wholly owned subsidiary of SunMirror AG, to purchase all of your shares in Latitude 66 Cobalt Limited for A\$0.467 cash per Lat66 Share you hold

The Independent Directors unanimously recommend that you

ACCEPT

the Offer, in the absence of a Superior Proposal

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with this document, you should consult your financial, legal, tax or other professional adviser immediately.

THOMSON GEER
LAWYERS

Legal Adviser

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LETTER FROM THE INDEPENDENT DIRECTORS

Dear Lat66 Shareholder

On 19 December 2021, Lat66 entered into a bid implementation agreement with SMAG Bidder pursuant to which SMAG Bidder agreed to make an offer to acquire all Lat66 Shares for consideration of A\$0.467 cash per Lat66 Share, to be effected by way of a conditional off-market takeover bid (**Offer**). The Bidder's Statement from SMAG Bidder is intended to be sent to Lat66 Shareholders on 23 December 2021 and outlines the terms and conditions of the Offer.

THE INDEPENDENT DIRECTORS' UNANIMOUS RECOMMENDATION

Given the holdings of Performance Rights of Messrs Thomas Hoyer, Jeffrey Foster, Russell Delroy, Joshua Welch and Steffen Hagemann, an independent board committee comprising Lat66 Directors Messrs Mark Connelly and Timothy Day (**Independent Directors**), was formed to manage all matters in connection with, or ancillary to, the Offer.

The Independent Directors have considered the Offer and unanimously recommend that Lat66 Shareholders **ACCEPT** the Offer, in the absence of a Superior Proposal.

Each Lat66 Director intends to accept the Offer in respect of Lat66 Shares they own or control in the absence of a Superior Proposal. The Performance Rights will be transferred to SMAG Bidder pursuant to separate agreements.¹ The Lat66 Directors collectively have a Relevant Interest in approximately 36% of the total number of Lat66 Shares on issue as at the date of this Target's Statement.

KEY REASONS THE INDEPENDENT DIRECTORS UNANIMOUSLY RECOMMEND YOU **ACCEPT** THE OFFER

In summary, the key reasons why the Independent Directors recommend you **ACCEPT** the Offer, in the absence of a Superior Proposal, are as follows:

1. the Offer represents compelling value for Lat66 Shares, being an equity valuation of A\$0.467 per Lat66 Share, implying a 87% return for Lat66 Shareholders who invested in the most recent capital raising in July 2019 and a 367% return for Lat66 Shareholders who invested in the seed financing round in January 2018;
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;
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 the Project;
6. the value of Lat66 Shares may fall if the Offer is unsuccessful or in the absence of a Superior Proposal emerging;
7. the Offer is subject to limited conditions;
8. since the Bid Implementation Agreement was executed, Lat66 has not received a Superior Proposal from a third party; and
9. there are risks to not accepting the Offer.

Each of the above key reasons to **ACCEPT** the Offer are detailed in Section 2.1 of this Target's Statement.

There may be reasons that you may choose not to accept the Offer (such as you may disagree with the Independent Directors' unanimous recommendation, you may believe an ongoing investment in Lat66

¹ SMAG Bidder will make an offer to acquire the Performance Rights held by Lat66 Directors pursuant to Performance Rights Deeds. See Section 5.14 for further details.

as a stand-alone entity is more attractive or a Superior Proposal may materialise in the future). These reasons are detailed in Section 2.2.

TIMING AND FURTHER INFORMATION

The Offer is scheduled to close at 5.00pm Perth time on 4 February 2022, unless withdrawn or extended. To **ACCEPT** the Offer, please refer to the acceptance instructions outlined in section 4 of schedule 1 of the Bidder's Statement and in the acceptance form that accompanies the Bidder's Statement.

Further information in relation to the Offer is detailed in this Target's Statement. This Target's Statement also includes risks associated with the Offer and a continued investment in Lat66 which are outlined (non-exhaustively) in Section 7.

We urge you to read this Target's Statement and the Bidder's Statement carefully in full, and if required, to seek your own legal, financial, taxation or other professional advice. The Lat66 Directors encourage you to closely consider the merits of the Offer as detailed in this Target's Statement and the Bidder's Statement.

If you have any queries, you can call the SMAG Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (from outside Australia).

Yours faithfully

Mr Timothy Day

Director

IMPORTANT NOTICES

Nature of this document

This Target's Statement is dated 22 December 2021 and is given under section 633 of the Corporations Act by Latitude 66 Cobalt Limited ACN 623 040 773 in response to the Bidder's Statement lodged by SunMirror (Luxembourg) S.A. with ASIC and served on Lat66 on 22 December 2021.

Defined terms and interpretation

Capitalised terms used in this Target's Statement are either defined in brackets when first used or are defined in the Glossary in Section 12.

References Sections

References to Sections are to the named Sections in this Target's Statement.

ASIC disclaimer

A copy of this Target's Statement has been lodged with ASIC. Neither ASIC nor any of their respective officers take responsibility for the content of this Target's Statement.

No account of personal circumstances

This Target's Statement does not constitute financial product advice and has been prepared without reference to the individual investment objectives, financial situation, taxation position or particular needs of any Lat66 Shareholder or any other person. It is important that you read this Target's Statement before making any decision, including a decision on whether or not to accept the Offer. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional adviser.

Lat66 Shareholders should consult their taxation adviser as to the applicable tax consequences of the Offer. A summary of the Australian taxation considerations is detailed in Section 9 of this Target's Statement.

Forward looking statements

Certain statements in this Target's Statement relate to the future, including forward looking statements and information ("forward looking statements"). The forward-looking statements in this Target's Statement are not based on historical facts, but rather reflect the current views and expectations of Lat66 concerning future events and circumstances. These statements may generally be identified by the use of forward looking verbs such as "aim", "anticipate", "believe", "estimate", "expect", "foresee", "intend" or "plan", qualifiers such as "may", "should", "likely" or "potential", or similar words. Similarly, statements that describe the expectations, goals, objectives, plans, targets, and future costs and financial performance of Lat66 or SMAG Bidder are, or may be, forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of Lat66 or SMAG Bidder, to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Lat66 or SMAG Bidder will operate in the future, including the price of commodities, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, customer risks, gold and other commodity price volatility, discrepancies

between actual and estimated revenues or cost, being inaccurate or changing over time, project risks, contracting risks, dependence on key personnel, increased competition, contractual disputes, operating risks, environmental incident claims and industry accidents. Refer to Section 7 for a (non-exhaustive) discussion of potential risk factors underlying, and other information relevant to, the forward looking statements and information. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them. All forward looking statements should be read in light of such risks and uncertainties.

You should note that the historical performance of Lat66 or SMAG Bidder is no assurance of its future financial performance. The forward-looking statements in this Target's Statement reflect views and expectations held only at the date of this Target's Statement. Lat66 believes that all forward-looking statements included in this Target's Statement have been made on a reasonable basis. However, none of Lat66, its directors nor any other person gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward-looking statements in this Target's Statement will actually occur. Lat66 Shareholders should therefore treat all forward-looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law, Lat66 and the Lat66 Directors disclaim any obligation to revise or update, after the date of this Target's Statement, any forward looking statements to reflect any change in views, expectations or assumptions on which those statements are based.

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures detailed in this Target's Statement, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

Currency

All references in this Target's Statement to "\$", "A\$", "AUD" or "Australian dollars" are to Australian currency.

Notice to Foreign Shareholders

The release, publication and distribution of this Target's Statement may be restricted by law or regulation in some jurisdictions outside Australia. Accordingly, persons outside Australia who come into possession of this Target's Statement should seek advice and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with law and regulations outside Australia.

Privacy and personal information

Lat66 has collected your information from the Register for the purpose of providing you with this Target's Statement. Such information may include the name, contact details and shareholdings of Lat66 Shareholders and the names of persons appointed to act as proxy, attorney or corporate representative of Lat66 Shareholders. Without this information, Lat66 would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Shareholders to be held in a public register. Personal information of the type described above

may be disclosed to Lat66, SMAG Bidder and their registries, print and mail and other service providers, authorised securities brokers, Related Bodies Corporate of Lat66 and SMAG Bidder, and may be required to be disclosed to regulators, such as ASIC. Lat66 Shareholders have certain rights to access personal information that has been collected. Lat66 Shareholders should contact Lat66 in the first instance, if they wish to access their personal information. Lat66 Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

1 OVERVIEW

1.1 Summary of the Offer

SMAG Bidder is offering to acquire all of your Lat66 Shares for A\$0.467 cash per Lat66 Share. The Offer extends to all Lat66 Shares on issue at the Record Date that SMAG Bidder does not already own. The Offer is subject to various conditions, which are outlined in Section 8.3 and section 8 of schedule 1 of the Bidder's Statement. Refer to the Bidder's Statement for full particulars of the Offer.

1.2 Recommendation of the Independent Directors

Given the holdings of Performance Rights of Messrs Thomas Hoyer, Jeffrey Foster, Russell Delroy, Joshua Welch and Steffen Hagemann, an independent board committee comprising Lat66 Directors Messrs Mark Connelly and Timothy Day (**Independent Directors**), was formed to manage all matters in connection with, or ancillary to, the Offer.

The Independent Directors have considered the Offer and unanimously recommend that Lat66 Shareholders **ACCEPT** the Offer, in the absence of a Superior Proposal.

This Target's Statement details the formal response of Lat66 to the Offer, including the reasons why the Independent Directors unanimously recommend that you **ACCEPT** the Offer, in the absence of a Superior Proposal. The key reasons for the recommendation are detailed in Section 2.1.

Messrs Thomas Hoyer, Jeffrey Foster, Russell Delroy, Joshua Welch and Steffen Hagemann do not make a recommendation on whether or not Lat66 Shareholders should accept the Offer due to their holdings of Performance Rights and the benefit they will receive from these Performance Rights pursuant to the terms of the Performance Rights Offer which is conditional on the Offer becoming (or being declared) unconditional.

1.3 Intentions of the Lat66 Directors

Each of the Lat66 Directors intends to accept the Offer in respect of any Lat66 Shares that they own or control, in the absence of a Superior Proposal. As at the date of this Target's Statement, the Lat66 Directors own or control approximately 38.8 million Lat66 Shares representing approximately 36% of the issued Lat66 Shares. The interests of each Lat66 Director and the consideration they will receive are detailed in Section 10.2.

1.4 What to Do Next

To **ACCEPT** the Offer, you must follow the instructions provided in section 4 of schedule 1 of the Bidder's Statement and in the acceptance form that accompanies the Bidder's Statement. The Offer closes at 5.00pm Perth time on 4 February 2022, unless the Offer Period is extended, or the Offer is otherwise withdrawn.

If you do not wish to accept the Offer, you do not need to do anything and will remain a Lat66 Shareholder, unless SMAG Bidder acquires 90% or more of all Lat66 Shares and your Lat66 Shares are compulsorily acquired (refer to Section 7.4 for further details).

1.5 Key Dates

Announcement Date	20 December 2021
Lodgement of Bidder's Statement and Target's Statement with ASIC	22 December 2021
Despatch of Bidder's Statement and Target's Statement to Lat66 Shareholders	23 December 2021
Offer Opens	23 December 2021
Offer Closes (unless extended or withdrawn*)	5.00pm (Perth time) on 4 February 2022

* The Offer may be extended to the extent permitted under the Bid Implementation Agreement and the Corporations Act.

2 REASONS TO ACCEPT THE OFFER OR WHY YOU MAY WISH TO DECIDE NOT TO

Detailed below are the key reasons why the Independent Directors consider that you should accept the Offer. Also detailed below is a summary of some of the reasons why you may decide not to accept the Offer. You should read the entire Bidder's Statement and this Target's Statement before deciding whether or not to accept the Offer. You should particularly consider the risk factors in Section 7, which apply to the information in this Section 2. The Independent Directors believe the reasons to accept the Offer outweigh the reasons not to accept it.

2.1 Reasons to ACCEPT the Offer

<p>The Independent Directors recommendation in the absence of a Superior Proposal</p>	<p>The Independent Directors unanimously recommend that you ACCEPT the Offer, in the absence of a Superior Proposal.</p> <p>The Lat66 Directors intend to accept the Offer in respect of Lat66 Shares they own or control, in the absence of a Superior Proposal.</p> <p>Details of the Relevant Interests of each Lat66 Director in Lat66 Shares are detailed in Section 10.2.</p> <p>In making this recommendation, the Independent Directors have considered the advantages and disadvantages of the Offer as well as all the other information contained in, and matters referred to in, this Target's Statement.</p> <p>Messrs Thomas Hoyer, Jeffrey Foster, Russell Delroy, Joshua Welch and Steffen Hagemann do not make a recommendation on whether or not Lat66 Shareholders should accept the Offer due to their holdings of Performance Rights and the benefit they will receive from these Performance Rights pursuant to the terms of the Performance Rights Offer which is conditional on the Offer becoming (or being declared) unconditional.</p>
<p>The Offer represents compelling value for Lat66 Shares</p>	<p>The Offer represents an equity valuation of A\$0.467 per Lat66 Share, implying a 87% return for Lat66 Shareholders who participated in the most recent capital raising in July 2019 and a 367% return for Lat66 Shareholders who participated in the seed financing round in January 2018.</p>
<p>The Offer is an all-cash offer and provides certain and immediate value for your Lat66 Shares</p>	<p>Accepting the Offer will provide you with the opportunity to realise a certain, immediate and attractive value for your entire shareholding in Lat66 through 100% cash consideration, subject to satisfaction or waiver of the Offer Conditions. If you accept the Offer, you will cease to be exposed to the risks associated with an investment in Lat66 (refer to Section 7.2).</p> <p>If you accept the Offer and subject to satisfaction or waiver of the Offer Conditions, provided that all relevant documents have been received by SMAG Bidder and correctly completed, you will be paid A\$0.467 cash for each of your Lat66 Shares on or before the earlier of:</p> <ul style="list-style-type: none"> • one month after the date of your acceptance or, if the Offer is subject to a condition when you accept the Offer, within one month after the Offer becomes unconditional; and • 21 days after the end of the Offer Period.

	<p>Notwithstanding the above, SMAG Bidder will endeavour to pay the Bid Consideration to Lat66 Shareholders who have accepted the Offer on a date approximately 10 Business Days after:</p> <ul style="list-style-type: none"> • if the Offer is subject to Offer Conditions, the date the Offer becomes unconditional; or • if the Offer is free of all Offer Conditions, the date of your acceptance. <p>If you retain your Lat66 Shares, the price which you will be able to sell them at a later date (as well as the level of liquidity of Lat66 Shares) is uncertain and you will continue to be exposed to the risks associated with being a Lat66 Shareholder. The Offer removes these risks and uncertainties for Lat66 Shareholders (subject to satisfaction or waiver of the Offer Conditions) and allows Lat66 Shareholders to exit their investment in Lat66 at a price that the Independent Directors consider is attractive for Lat66 Shareholders.</p>
<p>The Offer provides liquidity for your Lat66 Shares</p>	<p>As Lat66 is not listed on any public stock exchange, there is no liquid market for Lat66 Shares. The Offer provides you with an opportunity to sell all of your Lat66 Shares.</p> <p>There is no guarantee that liquidity will exist for Lat66 Shares in the future if you do not accept the Offer or in the absence of a Superior Proposal emerging.</p>
<p>The Offer will allow Lat66 Shareholders to cease to be exposed to the risks associated with an investment in Lat66</p>	<p>In considering the Offer, Lat66 Shareholders should be aware of the risks related to Lat66 and its operations.</p> <p>Lat66 is subject to a number of investment risk factors which may affect the financial position and financial performance of Lat66 and the value of Lat66 Shares. Many of the risks are outside the control of Lat66, the Lat66 Directors and there can be no certainty that Lat66's objectives or anticipated outcomes will be achieved.</p> <p>The risks of holding Lat66 Shares (and other risks) will continue to be relevant to Lat66 Shareholders who do not accept the Offer and retain their investment in Lat66. These risks will also continue to be relevant to all Lat66 Shareholders if the Offer does not proceed.</p> <p>Refer to Section 7.2 for the risks relating to holding Lat66 Shares.</p>
<p>The Offer provides Lat66 Shareholders with an alternative to the possibility of equity dilution that may be associated with future exploration and development activities and potential future development decision on the Project</p>	<p>In the absence of the Offer, Lat66 may need to undertake a substantial equity capital raising to develop the Project and fund the Company's working capital requirements. Any such equity raising has the potential to be significantly dilutive to Lat66 Shareholders.</p> <p>Lat66 does not currently have the capital to fully fund the development of the Project and additional capital will be required for future exploration and development activities. There is no guarantee that Lat66 will be able to raise the capital required to advance the Project, or that the terms of such fundraising will be attractive to Lat66 Shareholders.</p>
<p>The value of Lat66 Shares may fall if the Offer is unsuccessful or in the absence of a</p>	<p>Whilst the price of Lat66 Shares are impacted by a range of factors, many of them out of the control of Lat66, if the Offer is unsuccessful or a Superior Proposal does not emerge, there is a risk that the price</p>

<p>Superior Proposal emerging</p>	<p>of Lat66 Shares may fall to a lower price than the price at which the Offer is made.</p>
<p>The Offer is subject to limited conditions</p>	<p>The Offer is subject to the fulfilment or waiver of a limited number of conditions before the end of the Offer Period, which are detailed in Section 8.3 of this Target's Statement and section 8 of schedule 1 of the Bidder's Statement.</p>
<p>Since the Bid Implementation Agreement was executed, no Superior Proposal has emerged</p>	<p>There is the potential for a proposal that is superior to the Offer to emerge. However, as at the date of this Target's Statement, no Superior Proposal (nor any Competing Proposal) has emerged.</p> <p>Even if a Competing Proposal is received prior to the end of the Offer Period, Lat66 will need to take certain steps in respect of that Competing Proposal, including together with its legal and financial advisers carefully considering the terms, conditions and merits of that proposal, inform SMAG Bidder of receipt of that proposal and, in certain circumstances provide SMAG Bidder with an opportunity to provide a matching or superior proposal to that proposal.</p>
<p>There are risks to not accepting the Offer</p>	<p>If you do not accept the Offer, maintaining your investment in Lat66 may mean that you are exposed to the risks outlined below, depending on the outcome of the Offer.</p> <p>Lat66 has agreed to sell its operations to SMAG Bidder pursuant to the Sale Agreement</p> <p>Pursuant to the Sale Agreement, Lat66 has agreed to sell all the shares in its wholly-owned Subsidiary, Latitude 66 Cobalt Oy (SubCo), to SMAG Bidder. SubCo is the holding company of the Project (refer to Section 5.1). If the Offer does not become unconditional, Lat66 must sell all of its shares in SubCo to SMAG Bidder pursuant to the Sale Agreement. If this were to occur:</p> <ul style="list-style-type: none"> • Lat66 would receive the consideration pursuant to the Sale Agreement; • Lat66 Shareholders would not receive the Bid Consideration; • Lat66 would have sold all of its operations to SMAG Bidder; and • Lat66 would be, in effect, a shell company. <p>Refer to Sections 5.10(a) and 7.4 for further details.</p> <p>Lat66 has entered into a loan facility with SMAG Bidder</p> <p>Lat66 has entered to a loan facility with SMAG Bidder to provide Lat66 with working capital during the Offer Period. If the Offer does not become unconditional, Lat66 would need to refinance this debt facility. There can be no assurance that Lat66 will be able to refinance / renew this facility, and even if it is able to do so, the terms of the new or revised facilities may be less favourable than the existing facility. Refer to Sections 5.11(a) and 7.4 for further details.</p>

	<p>Liquidity Risk</p> <p>The Lat66 Shares acquired by SMAG Bidder under the Offer will reduce the number of Lat66 Shares that can be expected to be available for sale. This is likely to reduce the liquidity of Lat66 Shares, and may adversely affect the price at which they might otherwise be expected to be sold for. Refer to Section 7.4 for further details.</p> <p>Risks if SMAG Bidder acquires a Relevant Interest in 50% or more of all Lat66 Shares and waives the 90% minimum acceptance condition</p> <p>If SMAG Bidder acquires a Relevant Interest of 50.1% or more of Lat66 Shares (on a fully diluted basis) and the Offer has become or is declared unconditional, SMAG Bidder will also be in a position to control the composition of the Lat66 Board and appoint directors nominated by SMAG Bidder to the Lat66 Board. Refer to Section 7.4 for further details.</p> <p>Risk if SMAG Bidder acquires a Relevant Interest in 75% or more of all Lat66 Shares and waives the 90% minimum acceptance condition</p> <p>If SMAG Bidder acquires a Relevant Interest in 75% or more of all Lat66 Shares, it will be able to determine alone the outcome of a special resolution (in respect of which it is entitled to vote). This would enable it to pass special resolutions, for example, to amend Lat66's constitution. Refer to Section 7.4 for further details.</p> <p>Risk if SMAG Bidder acquires a Relevant Interest in 90% or more of all Lat66 Shares</p> <p>If SMAG Bidder acquires a Relevant Interest in 90% or more of all Lat66 Shares and the compulsory acquisition provisions of the Corporations Act are satisfied, SMAG Bidder intends to compulsorily acquire the Lat66 Shares that it does not already own. Even if SMAG Bidder does not become entitled to compulsorily acquire Lat66 Shares during the Offer Period, it may become entitled to do so under the Corporations Act after completion of the Offer Period (and minority shareholders may have rights to compel SMAG Bidder to acquire Lat66 Shares if the compulsory buy-out provisions of the Corporations Act are triggered). If you choose not to accept the Offer and SMAG Bidder subsequently exercises compulsory acquisition rights, you are likely to be paid later than other Lat66 Shareholders who accept the Offer. Refer to Section 7.4 for further details.</p>
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2.2 Reasons why you may wish to NOT ACCEPT the Offer

You may disagree with the Independent Directors' unanimous recommendation	Lat66 Shareholders may not agree with the Independent Directors' unanimous recommendation to accept the Offer. Lat66 Shareholders are not obliged to follow the Independent Directors' recommendation.
You may believe there is an opportunity for increased value from Lat66 remaining as a stand-alone entity	You may believe that Lat66 Shareholders will have the opportunity for greater returns over the long term if Lat66 remains as a stand-alone entity. Reasons you may be of this view include but are not limited to:

	<ul style="list-style-type: none"> • you believe that Lat66, the Lat66 Directors and management have the potential to realise more value from Lat66's operations as a stand-alone entity; and • you believe that Lat66 has the ability to secure substantial capital to allow Lat66 to continue its operations and further develop its strategy. <p>In assessing and recommending the Offer, the Independent Directors have evaluated the risks and benefits of not accepting the Offer. In deciding that they should recommend the Offer, the Independent Directors determined that after completing a comprehensive strategic review of Lat66 and its business with its financial advisers, on balance, the value and other benefits provided by the Offer are more certain, lower risk and offer the prospect of a faster return on Lat66 Shareholders' investment that may be achievable if the Offer is not accepted (although no guarantee is given on those matters).</p>
<p>A Superior Proposal for Lat66, if it were to continue as a stand-alone entity, may materialise in the future</p>	<p>At the date of this Target's Statement, no Superior Proposal for Lat66 has emerged. It is possible that, if Lat66 were to continue as a stand-alone entity, a Superior Proposal for Lat66 which is more attractive for Lat66 Shareholders than the Offer may materialise in the future.</p>
<p>The potential tax consequences of the Offer may not suit your current financial position or tax circumstances</p>	<p>Acceptance of the Offer may have potential tax consequences for Lat66 Shareholders, which may not suit your current financial position or tax circumstances. A general outline of the Australian tax implications of accepting the Offer is detailed in Section 9 of the Target's Statement.</p> <p>You should not rely on that general outline as advice on your own affairs. It does not deal with the taxation position of particular Lat66 Shareholders. You should seek your own personal, independent financial and taxation advice before making a decision as to whether or not to accept the Offer.</p>

3 FREQUENTLY ASKED QUESTIONS

The following table provides brief answers to questions you may have in relation to the Offer but must be read in conjunction with the more detailed information included in this Target's Statement and the Bidder's Statement. You are urged to read the Bidder's Statement and this Target's Statement in their entirety.

