

This is the first supplementary target's statement (**First Supplementary Target's Statement**) under section 644 of the *Corporations Act 2001* (Cth) issued by Latitude 66 Cobalt Limited (ACN 623 040 773) (**Lat66**), in connection with the off-market takeover offer by SunMirror (Luxembourg) S.A. (company number BN217501) (**SMAG Bidder**) to acquire all of the shares in Lat66 (**Offer**).

This First Supplementary Target's Statement supplements, and should be read together with, Lat66's target's statement dated 22 December 2021 in relation to the Offer (**Target's Statement**). Unless the context requires otherwise, terms defined in the Target's Statement have the same meaning in this First Supplementary Target's Statement. This document prevails in the event of any inconsistency with the Target's Statement.

A copy of this First Supplementary Target's Statement was lodged with ASIC on 2 February 2022. Neither ASIC nor any of their respective officers take any responsibility for the content of this First Supplementary Target's Statement.

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

FIRST SUPPLEMENTARY TARGET'S STATEMENT

Latitude 66 Cobalt Limited (ACN 623 040 773)

1 TRANSACTIONS SINCE THE DATE OF THE TARGET'S STATEMENT

On 27 January 2022, Lat66 entered into:

- (a) deeds of variation with SMAG Bidder and each Performance Rightsholder in respect of each Performance Rights Deed;
- (b) a deed of variation with SMAG in respect of the Bid Implementation Agreement and the Sale Agreement; and
- (c) a limited recourse loan agreement with SMAG Bidder.

1.1 Deeds of Variation – Performance Rights Deeds

On 11 January 2022, SMAG Bidder gave notice confirming that the condition in respect of the Performance Rights Offer (set out in Section 8.3(b) of the Target's Statement) was fulfilled and that, accordingly, the Offer and all takeover contracts arising from acceptance of the Offer were freed of that Offer Condition.

In accordance with the Performance Rights Offer, SMAG Bidder and each holder of Performance Rights entered into the Performance Rights Deeds as detailed in Section 5.14 of the Target's Statement.

Each Performance Rights Deed has been varied so that:

- (a) the Performance Rights Deeds automatically terminate if the conditions to the Performance Rights Offer described in Section 5.14 of the Target's Statement are not satisfied or waived by the end of the Offer Period;
- (b) the time for payment of the consideration under the Performance Rights Deed must be made in accordance with the time for payment under the Offer (meaning that Lat66 Shareholders who accept the Offer and Performance Rightsholders must be paid by the same time). SMAG Bidder has also agreed to endeavour to pay the consideration payable under the Performance Rights Deeds to the holders of Performance Rights within ten Business Days after the Offer becomes unconditional; and
- (c) a Performance Rightsholder may terminate the Performance Rights Deed following:
 - (i) SMAG Bidder breaching its obligation under the Bid Implementation Agreement to not extend the Offer without the consent of Lat66;

- (ii) SMAG Bidder failing to comply with SMAG Bidder's obligations in respect of the Offer; or
- (iii) Lat66 validly terminating the Bid Implementation Agreement in accordance with the terms of the Bid Implementation Agreement.

1.2 Deed of Variation - Bid Implementation Agreement and Sale Agreement

Lat66 and SMAG Bidder have agreed to amend the Bid Implementation Agreement so that:

- (a) SMAG Bidder may not extend the Offer beyond 4 March 2022 without the consent of Lat66 (such consent not to be unreasonably withheld or delayed); and
- (b) SMAG agrees to waive certain rights of exclusivity granted by Lat66 under the Bid Implementation Agreement (other than its rights to notify SMAG Bidder of any Competing Proposal and for SMAG Bidder to match any offer that is a Superior Proposal) until Lat66 is provided with evidence that at least A\$69,116,000 is held in an Australian denominated bank account.

Lat66, SMAG Bidder and SMAG have also agreed to amend the Sale Agreement so that the Sale Agreement may be terminated by Lat66 if:

- (a) SMAG Bidder materially breaches its obligations under the Bid Implementation Agreement and such breach is either incapable of remedy or is not remedied to Lat66's satisfaction (acting reasonably) within ten Business Days of Lat66 providing written notice; or
- (b) SMAG Bidder fails to comply with SMAG Bidder's obligations in respect of the Offer.

1.3 Further loan agreement

SMAG Bidder and Lat66 have entered into a further limited recourse loan agreement, under which SMAG Bidder has agreed to provide a facility of €1,000,000 to Lat66 for working capital purposes (**Second Loan Agreement**).

The Second Loan Agreement is on terms substantially similar to the first loan agreement referred to in Section 5.11(a) of the Target's Statement, other than as to drawdown of funding. The funds advanced under the Second Loan Agreement are to be advanced within five Business Days after the date of the Second Loan Agreement.

2 EXTENSION OF OFFER PERIOD

SMAG Bidder has varied the Offer by extending the closing date of the Offer until 5:00pm (Perth time) on 4 March 2022 and the date for giving a notice on the status of the Offer Conditions as required by section 630(1) of the Corporations Act has been extended to 25 February 2022, subject to variation in accordance with section 630(2)(b) of the Corporations Act in the event that the Offer Period is extended again.

The key dates in the table in Section 1.5 of the Target's Statement is replaced with the following:

EVENT	DATE
Announcement Date	20 December 2021
Lodgement of Bidder's Statement and Target's Statement with ASIC	22 December 2021

EVENT	DATE
Despatch of Bidder's Statement and Target's Statement to Lat66 Shareholders	23 December 2021
Offer Opens	23 December 2021
Offer Closes (unless otherwise extended or withdrawn)	4 March 2022

3 QUERIES

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).

4 AUTHORISATION

A copy of this First Supplementary Target's Statement was lodged with ASIC on 2 February 2022. Neither ASIC nor any of its officers take any responsibility for the content of this First Supplementary Target's Statement.

This First Supplementary Target's Statement has been approved by a resolution passed by the Independent Directors. Each of the Independent Directors voted in favour of that resolution.

Date: 2 February 2022

Signed for and on behalf of
Latitude 66 Cobalt Limited by



Mr Timothy Day
Director