QUESTION	ANSWER
<p>Who is the bidder?</p>	<p>SMAG Bidder, SunMirror (Luxembourg) S.A., is registered in Luxembourg and is a wholly-owned subsidiary of SMAG, SunMirror AG, which is registered in Switzerland. SMAG's shares are admitted to the official market of the Vienna Stock Exchange (Wiener Börse) and the regulated unofficial market segment of the Düsseldorf Stock Exchange, Berlin Stock Exchange (<i>Börse Berlin</i>) and Frankfurt Stock Exchange (<i>Börse Frankfurt</i>).</p> <p>Refer to section 3 of the Bidder's Statement and Section 6 for information on SMAG Bidder and SMAG.</p>
<p>What is the Offer for my Lat66 Shares?</p>	<p>SMAG Bidder has made an off-market offer to acquire each of your Lat66 Shares for consideration of A\$0.467 in cash per Lat66 Share.</p> <p>The Offer also extends to all Lat66 Shares on issue at the Record Date that SMAG Bidder does not already own.</p>
<p>What is the Bidder's Statement?</p>	<p>The Bidder's Statement is the document prepared by SMAG Bidder which outlines the terms of the Offer. SMAG Bidder lodged its Bidder's Statement with ASIC on 22 December 2021 and has sent it to all Lat66 Shareholders as at the date specified in the Bidder's Statement.</p> <p>If you have not received a copy of the Bidder's Statement or have misplaced it, you are encouraged to contact the SMAG Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (from outside Australia).</p>
<p>What is the Target's Statement?</p>	<p>This Target's Statement is Lat66's formal response to the Offer, as required by the Corporations Act. Accordingly, this document has been prepared by Lat66 and contains important information to help you decide whether to accept the Offer.</p>
<p>What choices do I have as a Lat66 Shareholder?</p>	<p>As a Lat66 Shareholder you can:</p> <ul style="list-style-type: none"> • ACCEPT the Offer. The Independent Directors recommend that you accept the Offer, in the absence of a Superior Proposal; • sell some or all of your Lat66 Shares; or • not accept the Offer by doing nothing.
<p>Who are the Independent Directors</p>	<p>The Independent Directors are Messrs Mark Connelly and Timothy Day.</p> <p>Given the significant aggregate holdings of Performance Rights of Messrs Thomas Hoyer, Jeffrey Foster, Russell Delroy, Joshua Welch and Steffen Hagemann, an independent board committee, comprising</p>

QUESTION	ANSWER
	the Independent Directors, was formed to manage all matters in connection with, or ancillary to, the Offer.
<p>What are the Independent Directors recommending?</p>	<p>The Independent Directors unanimously recommend that you ACCEPT the Offer, in the absence of a Superior Proposal. The reasons for the Independent Directors' recommendation are detailed in Section 2.1. If there is a change in this recommendation or any material development in relation to the Offer, Lat66 will keep you informed.</p> <p>Messrs Thomas Hoyer, Jeffrey Foster, Russell Delroy, Joshua Welch and Steffen Hagemann do not make a recommendation on whether or not Lat66 Shareholders should accept the Offer due to their holdings of Performance Rights and the benefit they will receive from these Performance Rights pursuant to the terms of the Performance Rights Offer which is conditional on the Offer becoming (or being declared) unconditional.</p>
<p>What do the Lat66 Directors intend to do with their Lat66 Shares?</p>	<p>At the date of this Target's Statement, each Lat66 Director has confirmed that he intends to accept the Offer in respect of all Lat66 Shares they own and control, in the absence of a Superior Proposal.</p>
<p>What are the risks associated with accepting or rejecting the Offer?</p>	<p>There are a number of risks associated with your decision to accept or reject the Offer. Some of the risks are detailed below. The list is not exhaustive and further details of these risks and others associated with your decision to accept or reject the Offer is detailed in Section 7.</p> <p>Risks relating to holding Lat66 Shares (refer to Section 7.2 for further details) include:</p> <ul style="list-style-type: none"> • COVID-19: The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange. As at the date of this Target's Statement, the nature and extent of the effect of the outbreak on the performance of Lat66 remains unknown and Lat66's business will be adversely affected in the short to medium term by the economic uncertainty caused by the COVID-19 pandemic. In addition, any governmental or industry measures taken in response to COVID-19 may adversely impact Lat66's operations and are likely to be beyond the control of Lat66. <p>Lat66's inability to move people and equipment freely and/or access the Project (including by reason of any restrictions imposed by the Finnish government) could have a material adverse effect and/or impact on Lat66's activities, exploration budget and program and the strategy, funding and objectives of Lat66.</p> <ul style="list-style-type: none"> • Nature of mineral exploration and mining: The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration and development require large amounts of expenditure over extended periods of time with no guarantee of revenue, and exploration and development activities may be impeded by circumstances and factors beyond Lat66's control.

QUESTION	ANSWER
	<p>There can be no assurances that exploration and development at the Project, or any other projects that may be acquired by Lat66 in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.</p> <ul style="list-style-type: none"> <p>Dependence on Key Personnel: Lat66 depends on the expertise and experience of its personnel as one of its primary assets. It is essential that appropriately skilled personnel be available in sufficient numbers to support the quality of Lat66's services and maintain the diversity of its business skills. Lat66 requires personnel that are professionally skilled in many areas, some of which may be considered niche specialties in which few practitioners are available for recruitment.</p> <p>Should a number of its key personnel leave Lat66, this may have a negative impact on Lat66 as it may be difficult to replace them, or to do so in a timely manner or at a comparable expense. Additionally, any key personnel of Lat66 who leave to work for a competitor may adversely impact Lat66.</p> <p>Lat66's ability to attract and retain personnel will have a direct correlation upon its ability to deliver its project commitments. Any failure to retain existing employees and recruit and retain additional personnel, may have a negative impact on existing operations and future growth prospects of Lat66, and adversely affect the financial performance and/or financial position of Lat66.</p> <p>Increased Competition from New and Existing Competitors: Lat66 operates in markets that are competitive and in which a number of companies compete. Competition in these markets is expected to continue, presenting Lat66 with numerous challenges relating to its ability to maintain growth rates and acceptable margins. If Lat66 is unable to meet these competitive challenges, it may lose market share to its competitors and experience an overall reduction in its earnings.</p> <p>Labour Costs and Availability: Lat66's ability to remain productive, profitable and competitive and to effect its planned growth initiatives, depends on its ability to attract and retain skilled labour. Tightening of the labour market in key regions due to a shortage of skilled labour, combined with a high industry turnover rate and growing number of competing employers for skilled labour, may inhibit Lat66's ability to hire and retain employees. Lat66 is exposed to increased labour costs in markets where the demand for labour is strong. A shortage of skilled labour could limit Lat66's ability to grow its business or lead to a decline in productivity and an increase in training costs and adversely affect its safety record. Each of these factors could materially adversely impact Lat66's ability to develop the asset portfolio, capital availability, potential future revenue and if costs increase or productivity declines, its operating margins.</p>

QUESTION	ANSWER
	<ul style="list-style-type: none"> • Mine Development: Possible future development of a mining operation at the Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant parties and authorities, seasonal weather patterns, technical and operational complexities and difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. • Resource and reserve estimates and metallurgy: Resource and reserve estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. <p>The actual quality and characteristics of ore deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, reserves are valued based on future costs and future prices and, consequently, the actual reserves and resources may differ from those estimated, which may result in either a positive or negative effect on operations and/or Lat66's financial performance.</p> <p>Should Lat66 encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect Lat66's operations. The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput depend on the accuracy of the test work and assumption that the sample tests are representative of the minerals deposit as a whole.</p> • Future capital requirements: Lat66's growth through its proposed and future exploration campaigns will require additional expenditure. The future capital requirements of Lat66 will depend on many factors including its business development activities. Whilst Lat66 believes its available cash should be adequate to fund its business development activities and other objectives in the short term, there can be no guarantees that it will be sufficient to successfully achieve all the objectives of Lat66's overall business strategy. <p>If Lat66 is unable to use debt or equity to fund expansion, there can be no assurance that Lat66 will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to Lat66 or if at all.</p>

QUESTION	ANSWER
	<p>Any additional debt financing if available, may involve restrictive covenants, which limit Lat66's operations and business strategy. Lat66's failure to obtain capital if and when needed could delay or suspend Lat66's business strategy and could have a material adverse effect on Lat66's activities.</p> <ul style="list-style-type: none"> • Exploration Costs: Lat66 advises that future exploration costs of Lat66 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect Lat66's operations. • Operational: The operations of Lat66 may be affected by various factors which are beyond the control of Lat66, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of Lat66. • Commodity price volatility: As future revenues will primarily be derived from the sale of cobalt and gold, any future earnings will be closely related to the price of these commodities. Commodity prices fluctuate and are affected by numerous factors beyond the control of Lat66. These factors include world demand for cobalt and gold, forward selling by producers, and production cost levels in major cobalt and / or gold producing regions. <p>International prices of various commodities, including cobalt and gold, are denominated in United States dollars, whereas the income and expenditure of Lat66 are and will be taken in account in Australian dollars and Euros, consequently exposing Lat66 to fluctuations and volatility of the rate of exchange between the United States dollar, the Australian dollar and the Euro, respectively, as determined by the international markets.</p> <ul style="list-style-type: none"> • Contractual disputes: As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on Lat66's operations and performance generally. It is not possible for Lat66 to predict or protect itself against all such risks.

QUESTION	ANSWER
	<ul style="list-style-type: none"> • Occupational health and safety risk: Lat66 is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Exploration activities have inherent risks and hazards. Lat66 provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems. Industrial accidents may also occur with respect to Lat66 activities. In the event of a serious accident, for example resulting in a fatality, or a series of accidents on the same project, substantial claims may be brought against the client and/or Lat66 or the client may terminate their contractual arrangement with Lat66. Such an accident could impact upon Lat66's reputation, growth prospects and financial performance. • Environmental: The operations and proposed activities of Lat66 are subject to laws and regulations concerning the environment. Mining operations have inherent risks and liabilities associated with the safety and damage of the environment and the disposal of waste products occurring as a result of mineral exploration activities. The occurrence of any such safety or environmental incident could have a material impact to the operations of Lat66 and / or the ability of Lat66 to attain the environmental approvals and permitting to operate. Further, events such as unpredictable rainfall or bushfires may impact on Lat66's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on Lat66 for damages, clean-up costs or penalties in the event of certain discharges to the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. • Regulatory Risks: Lat66's activities are subject to extensive laws and regulations relating to numerous matters including various permits, resource licence consent, environmental compliance and rehabilitation, taxation, health and worker safety, waste disposal, protection of the environment, native title and heritage matters and other matters. Lat66 requires permits related to exploration, development and mining activities. Obtaining the necessary permits can be a time consuming process and there is a risk that Lat66 will not be able to obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict Lat66 from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, could result in fines, penalties or other liabilities. • Third Party Risk: The operations of Lat66 require the involvement of a number of third parties, including suppliers,

QUESTION	ANSWER
	<p>contractors and clients. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on Lat66's operations and performance. It is not possible for Lat66 to predict or protect Lat66 against all such risks.</p> <ul style="list-style-type: none"> <p>Legal Risks: The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern Lat66's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of Lat66 and Lat66 Shares. In addition there is a commercial risk that legal action may be taken against Lat66 in relation to commercial matters.</p> <p>Title risk: Lat66 may lose title to, or interests in, its tenements if the conditions to which those tenements are subject are not satisfied or if insufficient funds are available to meet expenditure commitments on the tenements.</p> <p>In the jurisdictions in which Lat66 operates or will operate in the future, both the conduct of operations and the steps involved in acquiring title to, or interests in, tenements involve compliance with numerous procedures and formalities. It is not always possible to comply with, or obtain waivers from, all such requirements, nor is it always clear whether requirements have been properly completed, or possible or practical to obtain evidence of compliance. In some cases, failure to follow such requirements or obtain relevant evidence may call into question the validity of the actions taken.</p> <p>Foreign Operations: Lat66 may derive an increasing proportion of its revenue from operations in foreign countries, in particular Finland.</p> <p>There are certain risks inherent in doing business on an international level, such as unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers, difficulties staffing and managing foreign operations, longer payment cycles, problems in collecting accounts receivable, political instability and in certain cases expropriation, nationalisation and war. There may also be fluctuations in currency exchange rates, foreign exchange controls which restrict or prohibit repatriation of funds, technology export and import restrictions or prohibitions and delays from clients, brokers or government agencies. Lat66 could also be adversely affected by seasonal reductions in business activity and potentially adverse tax consequences, any of which could adversely impact the success of Lat66's international operations. There is also a risk that Australian government policies in relation to particular regions may also change, affecting trade and investment opportunities in that region.</p> <p>Remote Locations: Lat66 frequently undertakes projects in remote locations. This may involve logistical difficulties for plant, equipment and materials, as well as skilled personnel</p>

QUESTION	ANSWER
	<p>and general labour. Some locations may involve inherent risk to personnel.</p> <p>Risks relating to the outcome of the Offer (refer to Section 7.4 for further details) include:</p> <ul style="list-style-type: none"> • Lat66 has agreed to sell its operations to SMAG Bidder pursuant to the Sale Agreement: Pursuant to the Sale Agreement, Lat66 has agreed to sell all the shares in its wholly-owned Subsidiary, SubCo, to SMAG Bidder. SubCo is the holding company of the Project. If the Offer does not become unconditional, Lat66 must sell all of its shares in SubCo to SMAG Bidder pursuant to the Sale Agreement. If this were to occur: <ul style="list-style-type: none"> ○ Lat66 would receive the consideration pursuant to the Sale Agreement; ○ Lat66 Shareholders would not receive the Bid Consideration; ○ Lat66 would have sold all of its operations to SMAG Bidder; and ○ Lat66 would be, in effect, a shell company. <p>Refer to Sections 5.10(a) and 7.4 for further details.</p> • SMAG Bidder Loan Facility: Lat66 has entered to a loan facility with SMAG Bidder to provide Lat66 with working capital during the Offer Period. If the Offer does not become unconditional, Lat66 would need to refinance this debt facility. There can be no assurance that Lat66 will be able to refinance / renew this facility, and even if it is able to do so, the terms of the new or revised facilities may be less favourable than the existing facility. Refer to Section 5.11(a) for further details. • Liquidity Risk: The Lat66 Shares acquired by SMAG Bidder under the Offer will reduce the number of Lat66 Shares that can be expected to be available for sale. This is likely to reduce the liquidity of Lat66 Shares, and may adversely affect the price at which they might otherwise be expected to be sold for. Refer to Section 7.4 for further details. • Risks if SMAG Bidder acquires a Relevant Interest in 50% or more of all Lat66 Shares and waives the 90% minimum acceptance condition: If SMAG Bidder acquires control of Lat66, it will have the power to replace the Lat66 Directors with nominees of SMAG Bidder and will have enhanced capacity to influence the manner in which Lat66's business is conducted. SMAG Bidder's intentions for Lat66 are detailed in section 5 of the Bidder's Statement, but those intentions may change, particularly as a result of the strategic review that SMAG Bidder intends to undertake. Changes to the business which are implemented by SMAG Bidder may mean that you may subsequently choose to dispose of your Lat66 Shares at a time when market conditions are less favourable than those

QUESTION	ANSWER
	<p>prevailing at the date of this Target's Statement. Refer to Section 7.4 for further details.</p> <ul style="list-style-type: none"> <p>Risk if SMAG Bidder acquires a Relevant Interest in 75% or more of all Lat66 Shares and waives the 90% minimum acceptance condition that SMAG Bidder will be able to determine the outcome of special resolutions: If SMAG Bidder acquires a Relevant Interest in 75% or more of all Lat66 Shares, it will be able to determine alone the outcome of a special resolution (in respect of which it is entitled to vote). This would enable it to pass resolutions, for example, to amend Lat66's constitution. Refer to Section 7.4 for further details.</p> <p>Risk if SMAG Bidder acquires a Relevant Interest in 90% or more of all Lat66 Shares: If SMAG Bidder acquires a Relevant Interest in 90% or more of all Lat66 Shares and the compulsory acquisition provisions of the Corporations Act are satisfied, SMAG Bidder intends to compulsorily acquire the Lat66 Shares that it does not already own. Even if SMAG Bidder does not become entitled to compulsorily acquire Lat66 Shares during the Offer Period, it may become entitled to do so under the Corporations Act after completion of the Offer Period (and minority shareholders may have rights to compel SMAG Bidder to acquire Lat66 Shares if the compulsory buy- out provisions of the Corporations Act are triggered). If you choose not to accept the Offer and SMAG Bidder subsequently exercises compulsory acquisition rights, you are likely to be paid later than other Lat66 Shareholders who accept the Offer. Refer to Section 7.4 for further details.</p>
<p>What are the Lat66 Directors' interests?</p>	<p>The consideration and cash payments to be received by each Lat66 Director under, or in connection with, the Offer are detailed in Section 10.2(a).</p>
<p>How do I accept the Offer?</p>	<p>To accept the Offer, you should carefully follow the instructions in section 4 of schedule 1 of the Bidder's Statement.</p>
<p>How long will the Offer be open for acceptance?</p>	<p>The Offer is scheduled to close at 5.00pm Perth time on 4 February 2022 as specified in the Bidder's Statement, unless it is extended or withdrawn in accordance with the Corporations Act.</p> <p>Refer to Section 8.7 for details of the circumstances in which the Offer Period can be extended.</p>
<p>Can the Offer be varied?</p>	<p>SMAG Bidder may vary the Offer in any of the ways permitted by the Corporations Act, including by extending the Offer Period or by increasing the Bid Consideration, provided the varied terms and conditions are not less favourable to Lat66 Shareholders than the Offer. If SMAG Bidder varies the Offer in any of those ways, it must give written notice to ASIC and Lat66 and send you a copy of that notice (provided, however, that SMAG Bidder will not be required to send you a copy of the notice if, at the time of the variation, you have already accepted the Offer, the Offer is unconditional and the variation merely extends the Offer Period).</p>

QUESTION	ANSWER
<p>What happens if a Superior Proposal is made by a third party?</p>	<p>If a Superior Proposal is made by a third party, Lat66 Shareholders who have already accepted the Offer at such time will not receive the benefit of the Superior Proposal made by the third party, unless the Offer lapses (as described in Section 8.5) in sufficient time for you to accept the Superior Proposal. As at the date of this Target's Statement, the Lat66 Directors have not received a Superior Proposal.</p>
<p>Is the Offer conditional?</p>	<p>The Offer is subject to a number of conditions which are detailed in Section 8.3, including (in summary):</p> <ul style="list-style-type: none"> • Minimum acceptance: At the end of the Offer Period, SMAG Bidder has a Relevant Interest in at least 90% (by number) of all Lat66 Shares. • Performance Rights: Prior to the end of the Offer Period, all Performance Rightsholders have entered into agreements with SMAG Bidder to transfer all their Performance Rights to SMAG Bidder and for the consideration in accordance with the terms of the Performance Rights Offer. • 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. • 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. • 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. • No breach of Lat66 Warranties: Between the Announcement Date and the end of the Offer Period (each inclusive), each Lat66 Warranty are and remains true and correct in all material respects, subject to matters disclosed prior to the date of the Bid Implementation Agreement. • 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. <p>Refer to section 8 of schedule 1 of the Bidder's Statement and Section 8.3 for further details regarding the Offer Conditions.</p>
<p>What are the consequences of accepting the Offer now,</p>	<p>If you accept the Offer now, unless withdrawal rights are available (see below), you will give up your right to sell your Lat66 Shares or otherwise deal with your Lat66 Shares while the Offer remains open.</p>

QUESTION	ANSWER
while it remains conditional?	
If I accept the Offer now, can I withdraw my acceptance?	You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Offer, SMAG Bidder varies the Offer in a way that postpones, for more than one month, the time that SMAG Bidder has to meet its obligations under the Offer.
When will I receive the Bid Consideration if I accept the Offer?	<p>If you accept the Offer, SMAG Bidder will provide the Bid Consideration for your Lat66 Shares on or before the earlier of:</p> <ul style="list-style-type: none"> • one month after the date of your acceptance or, if the Offer is subject to a condition when you accept the Offer, within one month after the Offer becomes unconditional; and • 21 days after the end of the Offer Period. <p>Notwithstanding the above, SMAG Bidder will endeavour to pay the Bid Consideration to Lat66 Shareholders who have accepted the Offer on a date approximately 10 Business Days after:</p> <ul style="list-style-type: none"> • if the Offer is subject to Offer Conditions, the date the Offer becomes unconditional; or • if the Offer is free of all Offer Conditions, the date of your acceptance. <p>Refer to section 7 of schedule 1 of the Bidder's Statement for further details.</p>
What are the consequences of the Offer becoming unconditional?	If you accept the Offer and the Offer becomes unconditional, you will be entitled to receive A\$0.467 cash for each Lat66 Share you hold.
What happens if I do nothing?	<p>You will remain a Lat66 Shareholder.</p> <p>If SMAG Bidder acquires a Relevant Interest in 90% or more of Lat66 Shares and the Offer becomes unconditional, SMAG Bidder intends to compulsorily acquire the remaining Lat66 Shares.</p> <p>If SMAG Bidder acquires between 50% and 90% of Lat66 Shares and the Offer becomes unconditional, you will remain a minority shareholder and Lat66 will then be controlled by SMAG Bidder.</p> <p>Refer to section 5 of the Bidder's Statement for details in relation to SMAG Bidder's intentions in relation to Lat66.</p>
What if I want to sell my Lat66 Shares?	<p>During the Offer Period, you may sell some or all of your Lat66 Shares for cash provided you have not accepted the Offer. Before doing so, you should consider the implications of this course of action, including that you would not receive the benefit of any increase in the Bid Consideration that may emerge. You will also forfeit the ability to accept any superior proposal that may emerge.</p> <p>It is important to note that if you accept the Offer now, unless withdrawal rights are available, you will give up your right to sell your</p>

QUESTION	ANSWER
	Lat66 Shares or otherwise deal with your Lat66 Shares while the Offer remains open.
Can I be forced to sell my Lat66 Shares?	You cannot be forced to sell your Lat66 Shares unless SMAG Bidder acquires a Relevant Interest in at least 90% of all the Lat66 Shares by the end of the Offer Period, becomes eligible to compulsorily acquire your Lat66 Shares and proceeds with that compulsory acquisition. If SMAG Bidder proceeds to compulsory acquisition, you will be provided the last Bid Consideration offered by SMAG Bidder for the Lat66 Shares before the end of the Offer Period.
Does this Target's Statement contain an independent expert's report?	<p>No, this Target's Statement does not contain an independent expert's report. An independent expert's report is only required to be included in a target's statement where the bidder's Voting Power in the target is 30% or more, or if a director of the target company is a bidder or a director of the bidder company. This requirement does not apply to the Offer.</p> <p>In addition, the Lat66 Directors do not consider that an independent expert's report is necessary for the following non-exhaustive reasons:</p> <ul style="list-style-type: none"> • the information in this Target's Statement, the Bidder's Statement and publicly available information is sufficient for Lat66 Shareholders to determine whether or not to accept the Offer; and • the cost of obtaining an independent expert's report would be substantial and the time to prepare the independent expert's report could potentially delay the completion of the Offer.
What happens if the Offer Conditions are not satisfied or waived?	<p>If the Offer Conditions are not satisfied or waived by the end of the Offer Period, the Offer will lapse and acceptances will be void.</p> <p>If the Offer lapses, you will then be free to deal with your Lat66 Shares even if you had accepted the Offer.</p> <p>If the Offer lapses, SMAG Bidder and Lat66 will proceed to completion under the Sale Agreement, pursuant to which SMAG Bidder will acquire all of the shares in SubCo, effectively meaning that Lat66 will sell all of its operations. Refer to Sections 5.10(a) and 7.4 for further details.</p>
What are the tax implications of accepting the Offer?	<p>A general outline of the tax implications for certain Australian resident and Australian non-resident Lat66 Shareholders of accepting the Offer is detailed in Section 9.</p> <p>You should not rely on that outline as advice on your own affairs. It does not deal with the position of particular Lat66 Shareholders. You should seek your own personal, independent financial and taxation advice before making a decision as to whether to accept or reject the Offer.</p>
Is there a number I can call if I have further queries in relation to the Offer?	If you have any queries, you are encouraged to contact the SMAG Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (from outside Australia).

4 YOUR CHOICES AS A LAT66 SHAREHOLDER

The Independent Directors unanimously recommend that Lat66 Shareholders **ACCEPT** the Offer, in the absence of a Superior Proposal. However, as a Lat66 Shareholder, you have the choices detailed below available to you.

4.1 Accept the Offer

To accept the Offer, follow the instructions detailed in section 4 of schedule 1 of the Bidder's Statement and on the acceptance form accompanying the Bidder's Statement. Details of the consideration you will receive are outlined in Section 8.1 of this Target's Statement and in section 1.1 of the Bidder's Statement. You will only receive the Bid Consideration if the Offer Conditions are either satisfied or waived. The Offer is subject to a number of conditions. Refer to section 8 of schedule 1 of the Bidder's Statement for full details of the conditions of the Offer.

The consequences of accepting the Offer are discussed in Section 8.9 and in section 6 of schedule 1 of the Bidder's Statement. If you accept the Offer, you will not be able to sell your Lat66 Shares to a third party unless you have the right to withdraw your acceptance and you have exercised that right. The circumstances in which acceptances of the Offer may be withdrawn are detailed in section 11 of schedule 1 of the Bidder's Statement.

If you accept the Offer, you may be liable for capital gains tax or income taxes as a result of your acceptance. An overview of the taxation consequences for Lat66 Shareholders of accepting the Offer is provided in Section 9 of this Target's Statement. Lat66 encourages you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your Lat66 Shares.

4.2 Sell some or all of your Lat66 Shares

During the Offer Period, if you have not accepted the Offer, you can (subject to Lat66's constitution) sell some or all of your Lat66 Shares to a third party.

There is no guarantee of the price at which the Lat66 Shares will trade from time to time, whether before or after the end of the Offer Period.

If you sell any of your Lat66 Shares you will lose the ability to accept the Offer in relation to those Lat66 Shares (or any other offer for Lat66 Shares which may eventuate).

You should seek your own personal advice regarding the taxation consequences for you of selling your Lat66 Shares.

4.3 Do nothing and retain all your Lat66 Shares

You can choose not to accept the Offer by simply doing nothing. If you do not accept the Offer, you will retain all of your Lat66 Shares unless they are compulsorily acquired in accordance with the Corporations Act. However, you should note that the Independent Directors' recommendation is that you **ACCEPT** the Offer, in the absence of a Superior Proposal. You should note that if you choose not to accept the Offer, you may be exposed to a number of risks which have been outlined non-exhaustively in Section 7.2.

5 INFORMATION ABOUT LAT66

5.1 Overview of Lat66

Lat66 is involved in the mineral exploration of gold and cobalt in northern Finland. Lat66 is the 100% owner of Latitude 66 Cobalt Oy (**SubCo**), which in turn owns a portfolio of polymetallic exploration projects (**Project**) in Finland. Lat66 has one of the largest land holdings of any single company (around 3,300 km²) in Finland.

Lat66 employs a progressive and sustainable approach to mineral exploration with a distinct recognition of stakeholder priorities. Lat66 is committed to demonstrating environmental stewardship, engaging directly and early-on with community stakeholders and landowners and adhering to responsible governance practices. Through proactive engagement with landowners, governments and municipalities, media, and other national and continental initiatives Lat66 has sought to be a pioneer in the advancement and expansion of the mineral exploration industry in Finland.

5.2 The Lat66 Directors

At the date of this Target's Statement, the Directors are:

- (a) Thomas Hoyer – Managing Director;
- (b) Jeffrey Foster – Chairman;
- (c) Russell Delroy – Director;
- (d) Joshua Welch – Director;
- (e) Steffen Hagemann – Director;
- (f) Mark Connelly – Director; and
- (g) Timothy Day – Director.

5.3 Main Business Activities

Lat66 is a mineral exploration company primarily focused on gold, cobalt and base metal exploration and project development in northern Finland. Lat66 has a deep and diversified project portfolio comprising mineral deposits over which economic studies are set to begin, several discovery-stage exploration prospects and large belt-scale reconnaissance opportunities.

Lat66 is primarily focused on the development of its flagship northern K-Camp project (K1 – K6) located in the Kuusamo Schist Belt which is a camp scale accumulation of several high-grade gold and cobalt deposits and multiple exploration targets over 3.5km of strike proximal to the main mineralising structure (Kayla-Konttiahio Antiform).

During the past 12 months, the Project's combined indicated and inferred mineral resource estimates were upgraded to 725,000 ounces of gold² and 16,500 tonnes of cobalt³, across five separate deposits – see Section 5.7 for further details. This positions the Project as the second largest undeveloped cobalt project in all of Europe.

5.4 Southern K-Camp exploration

Lat66 discovered a new high-grade cobalt-zone within the southern K-Camp project (K7 – K10 trend) area at the K9 target. K9 is located approximately 23km southwest of the existing K1 resource zone and within the south-western extensions of the Käylä-Konttiahio Antiform structural corridor.

² Cut-off grade of 0.5g/t Au for K1-K3 and 1g/t Au for K4-K5

³ Cut-off grade of 200ppm Co for K1, and 0.5g/t Au for K2-K3

K9 was a priority drill target defined by the systematic exploration methodology of the Lat66 KSB Co-Au-Cu targeting model. The model factors optimal structural and stratigraphic settings with defined geophysical and geochemical signatures specific to ore grade deposits within the KSB. K9 was originally identified as a prospect through a 2018 desktop review of the K Camp South area. This was followed up with targeted soil and base-of-till geochemical surveys and a ground-based electromagnetic survey.

Three diamond drill holes were completed at K9 during the 2021 summer drilling campaign designed to test two discreet coincident geophysical-geochemical anomalies. Drill hole L66K9DD001 returned 51.7m @ 0.44% Co, 0.24g/t Au, 0.07% Cu from 123.2m, including 8.3m @ 1.02% Co from 124.8m. Refer to Schedule 1 – Part 2 of the JORC Code Table 1 technical requirements.

Immediate follow-up downhole geophysics has been completed and preliminary results indicate multiple off-hole conductive anomalies, however final interpretation and modelling will take place following completion of drill core structural analyses and downhole geophysics on L66K9DD003. Follow up drill testing of adjacent geophysical anomalies at K9 are expected to be further drill tested in future campaigns.

5.5 Lat66's other activities and assets

Lat66's other principal activities during the financial year ended 30 June 2021 include:

- (a) systematic and fundamental geological investigation of K Camp regional and H Camp projects with the aim of identifying and better defining both known and new mineral targets through geophysical and geochemical surveying, as well as targeted drilling campaigns;
- (b) Lat66 is advancing early-stage exploration for cobalt, gold and base metals across significant regional tenure packages within the Kuusamo Schist Belt, Peräpohja Schist Belt, Kainuu Schist Belt, Kolari Greenstone Belt, and the eastern extensions of the Central Lapland Greenstone Belt;
- (c) Lat66 has delineated >100 prospective exploration targets identified for further exploration;
- (d) utilising corporate and technical knowledge base to identify and acquire new exploration ground to further enhance the project pipeline;
- (e) consolidation of reservation packages into considered exploration licences based on defined mineral prospectivity;
- (f) work with companies, regions, municipalities, and both government and EU-funded programmes to attract potential development funding;
- (g) strong local and regional stakeholder engagement to inform and educate area residents, companies, landowners and political decision makers at all levels on mineral exploration, the impact of exploration and mining, the role of technology-minerals in fighting the climate crisis and the industrial possibilities to be unlocked for Finland and the EU;
- (h) proactive engagement with government and European Parliament on the development of legislation and strategies to promote growth of the mineral exploration industry and fighting climate crisis; and
- (i) continued assessment of new business opportunities in the resources sector and potential corporate actions which leverage off the Group's skills, expertise, and existing assets and with the potential to further enhance shareholder value.

5.6 Tenements

The tenements held by Lat66 comprising the Project are as follows:

Type	Status	Code	Name	Date Of Expiry
Mining concession	Valid	3965	Juomasuo	N/A
Mining concession	Valid	4013	Sivakkaharju	N/A
Mining concession	Valid	4909	Meurastuksenaho	N/A
Exploration Permit	Valid	ML2011:0022	Ollinsuo	20/09/2025
Exploration Permit	Application	ML2017:0127	Ollila 1	N/A
Exploration Permit	Application	ML2017:0128	Rintajärvi	N/A
Exploration Permit	Application	ML2019:0047	Maaninkavaara 2	N/A
Exploration Permit	Application	ML2018:0048	Ollinsuo 2	N/A
Exploration Permit	Application	ML2018:0050	Isosomeronhauta 1	N/A
Exploration Permit	Application	ML2018:0085	Pattasoja 1	N/A
Exploration Permit	Application	ML2018:0087	Maaninkavaara 1	N/A
Exploration Permit	Application	ML2018:0098	Haarakumpu 1	NULL
Exploration Permit	Application	ML2018:0099	Kivivaara	N/A
Exploration Permit	Application	ML2018:0100	Niemelä	N/A
Exploration Permit	Application	ML2018:0101	Vilkaslampi	N/A
Exploration Permit	Application	ML2018:0102	Valkamalahti	N/A
Exploration Permit	Application	ML2019:0043	Haarakumpu 2	N/A
Exploration Permit	Application	ML2019:0044	Kätkytvaara 1	N/A
Exploration Permit	Application	ML2019:0045	Kätkytvaara 2	N/A
Exploration Permit	Application	ML2019:0046	Kuohusuo	N/A
Exploration Permit	Application	ML2019:0050	Hangaslampi 1	NULL
Exploration Permit	Application	ML2019:0074	Säynäjävaara	N/A
Exploration Permit	Application	ML2020:0008	Haarakumpu A	NULL
Exploration Permit	Application	ML2020:0018	Haarakumpu B	NULL
Exploration Permit	Application	ML2020:0021	Sarvivaara Itäinen	N/A
Exploration Permit	Application	ML2020:0050	Kuusamo pohjoinen	N/A
Exploration Permit	Application	ML2020:0051	Posio koillinen	N/A
Exploration Permit	Application	ML2020:0052	Salla eteläinen	N/A
Exploration Permit	Application	ML2021:0006	Kainuu 1	N/A
Exploration Permit	Application	ML2021:0007	Kainuu 2	N/A
Exploration Permit	Application	ML2021:0008	Kainuu 3	N/A
Exploration Permit	Application	ML2021:0009	Kainuu 4	N/A
Exploration Permit	Application	ML2021:0052-01	Mäntyvaara	N/A
Exploration Permit	Application	ML2021:0053-01	Peurasuo	N/A
Exploration Permit	Application	ML2021:0055-01	Rintajärvi 2	N/A
Exploration Permit	Application	ML2021:0056-01	Kalliolampi	N/A
Exploration Permit	Application	ML2021:0054	Suonna	N/A
Exploration Permit	Application	ML2021:0090	Kainuu 2 B	N/A
Exploration Permit	Application	ML2021:0091	Kainuu 4 B	N/A
Exploration Permit	Application	ML2021:0092	Kainuu 5	N/A
Exploration Permit	Application	ML2021:0093	Lapioaapa	N/A
Exploration Permit	Application	ML2021:0094	Muurola	N/A
Exploration Permit	Application	ML2021:0095	Petajainen	N/A
Exploration Permit	Application	ML2021:0096	Reutu	N/A
Exploration Permit	Application	ML2021:0108	CLGB 1	N/A

Type	Status	Code	Name	Date Of Expiry
Exploration Permit	Application	ML2021:0109	CLGB 2	N/A
Exploration Permit	Application	ML2021:0110	CLGB 3	N/A
Exploration Permit	Application	ML2021:0107	Laijeselkä	N/A
Exploration Permit	Application	ML2021:0102	Kiimajänkä	N/A
Exploration Permit	Application	ML2021:0101	Kiviselkä	N/A
Exploration Permit	Application	ML2021:0105	Misi	N/A
Exploration Permit	Application	ML2021:0104	Niittylampi	N/A
Exploration Permit	Application	ML2021:0103	Oikarainen	N/A
Exploration Permit	Application	ML2021:0106	Palo-Suuas	N/A
Exploration Permit	Application	ML2021:0100	Salmiaapa	N/A
Reservation	Valid	VA2021:0034-01	Kolari	4/05/2023
Reservation	Valid	VA2021:0038-01	Posio	6/05/2023
Reservation	Valid	VA2021:0039-01	Vasaraperä	6/05/2023
Reservation	Valid	VA2021:0035-01	Salla	5/05/2023
Reservation	Valid	VA2021:0036-01	Sodankylä	4/05/2023
Reservation	Valid	VA2021:0037-01	Kainuu eteläinen	5/05/2023
Reservation	Valid	VA2020:0063	Petäjäinen	29/09/2022

5.7 Mineral Resources

The indicated and inferred mineral resource estimates of the K Camp Project are tabulated below. These indicated and inferred mineral resource estimates are reported at a gold cut-off grade of 0.5g/t Au for K1 to K3, inclusive, and 1.0g/t Au for the K4 and K5.

Table 1: K Camp project – Global Mineral Resource Estimates

K Camp			Indicated					Inferred					Total Resource				
Deposit	Domain	Cut-off (g/t Au)	Tonnes (Mt)	Au grade (g/t)	Co grade (%)	Gold (koz)	Cobalt (t)	Tonnes (Mt)	Au grade (g/t)	Co grade (%)	Gold (koz)	Cobalt (t)	Tonnes (Mt)	Au grade (g/t)	Co grade (%)	Gold (koz)	Cobalt (t)
K1	Gold	0.5	4.6	2.9	0.097	430	4,400	1.2	2.1	0.046	80	600	5.8	2.7	0.086	510	5,000
K2	Gold	0.5	0.96	3.2	0.052	100	500	0.09	1.7	0.054	5	50	1.05	3.1	0.052	105	550
K3	Gold	0.5	0.34	2.2	0.064	24	210	0.12	2.0	0.056	8	70	0.45	2.2	0.062	32	280
K4	Gold	1.0	0.06	2.4	0.1	4.7	60	0.83	2.3	0.21	61.8	1,770	0.89	2.3	0.21	66.5	1,830
K5	Gold	1.0	-	-	-	-	-	0.05	7.2	0.03	11.5	10	0.05	7.2	0.03	11.5	10
K Camp Total			5.96	2.9	0.087	558.7	5,170	2.29	2.3	0.109	166.3	2,500	8.25	2.7	0.093	725	7,670

In addition to what is presented in Table 1 above, the indicated and inferred mineral resource estimates for the K1 deposit also contain a significant amount of high-grade cobalt mineralisation which envelops the main gold / cobalt domain, and which generally has low grade gold associated it. Table 2 presents the indicated and inferred mineral resource estimates for the K1 cobalt halo using various cobalt cut-off grades to quantify the cobalt endowment. Note, this mineralisation is exclusive of the mineralisation reported in Table 1.

The total indicated and inferred cobalt mineral resource estimates for K1 to K3, inclusive is c.16,500 tonnes of contained cobalt based on a 200ppm Co Cu-off for K1 and a 0.5g/t cut-off for K2 and K3.

Table 2: K1 Deposit – May 2020 Mineral Resource estimates reported by Co cut-off (exclusive of material in Table 2)⁴

Cut-off Co ppm	Indicated					Inferred					TOTAL				
	Tonnage Mt	Co ppm	Au g/t	Au Koz	Co t	Tonnage Mt	Co ppm	Au g/t	Au Koz	Co t	Tonnage Mt	Co ppm	Au g/t	Au Koz	Co t
200	4.9	670	0.0	10	3,290	13.6	510	0.0	10	6,970	18.5	560	0.0	20	10,260
400	3.0	910	0.0	0	2,730	5.8	810	0.0	10	4,740	8.8	850	0.0	10	7,480
600	1.8	1,190	0.1	0	2,140	2.5	1,240	0.1	0	3,140	4.3	1,220	0.1	10	5,280
800	1.2	1,470	0.1	0	1,710	1.5	1,640	0.1	0	2,420	2.6	1,560	0.1	0	4,130
1,000	0.8	1,740	0.1	0	1,370	1.1	1,870	0.1	0	2,120	1.9	1,820	0.1	0	3,490

Refer to Schedule 1 – Part 1 for the JORC Code Table 1 technical requirements relating to the mineral resources estimates in Tables 1 and 2 above.

The Company notes that Dragon Mining Oy previously announced the gold indicated and inferred mineral resource estimates for the K4 and K5 deposits at the K Camp Project in an ASX announcement on 11 March 2014. These previous results are described below in Table 3. The Company confirms that there has been no work undertaken on the K4 & K5 property and hence no material change to the historical indicated and inferred mineral resource estimates on K4 and K5 since it acquired the K Camp Project from Dragon Mining Oy.

Table 3: K Camp project – K4 and K5 Mineral Resource estimates as announced by Dragon Mining Oy

Deposit	Domain	Cut-off (g/t Au)	Indicated					Inferred					Total Resource				
			Tonnes (Mt)	Au grade (g/t)	Co grade (%)	Gold (koz)	Cobalt (t)	Tonnes (Mt)	Au grade (g/t)	Co grade (%)	Gold (koz)	Cobalt (t)	Tonnes (Mt)	Au grade (g/t)	Co grade (%)	Gold (koz)	Cobalt (t)
K4	Gold	1.0	0.06	2.4	0.1	4.7	60	0.83	2.3	0.21	61.8	1,770	0.89	2.3	0.20	66.5	1,830
K5	Gold	1.0	-	-	-	-	-	0.05	7.2	0.03	11.5	10	0.05	7.2	0.03	11.5	10
K4 and K5 Total			0.06	2.4	0.1	4.7	60	0.88	2.6	0.20	73.3	1,780	0.94	2.6	0.20	78.0	1,840

5.8 Historical financial information

(a) Basis of preparation

Lat66 released its annual financial report for the financial period ending 30 June 2021 to Lat66 Shareholders on 27 October 2021.

The historical financial information below relates to Lat66 on a stand-alone basis and does not reflect any impact of the Offer. It is an extract only. The full consolidated financial accounts for the financial periods ending 30 June 2019, 30 June 2020 and 30 June 2021, being the last three audited financial statements prior to the date of this Target's Statement, which includes notes to the accounts, can be found in Lat66's annual financial reports for those periods.

(b) Consolidated Statement of Financial Position

The consolidated statements of financial position of Lat66 detailed below have been extracted from the audited financial statements of Lat66 for the years ending 30 June 2019, 30 June 2020 and 30 June 2021, being the last three audited financial statements prior to the date of this Target's Statement.

⁴ Figures may have been rounded

Consolidated Statement of Financial Position (period ended 30-Jun-21, 30-Jun-20 and 30-Jun-19)

	30 June 2021 \$	30 June 2020 \$	30 June 2019 restated \$
ASSETS			
Current assets			
Cash and cash equivalents	4,746,412	3,934,461	411,110
Trade and other receivables	42,667	83,564	71,325
Prepayments	463,786	21,552	15,980
Total current assets	5,252,865	4,039,577	498,415
Non-current assets			
Property, plant and equipment	276,018	421,074	360,562
Exploration and evaluation assets	4,553,704	3,008,850	1,258,544
Right of use asset	210,402	270,517	-
Total non-current assets	5,040,124	3,700,441	1,619,106
TOTAL ASSETS	10,292,989	7,740,018	2,117,521
LIABILITIES			
Current liabilities			
Trade and other payables	4,626,633	216,593	272,807
Lease liability	59,011	57,090	-
Provisions	159,387	109,233	44,072
Total current liabilities	4,845,031	382,916	316,879
Non-current liabilities			
Lease liability	159,043	218,054	-
Total non-current liabilities	159,043	218,054	-
TOTAL LIABILITIES	5,004,074	600,970	316,879
NET ASSETS	5,288,915	7,139,048	1,800,642
EQUITY			
Share capital	11,250,163	11,250,163	4,280,913
Foreign currency translation reserves	(276,983)	(199,819)	(172,043)
Share-based payments reserves	6,620,068	-	-
Accumulated losses	(12,304,333)	(3,911,296)	(2,308,228)
TOTAL EQUITY	5,288,915	7,139,048	1,800,642

(c) **Consolidated statement of profit or loss and other comprehensive income**

The consolidated statement of profit or loss and other comprehensive income of Lat66 detailed below for the years ending 30 June 2019, 30 June 2020 and 30 June 2021 has been extracted from Lat66's audited consolidated statement of financial performance for those periods.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
(years ending 30-Jun-21, 30-Jun-20 and 30-Jun-19)**

	30 June 2021	30 June 2020	30 June 2019 restated
	\$	\$	\$
Interest revenue	4,897	38,246	20,535
Other income	19,797	35,890	-
Corporate and administrative expenses	(1,403,077)	(1,462,764)	(1,572,786)
Share-based payments expense	(6,620,068)	-	-
Other expenses	(39,607)	(80,345)	(747)
Motor vehicle expenses	(86,955)	(73,451)	(55,797)
Depreciation and amortisation	(260,219)	(55,800)	(45,410)
Operating loss	(8,385,232)	(1,598,224)	(1,654,205)
Finance costs	(7,805)	(4,844)	(677)
Loss before income tax	(8,393,037)	(1,603,068)	(1,654,882)
Income tax expense	-	-	-
Loss for the year after income tax	(8,393,037)	(1,603,068)	(1,654,882)
<i>Items that may subsequently be reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations	(77,164)	(27,776)	(106,510)
Other comprehensive loss	(77,164)	(27,776)	(106,510)
Total comprehensive loss for the year	(8,470,201)	(1,630,844)	(1,761,392)

(d) **Consolidated statement of cash flows**

The consolidated statements of cash flows of Lat66 detailed below have been extracted from the audited financial statements of Lat66 for the years ending 30 June 2019, 30 June 2020 and 30 June 2021, being the last three audited financial statements prior to the date of this Target's Statement.

Consolidated Statement of Cash Flows (years ending 30-Jun-21, 30-Jun-20 and 30-Jun-19)

	30 June 2021	30 June 2020	30 June 2019 restated
	\$	\$	\$
Cash flows from operating activities			
Payments to suppliers, employees and others	(1,720,278)	(1,658,786)	(1,365,736)
Interest received	4,897	38,246	20,535
Other receipts	34,972	18,076	-
Net cash (used) in operating activities	(1,680,409)	(1,602,464)	(1,345,201)
Cash flows from investment activities			
Payments for exploration expenditure	(1,287,869)	(1,748,797)	(1,069,347)
Payment for the acquisition of property, plant and equipment	(49,372)	(64,789)	(380,259)
Net cash (used) in investing activities	(1,337,241)	(1,813,586)	(1,449,606)
Cash flows from financing activities			
Proceeds from issue of shares	-	7,000,000	-
Lease payments	(64,622)	(29,849)	-
Extension fees - Option	3,894,223	-	-
Share issue costs	-	(30,750)	-
Net cash (used) in financing activities	3,829,601	6,939,401	-
Net increase in cash and cash equivalents	811,951	3,523,351	(2,794,807)
Cash and cash equivalents at beginning of the financial year	3,934,461	411,110	3,205,917
Cash and cash equivalents at end of the financial year	4,746,412	3,934,461	411,110

5.9 Material changes in Lat66's financial position and financial performance

To the Lat66 Directors' knowledge, and except as disclosed in Lat66's annual financial report for the year ended 30 June 2021, in Lat66's other announcements, in the Bidder's Statement or in this Target's Statement (including the €1.3 million unsecured limited recourse loan obtained from SMAG Bidder on 26 August 2021 – refer to Section 5.11(a), the financial position and financial performance of Lat66 has not materially changed since 30 June 2021.

Lat66 is presently in discussions with various companies in respect to new contract awards, however, as at the date of this Target's Statement, these new contract awards remain subject to negotiation, final commercial agreement and the execution of formal binding documentation.

5.10 Material agreements

(a) **Sale Agreement**

On 27 August 2021, SunMirror AG (**SMAG**), the ultimate holding company of SMAG Bidder, SMAG Bidder, and Lat66 entered into a share sale agreement (**Sale**

Agreement), pursuant to which Lat66 will transfer all of its shares in SubCo to SMAG Bidder for €45,000,000 (plus or minus adjustments) (**Sale Agreement Consideration**).

The key terms of the Sale Agreement are the following:

(i) **Conditions precedent**

Completion of the Sale Agreement is subject to completion or waiver of the following:

- (A) SMAG Bidder successfully conducting a capital raising of approximately €70,000,000;
- (B) Lat66 or SubCo not breaching the warranties provided by Lat66 detailed in Section 5.10(a)(iv);
- (C) the statutory audited annual accounts for each of Lat66 and SubCo for the financial year ended 30 June 2021 (**2021 Accounts**):
 - (I) being provided by Lat66 to SMAG Bidder before 30 September 2021; and
 - (II) disclosing no material adverse change (“material” for these purposes meaning in excess of €200,000) to the financial position of Lat66 or SubCo compared with the position previously disclosed to SMAG Bidder; and
- (D) the Key Employees entering into new employment arrangements or similar arrangements as to their continuity of service with SubCo or SMAG Bidder to take effect from completion (refer to Section 5.10(a)(ii)),

(together, the **Conditions Precedent**).

(ii) **Completion**

- (A) Subject to the satisfaction or waiver of the Conditions Precedent, SMAG Bidder must use all reasonable endeavours to:
 - (I) announce an intention to make the Takeover Bid; or
 - (II) agree with Lat66 the process for a scheme of arrangement under which SMAG Bidder will acquire all the Lat66 Shares (**Scheme**),prior to the later of 30 November 2021 and the day falling 60 days after the provision to SMAG Bidder of the 2021 Accounts (**End Date**). The End Date may be extended by one or two months by Lat66 by written notice to SMAG Bidder.
- (B) Subject to the satisfaction (or waiver by SMAG Bidder) of the Conditions Precedent, if:
 - (I) SMAG Bidder does not make the Takeover Bid or agree to the implementation of a Scheme before the End Date;
 - (II) the Takeover Bid is made by SMAG Bidder and SMAG Bidder has not declared the Takeover Bid unconditional within two months of the opening date for acceptances under the Takeover Bid; or
 - (III) a Scheme is agreed but the Scheme is not approved by the requisite majority of Lat66 Shareholders,

(each, a **Bid Termination Event**), Lat66 must transfer all of the shares in SubCo to SMAG Bidder within 10 Business Days after the occurrence of a Bid Termination Event.

(iii) **Termination**

(A) Lat66 may terminate the Sale Agreement by written notice to SMAG Bidder if:

- (I) SMAG Bidder fails to comply with its obligations pursuant to the SMAG Bidder Loan Facility (refer to Section 5.11(a) for further details); or
- (II) the Conditions Precedent have been satisfied or waived and SMAG Bidder has not made the Takeover Bid or agreed to the implementation of a Scheme before the date that is two days before the End Date.

(B) Either party may rescind the Sale Agreement if:

- (I) the Conditions Precedent have not been satisfied or waived on or before the End Date;
- (II) SMAG Bidder has made the Takeover Bid and SMAG Bidder has declared the Takeover Bid to be unconditional; or
- (III) SMAG Bidder has agreed to the implementation of a Scheme and the Scheme has become effective,

subject to a prior 10 Business Days written notice served to the other party and that the party rescinding the Sale Agreement has not caused the failure of completion.

(iv) **Warranties**

(A) Lat66 has provided warranties to SMAG Bidder, including the following:

- (I) warranties in relation to SubCo's and Lat66's corporate existence and power;
- (II) warranties in relation to Lat66's ownership of all the shares in SubCo; and
- (III) warranties in relation to SubCo's sole and exclusive ownership of the mining concessions pursuant to the Project.

(B) SMAG Bidder has provided warranties to Lat66, including warranties that are related to corporate existence and power that are standard for an agreement of this nature.

(v) **Exclusivity fee**

SMAG paid to Lat66 a non-refundable exclusivity fee of €2,500,000 which will be credited against the Sale Agreement Consideration (if it completes) or forfeited by Lat66 (if the Sale Agreement does not complete).

(b) **Royalty Deed**

On 27 August 2021, SMAG Bidder, Lat66, Finroy Limited (ACN 653 113 547) (**Finroy**) and SubCo entered into a Royalty Deed (**Royalty Deed**), which sets out the basis on which Finroy would obtain a royalty from earnings of SubCo.

Finroy was established as a special purpose vehicle to hold the benefit of a 2% net smelter royalty in respect of the Tenements held by SubCo (**Royalty**) for the benefit of Lat66 Shareholders through the in-specie distribution of shares in Finroy to Lat66 Shareholders effected on 22 October 2021.

The key terms of the Royalty Deed are the following:

(i) **Conditions precedent**

The Royalty Deed becomes effective from:

- (A) the date SMAG Bidder completes the acquisition of all of the shares of SubCo in accordance with the Sale Agreement;
- (B) SMAG Bidder having made this Takeover Bid, the date that the Takeover Bid is declared unconditional by SMAG Bidder; or
- (C) the date the Scheme becomes effective.

(ii) **Royalty**

The Royalty is calculated each quarter on any Product produced and sold, removed or otherwise disposed of at the Project. The Royalty is payable on the gross proceeds received from the sale or other disposal of Products from mining operations at the Project less various deductions.

(iii) **Payment date**

The SMAG Bidder must within 30 days after the end of each quarter:

- (A) calculate the Royalty payable for that quarter;
- (B) give Finroy a statement in respect of that quarter, even if there is no Royalty payable; and
- (C) if the Royalty is payable, pay Finroy the Royalty for that quarter.

(iv) **Caveat**

SMAG Bidder and SubCo each acknowledge that Finroy may at any time lodge a caveat or any other security interest over the Tenements to protect its interests under the Royalty Deed, if permitted under Finland law, and both SMAG Bidder and SubCo consent to such lodgement.

(v) **Sale of interest by Finroy**

Finroy may sell, transfer, grant, assign or otherwise dispose (each, an **Assignment**) all of its rights and interests under the Royalty Deed subject to the pre-emption right detailed in Section 5.10(b)(vii) and provided that prior to any such Assignment becoming effective Finroy must deliver to SMAG Bidder an Assumption Deed executed by the assignee or other recipient of the interest and rights being the subject of the Assignment.

(vi) **Restriction on grant of interest**

SMAG Bidder, Lat66 and SubCo may not directly or indirectly sell, transfer any interest in the Tenements or the Royalty, except where the relevant transferring party has first executed and delivered an Assumption Deed to Finroy.

(vii) **Buy back option and pre-emptive right**

Finroy grants SMAG Bidder a call option (**Buy Back Option**) in favour of SMAG Bidder to decrease the percentage of the Royalty to 1% per cent by paying €7,500,000 to Finroy (**Buy Back Consideration**).

SMAG Bidder may exercise the Buy Back Option any time prior to the third anniversary of the execution of the Royalty Deed by written notice of the Buy Back Option to Finroy (**Exercise Notice**).

If SMAG Bidder delivers the Exercise Notice to Finroy, then Finroy is bound to decrease the percentage of the Royalty to 1% and SMAG Bidder will be bound to pay back the Buy Back Consideration to Finroy within 30 days of Finroy taking receipt of the Exercise Notice.

Prior to completing any Assignment, Finroy must notify SMAG Bidder of the identity of the proposed counterparty to the Assignment (**Assignee**) and the consideration proposed to be paid 60 days prior to the completion of the proposed Assignment.

SMAG Bidder may elect by notice to Finroy prior to the completion of the proposed Assignment to decrease the percentage of the Royalty to 0% by making payment to Finroy equal to:

- (A) where the Buy Back Option has not previously been exercised and the proposed Assignment is proposed to take effect prior to the third anniversary of the execution of the Royalty Deed, 50% of the amount offered by the proposed Assignee plus €7,500,000;
- (B) where the Buy Back Option has not previously been exercised and the proposed Assignment is proposed to take effect on or after the third anniversary of the execution of the Royalty Deed, the amount offered by the Assignee; or
- (C) where the Buy Back Option has previously been exercised, the amount offered by the proposed Assignee,

such payment to be made within 30 days of SMAG Bidder's notice electing to decrease the percentage of the Royalty to 0%.

(c) **Adviser Mandate**

On 1 August 2021, Opus Capital London Limited (**Adviser**) and Lat66 entered into an advisory mandate pursuant to which the Adviser would provide advisory and introduction services to Lat66 in respect of the Takeover Bid (**Adviser Mandate**).

In consideration for the provision of the advisory and introduction services, Lat66 must pay the Adviser in cash a fee of 3% of the total cash consideration paid by SMAG Bidder for Lat66, which is equal to €1,350,000.

The Adviser Mandate is valid until 28 February 2022.

The Adviser Mandate otherwise contains obligations and rights relating to confidentiality and information sharing that are standard for an agreement of this nature.

5.11 **Debt facilities**

(a) **SMAG Bidder Loan Facility**

On 26 August 2021, SMAG Bidder and Lat66 entered into a binding loan agreement, pursuant to which SMAG Bidder has provided Lat66 with a €1,300,000 unsecured limited recourse Euro term loan facility for working capital for the Project during the

Offer Period (**SMAG Bidder Loan Facility**). The key terms of the SMAG Bidder Loan Facility are the following:

(i) **Drawdown**

The following amounts were advanced to Lat66 on the dates outlined below:

Amount of Advance (€)	Date of Advance
500,000	10 September 2021
500,000	10 October 2021
300,000	10 November 2021

(ii) **Repayment**

Any amounts advanced under the SMAG Bidder Loan Facility are repayable within 30 days after the occurrence of any of the following events:

- (A) the completion of the acquisition of SubCo by SMAG;
- (B) Lat66 becoming a Subsidiary of SMAG Bidder;
- (C) if SMAG Bidder terminates the Sale Agreement due to there being a breach of certain warranties provided by Lat66 to SMAG Bidder under the Sale Agreement, primarily the Lat66 Warranties;
- (D) if the 2021 Accounts disclose a material adverse change ("material" for these purposes meaning in excess of €200,000) to the financial position of Lat66 compared with statutory audited accounts of each of SubCo and Lat66 for the financial year ended 30 June 2020;
- (E) Lat66 fails to transfer its shares in SubCo to SMAG Bidder pursuant to the Sale Agreement; or
- (F) prior to the occurrence of any of the events detailed in Sections 5.11(a)(ii)(A) to 5.11(a)(ii)(E) (inclusive), one or multiple of an Event of Default occurs.

(iii) **Interest**

Interest accrues daily on amounts drawn down under the SMAG Bidder Loan Facility at an interest rate 3% per cent per annum (**Interest Rate**). If Lat66 fails to make any payment due under the SMAG Bidder Loan Facility on the due date for payment, interest on the unpaid amount shall accrue daily, from the date of non-payment to the date of actual payment (both before and after judgment), at 1% above the Interest Rate.

The SMAG Bidder Loan Facility otherwise contains terms and conditions such as representations, warranties and other provisions customary for an arrangement of this nature.

5.12 Lat66 issued securities

As at the date of this Target's Statement, Lat66's issued securities consisted of:

- (a) 108,000,000 Lat66 Shares; and
- (b) 40,000,000 Performance Rights, comprising of:

Number of Performance Rights	Performance Condition	Expiry Date
20,000,000	Lat66 produces a finalized environmental impact assessment that has been accepted as a reasoned conclusion by the relevant Finland authority for specific tenements comprising the K Camp Project.	5 years
20,000,000	Lat66 produces a finalised environmental impact assessment that has been accepted as a reasoned conclusion by the relevant Finland authority for any tenement currently held or acquired in the future by Lat66 anywhere else in Finland	8 years

5.13 Performance Rights terms and conditions

The Performance Rights on issue as at the date of this Target's Statement are described in Section 5.12 above. The key terms of the Performance Rights are as follows:

- (a) Performance Rights will vest and entitle the Performance Rightsholder to exercise and be issued Lat66 Shares if the applicable performance condition has been satisfied prior to the applicable expiry date, waived by the Lat66 Board or are deemed to have been satisfied under the Performance Rights Rules. Upon such satisfaction, waiver or deeming, each Performance Right converts into one Lat66 Share.
- (b) Each Performance Right is subject to performance conditions (as determined by the Board from time to time) which must be satisfied in order for the Performance Right to vest.
- (c) Lat66 Shares issued on conversion of the Performance Rights rank equally with the then Lat66 Shares.
- (d) No application for quotation of the Performance Rights will be made by Lat66.
- (e) Without approval of the Lat66 Board, Performance Rights may not be transferred, assigned or novated.
- (f) The Performance Rights also automatically vest and become capable of exercise if a change of control event occurs. A change of control event occurs if:
 - (i) a Court approves a merger by way of a scheme of arrangement of Lat66 (but does not include a merger by way of a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, subdivision, reduction or return) of the issued capital of Lat66); or
 - (ii) a takeover bid:
 - (A) is announced;
 - (B) has become unconditional; and
 - (C) the person making the takeover bid has a Relevant Interest in 50.1% or more of Lat66 Shares;
 - (iii) any person acquires a Relevant Interest in 50.1% or more of the Lat66 Shares by any other means;
 - (iv) the announcement by Lat66 that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of Lat66 has been completed; or

- (v) a third party purchaser acquires a substantial part of the business, or any of the material assets, or mining tenements of Lat66 (where a material assets of Lat66 includes a rights in respect of assets representing an amount proximate to A\$15 million or more, or an amount deemed to be material by the Lat66 Board).

5.14 Performance Rights Deeds

SMAG Bidder will make an offer to Performance Rightsholders to enter into agreements to the transfer of their Performance Rights to SMAG Bidder (and subsequent cancellation) for consideration of A\$0.467 per Performance Right, being the same consideration offered to Lat66 Shareholders pursuant to the Offer (**Performance Rights Deed**). The Performance Rights Deed provides that the obligation for SMAG Bidder to acquire the Performance Right held by a Performance Rightsholder is conditional upon:

- (a) Lat66 and SMAG Bidder entering into the Bid Implementation Agreement;
- (b) the Lat66 Board approving the transfer of the Performance Rights to SMAG Bidder pursuant to the terms of the Performance Rights Deed;
- (c) the Offer becoming (or being declared) unconditional; and
- (d) the Performance Rightsholder not having exercised, transferred, disposed of or dealt in any of the Performance Rights (including, without limitation, exercised any of the Performance Rights that have vested in accordance with the Performance Rights Plan) or any rights or interests therein (or agree to do any of those things), except in accordance with the Performance Rights Deed or the prior written consent of SMAG Bidder.

The Performance Rights Deeds automatically terminate if the Bid Implementation Agreement is terminated or if the above conditions are not satisfied by the End Date.

5.15 Dividend Policy

Lat66 does not currently pay dividends to its shareholders. The Lat66 Board is not able to indicate if and when dividends will be paid in the future if the Offer is not implemented, as payment of any dividend will depend on the future profitability, financial position and cash requirements of Lat66.

5.16 Litigation

Other than as disclosed in this Target's Statement, Lat66 is not aware of any current or proposed litigation or dispute that is material and to which it is or may be a party.

5.17 Publicly available information

Lat66 is not a disclosing entity for the purposes of the Corporations Act and, as such, is not subject to the reporting and disclosure obligations of a disclosing entity. Lat66 is required to lodge various documents with ASIC, including annual financial statements as a public company. Copies of documents lodged with ASIC by Lat66 may be obtained from, or inspected at, an ASIC office.

The following documents are available for inspection during normal business hours at the registered office of Lat66:

- (a) Lat66's constitution; and
- (b) Lat66's annual financial report which includes Lat66's audited financial statements for the financial year ended 30 June 2021.

5.18 Transaction Expenses

The transaction will result in Lat66 incurring fees and expenses that would not otherwise have arisen. The costs and expenses to Lat66 associated with the transaction, the Offer (including,

without limitation, fees of external professional advisers to Lat66 and costs of printing and dispatch of this Target's Statement) are estimated to be up to A\$90,000 in aggregate.

6 INFORMATION ABOUT SMAG BIDDER

6.1 Disclaimer

The information on SMAG Bidder in this Target's Statement has been prepared by Lat66 using publicly available information relating to SMAG and SMAG Bidder and the Bidder's Statement, and has not been independently verified by Lat66. Accordingly, subject to the Corporations Act, Lat66 does not make any representation (express or implied) as to the accuracy or completeness of such information.

6.2 Corporate Information and Overview

SMAG Bidder, SunMirror (Luxembourg) S.A., is registered in Luxembourg and is a wholly-owned subsidiary of SMAG, SunMirror AG, which is registered in Switzerland. SMAG's shares are admitted to the official market of the Vienna Stock Exchange (Wiener Börse) and the regulated unofficial market segment of the Düsseldorf Stock Exchange, Berlin Stock Exchange (*Börse Berlin*) and Frankfurt Stock Exchange (*Börse Frankfurt*).

The financial year of SMAG and SMAG Bidder runs from 1 July of a calendar year until 30 June of the next calendar year.

SMAG was first incorporated under the name Dynastar AG on 24 September 2014 with its registered office in Erlenbach ZH, Switzerland, and was registered with the commercial register office of the Canton of Zurich.

SMAG acquired SMAG Bidder (formerly Couno Resources S.A.) on 7 September 2020 by way of an in-kind contribution. Following the acquisition, SMAG changed SMAG Bidder's name to SunMirror (Luxembourg) S.A.. SMAG Bidder wholly-owns (and SMAG indirectly wholly-owns via SMAG Bidder) the following subsidiaries:

- (a) Lithium 1 Pty Ltd ACN 636 094 052, an Australian company which holds an exploration license for the Moolyella (Lithium) and Kingston-Keith (Gold and Nickel); and
- (b) Pharlap Holdings Pte Ltd, a Singaporean company whose main asset is a royalty agreement relating to future royalties payable in respect of the Cape Lambert magnetite project.

6.3 Financing of the Bid Consideration

SMAG has recently raised €70,000,000 and has entered into a loan agreement with SMAG Bidder to loan funds to SMAG Bidder to fund the consideration for the Offer.

Further information in respect to the sources of the Bid Consideration is included in section 6 of the Bidder's Statement.

6.4 Further information about SMAG Bidder

Further information in respect to SMAG Bidder is included in section 3 of the Bidder's Statement.

7 RISK FACTORS

7.1 Introduction

In considering the Offer, Lat66 Shareholders should be aware of the risks related to Lat66 and its operations. Lat66 is subject to a number of investment risk factors which may affect the financial position and financial performance of Lat66 and the value of Lat66 Shares. Many of the risks are outside the control of Lat66, the Lat66 Directors and there can be no certainty that Lat66's objectives or anticipated outcomes will be achieved.

The risk factors presented in this Section are not an exhaustive list of all risks and risk factors related to Lat66 and the Offer. Additional risks and uncertainties not currently known to Lat66 may also have an adverse impact on Lat66. The risks of holding Lat66 Shares (and other risks) will continue to be relevant to Lat66 Shareholders who do not accept the Offer and retain their investment in Lat66. These risks will also continue to be relevant to all Lat66 Shareholders if the Offer does not proceed.

This Section does not take into account the investment objectives, financial situation, position or particular needs of Lat66 Shareholders. Each Lat66 Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

7.2 Risks of holding Lat66 Shares

COVID-19	<p>The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange. As at the date of this Target's Statement, the nature and extent of the effect of the outbreak on the performance of Lat66 remains unknown and Lat66's business will be adversely affected in the short to medium term by the economic uncertainty caused by the COVID-19 pandemic. In addition, any governmental or industry measures taken in response to COVID-19 may adversely impact Lat66's operations and are likely to be beyond the control of Lat66.</p> <p>Lat66's inability to move people and equipment freely and/or access the Lat66's project (including by reason of any restrictions imposed by the Finnish government) could have a material adverse effect and/or impact on Lat66's activities, exploration budget and program and the strategy, funding and objectives of Lat66.</p>
Nature of mineral exploration and mining	<p>The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration and development require large amounts of expenditure over extended periods of time with no guarantee of revenue, and exploration and development activities may be impeded by circumstances and factors beyond Lat66's control.</p> <p>There can be no assurances that exploration and development at the Project, or any other projects that may be acquired by Lat66 in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.</p> <p>Whether a mineral deposit will be commercially viable depends on a number of factors. The combination of these factors may result in Lat66 expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty that expenditures made by Lat66 towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.</p> <p>Lat66 has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Lat66 believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, Lat66 may experience delays or increased costs in exploring or developing its tenements.</p>

<p>Dependence on Key Personnel</p>	<p>Lat66 depends on the expertise and experience of its personnel as one of its primary assets.</p> <p>It is essential that appropriately skilled personnel be available in sufficient numbers to support the quality of Lat66's services and maintain the diversity of its business skills. Lat66 requires personnel that are professionally skilled in many areas, some of which may be considered niche specialties in which few practitioners are available for recruitment. Growth in the demand for skilled personnel in the mining and minerals industries has also created greater competition.</p> <p>Should a number of its key personnel leave Lat66, this may have a negative impact on Lat66 as it may be difficult to replace them, or to do so in a timely manner or at a comparable expense. Additionally, any key personnel of Lat66 who leave to work for a competitor may adversely impact Lat66.</p> <p>Lat66's ability to attract and retain personnel will have a direct correlation upon its ability to deliver its project commitments. Any failure to retain existing employees and recruit and retain additional personnel, may have a negative impact on existing operations and future growth prospects of Lat66, and adversely affect the financial performance and/or financial position of Lat66.</p>
<p>Increased Competition from New and Existing Competitors</p>	<p>Lat66 operates in markets that are competitive and in which a number of companies compete. Competition in these markets is expected to continue, presenting Lat66 with numerous challenges relating to its ability to maintain growth rates and acceptable margins. If Lat66 is unable to meet these competitive challenges, it may lose market share to its competitors and experience an overall reduction in its earnings.</p>
<p>Labour Costs and Availability</p>	<p>Lat66's ability to remain productive, profitable and competitive and to effect its planned growth initiatives, depends on its ability to attract and retain skilled labour. Tightening of the labour market in key regions due to a shortage of skilled labour, combined with a high industry turnover rate and growing number of competing employers for skilled labour, may inhibit Lat66's ability to hire and retain employees. Lat66 is exposed to increased labour costs in markets where the demand for labour is strong. A shortage of skilled labour could limit Lat66's ability to grow its business or lead to a decline in productivity and an increase in training costs and adversely affect its safety record. Each of these factors could materially adversely impact Lat66's ability to develop the asset portfolio, capital availability, potential future revenue and if costs increase or productivity declines, its operating margins.</p>
<p>Mine Development</p>	<p>Possible future development of a mining operation at the Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant parties and authorities, seasonal weather patterns, technical and operational complexities and difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. No assurance can be given that Lat66 will achieve commercial viability through the development of the Project.</p>
<p>Resource and reserves estimates and metallurgy</p>	<p>Resource and reserve estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Determining resource and reserve estimates and estimations of a mineral deposit area involve an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.</p> <p>The actual quality and characteristics of ore deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, reserves are valued based on future costs and future prices and, consequently, the actual reserves and resources may differ from those estimated, which may result in either a positive or negative effect on operations and/or Lat66's financial performance.</p> <p>Should Lat66 encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect Lat66's operations. The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput depend on the accuracy of the test work and assumption that the sample tests are representative of the minerals deposit as a whole.</p>
<p>Future capital requirements</p>	<p>Lat66's growth through its proposed and future exploration campaigns will require additional expenditure. The future capital requirements of Lat66 will depend on many factors including its business development activities. Whilst Lat66 believes its available cash should be</p>

	<p>adequate to fund its business development activities and other objectives in the short term, there can be no guarantees that it will be sufficient to successfully achieve all the objectives of Lat66's overall business strategy.</p> <p>If Lat66 is unable to use debt or equity to fund expansion, there can be no assurance that Lat66 will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to Lat66 or if at all.</p> <p>Any additional debt financing if available, may involve restrictive covenants, which limit Lat66's operations and business strategy. Lat66's failure to obtain capital if and when needed could delay or suspend Lat66's business strategy and could have a material adverse effect on Lat66's activities.</p>
Exploration Costs	<p>Lat66 advises that future exploration costs of Lat66 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect Lat66's operations.</p>
Operational	<p>The operations of Lat66 may be affected by various factors which are beyond the control of Lat66, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of Lat66.</p>
Commodity price and volatility	<p>As future revenues will primarily be derived from the sale of cobalt and gold, any future earnings will be closely related to the price of these commodities. Commodity prices fluctuate and are affected by numerous factors beyond the control of Lat66. These factors include world demand for cobalt and gold, forward selling by producers, and production cost levels in major cobalt producing regions.</p> <p>Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on Lat66's exploration and development activities, as well as on its ability to fund those activities.</p> <p>International prices of various commodities, including cobalt and gold, are denominated in United States dollars, whereas the income and expenditure of Lat66 are and will be taken in account in Australian dollars and Euros, consequently exposing Lat66 to fluctuations and volatility of the rate of exchange between the United States dollar, the Australian dollar and the Euro, respectively, as determined by the international markets.</p>
Contractual disputes	<p>As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on Lat66's operations and performance generally. It is not possible for Lat66 to predict or protect itself against all such risks.</p>
Occupational health and safety risk	<p>Lat66 is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Exploration activities have inherent risks and hazards. Lat66 provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems. Industrial accidents may also occur with respect to Lat66 activities. In the event of a serious accident, for example resulting in a fatality, or a series of accidents on the same project, substantial claims may be brought against the client and/or Lat66 or the client may terminate their contractual arrangement with Lat66. Such an accident could impact upon Lat66's reputation, growth prospects and financial performance.</p>
Environmental	<p>The operations and proposed activities of Lat66 are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, Lat66's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the intention of Lat66 to adhere to its environmental obligations, including compliance with environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with the safety and damage of the environment and the disposal of waste products occurring as a result of mineral exploration</p>

	<p>activities. The occurrence of any such safety or environmental incident could have a material impact to the operations of Lat66 and / or the ability of Lat66 to attain the environmental approvals and permitting to operate.</p> <p>Further, events such as unpredictable rainfall or bushfires may impact on Lat66's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on Lat66 for damages, clean-up costs or penalties in the event of certain discharges to the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p>
Regulatory Risks	<p>Lat66's activities are subject to extensive laws and regulations relating to numerous matters including various permits, resource licence consent, environmental compliance and rehabilitation, taxation, health and worker safety, waste disposal, protection of the environment, native title and heritage matters and other matters. Lat66 requires permits related to exploration, development and mining activities.</p> <p>Whilst Lat66 believes that it is in substantial compliance with all material current laws and regulations, changes in how laws and regulations are enforced or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to Lat66 or its future project. This could have a material adverse impact on Lat66's future and planned operations in respect to the Project.</p> <p>Obtaining the necessary permits can be a time consuming process and there is a risk that Lat66 will not be able to obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict Lat66 from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, could result in fines, penalties or other liabilities.</p>
Third Party Risk	<p>The operations of Lat66 require the involvement of a number of third parties, including suppliers, contractors and clients. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on Lat66's operations and performance. It is not possible for Lat66 to predict or protect Lat66 against all such risks.</p>
Legal Risks	<p>The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern Lat66's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of Lat66 and Lat66 Shares. In addition there is a commercial risk that legal action may be taken against Lat66 in relation to commercial matters.</p>
Title risk	<p>Lat66 may lose title to, or interests in, its tenements if the conditions to which those tenements are subject are not satisfied or if insufficient funds are available to meet expenditure commitments on the tenements.</p> <p>In the jurisdictions in which Lat66 operates or will operate in the future, both the conduct of operations and the steps involved in acquiring title to, or interests in, tenements involve compliance with numerous procedures and formalities. It is not always possible to comply with, or obtain waivers from, all such requirements, nor is it always clear whether requirements have been properly completed, or possible or practical to obtain evidence of compliance. In some cases, failure to follow such requirements or obtain relevant evidence may call into question the validity of the actions taken.</p>
Foreign Operations	<p>Lat66 may derive an increasing proportion of its revenue from operations in foreign countries, in particular Finland.</p> <p>There are certain risks inherent in doing business on an international level, such as unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers, difficulties staffing and managing foreign operations, longer payment cycles, problems in collecting accounts receivable, political instability and in certain cases expropriation, nationalisation and war. There may also be fluctuations in currency exchange rates, foreign exchange controls which restrict or prohibit repatriation of funds, technology export and import restrictions or prohibitions and delays from clients, brokers or government agencies. Lat66 could also be adversely affected by seasonal reductions in business activity and potentially adverse tax consequences, any of which could adversely impact the success of Lat66's international operations. There is also a risk that Australian government policies in relation to particular regions may also change, affecting trade and investment opportunities in that region.</p>

Remote Locations	Lat66 frequently undertakes projects in remote locations. This may involve logistical difficulties for plant, equipment and materials, as well as skilled personnel and general labour. Some locations may involve inherent risk to personnel.
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7.3 General investment risks relevant to holding Lat66 Shares

Global economic conditions	<p>Lat66's funding position, financial performance and ability to execute its strategy is impacted by a variety of general global economic, political, social and business conditions. In addition to commodity prices and currency fluctuations, factors that have the potential to impact Lat66's business include inflation, interest rates and other general economic factors. Deterioration in any of these conditions could have an adverse impact on Lat66.</p> <p>Domestic and global conditions may affect the value of Lat66 Shares. General worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets, prices of gold or cobalt, variations in the operating costs and development and sustaining capital expenditure which Lat66 will require in the future will all impact the value of the Lat66 Shares, some outside of the control of Lat66.</p>
Force Majeure	Events may occur within or outside Lat66's key markets that could impact upon relevant economies and the operations of Lat66. The events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that could have an adverse effect on the demand for Lat66's services and the ability to conduct business.
Tax	Future changes in tax laws and investment interests, including changes in interpretation or application of existing laws by the courts or taxation authorities, may affect taxation treatment of Lat66 securities or the holding or disposal of those securities. The tax consequences for individual investors in Lat66 will depend on the individual tax profile and circumstances of the investor and all investors should obtain independent taxation advice with respect to their personal position.
Adverse changes to government policy and laws	Changes in relevant laws, interest rates, other legal, legislative and administrative regimes, and government policies, may have an adverse effect on the financial position and operations of Lat66 and ultimately Lat66's financial performance. These factors may ultimately affect the market price of Lat66 Shares.

7.4 Risks related to the outcome of the Offer

SMAG Bidder's intentions for Lat66 are detailed in section 5 of the Bidder's Statement, but those intentions may change, particularly as a result of any strategic review which SMAG Bidder may undertake. Changes to the business which are implemented or failed to be implemented by SMAG Bidder may mean that you may subsequently choose to dispose of your Lat66 Shares at a time when market conditions are less favourable than those prevailing at the date of this Target's Statement.

If you do not accept the Offer, maintaining your investment in Lat66 may mean that you are exposed to the risks outlined below, depending on the outcome of the Offer. The risks presented in this Section are not designed to be an exhaustive list, but to highlight some of the key potential risks of not accepting the Offer.

Lat66 has agreed to sell its operations to SMAG Bidder pursuant to the Sale Agreement	<p>Pursuant to the Sale Agreement, Lat66 has agreed to sell all the shares in its wholly-owned Subsidiary, SubCo, to SMAG Bidder. SubCo is the holding company of the Project (refer to Section 5.1). If the Offer does not become unconditional, Lat66 must sell all of its shares in SubCo to SMAG Bidder pursuant to the Sale Agreement. If this were to occur:</p> <ul style="list-style-type: none"> • Lat66 would receive the consideration pursuant to the Sale Agreement; • Lat66 Shareholders would not receive the Bid Consideration; • Lat66 would have sold all of its operations to SMAG Bidder; and • Lat66 would be, in effect, a shell company.
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	Refer to Section 5.10(a) for further details.
Lat66 has entered into a loan facility with SMAG Bidder	Lat66 has entered to a loan facility with SMAG Bidder to provide Lat66 with working capital during the Offer Period. If the Offer does not become unconditional, Lat66 would need to refinance this debt facility. There can be no assurance that Lat66 will be able to refinance / renew this facility, and even if it is able to do so, the terms of the new or revised facilities may be less favourable than the existing facility. Refer to Section 5.11(a) for further details.
Liquidity Risk	The Lat66 Shares acquired by SMAG Bidder under the Offer will reduce the number of Lat66 Shares that can be expected to be available for sale. This is likely to reduce the liquidity of Lat66 Shares, and may adversely affect the price at which they might otherwise be expected to be sold for.
Risks if SMAG Bidder acquires a Relevant Interest in 50% or more of all Lat66 Shares and waives the 90% minimum acceptance condition	<p>Potential changes to the Lat66 Board</p> <p>If SMAG Bidder acquires a Relevant Interest of 50.1% or more of Lat66 Shares (on a fully diluted basis) and the Offer has become or is declared unconditional, SMAG Bidder will be in a position to control the composition of the Lat66 Board and appoint directors nominated by SMAG Bidder to the Lat66 Board.</p> <p>Potential changes to Lat66's strategic direction</p> <p>If SMAG Bidder increases its shareholding in Lat66 as a result of the Offer, it may be in a position to influence the strategic direction of the business of Lat66, including by exercising increased Voting Power at general meetings and (subject to applicable laws) to the extent of SMAG Bidder's representation on the Lat66 Board from time to time.</p> <p>SMAG Bidder will be able to determine the outcome of ordinary resolutions</p> <p>SMAG Bidder will be in a position to cast the votes required to determine alone the outcome of an ordinary resolution (in respect of which it is entitled to vote), and will be in a position to control the composition of the Lat66 Board.</p>
Risk if SMAG Bidder acquires a Relevant Interest in 75% or more of all Lat66 Shares and waives the 90% minimum acceptance condition that SMAG Bidder will be able to determine the outcome of special resolutions	SMAG Bidder will be in a position to cast the votes required to determine alone the outcome of a special resolution (in respect of which it is entitled to vote) at a meeting of Lat66 Shareholders. This would enable it to pass resolutions, for example, to amend Lat66's constitution, giving SMAG Bidder significant power to control the operations and strategy of Lat66.
Risk if SMAG Bidder acquires a Relevant Interest in 90% or more of all Lat66 Shares	<p>If SMAG Bidder acquires 90% or more of all Lat66 Shares and the compulsory acquisition provisions of the Corporations Act are satisfied, SMAG Bidder will be entitled to compulsorily acquire the Lat66 Shares that it does not already own.</p> <p>In the Bidder's Statement, SMAG Bidder has stated that it intends to proceed with compulsory acquisition of all remaining Lat66 Shares, if it becomes entitled to do so.</p> <p>If you choose not to accept the Offer and SMAG Bidder subsequently exercises compulsory acquisition rights, you are likely to be paid later than other Lat66 Shareholders who accept the Offer.</p> <p>Under the terms of the Bid Implementation Agreement (amongst other matters):</p> <ul style="list-style-type: none"> • if SMAG Bidder becomes entitled to compulsorily acquire all Lat66 Shares and the Offer becomes unconditional, the Performance Rights will be transferred to SMAG Bidder pursuant to separate agreements between SMAG Bidder and each Performance Rightsholder; and • if SMAG Bidder acquires a Relevant Interest of 90% or more of Lat66 Shares (on a fully diluted basis) and the Offer has become or is declared unconditional, Lat66 must use reasonable endeavours to procure that each Lat66 Director

	designated by SMAG Bidder resigns and cause the appointment to the Lat66 Board of such persons nominated by SMAG Bidder.
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8 KEY FEATURES OF THE OFFER

8.1 Bid Consideration

The consideration being offered by SMAG Bidder is A\$0.467 cash per Lat66 Share (**Bid Consideration**).

8.2 Offer Period

The Offer opened for acceptance on 23 December 2021 and will close at 5.00pm (Perth time) on 4 February 2022, unless extended or withdrawn in accordance with the Corporations Act.

The circumstances in which SMAG Bidder may extend or withdraw the Offer are detailed in Sections 8.7 and 8.8.

8.3 Offer Conditions

The completion of the Offer, and any contract that results from an acceptance of the Offer, is subject to the fulfilment of the conditions outlined in section 8 of schedule 1 of the Bidder's Statement (together the **Offer Conditions**), which are also outlined below in this Section 8.3.

If any of the Offer Conditions are not satisfied or have not been waived by SMAG Bidder, it will have an option as to whether to proceed with the Offer or allow the Offer to lapse. If the Offer lapses, all acceptances of the Offer will be void and of no effect.

(a) **Minimum acceptance**

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

(b) **Performance Rights**

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

(c) **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.

(d) **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.

(e) **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.

(f) **No breach of Lat66 Warranties**

Between the Announcement Date and the end of the Offer Period (each inclusive), each Lat66 Warranty are and remains true and correct in all material respects, subject to matters disclosed prior to the date of the Bid Implementation Agreement.

(g) **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.

8.4 Nature and benefit of Offer Conditions

The Offer Conditions are conditions subsequent. The non-fulfilment of any Offer Condition does not, until the end of the Offer Period, prevent a contract to sell Lat66 Shares (which have been accepted into the Offer) from arising. If the Offer does not become unconditional by the end of the Offer Period, the contract formed upon your acceptance of the Offer will automatically be void.

Subject to the Corporations Act, SMAG Bidder alone is entitled to the benefit of the Offer Conditions, or to rely on any non-fulfilment of any of them.

Each Offer Condition is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

In section 10 of schedule 1 of the Bidder's Statement it is stated that SMAG Bidder will give notice on the status of the Offer Conditions on 28 January 2022 (subject to extensions in accordance with the Corporations Act if the Offer Period is extended). SMAG Bidder is required to set out in this notice:

- (a) whether the Offer is free of the Offer Conditions;
- (b) whether, so far as SMAG Bidder knows, the Offer Conditions have been satisfied; and
- (c) SMAG Bidder's voting power in Lat66 at that time.

8.5 Lapse of Offer

The Offer will lapse if the Offer Conditions are not waived or satisfied by the end of the Offer Period. If the Offer lapses, all contracts resulting from acceptance of the Offer and all acceptances that have not yet resolved in binding contracts are void and you will retain ownership of your Lat66 Shares.

8.6 Variation of the Offer

SMAG Bidder may vary the Offer in any of the ways permitted by the Corporations Act, including by extending the Offer Period or by increasing the Bid Consideration, provided the varied terms and conditions are not less favourable to Lat66 Shareholders than the Offer. If SMAG Bidder varies the Offer in any of those ways, it must give written notice to ASIC and Lat66 and send you a copy of that notice (provided, however, that SMAG Bidder will not be required to send you a copy of the notice if, at the time of the variation, you have already accepted the Offer, the Offer is unconditional and the variation merely extends the Offer Period).

8.7 Extension of Offer Period

SMAG Bidder may extend the Offer Period at any time before giving the notice on the status of the Offer Conditions (refer to Section 8.6 above) while the Offer is subject to the Offer Conditions (and can also extend the Offer Period after giving that notice in certain narrow circumstances involving a competing bid). However, if the Offer is unconditional, SMAG Bidder may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last seven days of the Offer Period, SMAG Bidder's Voting Power in Lat66 increases to more than 50% or the Offer is varied to improve the Bid Consideration. In this case the Offer Period will be automatically extended so that it ends 14 days after SMAG Bidder's voting power in Lat66 increases to more than 50% or the improvement in the Bid Consideration (as applicable).

8.8 Withdrawal of Offer

SMAG Bidder may not withdraw the Offer if you have already accepted it. However, if the Offer Conditions have not been satisfied or waived at the end of the Offer Period, then all acceptances will be void. Before you accept the Offer, SMAG Bidder may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

8.9 Effect of acceptance

Once you have accepted the Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of the Offer or otherwise dispose of your Lat66 Shares, except as follows:

- (a) if, at the end of the Offer Period, an Offer Condition has not been satisfied or waived, the Offer will automatically terminate, and you will then be free to deal with your Lat66 Shares; or
- (b) if the Offer is varied in accordance with the Corporations Act in a way that postpones for more than one month the time when SMAG Bidder has to meet its obligations under the Offer, and, at the time, the Offer is subject to one or more Offer Conditions, you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

If SMAG Bidder improves the Bid Consideration, all Lat66 Shareholders who accept the Offer (whether or not they have accepted prior to that improvement) will be entitled to the benefit of that improved price.

The effect of acceptance of the Offer is further detailed in section 6 of schedule 1 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Lat66 Shares and the representations and warranties that you are deemed to give to SMAG Bidder by accepting the Offer.

8.10 When you will receive the Bid Consideration

If you accept the Offer, SMAG Bidder will provide the Bid Consideration for your Lat66 Shares on or before the earlier of:

- (a) one month after the date of your acceptance or, if the Offer is subject to a condition when you accept the Offer, within one month after the Offer becomes unconditional; and
- (b) 21 days after the end of the Offer Period.

Notwithstanding the above, SMAG Bidder will endeavour to pay the Bid Consideration on a date approximately ten Business Days after the earlier of the date on which you accept the Offer and the date the Offer becomes unconditional.

Refer to section 7 of schedule 1 of the Bidder's Statement for further details on when you would be paid the Bid Consideration by SMAG Bidder.

8.11 Compulsory acquisition

SMAG Bidder has indicated in the Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding Lat66 Shares. SMAG Bidder will be entitled to compulsorily acquire any outstanding Lat66 Shares for which it has not received acceptances on the same terms as the Offer if, during or at the end of the Offer Period, SMAG Bidder (taken together with its associates) has a Relevant Interest in at least 90% (by number) of Lat66 Shares and SMAG Bidder receives valid acceptances of at least 75% (by number) of the Lat66 Shares.

If the compulsory acquisition thresholds are met, SMAG Bidder will have one month from the end of the Offer Period within which to give compulsory acquisition notices to Lat66 Shareholders who have not accepted the Offer, but it may choose to commence compulsory acquisition as soon as the relevant thresholds are satisfied. A Lat66 Shareholder has statutory rights to challenge compulsory acquisition, however this will require the relevant Lat66 Shareholder to establish that the terms of the Offer do not represent fair value for the Lat66 Shares. Lat66 Shareholders should be aware that, if their Lat66 Shares are acquired compulsorily, they are not likely to receive any payment until at least one month after the compulsory acquisition notices are sent.

It is also possible that SMAG Bidder will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the Lat66 Shares. SMAG Bidder would then have rights to compulsorily acquire Lat66 Shares not owned by it within six months of becoming the holder of 90%. SMAG Bidder's price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

8.12 Australian taxation implications

Section 9 of this Target's Statement outlines the general Australian tax implications of accepting the Offer. The general outline is intended as a guide only for Lat66 Shareholders. The tax consequences for you will depend on your individual circumstances and you should obtain your own professional advice from a qualified tax adviser.

You should not rely on anything in this Target's Statement or the Bidder's Statement as advice about your own affairs. You should seek your own independent financial and taxation advice, which takes into account your personal circumstances, before making a decision as to whether or not to accept the Offer for your Lat66 Shares.

9 AUSTRALIAN TAXATION CONSIDERATIONS

The following is intended only as a general guide to the Australian income tax position, and other indirect tax implications, under current Australian (federal and state/territory) tax law and administrative practice as at the date of this Target's Statement. Australian tax is a complex, and ever changing, area of law and the tax implication for you may differ from those detailed below, depending on your particular circumstances. It is unlikely two (2) shareholders' circumstances are the same. As these statements are of a general nature only, it is imperative that you obtain your own independent professional advice in respect of the tax implications of the Offer.

The following is an overview of the likely Australian tax considerations for an Australian tax resident or non-Australian tax resident shareholder who holds their Lat66 Shares on capital account and disposes of their Lat66 Shares under the Offer.

The following may not apply to certain other Lat66 Shareholders, such as if you are a dealer in Lat66 Shares, you hold Lat66 Shares on a revenue account or as a trading stock, if you are an insurance company or a collective investment scheme, or if Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) applies to you and you have made an election to apply certain methods to calculating gain and losses. In addition, the following may not apply to you if you acquired your shares as a result of an employment or services arrangement. Such persons may be subject to special rules or any gain on the disposal of their Lat66 Shares may be assessed as ordinary income. These rules are highly complex and will depend on the shareholders specific circumstances and, accordingly, those Shareholders should seek their own independent professional advice.

The Australian income tax implications for non-Australian tax resident shareholders are also complex and will depend upon their own specific circumstances. Non-Australian tax resident shareholders may also have tax implications in their country of residence.

9.1 Income Tax

(a) Australian tax resident Lat66 Shareholders

The transfer of Lat66 Shares to SMAG Bidder pursuant to the Offer will give rise to a capital gains tax (**CGT**) event for you. Australian tax resident shareholders may make a capital gain or a capital loss. If you accept the Offer, the time of the CGT event will be the date when you accept the Offer to dispose of your Lat66 Shares.

You may make a capital gain equal to the capital proceeds received (the cash consideration received from SMAG Bidder) less the cost base of your Lat66 Shares, all generally expressed in Australian dollars (**AUD**). The cost base of your Lat66 Shares is generally the AUD cost of their acquisition plus certain other amounts associated with their acquisition and disposal such as brokerage or duty. However, there are provisions that may adjust the cost base of your shares.

If you are an individual, trustee of a trust or a complying superannuation entity, and you acquired your Lat66 Shares at least 12 months prior to accepting the Offer, you may be entitled to concessional discount CGT treatment under Division 115 of the ITAA 1997 in respect of any capital gain. This will depend upon your individual circumstances.

If the reduced cost base of your Lat66 Shares (noting there are provisions that may adjust the reduced cost base of your shares) is greater than the capital proceeds you received, you may realise a capital loss equal to the difference. This capital loss may be applied to reduce a capital gain in the same or a future tax year, however, is dependent on your individual circumstances and, therefore, you should seek professional advice.

(b) **Non-resident Lat66 Shareholders**

A Lat66 Shareholder who is not an Australian resident will not make a capital gain or capital loss from the disposal of its Lat66 Shares. This is because non-Australian resident only make capital gains and capital losses in respect of assets that are taxable Australian property, which a Lat66 Share is not.

A share in a company will only be taxable Australia property, broadly if

- (i) the holder of that share together with its associates, held an interest of 10% or more in the company at the time of disposal, or for a 12 month period within 2 years preceding the disposal (this is referred to as a non-portfolio interest); and
- (ii) more than 50% of the market value of the company's assets is attributable to direct or indirect interests in taxable Australian real property (this is referred to principal asset test).

Taxable Australian real property is, broadly:

- (i) real property situated in Australia (including leases of land, if the land is situated in Australia); and
- (ii) a mining, quarrying or prospecting right (to the extent that the right is not real property), if the minerals, petroleum or quarry materials are situated in Australia.

Lat66 Shares are not taxable Australian property, even for non-Australian residents with associate inclusive interests of 10% or more, because less than 50% of the market value of its assets is attributable to direct or indirect interests in taxable Australian real property and therefore the principal asset test is not satisfied.

A non-resident Lat66 Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident will be subject to Australian CGT consequences on disposal of the Lat66 Shares.

9.2 Indirect Taxes

(a) **Duty**

Under the respective transfer / stamp duty provisions of each of the Australian states and territories, no duty should be payable by the Lat66 Shareholders on their sale of the Lat66 Shares.

(b) **GST**

Under current GST legislation, no GST should be payable by Lat66 Shareholders in respect of the disposal of their shares in Lat66, regardless of whether or not the Lat66 Shareholder is registered for GST.

Lat66 Shareholders may incur Australian GST on costs (such as third party brokerage and adviser fees) that relate to the Offer. Lat66 Shareholders that are registered for Australian GST may be entitled to recover the Australian GST payable on the costs. However, in some circumstances, recovery of the Australian GST payable on the costs, or a portion thereof, may be restricted. This will depend on each Lat66 Shareholder's individual circumstances and it is recommended that professional tax advice be sought.

10 ADDITIONAL INFORMATION

10.1 Bid Implementation Agreement

On 19 December 2021, SMAG Bidder and Lat66 entered into a bid implementation agreement (**Bid Implementation Agreement**), which sets out the basis on which SMAG Bidder would make the Offer and the respective obligations of SMAG Bidder and Lat66 in relation to the Offer.

This section contains a summary of the material terms of the Bid Implementation Agreement.

A complete copy of the Bid Implementation Agreement was released on Lat66's website at <https://lat66.com/>.

(a) **Offer**

The Offer is for A\$0.467 cash for each Lat66 Share. The Offer made in respect of Lat66 Shares will extend to all Lat66 Shares on issue at the Record Date that SMAG Bidder does not already own.

(b) **Offer Conditions**

The Offer is subject to the Offer Conditions as described in Section 8.3.

(c) **Representations and warranties**

(i) Lat66 has provided SMAG Bidder with the following representations and warranties, subject to those matters which were fairly disclosed in the Lat66 Disclosure Materials prior to the date of the Bid Implementation Agreement:

- (A) SubCo is duly incorporated and validly existing under the laws of Finland and Lat66 has the requisite power and authority to enter into and perform the Bid Implementation Agreement. True, complete and current copies of the articles of association and trade register extract of the SubCo are attached to the Sale Agreement, and no changes to them are pending;
- (B) SubCo 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 SubCo. SubCo has not initiated any proceedings with respect to a compromise or arrangement with its creditors or for the dissolution, liquidation or reorganisation of SubCo or the winding-up or cessation of the business conducted by SubCo. No receiver or administrative receiver or liquidator has been appointed in respect of SubCo 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 the Bid Implementation Agreement and has the requisite power and authority to enter into and perform the Bid Implementation Agreement and any other undertaking to be executed by Lat66 pursuant to the Bid Implementation 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) the Bid Implementation Agreement and any other documents or instruments to be executed by Lat66 pursuant to the Bid Implementation 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 the Bid Implementation Agreement will, when executed, constitute valid and binding obligations of Lat66 in accordance with its terms;
- (F) the execution and performance by Lat66 of the Bid Implementation 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 Lat66 Shareholders or Lat66 Board;
 - (III) require any consent by the Lat66 Shareholders, 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 all the fully paid ordinary shares in SubCo (**SubCo Shares**) and SubCo Shares constitute all the issued and outstanding shares of SubCo;
- (H) SubCo 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 SubCo. SubCo Shares are not subject to any Encumbrance;
- (I) in all material respects, the 2021 Accounts give a true and fair view of the financial position and the results of the operations of SubCo 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) SubCo 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 SubCo 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

SubCo with the Finnish mining authority in accordance with laws and in due course;

- (K) at the date of the Bid Implementation Agreement, SubCo does not hold any exploration permits other than the Granted Exploration Permit;
- (L) SubCo has duly and validly made the Exploration Permit Applications, has priority over possible competing applications and SubCo has, subject to the discretion 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 the Bid Implementation Agreement, the subject of appeal;
- (M) SubCo has been granted the Reservation Decisions. The Reservation Decisions have been duly and validly applied for and obtained by SubCo 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. SubCo 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. SubCo 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,

(each, a **Lat66 Warranty**).

- (ii) SMAG Bidder has provided Lat66 with representations and warranties, subject to those matters which are fairly disclosed by SMAG Bidder prior to the date of this Agreement, relating to SMAG Bidder's corporate authority and capacity to enter into the Bid Implementation Agreement, incorporation status, solvency and having sufficient funds to pay the Bid Consideration.

(d) **Performance Rights**

The Bid Implementation Agreement includes an obligation on SMAG Bidder to make the Performance Rights Offer to the Performance Rightsholders on the terms as described in Section 5.14.

(e) **Business conduct obligations**

Between the date of the Bid Implementation Agreement and the earlier to occur of the completion of the Takeover Bid and the termination of the Bid Implementation Agreement, the Bid Implementation Agreement provides customary terms and restrictions in relation to the business conduct of Lat66, such as taking reasonable steps to preserve the value of the business, not varying or entering into any Lat66 Material Transactions, keeping available the services of senior employees and not permitting any of its insurances to lapse.

(f) **Independent Directors recommendation**

Lat66 must procure that the Independent Directors do not change or withdraw their recommendation supporting the Offer and publicly recommending that Lat66 Shareholders accept the Offer in respect of all of their respective Lat66 Shares, in each case, in the absence of a Superior Proposal and that the Independent Directors will not make a public statement suggesting that the Offer is no longer recommended or supporting a Competing Proposal unless the Independent Director determines that the Competing Proposal constitutes a Superior Proposal based on written advice and that failing to respond would amount to a breach of its fiduciary or statutory duties and that Lat66 has complied with its notice obligation described in Section 10.1(g).

(g) **Exclusivity arrangements**

The Bid Implementation Agreement contains exclusivity arrangements which, during the Exclusivity Period, prevent Lat66 and any of its representatives, directly or indirectly:

- (i) **(no shop)**: soliciting, inviting, encouraging or initiating any Competing Proposal or any enquiries, proposals, discussions or negotiations in relation to (or which may reasonably be expected to lead to) a Competing Proposal, or communicating any intention to do any of these things; and
- (ii) **(no talk and no due diligence)**:
 - (A) entering into, continuing or participating in any negotiations or discussions with any person in relation to a Competing Proposal in respect of Lat66 or that may be expected to encourage or lead to the making of a Competing Proposal in respect of Lat66;
 - (B) negotiating, accepting, approving, recommending or entering into, or offering or agreeing 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) disclosing or otherwise providing 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; and
 - (D) communicate to any person an intention to do anything referred to in paragraphs 10.1(g)(ii)(A) to 10.1(g)(ii)(C) (inclusive).

Lat66 and any of its representatives must also cease any discussions with third parties in respect of any Competing Proposal in respect of Lat66 (or which may be reasonably be expected to lead to a Competing Proposal in respect of Lat66) with any person.

The no talk and no due diligence restrictions are subject to Lat66's right to engage with Third Parties in connection with a written Competing Proposal where the Independent Directors have determined (after receiving relevant advice) that such a Competing Proposal is or may reasonably be expected to lead to a Superior Proposal and that failing to respond to a Competing Proposal or failing to or refusing to take account may constitute a breach of their fiduciary or statutory duties.

During the Exclusivity Period, Lat66 must as soon as possible notify SMAG Bidder in writing if Lat66 or any of its representatives becomes aware of any direct or indirect approach and attempt to initiate any negotiations or discussions in relation to an actual, proposed, or potential Competing Proposal in respect of Lat66.

However, SMAG Bidder has the right, but not the obligation, at any time during the three Business Days following the receipt of the notice from Lat66 of the notice from Lat66 of a Competing Proposal, 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 Bidder so chooses in its absolute discretion.

At the date of this Target's Statement, Lat66 has not received any Competing Proposals.

(h) **Break fee**

Lat66 must pay a break fee of €450,000 to SMAG Bidder within five Business Days of receiving a written demand from SMAG Bidder for payment of the break fee if:

- (i) during the Offer Period, any Independent Director fails to recommend that Lat66 Shareholders accept the Offer, or publicly changes or withdraws 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 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 that is six months from the date of the Bid Implementation 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 Bidder or its Subsidiaries 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 on the Bid Implementation Agreement (including the Lat66 Warranties) 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 Bidder of the details of the breach; or
- (vi) during the Offer Period, Lat66 or any of the Independent Directors does (or omits to do) anything (whether or not permitted by the Bid Implementation Agreement) that results in any of the Offer Conditions being breached or becoming incapable of being satisfied, and SMAG Bidder does not waive that Offer Condition.

(i) **Termination**

The Bid Implementation Agreement may be terminated in following circumstances:

- (i) **(material breach of the Bid Implementation Agreement)** Lat66 or SMAG Bidder may terminate if:
 - (A) the other party is in material breach of any of its obligations under the Bid Implementation Agreement and, if capable of remedy, the material breach is not remedied within five Business Days of receipt of a breach notice from the party that is not in breach; or
 - (B) any representation or warranty given by a party to the other party pursuant to the Bid Implementation 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 other party before its entry into the Bid Implementation Agreement, could reasonably be expected to have resulted in the other party either not entering into the Bid Implementation Agreement or entering into it on materially different terms;

- (ii) **(change or withdrawal of recommendation)** SMAG Bidder may terminate if the Independent Directors:
 - (A) change or withdraw their:
 - (I) recommendation that Lat66 Shareholders accept the Offer; or
 - (II) intention to accept the Offer in respect of all their Lat66 Shares; or
 - (B) make a public statement:
 - (I) indicating that they no longer support the Offer; or
 - (II) that they support a Competing Proposal in respect of Lat66, other than where Lat66 is entitled to validly terminate the Bid Implementation Agreement pursuant to Sections 10.1(i)(i), 10.1(i)(vii) and 10.1(i)(viii);
- (iii) **(exclusivity and recommendation)** SMAG Bidder may terminate if Lat66 breaches any of the exclusivity obligations described in 10.1(g) or the Independent Directors breach their recommendation obligation described in Section 10.1(f);
- (iv) **(prescribed occurrence)** SMAG Bidder may terminate if a Lat66 Prescribed Occurrence occurs;
- (v) **(Lat66 Material Adverse Change)** SMAG Bidder may terminate if a Lat66 Material Adverse Change occurs;
- (vi) **(Lat66 Material Transaction)** SMAG Bidder may terminate if a Lat66 Material Transaction occurs;
- (vii) **(intends to withdraw Offer)** Lat66 may terminate if SMAG Bidder (or any one or more members of the board of SMAG Bidder) withdraws or makes any public statement indicating that it no longer intends to make, or that it intends to withdraw, the Offer;
- (viii) **(Superior Proposal)** Lat66 may terminate if the Independent Directors change or withdraws their recommendation that Lat66 Shareholders accept the Offer in respect of a Superior Proposal in the manner described in Section 10.1(f); or
- (ix) **(mutual termination)** either party may terminate the Bid Implementation 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 Offer Conditions being satisfied or waived; or
 - (C) the Long Stop Date is reached and the Offer Period has not concluded.

10.2 Interests of Lat66 Directors

- (a) **Lat66 Director Interests and Details of the Bid Consideration they will receive under the Offer**

The number, description and amount of Lat66 securities in which each Lat66 Director owns or has control over as at 21 December 2021 (being the last practicable date prior to the date of this Target's Statement) are:

Director	No. of Lat66 Shares	No. of Performance Rights	Total Consideration for Lat66 Shares and Performance Rights ¹
Thomas Hoyer	5,190,000	5,000,000	A\$4,758,730
Jeffrey Foster	2,040,000	3,000,000	A\$2,353,680
Russell Delroy	15,190,000	15,000,000	A\$14,098,730
Joshua Welch	15,190,000	15,000,000	A\$14,098,730
Steffen Hagemann	1,250,000	1,250,000	A\$1,167,500
Mark Connelly	Nil	Nil	Nil
Timothy Day	Nil	Nil	Nil

Note:

1. Assumes that Lat66 Shares held by Directors are acquired through the Offer (whether by acceptance or compulsory acquisition).

The Company understands that each of Messrs Thomas Hoyer and Steffen Hagemann may enter into discussions and contracts with the Company, SMAG or SMAG Bidder with effect from completion of the Takeover Bid for their continued employment.

Other than as disclosed in this Target's Statement, no other benefits are provided to the Lat66 Directors under the Offer.

Other than disclosed, no Lat66 Director acquired or disposed of a Relevant Interest in any Lat66 securities in the four month period ending on the date immediately before the date of this Target's Statement.

(b) SMAG Bidder marketable securities

There are no marketable securities of SMAG Bidder controlled or held by, or on behalf of, any Lat66 Director as at 21 December 2021 (being the last practicable date prior to the date of this Target's Statement).

(c) Participation in the Offer

Except as detailed in this Section 10.2 or elsewhere in this Target's Statement, all Directors will be treated in the same way under the Offer as all other Lat66 Shareholders.

(d) Interests of Directors in contracts entered into by SMAG Bidder

Except as detailed in this Section 10.2 or elsewhere in this Target's Statement, none of the Lat66 Directors have any interests in contracts entered into by SMAG Bidder.

(e) Other agreements or arrangements with Directors in connection with the Offer

Except as detailed in this Section 10.2 or elsewhere in this Target's Statement there are no other agreements or arrangements between any Lat66 Director and any other person in connection with or conditional upon the outcome of the Offer, other than in their capacity as a Lat66 Shareholder or Performance Rightsholder (as applicable).

Except as detailed in this Section 10.2 or elsewhere in this Target's Statement no Director has a material interest in relation to the Offer other than in their capacity as a Lat66 Shareholder or Performance Rightsholder (as applicable).

10.3 Agreements or arrangements with Directors and executive officers

(a) Deeds of indemnity, access and insurance

In addition to their respective contracts of engagement, Lat66 has entered into deeds of indemnity, insurance and access with the Lat66 Directors and various executive officers, on customary terms.

Lat66 pays premiums in respect of a directors and officers insurance policy for the benefit of the Lat66 Directors and executive officers. Under the terms of the Bid Implementation Agreement, SMAG Bidder acknowledges that Lat66 may, before the end of the Offer Period, enter into arrangements, and incur costs, to secure directors and officers run-off insurance for up to such seven year period, and that any actions to facilitate that insurance or in connection with such insurance will not be a breach of any provision of the Bid Implementation Agreement.

(b) Benefits in connection with retirement from office

Except as detailed in this Target's Statement, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial officer of Lat66.

10.4 Substantial holders

As at 30 June 2021, the following persons had notified Lat66 that they had Voting Power in 5% or more of Lat66 Shares:

Shareholder	No. of Shares held	%
Francesca Gnagnarella ATF Colour Trust	15,000,000	13.9%
Third Reef Pty Ltd <Back Reef A/c>	15,000,000	13.9%
Havannah Investments Pty Ltd	6,460,000	6.0%
K2 Finance Oy	6,000,000	5.6%

10.5 Competent Persons' Statements

The information in this Target's Statement that relates to exploration targets or exploration results is based on information compiled by Mr Aaron Davies, Director of Aztec Geoscience and Exploration Ltd a contractor engaged by Latitude 66 Cobalt Oy, a Competent Person who is a Member of the Australian Institute of Geoscientists.

Mr Davies has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Davies consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this Target's Statement that relates to mineral resource statements (K1, K2, K3) is prepared and reported in accordance with the JORC Code and is based on the information compiled or reviewed by Mr Brian Wolfe, Director and Principal Consultant of International Resource Solutions Pty Ltd. Mr Wolfe is an independent consultant to Lat66 and a Member of the Australian Institute of Geoscientists (AIG).

Mr Wolfe has sufficient experience that is relevant to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Wolfe consents to the inclusion in this Target's Statement of the matters based on his information in the form and context in which it appears.

The information in this Target's Statement that relates to Mineral Resources K4 & K5 (formerly named Meurastuksenaho and Sivakkaharju respectively), is based on information compiled in a ASX announcement released by Dragon Mining Oy dated 11 March 2014 and signed off by Mr Alastair Stevenson, an employee of RPM Global (formerly RungePincockMinarco) (**RPM**). Mr Stevenson as at the time of the release was a Fellow of the Australian Institute of Mining and Metallurgy, a Member of the Consultants Society of AusIMM and a CPGeo. As stated in the ASX announcement released by Dragon Mining Oy dated 11 March 2014, Mr Stevenson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Lat66 confirms that at the time of this Target's Statement there has been no work undertaken on the K4 & K5 property and hence no material change to the historical Mineral Resource estimates reported by RPM in 2014. RPM has reviewed this Target's Statement and consents to the inclusion in this Target's Statement of the matters based on this information in the form and context in which it appears.

10.6 Consents

(a) Consents

The following parties have given and have not withdrawn, before the date of issue of this Target's Statement, their written consent to be named in this Target's Statement in the form and context in which they are named:

- (i) Thomson Geer as Australian legal advisers to Lat66;
- (ii) Aaron Davies as a competent person in this Target's Statement in the form and context in which they are named for the matters and supporting information based on their information and statements by or attributable to them;
- (iii) Brian Wolfe as a competent person in this Target's Statement in the form and context in which they are named for the matters and supporting information based on their information and statements by or attributable to them; and
- (iv) RPM consents in this Target's Statement in the form and context in which they are named for the matters and supporting information based on their information and statements by or attributable to them.

(b) Disclaimer

Each person referred to in Section 10.6(a):

- (i) has not authorised or caused the issue of this Target's Statement;
- (ii) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than as specified in Section 10.6(a); and
- (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of this Target's Statement other than a reference to its name and any statement which has been included in this Target's Statement with the consent of that person referred to in Section 10.6(a).

(c) Directors

Each of the Lat66 Directors has given and not withdrawn their consent to:

- (i) be named in this Target's Statement in the form and context in which they are named; and
- (ii) statements attributable to them being included in this Target's Statement in the form and context in which they appear.

(d) **Other**

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC. Pursuant to this Class Order, the consent of persons such statements are attributed to is not required for the inclusion of those statements in this Target's Statement. Refer to Section 5.17.

In accordance with ASIC Class Order 13/521, any Lat66 Shareholder who would like to receive a copy of those documents (or relevant extracts from those documents) may obtain a copy free of charge by contacting Lat66.

Additionally, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by certain statements:

- (i) fairly representing a statement by an official person; or
- (ii) from a public official document or published book, journal or comparable publication.

Pursuant to this Class Order, the consent of persons such statements are attributed to is not required for inclusion of those statements in this Target's Statement.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement also contains trading data obtained from IRESS without consent.

10.7 Other material information

There is no other information that Lat66 Shareholders or their professional advisers would reasonably require to make an informed assessment on whether to accept the Offer, being information which:

- (a) is reasonable for Lat66 Shareholders and their professional advisers to expect to find in this Target's Statement; and
- (b) is known to any of the Lat66 Directors.

In deciding what information should be included in this Target's Statement, the Lat66 Directors have had regard to, amongst other things, the time available to Lat66 to prepare this Target's Statement and the matters which Lat66 Shareholders (or their professional advisers) may reasonably be expected to know, including information contained in documents previously sent to Lat66 Shareholders and information available from public sources such as ASIC and Lat66's website at <https://lat66.com/>.

11 AUTHORISATION

This Target's Statement is dated 22 December 2021 and was approved pursuant to a resolution of the directors of Latitude 66 Cobalt Limited.

Signed for and on behalf of Latitude 66 Cobalt Limited

A handwritten signature in black ink, appearing to read 'Timothy Day', is centered within a light gray rectangular box.

Mr Timothy Day

Director

12 GLOSSARY

In this Target's Statement, unless the context requires otherwise:

\$, A\$ or AUD means the lawful currency of Australia.

2021 Accounts has the meaning given in Section 5.10(a)(i)(C).

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 SubCo or the accounting standards required under the Corporations Act applied by Lat66, as applicable.

Adviser means Opus Capital London Limited.

Adviser Mandate has the meaning given in Section 5.10(c).

Announcement Date means the date SMAG Bidder issues its announcement in relation to the Takeover Bid, being 20 December 2021.

ASIC means the Australian Securities & Investments Commission.

Assignee has the meaning given in Section 5.10(b)(v).

Assignment has the meaning given in Section 5.10(b)(v).

Associate has the meaning detailed in Division 2 Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to the Bid Implementation Agreement.

Assumption Deed means a deed in such form as may be reasonably required by the party whose benefit the deed is to be made whereby the assignee or other recipient of a direct or indirect interest in the Tenements, or any rights in relation to the Products extracted and recovered from the area within the boundaries of the Tenements, agrees to assume, be bound and perform the obligations of the Royalty Deed of the party from which it acquires its interests and rights.

Authority means:

- (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;
- (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 Consideration has the meaning given in Section 8.1.

Bid Implementation Agreement has the meaning given in Section 10.1.

Bid Termination Event has the meaning given in Section 5.10(a)(ii)(B).

Bidder's Statement means the bidder's statement dated 22 December 2021 issued by SMAG Bidder under Part 6.5 of the Corporations Act relating to the Offer.

Business Day means a day that is not a Saturday, Sunday or a public holiday on which banks are open for general banking business in Sydney, New South Wales.

Buy Back Consideration has the meaning given in Section 5.10(b)(vii).

Buy Back Option has the meaning given in Section 5.10(b)(vii).

CGT means capital gains tax.

Conditions Precedent has the meaning given in Section 5.10(a)(i).

Competing Proposal means 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).

Control has the meaning given to that term in section 50AA of the Corporations Act and Controlled has the corresponding meaning.

Corporations Act means the *Corporations Act 2001* (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 Bidder 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 *Personal Property Securities Act 2009* (Cth)), and any agreement to create any of the foregoing or allow any of the foregoing to exist.

End Date has the meaning given in Section 5.10(a)(ii)(A).

Event of Default means one or more of the following events or circumstances:

- (a) Lat66 fails to pay any sum due under the SMAG Bidder Loan Facility when due;
- (b) Lat66 fails to comply with any provision of the SMAG Bidder Loan Facility and, if the default is capable of remedy, such default is not remedied within 20 Business Days of SMAG Bidder notifying Lat66 of the default and the remedy required;
- (c) any representation, warranty or statement made, or deemed made, by Lat66 in, or pursuant to, the SMAG Bidder Loan Facility is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made or deemed made;
- (d) Lat66 stops or suspends payment of any of its debts, or is unable to, or admits its inability to, pay its debts as they fall due;
- (e) a moratorium is declared in respect of the Indebtedness of Lat66;

- (f) any action, proceedings, procedure or step is taken for:
 - (i) a suspension of payments by Lat66 or a moratorium of any Indebtedness, winding up, dissolution, or re-organisation of Indebtedness of Lat66;
 - (ii) an arrangement relating to Indebtedness of the Lat66 with its creditors generally;
 - (iii) the appointment of a liquidator, administrator or other similar officer in respect of Lat66 or any of its assets; and
 - (iv) the enforcement of any mortgage, pledge, charge or other security interest securing any obligation of any person over any material asset of Lat66;
- (g) Lat66 commences negotiations, or enters into any arrangements, with one or more of its creditors with a view to rescheduling any of its Indebtedness;
- (h) an applicable legal process is levied or enforced against any of Lat66's assets having an aggregate value of €450,000 or more and is not discharged within 10 Business Days; or
- (i) any provision of the SMAG Bidder Loan Facility is, or becomes, invalid, unlawful, unenforceable or disputed or ceases to be effective or to have full force and effect.

Exclusivity Period means the period starting on the date of the Bid Implementation Agreement and ending on the first to occur of:

- (a) termination of the Bid Implementation Agreement;
- (b) the end of the Offer Period; and
- (c) the Long Stop Date.

Exercise Notice has the meaning given in Section 5.10(b)(vii).

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.

Exploration Permit Applications means the exploration permit applications (in Finnish: *malminetsintälupahakemus*) made by a member of the Lat66 Group that have been registered by the Finnish mining authority, the exploration permit applications (in Finnish: *malminetsintälupahakemus*) made by a member of the Lat66 Group currently being processed by the Finnish mining authority and the exploration permits (in Finnish: *malminetsintälupa*) 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.

Finroy means Finroy Limited ACN 653 113 547.

Granted Exploration Permit means the granted Exploration Permit ML 2011:0022: Ollinsou.

GST means the tax levied under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Indebtedness means any obligation to pay or repay money, present or future, actual or contingent, sole or joint, and any guarantee or indemnity of any such obligation.

Independent Directors means Mark Connelly and Timothy Day.

Interest Rate has the meaning in Section 5.11(a).

ITAA 1997 means the *Income Tax Assessment Act 1997* (Cth).

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition).

Key Employees means the individuals Thomas Hoyer and Steffen Hagemann, each individually a **Key Employee**.

Lat66 means Latitude 66 Cobalt Limited ACN 623 040 773.

Lat66 Board means the board of directors of Lat66.

Lat66 Disclosure Materials means:

- (a) the information and documents disclosed in writing by Lat66 or its representatives about the Lat66 Group and its businesses to SMAG Bidder or its representatives or otherwise disclosed by Lat66 to the public prior to the date of the Bid Implementation Agreement; and
- (b) all written materials and documents contained in the electronic data room available to SMAG Bidder and its representatives in relation to the Lat66 and its respective businesses and assets.

Lat66 Director means a director of Lat66.

Lat66 Group means Lat66 and its and its Related Bodies Corporate.

Lat66 Group Member any member of the Lat66 Group.

Lat66 Group Mining Rights means the Exploration Permits, the Exploration Permit Applications, the Mining Concessions and the Reservation Decisions.

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 the Bid Implementation 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 the Bid Implementation Agreement;
- (f) that is an actual event, matter or thing which is actually known to SMAG Bidder prior to the date of the Bid Implementation 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 Bidder or with SMAG Bidder'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 €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 €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 €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 €450,000 on any individual basis or which is, in aggregate, greater than €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 €450,000 on an individual basis or is, in aggregate, greater than €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 €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 the Bid Implementation Agreement;
- (j) required to be done under the Takeover Bid;
- (k) the occurrence of which was fairly disclosed in the Lat66 Disclosure Materials prior to the date of the Bid Implementation Agreement;

- (l) actually known to SMAG Bidder prior to the date of the Bid Implementation 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 Bidder or with SMAG Bidder'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 the Bid Implementation Agreement or which is otherwise contemplated by the Bid Implementation 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 the Bid Implementation Agreement;
- (s) actually known to SMAG Bidder prior to the date of the Bid Implementation 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 Bidder or with SMAG Bidder's prior written consent;
- (u) the payment of any premium for directors and officers run-off insurance; or
- (v) approved in writing by SMAG Bidder, 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 person registered in the Register as the holder of one or more Lat66 Shares.

Lat66 Warranty has the meaning given in Section 10.1(c).

Long Stop Date means the earlier of:

- (a) the date on which the Offer Period in respect of the Takeover Bid ends; and
- (b) three months after the date of the Bid Implementation Agreement, or such other date as SMAG Bidder and Lat66 agree in writing.

Mining Act means the Finnish Mining Act (621/2011, as amended, in Finnish: *kaivoslaki*).

Mining Concessions means the mining concessions (in Finnish: *kaivospiiri*) 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 off-market takeover offer to acquire all Lat66 Shares by SMAG Bidder under Chapter 6 of the Corporations Act contained in the Bidder's Statement.

Offer Conditions has the meaning given in Section 8.3.

Offer Period means the period during which the Offer will remain open for acceptance.

Performance Right means a performance right in Lat66.

Performance Rightsholder means a holder of one or more Performance Rights.

Performance Rights Deed has the meaning given in Section 5.14.

Performance Rights Offer means the offers by SMAG Bidder to acquire the Performance Rights from each Performance Rightsholder pursuant to the Performance Rights Deeds.

Performance Rights Plan means the performance rights plan and any terms and conditions applying to that plan adopted by the Lat66 Board in respect of Lat66.

Previous Mining Act means the revoked Finnish Mining Act 503/1965 (in Finnish: kaivoslaki 503/1965, as amended).

Product means a mineral or metallic product and a non-metallic product mined, extracted and recovered from the area within the boundaries of the Tenements, which is capable of being sold or otherwise disposed of.

Project has the meaning given in Section 5.1.

Royalty Deed has the meaning given in Section 5.10(b).

Record Date means 5.00pm Perth time on 22 December 2021, being the date set by SMAG Bidder under section 633(2) of the Corporations Act.

Register means the share register of Lat66 Shareholders kept pursuant to the Corporations Act.

Related Body Corporate has the meaning it has in the Corporations Act.

Relevant Interest has the meaning given to that term in section 9 of the Corporations Act.

Reservation Decisions means the reservation decisions (in Finnish: *varauspäättös*) 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.

Royalty has the meaning given in Section 5.10(b).

Royalty Deed has the meaning given in Section 5.10(b).

RPM means RPM Global.

Sale Agreement has the meaning given in Section 5.10(a).

Sale Agreement Consideration has the meaning given in Section 5.10(a).

Scheme has the meaning given in Section 5.10(a)(ii).

Section means a section of this Target's Statement.

SMAG means SunMirror AG CHE-395.708.464, the ultimate holding company of SMAG Bidder.

SMAG Bidder means SunMirror (Luxembourg) S.A., a wholly owned subsidiary of SMAG.

SMAG Bidder Group means SMAG Bidder and its Related Bodies Corporate.

SMAG Bidder Group Member means a member of the SMAG Bidder Group.

SMAG Bidder Information has the meaning given in Section 10.5.

SMAG Bidder Loan Facility has the meaning in Section 5.11(a).

SubCo means Latitude 66 Cobalt Oy.

SubCo Shares has the meaning given in Section 10.1(c)(i)(G).

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Superior Proposal means written bona fide Competing Proposal after the date of the Bid Implementation Agreement which the Independent Directors, acting in good faith after receiving written advice from Lat66 external advisers, determines is:

- (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.

Takeover Bid means the off-market takeover bid constituted by the dispatch of the Offer.

Target's Statement means this target's statement, being the statement issued by Lat66 under Part 6.5 of the Corporations Act relating to the Offer.

Tenements means the tenements described in Section 5.6.

Third Party means a person other than SMAG Bidder, any other SMAG Bidder Group Member and any Associate of any SMAG Bidder Group Member an Associate of SMAG Bidder.

Voting Power has the meaning given to it in the Corporations Act.

your Lat66 Shares means:

- (a) the Lat66 Shares of which you are registered or entitled to be registered as the holder in the Register at the Record Date; and
- (b) any other Lat66 Shares to which you are able to give good title at the time you accept the Offer during the Offer Period.

SCHEDULE 1 – JORC Code Technical Reporting Requirements

Part 1 – K1 to K3 Deposits

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<ul style="list-style-type: none"> - Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<p>Historic/GTK Database mineralized sites drill hole sampling:</p> <ul style="list-style-type: none"> - Following discovery of the K1, K2 and K3 deposits, GTK and subsequently Outokumpu sampled mineralization by surface diamond core drill holes. - The exact nature of the sampling varies between drilling stages, and by different companies from the 1970s to present. Drilling machines used were typically T46 drill rig for Geological Survey of Finland (GTK) programs producing 31.7mm core, and T56 drill rig for Outokumpu Mining Oy (Outokumpu) producing 41.7mm core. - The number of drill holes and approximate spacing at each of the resources are summarised in the respective 2020 IRS Mineral Resource reports. Ranging from 40 x 40m at wider-spaced drilled zones of K1, to 15 x 15m at K2. Drilling was located on the Finnish National Grid system (FIN KKJ4 or KKJ3). - Drill holes intersecting target mineralization were generally designed to drill at a high angle or perpendicular to the pervasive bedrock structural fabric and associated targeted mineralized body, at an inclination of between -40° to -70°. This is to optimally intersect the target mineralised zones. - Drill hole collars and starting azimuths are conventionally surveyed by GTK and Outokumpu, however Dragon Mining report re-surveying these historic drill hole collars. Holes were conventionally pegged and drill lines staked using compass and 1:20000 base maps. Dip values were predominantly measured at 10m intervals down hole by drillers using conventional equipment at the time, commonly Maxibor. - In the years 2002, 2003 and 2011 (Polar Mining, then Dragon Mining), selected historic drill hole collars were found and location re-recorded using Differential GPS technology to cross-check. - In the years 2018-2020, Lat66 geologists have made field site checks to several historic prospect areas including H1, K6 and K7 and have sighted and verified the location and orientation of selected historic drill holes. Located drill holes were recorded using Garmin 64s and eTrex handheld GPS. - Diamond core was sampled at geological intervals of approximately 1-2m in target mineralized zones and locally up to 3-4m composite samples outside of target zones. According to GTK, drill cores were cut in half with stone saws and the half-split core sample sent for analysis. - Historic GTK and Outokumpu samples were analysed at their respective in-house laboratories. <p>Historical sampling used half-split core which was sampled and sent for preparation (crushing and pulverising) and assaying at GTK's, Outokumpu's laboratory where samples were analysed for gold using a Fire-Assay method with AAS, ICP, or gravimetric finish. Typical base metal elements (Co, Cu, Ni, Zn, Pb, Fe) and other pathfinder elements (Ag, As, Mo, W) were assayed using the AAS method. Sulfur was analysed systematically using the LECO method. Selected re-assayed samples were analysed by Lead Collection Fire Assay with FAAS finish.</p> <p>Dragon Mining (2008-2014) mineralized sites resource drill hole sampling:</p>

Criteria	JORC Code Explanation	Commentary
		<ul style="list-style-type: none"> - The various mineralised bodies at the K1, K2 and K3 deposits were sampled using surface diamond core and percussion drill holes, and surface trench sampling at K1 and K2. Recent Dragon drilling utilised 50.5mm core with some 50.7mm (NQ2). - Drill hole collars and starting azimuths (for historically located collars) were reportedly accurately surveyed by Dragon surveyors in 2003 and again in 2011. For the recent drill holes completed by Dragon, collar coordinates and starting azimuths were measured by Dragon geotechnicians using RTK-GPS Leica GNSS equipment. Down hole dip and azimuth deviations were recorded by the drilling contractor using either Maxibor or SPT Gyro Tracker survey instruments. - Drill holes followed established historic drill orientations that targeted an approximately perpendicular angle to the strike of the mineralization. The angle of inclination varied according to the dip of the target mineralization, but typically drill holes were angled at 50-60° inclination. - Drill samples were taken at geological intervals with average sample lengths of 1m. - Recent Dragon core samples were sent to ALS preparation laboratory in Outokumpu where samples were crushed to <2mm and split to approximately 1kg samples. Samples were pulverised to -75micron and two pulp samples collected, 80g and 15-20g. The larger pulp samples were sent to ALS (Romania) and the smaller sample to ALS (Vancouver) for analysis by Fire Assay (AA25). Other elements, including the rare earth elements were analysed using various techniques; fusion acid dilution, four acid dissolution, and XRF. <p>Lat66 (2018 – present) mineralized sites resource drill hole sampling:</p> <ul style="list-style-type: none"> - Target mineralized bedrock is sampled by Lat66 using surface diamond core drill holes. Drill core diameters range from 50.5mm (WL66) to 57.5mm (WL76). - For resource drill holes, holes are designed to drill at a high angle to the proposed strike and dip orientation of the target mineralization based on geological factors. The orientation and spacing of existing resource drill holes is also brought to consideration in collar location design. The inclination of drill holes are adjusted to optimize intersection of the target mineralization and range from -45 to -80°. - Planned collar locations and guideline azimuth pegs are initially placed using Differential GPS services provided by survey service contractor such as Koillis Mittaus Oy. Upon completion of drilling, Koillis Mittaus Oy or other local survey service contractor collect the final collar location in Easting, Northing coordinates (KKJ3 and KKJ4) and Elevation (N2000 format). Drill holes alignment at surface is determined by non-magnetic True North-based GPS orientation devices (e.g. Devico DeviSight or DeviAligner). Drill holes are accurately surveyed using non-magnetic deviation or MEMS-based down-hole survey equipment such as the Devico DeviFlex, or Reflex Gyro. - Drill samples are taken based on geological boundaries. Target mineralized cores within the current or proposed resource are sampled on a basis of 0.5 – 1.5m intervals, and non-target mineralized, or unmineralized cores outside the resource zone are sampled at 1.5 – 4m intervals. - Core samples are cut using NTT or Almonte core saw producing an accurate half-core sample. In 2018, Lat66 drill cores at K1 and K2 were cut and sampled by ALS Sodankyla. Internal resource zones are sampled as half-cores. External or non-target mineralized zones are sampled as a combination of half-core and quarter-core. <p>Exploration drilling half-core samples are sent to ALS Laboratories (Outokumpu or Sodankyla). At these laboratories, samples are dried, fine crushed to >70% passing 2mm, then 1kg is rotary split off and pulverized</p>

Criteria	JORC Code Explanation	Commentary
		<p>to >85% passing 75 micron. This pulverized sample is then shipped to ALS Ireland (Loughrea) for multi-element analysis (excluding gold) by four-acid digestion, HCl acid leach and a combination of ICP-AES and ICP-MS finish (ME-MS61 method). Gold analyses were done by 50g Fire Assay finished with AAS (Au-AA26). Overlimits of gold (>100g/t) are reanalysed by 50g Fire Assay with gravimetric finish (Au-GRA22).</p>
Drilling Techniques	<ul style="list-style-type: none"> - Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> - Diamond core drilling is the standard technique by historic exploration companies, GTK, Dragon Mining and Lat66 for mineral exploration drilling of bedrock. Core diameter typically varies from 50.5mm (WL66) to 57.5mm (WL76) for advanced drilling and mineral resources (e.g. K1, K2, K3). At the K1 and K2 deposits, shallow-depth percussion drilling was also used in the open pit areas. - Conventional diamond core drilling process involves drilling through the glacial till overburden and emplacing a wider-diameter steel casing that prevents the unconsolidated overburden from collapsing in on the hole while drilling. These casings were commonly sealed with a cap and left in place after completion of drilling. These facilitate re-surveying drill holes at a later date. - For Dragon Mining and Lat66 drilling, core recoveries/loss and quality (RQD) are routinely collected for all drill holes completed (2008 to present). Drill cores are also routinely orientation marked by the drilling contractor using Reflex ACT II/III or DeviCore core orientation tools. Orientation marks are then extended along reconstructed drill cores and noted as low, medium or high confidence depending on the quality and continuity of the orientation mark along the reconstructed drill core length.
Drill sample recovery	<ul style="list-style-type: none"> - Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<p>Historic/GTK Database bedrock drilling:</p> <ul style="list-style-type: none"> - There are no known records of sample recovery results from historic (pre 2000s) drill holes. - At other deposits where drilling has been conducted by GTK and Outokumpu, diamond core is sometimes reconstructed into continuous runs for orientation marking with depths checked against core blocks. Core loss observations were noted by geologists during the logging process. It is assumed that a similar process may have been used in the KSB for some drilled prospects although this cannot be verified. - It is not known if a relationship could be determined between recovery and grade as recoveries were not supplied for the historical data. The consistency of the mineralised intervals suggests sampling bias due to material loss or gain is not an issue. <p>Dragon Mining/Lat66 bedrock drilling:</p> <ul style="list-style-type: none"> - Since 2003 diamond core is reported to have been reconstructed into continuous runs for orientation marking with depths checked against core blocks meterage and documented core loss from the drillers. Core loss observations were reportedly recorded by geologists during the logging process. - All percussion samples drilled by Dragon Mining were reportedly visually checked for recovery, moisture and contamination and no recovery problems were reported. - No relationship is known to exist between sample recovery and grade. The mineralised zones have predominantly been intersected by diamond core with generally good core recoveries (as sighted in archived drill core boxes). The consistency of the mineralised intervals suggests sampling bias due to material loss or gain is not an issue.
Logging	<ul style="list-style-type: none"> - Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> - All drill hole cores are field logged for lithology and sulfide mineralization by company geologists to a high level of detail. - Diamond holes drilled by Dragon Mining and Lat66 are logged for recovery, RQD, hardness, number and type of defects. Structural observations and measurements are made relating to geotechnical and mineralization

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged. 	<p>controlling factors, recorded as alpha/beta/delta angles, dips, azimuths, true dips, plunges and plunge directions. The amount and type of ore textures and ore minerals are also recorded.</p> <ul style="list-style-type: none"> - Drill samples for Dragon Mining and Lat66 are logged for lithology, rock type, colour, mineralisation, alteration, and texture. Logging is a mix of qualitative and quantitative observations. - Lat66 carry out drill core petrophysical measurements (magnetic susceptibility, conductivity and density). - Dragon Mining and Lat66 routinely photograph drill cores. - All drill hole cores and chips were logged in full.
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> - If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffling, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled 	<p>Historic/GTK Database bedrock drilling:</p> <ul style="list-style-type: none"> - Diamond core is conventionally sawn in half using 1980s-90s stone saw and half-core sampled (1-4m sample intervals), as standard for GTK and Outokumpu exploration projects of the era. - Drilling was through bedrock from surface. Sampling of diamond core used industry standard techniques. After drying the sample was subject to a primary crush, then pulverised so that more than 85% passes a -75um sieve. - Further details regarding the QAQC procedures of historic explorers (GTK, Outokumpu) and measures to ensure representativity of historic bedrock sampling are not known. Data columns for Quality Control are empty for GTK exported assay data files. - Sample sizes are considered appropriate for representativity of the material. <p>Dragon Mining bedrock drilling:</p> <ul style="list-style-type: none"> - Diamond core is cut in half using a core saw with half core submitted for assay (1m intervals). - Open pit percussion drill samples were collected at 1m intervals. Samples were collected at the rig, representing cutting's coarse fraction. The whole sample was collected and split at the laboratory's sample handling facility. Samples were predominantly dry. Percussion drilling was reportedly halted immediately if groundwater was encountered. Drilling was through bedrock from surface. - Sampling of diamond core and percussion samples uses industry standard techniques. After drying the sample was subject to a primary crush to <2mm, then pulverised so that 85% passes a -75um sieve. - Sample sizes are considered appropriate to correctly represent the moderately nuggetty gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Au. <p>Lat66 bedrock drilling:</p> <ul style="list-style-type: none"> - Diamond core is cut in half using an Almonte or NTT core saw with half core submitted for assay in target mineralized zones (0.5-1.5m sample intervals) and half- and quarter-core for non-targeted zones (2-4m composite samples). - Sampling of diamond core uses industry standard techniques. After drying, the sample was subject to a primary crush to <2mm (>70% passing), then pulverised to pass 85% through -75um sieve. - Sample sizes are considered appropriate to correctly represent the locally nuggetty gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Au.
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> - The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 	<p>Historic/GTK Database bedrock drilling:</p> <ul style="list-style-type: none"> - Majority of samples were analysed at either GTK or Outokumpu laboratories. Samples at the GTK laboratory were conventionally analysed for gold using Aqua Regia digest (30g or 50g pulps) with FAAS or GFAAS finish. Re-assayed samples were analysed by Lead Collection Fire Assay with FAAS finish. Cobalt, base metals and

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<p>pathfinder elements were assayed using Aqua Regia digest with FAAS finish. Samples at Outokumpu's laboratory were commonly analysed using Lead Collection Fire Assay with AAS finish.</p> <ul style="list-style-type: none"> - The analytical methods used are appropriate for the target commodities. Gold, Co and Cu are hosted by or associated with sulfide minerals, which are totally dissolved by the aforementioned methods according to expert laboratory service providers. - No geophysical tools were used to determine any element concentrations used in this resource estimate. - There is currently limited information on the quality control procedures applied by historic laboratories. It is standard for these laboratories to have internal QC procedures such as checks for fineness, use of internal standards using certified reference material, and pulp replicates, but these systems are as yet unverified. <p>Dragon Mining bedrock drilling:</p> <ul style="list-style-type: none"> - The predominant assay method for drill samples was by Fire Assay with AAS, ICP, or gravimetric finish (30g or 50g pulps). Samples reporting greater than 3g/t were checked using a gravimetric finish. Trench samples were analysed using Aqua-Regia digestion with ICP-MS analysis. The main element assayed was Au, but major and trace elements were routinely analysed. - No geophysical tools were used to determine any element concentrations used in this resource estimate. - Dragon has used systematic standard and pulp duplicate QAQC sampling since 2004 as summarised in their QAQC reports. Every 20th sample (sample id ending in -00, -20, -40, -60, -80) is submitted as a standard, and every 20th sample (sample id ending in -10, -30, -50, -70, -90) is inserted as a pulp duplicate (with the original sample id ending in -09, -29, -49, -69, -89). - Sample preparation checks for fineness were carried out by the laboratory as part of internal procedures to ensure the grind size of more than 85% passing 75µm was being attained. Laboratory QAQC includes the use of internal standards using certified reference material, and pulp replicates. - Three certified reference materials standards (sourced from RockLabs, New Zealand) representing a variety of grades from 1.34g/t to 8.69g/t were inserted systematically between March 2011 and August 2012. Three different RockLabs standards were submitted from August 2012 to the present representing grades from 1.35g/t to 8.6g/t. A total of 499 standards were submitted by Dragon. Results highlighted that the sample assays are accurate, showing no obvious bias. - A total of 359 blank samples were submitted during the drill programs. Results in summary reports show that no contamination has occurred. - Pulp duplicate analyses (470) honour the original assay but do not test the accuracy of the core sampling. For future drill programs, quarter core must be submitted as field duplicates as recommended by RPM. <p>Lat66 bedrock drilling:</p> <ul style="list-style-type: none"> - For resource drilling: following sample preparation, pulverized sample is shipped to ALS Ireland (Loughrea) for multi-element analysis (excluding gold) by four-acid digestion, HCl acid leach and a combination of ICP-AES and ICP-MS finish (ME-MS61 method). Gold analyses were done by 50g Fire Assay finished with AAS (Au-AA26). Overlimits of gold (>100g/t) are reanalysed by 50g Fire Assay with gravimetric finish (Au-GRA22).

Criteria	JORC Code Explanation	Commentary
		<ul style="list-style-type: none"> - Sampling QAQC of 2018 and 2021 diamond core drilling: Every 50th sample (sample ID ending in -00, -50) is submitted as a standard, and every 25th sample (sample id ending in -25, -75) is inserted as a pulp duplicate (with the original sample id ending in -24, -74). - Sampling QAQC of 2020 diamond core drilling: Every 50th sample (sample ID ending in -00, -50) is submitted as a standard, blank or pulp duplicate (with the sample ID for the duplicated sample ending in -49, or -99). - Standards and blanks used for QAQC are OREAS 22e, OREAS 522, and OREAS 523. - Sample preparation checks for fineness were carried out by the laboratory as part of internal procedures to ensure the grind size of more than 85% passing 75µm was being attained. Laboratory QAQC includes the use of internal standards using certified reference material, and pulp replicates. - Results show that the sample assays are accurate, showing no obvious bias. - Pulp duplicate analyses honour the original assay but do not test the accuracy of the core sampling or repeatability of results within a core sample. For future drill programs, quarter core must be submitted as field duplicates.
Verification of sampling and assaying	<ul style="list-style-type: none"> - The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> - Verification of selected historic drill cores at K1, K2, K3, and Dragon Mining drill cores for K1, K2, and K3, was reportedly done by Senior Geologists of RungePincocKMinarco (RPM) during 2010 and 2013. This was done to verify historic mineralized intersections in order to provide an updated JORC-compliant resource for these mineral deposits. This took place prior to Lat66 ownership, during operation under Dragon Mining. - Chief Geologist for Lat66, Aaron Davies, has visually inspected all Lat66 K1 drill cores, multiple K1 drill cores of Dragon Mining, and selected Outokumpu drill cores for K2. - Lat66 has not carried out a program to twin holes at K1, K2, K3. - Primary data for historic diamond core drilling (pre-2008) was captured on paper as field logs and stored on GTK database as compiled historic exploration reports. Much of this data has been digitized to purchasable digital files for import. - Primary data capture for recent drilling (post 2008) by Dragon Mining and Lat66 is done using Microsoft Excel data entry sheets, that upon completion are reviewed by supervisor geologists. Digital files are stored on shared document storage platforms (e.g. Citrix). Upon import to geological software, all drill hole data undergoes a validation process prior to display. - Assay data adjustment is limited to null or zero values (below detection) in assay data sheets, whereby the value is conventionally changed to half of the analytical detection limit.
Location of data points	<ul style="list-style-type: none"> - Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation - Specification of the grid system used. - Quality and adequacy of topographic control. 	<p>Historic/GTK Database drilling and other geochemical data points:</p> <ul style="list-style-type: none"> - Historic drill holes prior to 1998 were reportedly located and orientated using compass and mapping techniques that were relatively accurate. After 1998 drilling or sampling locations were made using handheld GPS (accuracy +/-5m). - There may be potential for error in the alignment of historic drill holes that were oriented by use of magnetic compass in zones of near-surface magnetic bedrock. However, in many cases drill holes were aligned by staked grid lines to guide drilling directions. - Historic downhole surveys were reportedly carried out by drillers using conventional equipment such as Maxibor survey tool. - Historic surveys used the Finnish National Grid (KKJ3 or KKJ4). - Topographic surface over much of the KSB drilling areas is well constrained from digi-form topographic and elevation maps (downloads from the Finnish National Land Survey).

Criteria	JORC Code Explanation	Commentary
		<ul style="list-style-type: none"> - Lat66 personnel have used handheld Garmin 64s GPS to locate several historic collars (as protruding steel casing) still preserved from drilling carried out in the 1980s and 1990s (e.g. at K1, K2, K3). The observation of these drill holes proves the existence of these programs and verifies the azimuth and inclination of the drilled holes. <p>Dragon Mining drilling:</p> <ul style="list-style-type: none"> - Drill hole collars and starting azimuths have been reportedly accurately surveyed by Dragon geotechnicians using RTK-GPS Leica GNSS equipment. Down hole dip and azimuth deviations were recorded by the drilling contractor using either Maxibor or SPT Gyro Tracker survey instruments. - Drill hole locations were positioned using the Finnish National Grid System (FIN KKJ4, 2003). - The topographic surface over the Juomasuo deposit was prepared by Dragon Mining reportedly using topographic contours from digi-form maps. DGPS surveyed data points from drill hole collars and trench samples were used to create a more accurate surface immediately above the mineralised lodes. <p>Lat66 drilling:</p> <ul style="list-style-type: none"> - For resource drill holes: planned collar locations and guideline azimuth pegs are initially placed using Differential GPS services provided by survey service contractor such as Koillis Mittaus Oy. Upon completion of drilling, survey service provider collected the final collar location in Easting, Northing coordinates (KKJ3 and KKJ4) and Elevation (N2000 format). Drill holes alignment at surface is determined by non-magnetic True North-based GPS orientation devices (e.g. Devico DeviSight or DeviAligner). Drill holes are accurately surveyed using non-magnetic deviation or MEMS-based down-hole survey equipment such as the Devico DeviFlex, or Reflex Gyro.
Data spacing and distribution	<ul style="list-style-type: none"> - Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied. 	<p>Historic/GTK Database drilling:</p> <ul style="list-style-type: none"> - The number of drill holes and approximate spacing at each of the resources are summarised in the respective 2020 IRS Mineral Resource reports. Ranging from 40 x 40m at wider-spaced drilled zones of K1, to 15 x 15m at K2. Drilling was located on the Finnish National Grid system (FIN KKJ4 or KKJ3). <p>Dragon Mining drilling:</p> <ul style="list-style-type: none"> - Drill holes have been located at 12-40m spacing across the main mineralised lodes, as summarised in respective 2020 IRS Resource Reports. - The coordinate grid system used is Finnish National Grid KKJ4. - The main mineralised domains at K1, K2, K3 have demonstrated sufficient continuity in both geological and grade continuity to support the estimation of Mineral Resource and the classifications applied under the 2012 JORC Code as approved by Competent Persons for resource estimation and reporting. - Samples have been composited to 1m lengths using 'best fit' techniques. <p>Lat66 drilling:</p> <ul style="list-style-type: none"> - The spacing of Lat66 drill holes to date have been designed to conform to existing spacing for advanced drilled deposits (e.g. K1), or are reconnaissance probe drill holes with a design optimized to intersect the central part of a mineralization target (e.g. targeting geophysical models or structural targets).

Criteria	JORC Code Explanation	Commentary
<p>Orientation of data in relation to geological structure</p>	<ul style="list-style-type: none"> - Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<p>Historic/GTK Database drilling:</p> <ul style="list-style-type: none"> - Drill holes intersecting target mineralization were generally designed to drill at a high angle or approximately perpendicular to the pervasive bedrock structural fabric and associated targeted mineralized body, at an inclination of between -40° to -70°. This is to optimally intersect the target mineralised zones. - No orientation based sampling bias has been identified in the data. <p>Dragon Mining drilling:</p> <ul style="list-style-type: none"> - Drill holes at K1, K2, and K3 are drilled primarily approximately perpendicular to the orientation of the mineralized trends. - No orientation based sampling bias has been identified in the data. <p>Lat66 drilling:</p> <ul style="list-style-type: none"> - Drill holes are drilled primarily approximately perpendicular to the orientation of the mineralized trends at targets of existing drilling (e.g. K1). - No orientation based sampling bias has been identified in the data.
<p>Sample security</p>	<ul style="list-style-type: none"> - The measures taken to ensure sample security 	<p>Historic/GTK Database drilling and other geochemical samples:</p> <ul style="list-style-type: none"> - Chain of custody of the historical samples was managed by GTK and Outokumpu. It is conventional that company personnel transported diamond to the core shed or workshops where geologists logged the core and samples. Core cutting, sample preparation and assaying were done by GTK or Outokumpu's laboratory personnel. <p>Dragon Mining drilling:</p> <ul style="list-style-type: none"> - Chain of custody of samples and the sampling process managed by Dragon Mining was reportedly viewed by Senior Geologists of RungePincockMinarco, independent geological consultants, during October 2013 for a site visit related to their resource estimation review of the KSB JORC compliant resources. Diamond core boxes were transported from the drilling site to Outokumpu by a logistic company (Transpoint) where core is logged prior to being transferred to the ALS preparation laboratory using contract couriers or laboratory personnel. Dragon employees reportedly had no further involvement in the preparation or analysis of samples. <p>Lat66 drilling:</p> <ul style="list-style-type: none"> - Chain of custody of samples at Lat66 drilling operations is as follows: (1) drill cores from each drill shift are stored under cover within privately-owned and secured (locked gated) Lat66 exploration base in Kayla, Kuusamo, (2) drill cores are collected by Lat66 exploration personnel within 24 hours and transported by van to secured (locked door) Lat66 exploration drill core storage warehouse facility in Posio, (3) Logging, cutting, sampling, and organization into sample dispatch takes place at Lat66 Posio facility, (4) Sample dispatches are contained in wooden crates sealed with steel strapping, and collected and transported by weekly transport/freight service sub-contracted by ALS Laboratory, (5) Transport to ALS Laboratory (Outokumpu or

Criteria	JORC Code Explanation	Commentary
		<p>Sodankyla) for sample preparation, Finnish ALS laboratories retain reject and pulps samples and return to Lat66 upon completion of program, (6) prepared sample pulps for assay are transported from Finnish ALS laboratory to ALS Ireland (Loughrea) for analyses.</p> <ul style="list-style-type: none"> - In 2018, Lat66 did not have use of a core saw and sent K1 drill cores to ALS for cutting and sampling following Lat66 logging at the Kayla base.
Audits or reviews	<ul style="list-style-type: none"> - The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> - A review of the sampling techniques and data is reported for the K1, K2 and K3 deposits in 2013 by geological consultants RungePincockMinarco during operation of Dragon Mining. - In 2020, a review of the K1, K2, and K3 drilling and core sampling techniques of Dragon Mining and Lat66 was carried out by the Principal Geologist of International Resource Solutions, Brian Wolfe, during the process of re-evaluating and providing an updated mineral resource estimation. A site visit was not possible due to the COVID-19 pandemic and associated travel restrictions. - It was concluded (RPM, IRS) that the sampling is to industry standards and fit for compliancy with JORC 2012 standards.

Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> - Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<p>The K1-K2-K3 deposits are situated within the Juomasuo Mining Concession (3965), see presented in the Lat66 Tenement Schedule.</p> <p>The tenement is 100% owned by Latitude 66 Cobalt Oy.</p> <p>The tenement is valid and in the process of administrative update according to compliance with the renewed Finnish Mining Act.</p>
Exploration done by other parties	<ul style="list-style-type: none"> - Acknowledgment and appraisal of exploration by other parties. 	<p>K1, K2, and K3 were discovered in the 1980s and 1990s by GTK and Outokumpu. Outokumpu advanced the K1, K2 and K3 deposits in the 1990s to consolidate a mine plan (previous Mining Act) that was approved in 1993. However, with the exception of some minor test pit mining and pilot plant testing in the 1990s, full scale production never proceeded. Dragon Mining (formerly Polar Mining) carried out intensive drilling campaigns in the K1, K2 and K3 resource zone during 2010-2014 period and identified significant depth extensions to these deposits, which led to their maiden JORC compliant resource estimates in 2012 and 2014.</p>
Geology	<ul style="list-style-type: none"> - Deposit type, geological setting and style of mineralisation. 	<p>Paleoproterozoic metasedimentary rock- and shear zone-hosted Au-Co-Cu mineralization, forming a unique "KSB-style" deposit type. The type-example is the K1 (Juomasuo) deposit, hosted in primarily in intensely hydrothermally altered and sulfidised, tightly folded sequence of metasedimentary rocks of the Sericite Quartzite Formation, Palaeoproterozoic Kuusamo Schist Belt. Ultramafic and mafic lithologies form a significant component of the deposit host rock stratigraphy. The structural setting is within the northern culmination of a major regional antiform, the Käylä-Konttiahö Anticline. Mineralisation at K1 is situated where a NW to WNW trending ductile shear zone appears to transect the NE trending Käylä-Konttiahö Anticline in areas close to the contact between Sericite Quartzite and Greenstone II Formations. Native gold is chiefly associated with Bi and Te minerals as inclusions in pyrite, cobaltite, between silicates, and in tiny Au-Bi-Te veinlets orientated parallel with foliation and enveloped by silicates.</p>

Criteria	JORC Code Explanation	Commentary
<i>Drill hole information</i>	<ul style="list-style-type: none"> - A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> - No specific drill hole/s for the K1, K2, or K3 deposits are being here reported and are therefore not applicable to this Table 2. - All K1, K2, and K3 drill hole data is stored digitally as master excel sheets of collar (including location, date drilled, hole depth, azimuth and inclination), survey, assay, lithology and geotechnical data that is readily available to permitted personnel.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> - In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> - No specific exploration drilling results are here reported. Reports of Mineral Resource estimations based on bedrock drilling are available for permitted personnel. - In general reporting of resource intercepts of cobalt mineralized zones Lat66 internally applies a weighted average using 500 ppm Co lower cut, no top cut, maximum 2m consecutive internal dilution. Further information provided in Table 3 (Resources). - In general reporting of resource intercepts for gold mineralized zones Lat66 internally applies a weighted average using 0.5 g/t lower cut, 100 g/t top cut, max. 2m consecutive internal dilution. Further information provided in Table 3 (Resources).
<i>Relationship between mineralization widths and intercept lengths</i>	<ul style="list-style-type: none"> - These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> - Geometries of mineralized bodies in relation to drilling are described in relevant Mineral Resource estimation reports (IRS, 2020). - Exploration results are not here presented.
<i>Diagrams</i>	<ul style="list-style-type: none"> - Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> - Refer to figures in the relevant Mineral Resource estimation reports (IRS, 2020).
<i>Balanced reporting</i>	<ul style="list-style-type: none"> - Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be 	<ul style="list-style-type: none"> - All results considered significant to the relevant document are reported.

Criteria	JORC Code Explanation	Commentary
	practiced to avoid misleading reporting of Exploration Results.	
Other substantive exploration data	<ul style="list-style-type: none"> - Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> - Full geochemical assay databases (drilling, base-of-till, soil), geophysical results, and relevant metallurgical and environmental data in possession by Lat66 are available for permitted personnel.
Further work	<ul style="list-style-type: none"> - The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> - Further work plans summarized in Lat66 Technical Deck and conveyed in guideline budget forecasts for 2022.

Section 3: Estimation and Reporting of Mineral Resources

Criteria	JORC Code Explanation	Commentary
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	The databases were accepted as provided by Lat 66. The data was in MS Access format as was supplied as part of a data package relating to the previous MRE dated 2014 (Runge). The databases as supplied were checked against the MRE report dated February 2014 and has been determined to be identical. The database also contains a number of drillholes completed by L66. Additional checks included review of downhole assays versus mineralised wireframes and an identical correlation has been observed.
	<i>Data validation procedures used.</i>	Data validation checks are run by the competent person. Data validation routines include downhole depth comparison checks, missing interval checks, overlapping interval checks and azimuth and dip verification.
Site visits	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i>	The Competent Person has not yet undertaken a site visit.
	<i>If no site visits have been undertaken indicate why this is the case.</i>	A site visit has not yet been possible due in part to the Australian Government travel restrictions imposed in the response to the COVID 19 pandemic. A site visit will be undertaken once government travel restrictions have been sufficiently relaxed.
Geological interpretation	<i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i>	A series of MRE's have been completed on three mineral deposits for the project, these are termed K1, K2 and K3. Identified mineralisation under consideration consists of gold cobalt deposit styles and the confidence in the geological interpretation is variable as relates to drillhole density. Where sufficient drilling exists on an approximate scale of 20m strike by 20m down dip, confidence may be considered moderate to good. Where drill spacing is on a scale of 40m strike by 40m down dip and greater spacing, confidence may be considered low to moderate.
	<i>Nature of the data used and of any assumptions made.</i>	The interpretation used was based on diamond and RC drilling data. Geological and gold/cobalt assay data was utilized in the interpretation. The database consists of both historical data and that generated by Lat 66 with the majority being historical. A significant proportion of historical drillholes with unsampled intervals were subject to as sampling and assaying program by Lat 66 and this data has also been included.

Criteria	JORC Code Explanation	Commentary
	<i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i>	Alternative interpretations have not been considered for the purpose of resource estimation as the current interpretation is thought to represent the best fit based on the current level of data.
	<i>The use of geology in guiding and controlling Mineral Resource estimation.</i>	Key features are based on the presence of quartz veining and sulphide mineralisation in conjunction with gold and cobalt grade assays.
	<i>The factors affecting continuity both of grade and geology.</i>	In the CP's opinion there is sufficient information available from drilling to build a plausible geological interpretation that is of appropriate confidence for the classification of the resource.
Dimensions	<i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource</i>	The Mineral Resource areas have overall maximum dimensions as follows:- <ul style="list-style-type: none"> • K1 400m strike by 80m width and 500m deep • K2 350m strike by 50m width and 160m deep K3 200m strike by 80m width and 170m deep
Estimation and modelling techniques	<i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i>	Geological and mineralisation constraints were generated on the above deposits by use of categorical indicator kriging at appropriate cutoffs to delineate mineralisation from background. The constraints thus developed were subsequently used in geostatistics, variography, block model domain coding and grade interpolation. A combination of MIK and ordinary kriging was used to estimate Au, Co and auxiliary elements. The constraints were coded to the drill hole database and samples were composited to 3m downhole length. A parent block size of 10mE by 20mN by 10mRL was selected as an appropriate block size for estimation given the variability of the drill spacing and the likely potential future mining methods. Variography was generated for the various lodes to enable estimation via MIK and ordinary kriging. Hard boundaries were used for the estimation throughout. Input composite counts for the estimates were variable and set at a minimum of between 12 and a maximum of 24 for the MIK and 4 to 8 for the OK. this was dependent on domain sample numbers and geometry. Any blocks not estimated in the first estimation pass were estimated in a second pass with an expanded search neighbourhood and relaxed condition to allow the domains to be fully estimated. Extrapolation of the drill hole composite data is commonly approximately 40m beyond the edges of the drill hole data, however, may be considered appropriate given the overall classification of such extended grade estimates as Inferred.
	<i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i>	At K1 and K2, previous resource estimates date from 2014 and earlier and it may not be appropriate to make a direct comparison due to differences in modelling techniques and assumed mining methods (open pit vs underground). Trial mining activity has taken place at K1 however this is minor in scale and has been accounted for via an updated topography. Detailed records are not available to enable any reconciliation. In the case of K3, the CP is not aware of any previous resource estimates
	<i>The assumptions made regarding recovery of by-products.</i>	No by-products are thus far assumed.
	<i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i>	Estimations have been undertaken for a variety of auxiliary elements including U, S, REE's.
	<i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i>	The parent block size within the estimated domain is 20mN x10mE x 10mRL, with sub-celling for domain volume resolution. The parent block size was chosen based on mineralised bodies dimension and orientation, estimation methodology and relates to a highly variable drill section spacing and likely method of future open pit production. in the case of the MIK estimation at K1, the estimates have been localised to an SMU dimension to emulate selectivity for open pit mining. The search ellipse was oriented in line with the interpreted mineralized bodies. Search ellipse dimensions were chosen to encompass adjacent drill holes on sections and adjacent lines of drilling along strike and designed to fully estimate the mineralized domains.
	<i>Any assumptions behind modelling of selective mining units.</i>	Selective mining unit dimensions of 10mN x5mE x 5mRL were assumed throughout
	<i>Any assumptions about correlation between variables.</i>	Gold and cobalt grades are variably correlated according to 3D distribution. The variables have been accordingly individually estimated however a reasonably similar degree of correlation has been observed in the corresponding block model grades. No assumptions have been made regarding the correlations of other variables owing to the selective nature of the assaying.

Criteria	JORC Code Explanation	Commentary
	<i>Description of how the geological interpretation was used to control the resource estimates.</i>	The geological/mineralisation model dominated the mineralized lode material and were used as hard boundaries for the estimation.
	<i>Discussion of basis for using or not using grade cutting or capping.</i>	A number of extremely high-grade composites have been identified which are considered true outliers to the data. Dependent on the domain, these high grades have been cut to between 22g/t Au and 50g/t Au and between 5000 and 8000ppm Co.
	<i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>	The block model estimates were validated by visual comparison of block grades to drill hole composites, comparison of composite and block model statistics and swath plots of composite versus whole block model grades..
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	The tonnages are estimated on a dry basis.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied</i>	A preferred 0.5g/t Au cut-off grade was used to report the Mineral Resources. This cut-off grade is estimated to be the minimum grade required for economic extraction. The MRE's have been additionally reported at a range of other cutoffs to demonstrate the grade tonnage relationships of the deposits.
Mining factors or assumptions	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	Open pit mining is assumed however no rigorous application has been made of minimum mining width, internal or external dilution. The MIK estimate at K1 may be assumed to incorporate a minimum amount of mining dilution although no rigorous assessment has been made.
Metallurgical factors or assumptions	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>	Preliminary metallurgical testwork indicates acceptable recoveries for gold and cobalt using convention processing methods. Targeted domain specific metallurgical testwork is ongoing.
Environmental factors or assumptions	<i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made</i>	No environmental factors or assumptions have been made. Environmental reviews have been undertaken across the deposit areas and specific long term environmental studies are currently being planned.
Bulk density	<i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i>	Direct measurements of Dry Bulk Densities have been taken for the mineralisation at ALS in Outokumpu. Densities have been applied on a dry bulk density basis. Density for overburden is assumed at 1.9t/m ³ .

Criteria	JORC Code Explanation	Commentary
	<i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit,</i>	The applied value for across all mineralisation was based on a regression formula derived from kriged Sulphur grades. The density of waste rock was set to 2.74t/m ³ density = ((s_ok*0.0326) + 2.74)
	<i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i>	The bulk density values were assigned as described above on the assumption that all mineralisation is in fresh rock.
Classification	<i>The basis for the classification of the Mineral Resources into varying confidence categories</i>	The Mineral Resources have been classified as Indicated and Inferred. The classification is based on the relative confidence in the mineralised domain countered by variable drill spacing. The classification of Indicated is only considered in areas where the drill spacing is better than 40m strike by 40m down dip.
	<i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i>	The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The validation of the block model shows moderately good correlation of the input data to the estimated grades.
	<i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i>	The Mineral Resource estimate appropriately reflects the view of the Competent Persons.
Audits or reviews	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	No audits or reviews have been undertaken to the CP's knowledge.
	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate</i>	The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.
	<i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i>	The statement relates to global estimates of tonnes and grade.
	<i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available</i>	Mining activity has taken place at K1 in a test capacity only and has been depleted by way of updated topography covering the workings. The scale of the activity was negligible in relation to the entire deposit. No reconciliation is possible as the records are not available.

Part 2 – K9 Deposit

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or	- Target mineralized bedrock is sampled by Lat66 using surface diamond core drill holes. Drill core diameter is 50.7mm (NQ2).

Criteria	JORC Code Explanation	Commentary
	<p>handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</p> <ul style="list-style-type: none"> - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> - Exploration drill holes are designed to drill at a high angle to the proposed strike orientation of the target mineralization based on geological factors and geophysical models. The inclination of drill holes are adjusted to optimize intersection of the modelled or interpreted target mineralization and range from -45 to -80°. - Planned collar locations are initially pegged using handheld Garmin GPS (64s or eTrex) under the Finnish National Grid System (FIN KKJ3). Upon completion of drilling, accurate coordinate locations of the drilled hole collars are collected using Differential GPS services provided by survey service contractor KimmoKaava Tmi. Guideline pegs are placed using Suunto line-of-sight compass. Drill holes are aligned at the commencement of drilling using non-magnetic True North-based GPS orientation devices (Deviso DeviAligner). Drill holes are accurately surveyed using non-magnetic deviation or MEMS-based down-hole survey equipment DeviGyro, or Reflex Gyro. - Drill samples are taken based on geological boundaries. Target mineralized zones are typically sampled on a basis of 0.5 – 1.5m intervals, and non-target mineralized, or unmineralized zones sampled at 1.5 – 4m intervals. - Core samples for 2021 drilling campaign are cut using CT-56 manual core saw from Several and NTT automatic core saw. Core for L66K9DD001 was cut using the CT-56. Target mineralized zones are sampled as half-cores. Non-target mineralized zones or unmineralized zones are sampled as a combination of half-core and quarter-core. - Exploration drilling half-core samples are sent to ALS Laboratories (Outokumpu or Sodankyla). At these laboratories, samples are dried, fine crushed to >70% passing 2mm, then 250g is rotary split off and pulverized to >85% passing 75 micron. This pulverized sample is then shipped to ALS Ireland (Loughrea) for multi-element analysis of a 25g aliquot by Aqua Regia digest and a combination of ICP-AES and ICP-MS finish (AuME-TL43 method). Samples with concentrations of 1% Co or more are reanalysed with additional pulp using OG46 Aqua Regia overlimit Co method. Overlimits of gold (>1 g/t) are reanalysed by 30g Fire Assay with AAS finish (Au-AA25).
Drilling Techniques	<ul style="list-style-type: none"> - Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> - Diamond core drilling is the standard technique by Lat66 for mineral exploration drilling of bedrock. Core diameter for reported drilling is 50.7mm (NQ2). - Conventional diamond core drilling process involves drilling through the glacial till overburden and emplacing a wider-diameter steel casing that prevents the unconsolidated overburden from collapsing in on the hole while drilling. These casings are sealed with a cap and left in place after completion of drilling. - Core recoveries/loss and quality (RQD) are routinely collected for all drill holes completed. Drill cores are also routinely orientation marked by the drilling contractor using Reflex ACT II/III or DeviCore core orientation tools. Orientation marks are then extended along reconstructed drill cores and noted as low, medium or high confidence depending on the quality and continuity of the orientation mark along the reconstructed drill core length. - Drilling was carried out by finnish drilling service providers RE Drilling (RE) and Karelia Drilling Company (KDC).
Drill sample recovery	<ul style="list-style-type: none"> - Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> - All diamond core is marked with an orientation line and reconstructed into continuous runs in purpose-made 3-12m lengths of plastic-coated steel core holders for orientation marking, with depths checked against core blocks meterage and documented core loss from the drillers. Core loss observations are recorded by geologists during the logging process.

Criteria	JORC Code Explanation	Commentary
Logging	<ul style="list-style-type: none"> - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. - Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> - No relationship was noted between sample recovery and grade. The mineralised zones have predominantly been intersected by diamond core with generally good core recoveries. The consistency of the mineralised intervals suggests sampling bias due to material loss or gain is not an issue. - All drill hole cores are logged for lithology and sulfide mineralization by company geologists to a high level of detail at Lat66 Posio core logging facility. - Diamond holes drilled by Lat66 are logged for recovery, RQD, hardness, number and type of defects. Structural observations and measurements are made relating to geotechnical and mineralization controlling factors, recorded as alpha/beta/delta angles, dips, azimuths, true dips, plunges and plunge directions. The amount and type of ore textures and ore minerals are also recorded. - Drill samples for Lat66 are logged for lithology, rock type, colour, mineralisation, alteration, and texture. Logging is a mix of qualitative and quantitative observations. - Lat66 carry out drill core petrophysical measurements (magnetic susceptibility, conductivity and density). - Lat66 routinely photograph drill cores. - All drill hole cores were logged in full.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> - If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled 	<ul style="list-style-type: none"> - Diamond core is cut in half using an CT-56 manual core saw (L66K9DD001) or NTT automatic core saw (drill holes cut after October 1st 2021) with half-core submitted for assay in target mineralized zones (0.5-1.5m sample intervals) and half- and quarter-core for non-targeted zones (2-4m composite samples). - Sampling of diamond core uses industry standard techniques. After drying, the sample was subject to a primary crush to <2mm (>70% passing), then pulverised to pass 85% through -75um sieve. - Sample sizes are considered appropriate to correctly represent the locally nuggetty gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Au.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> - The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> - Following sample preparation, the pulverized sample is shipped to Ireland (Loughrea) division of ALS Laboratories, a global leader in geochemical analyses, for multi-element analysis of a 25g aliquot by Aqua Regia digest and a combination of ICP-AES and ICP-MS finish (AuME-TL43 method). Overlimits of gold (>1 g/t) are reanalysed by 30g Fire Assay with AAS finish (Au-AA25). Target commodity metals Au, Co, and Cu are hosted within or associated with sulfide minerals – for which the Aqua Regia digest method is appropriate and an industry standard. - Sampling QAQC of 2021 diamond core drilling: Every 50th sample (sample ID ending in -00, -50) is submitted as a standard, and every 25th sample (sample id ending in -25, -75) is inserted as a pulp duplicate (with the original sample id ending in -24, -74). - Standards and blanks used for QAQC are OREAS 22e, OREAS 522, and OREAS 523. - Sample preparation checks for fineness were carried out by the laboratory as part of internal procedures to ensure the grind size of more than 85% passing 75µm was being attained. Laboratory QAQC includes the use of internal standards using certified reference material, and pulp replicates. - Results show that the sample assays are accurate, showing no obvious bias. - Pulp duplicate analyses honour the original assay but do not test the accuracy of the core sampling repeatability. For future resource drill programs, quarter core is submitted as field duplicates.

Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> - The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> - Verification of the drill hole/s here reported have been carried out by Lat66 Chief Geologist Aaron Davies. This included visual inspection of the drill cores with comparative assessment of logged drilling and geological data collected by Lat66 exploration geologists. - There has not yet been any twinned holes completed at the targets here reported. - Primary data capture by Lat66 is done using Microsoft Excel data entry sheets, that upon completion are reviewed by supervising geologists. Digital files are stored on shared document storage platforms (e.g. Microsoft OneDrive). Upon import to geological software, all drill hole data is checked and validated process prior to display. Structural data is plotted, interrogated and re-checked against drill cores in the core yard. - Assay data adjustment is limited to null or zero values (below detection) in assay data sheets, whereby the value is changed to half of the analytical detection limit.
Location of data points	<ul style="list-style-type: none"> - Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation - Specification of the grid system used. - Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> - Planned collar locations are initially pegged using handheld Garmin GPS (64s or eTrex) under the Finnish National Grid System (FIN KKJ3). Upon completion of drilling, accurate coordinate and elevation locations of the drilled hole collars are collected using Differential GPS services provided by survey service contractor KimmoKaava Tmi. Guideline pegs are placed using Suunto line-of-sight compass. Drill holes are aligned at the commencement of drilling using non-magnetic True North-based GPS orientation device (DeviAligner). Drill holes are accurately surveyed using non-magnetic deviation or MEMS-based down-hole survey equipment (DeviGyro, or Reflex Gyro).
Data spacing and distribution	<ul style="list-style-type: none"> - Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied. 	<ul style="list-style-type: none"> - The spacing of Lat66 first-pass exploration drill holes are reconnaissance probe drill holes with a design optimized to intersect the central part of a mineralization target (e.g. targeting highly-ranked geophysical-geochemical anomalies), with consideration of the local geology based on outcrop mapping and airborne geophysical imagery.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> - Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> - In reconnaissance/probe drilling areas drill hole are designed to optimize intersection with the central part of a mineralization target (e.g. targeting perpendicular to modelled geophysical-geochemical anomalies), with consideration of the local geology based on outcrop mapping and airborne geophysical imagery. The reported drill holes were drilled at an azimuth approximately perpendicular the trend of the modelled geophysical target. - There is as yet insufficient drilling at the reported drilling sites to confidently infer an orientation of the mineralized structures intersected in reported drill holes. - No orientation based sampling bias has been identified in the data.
Sample security	<ul style="list-style-type: none"> - The measures taken to ensure sample security 	<ul style="list-style-type: none"> - Chain of custody of samples at Lat66 drilling operations is as follows: (1) drill cores from each drill shift are stored under cover within privately-owned and secured (locked gated) Lat66 exploration base in Kayla, Kuusamo, (2) drill cores are collected by Lat66 exploration personnel within 24 hours and transported by van to secured (locked door) Lat66 exploration drill core storage warehouse facility in Posio, (3) Logging, cutting, sampling, and organization into sample dispatch takes place at Lat66 Posio facility, (4) Sample dispatches are contained in wooden crates sealed with steel strapping, and collected and transported by weekly transport/freight service sub-contracted by ALS Laboratory, (5) Transport to

Criteria	JORC Code Explanation	Commentary
		ALS Laboratory (Sodankyla) for sample preparation, Finnish ALS laboratories retain reject and pulps samples and return to Lat66 upon completion of program, (6) prepared sample pulps for assay are transported from Finnish ALS laboratory to ALS Ireland (Loughrea) for analyses. Analytical results from ALS database are sent to Lat66 with QAQC reports and invoice in an automated computer generated process.
Audits or reviews	- The results of any audits or reviews of sampling techniques and data.	- For the reported drilling, there have not been any third party audits or reviews of the sampling techniques and data.

Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary														
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<p>The KSB project comprises Mining Concessions, Exploration Permits, Exploration Permit Applications, and Reservations presented in the Lat66 Tenement Schedule.</p> <p>The entire package of tenure is 100% owned by Latitude 66 Cobalt Oy.</p> <p>The K9 target area is situated within the Ollinsuo (ML2011:0022) exploration permit that is, as of October 2021, fully approved and permitted under Latitude 66 Cobalt Oy. Approval is provided by Tukes, the Finnish mining, chemicals and safety authority. Latitude 66 Cobalt Oy operated drilling at the K9 target in 2021 with full approval from the property owner. There are no known impediments that exist on the tenement being actively explored.</p>														
Exploration done by other parties	- Acknowledgment and appraisal of exploration by other parties.	The K9 target was generated and advanced by Latitude 66 Cobalt Oy and is a new discovery of KSB-style Co-Au-Cu mineralization.														
Geology	- Deposit type, geological setting and style of mineralisation.	<p>Preliminary observations of the mineralization style compatible similar examples of Paleoproterozoic greenschist metasedimentary rock- and shear zone-hosted Au-Co-Cu mineralization in the Kuusamo Schist Belt.</p> <p>Mineralization is hosted by a pyrrhotite-(pyrite)-rich brittle-ductile deformation zone with intense muscovite-quartz±chlorite-biotite alteration. Preliminary structural observations indicate mineralization has formed within a intersection zone of oblique structures related to district scale folding and brittle-ductile shear zone deformation. The structural setting, host rocks and hydrothermal alteration style shows similarities with the K1 (Juomasuo) deposit located approximately 22km northeast.</p>														
Drill hole information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<p>See in text table 1 L66K9DD001 discovery drill hole summary.</p> <p>Reported assay results are for L66K9DD001, located:</p> <table border="1"> <tbody> <tr> <td>Easting</td> <td>3583703.484</td> </tr> <tr> <td>Northing</td> <td>7339306.314</td> </tr> <tr> <td>RL</td> <td>349.211</td> </tr> <tr> <td>Depth (m)</td> <td>182.5</td> </tr> <tr> <td>Dip</td> <td>63.8</td> </tr> <tr> <td>Azimuth</td> <td>265.4</td> </tr> <tr> <td>Intercepts</td> <td>Described in in document text.</td> </tr> </tbody> </table>	Easting	3583703.484	Northing	7339306.314	RL	349.211	Depth (m)	182.5	Dip	63.8	Azimuth	265.4	Intercepts	Described in in document text.
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Criteria	JORC Code Explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> - In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> - All intercepts reported are calculated as length weighted averages. - High grade intervals are reported as “included” intervals within the broader intercepts which are calculated as follows: <ul style="list-style-type: none"> - Intercepts for cobalt mineralized zones (unless otherwise specified): 500 ppm Co lower cut, no top cut, maximum 2m consecutive internal dilution. - Intercepts for gold mineralized zones (unless otherwise specified): 0.5 g/t lower cut, 100 g/t top cut, max. 2m consecutive internal dilution.
Relationship between mineralization widths and intercept lengths	<ul style="list-style-type: none"> - These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> - The results reported are associated with first-pass probe drill hole/s. It is not yet known with a sufficient level of confidence whether or not the downhole intercepts represent true widths.
Diagrams	<ul style="list-style-type: none"> - Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> - Refer to figures in the body of text.
Balanced reporting	<ul style="list-style-type: none"> - Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> - All results considered significant are reported herewithin.
Other substantive exploration data	<ul style="list-style-type: none"> - Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> - Additional datasets relevant to the K9 target zone that Lat66 have collected and used to guide the exploration drilling reported include: in-house desktop geological interpretations, airborne geophysical survey data, soil and till geochemical sampling, ground-based geophysical survey data. Data related to these surveys has contributed to localizing design of drill holes here reported, however details of individual surveys are outside the scope of this document.
Further work	<ul style="list-style-type: none"> - The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> - Detailed structural geological analysis in conjunction with remodelling of DHEM and FLEM geophysical data is ongoing. - Follow-up DHEM in drill holes L66K9DD002-003 will add further constraint to the orientation of conductive bodies representing potential mineralization continuities. - Results of this work will guide the design of follow-up step-out diamond core drilling scheduled dependent on drill rig availability.

CORPORATE DIRECTORY

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