

SunMirror (Luxembourg) S.A. (company number BN217501)

1. Introduction

This document is the first supplementary bidder's statement (**Supplementary Bidder's Statement**) to the bidder's statement dated 22 December 2021 (**Original Bidder's Statement**) issued by SunMirror (Luxembourg) S.A. (company number BN217501) (**SMAG Bidder**) in relation to SMAG Bidder's off-market takeover bid for all the issued capital in Latitude 66 Cobalt Limited ACN 623 040 773 (**Lat66**).

This Supplementary Bidder's Statement is given in accordance with Division 4 of Part 6.5 of the *Corporations Act 2001* (Cth) (**Corporations Act**) in compliance with the requirements of section 643 of the Corporations Act.

This Supplementary Bidder's Statement supplements and is to be read together with the Original Bidder's Statement (together, the **Bidder's Statement**). This document prevails in the event of any inconsistency with the Original Bidder'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.

2. Important notices

A copy of the Supplementary Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 2 February 2022. Neither ASIC nor any of its officers take any responsibility for the contents of this Second Supplementary Bidder's Statement.

3. Defined terms

Unless the context otherwise requires, capitalised terms in this Supplementary Bidder's Statement have the same meaning given to them in section 9.1 of the Original Bidder's Statement. The rules of interpretation set out in section 9.2 of the Original Bidder's Statement also apply to the Supplementary Bidder's Statement, unless the context otherwise requires.

4. Updates to Original Bidder's Statement

4.1 Introduction

Section 4 of this Supplementary Bidder's Statement sets out updates from SMAG Bidder in respect of certain disclosures in the Original Bidder's Statement, as at the date of this Supplementary Bidder's Statement, and varies the Original Bidder's Statement accordingly. SMAG Bidder encourages you to read this Supplementary Bidder's Statement in full.

4.2 Value of Lat66 Cobalt

In February 2021 and before entry into the Sale Agreement, an independent technical valuation of the assets of Lat66 Cobalt was obtained by the SunMirror Group from SRK Consulting (UK) Limited UK31169 (**SRK**). The valuation allocates a value of between EUR 21 - 73 million (with a preferred value of EUR 45 million) for the assets of Lat66 Cobalt.

Lat66 Shareholders should not place undue weight upon the valuation as:

- (a) the valuation is dated in February 2021 and may not be considered current, for example land holding has changed and exploration activities have been ongoing;
- (b) the uncertainty associated with the assets at that time such as, incomplete metallurgical testwork and the part unfinalised exploration licencing;
- (c) the high level nature of SRK's review;
- (d) the uncertainty generally associated with early stage Mineral Resource estimates and future exploration outcomes;
- (e) the valuation was conducted for the SunMirror Group's purposes only and, under its terms of issue, may not be relied upon any third party (which includes Lat66 Shareholders);
- (f) the valuation is not an independent expert report for the purposes of the Corporations Act or technical report, and is not subject to Australian law or regulation including (without limitation):
 - (i) the content requirements of applicable regulatory guidance such as *ASIC Regulatory Guide 111: Content of expert reports*;
 - (ii) compliance with industry codes, such as JORC; or
 - (iii) compliance with requirements applicable to the holders of Australian Financial Services Licences.

SRK has consented to the inclusion of the statements set out in this paragraph 4.2 of this Supplementary Bidder's Statement.

4.3 SMAG Bidder's intentions

Section 5.2 of the Original Bidder's Statement is deleted and replaced with the following:

Subject to the below, it is the present intention of SMAG Bidder, on the basis of the information concerning Lat66 which is known to SMAG Bidder and the existing circumstances affecting the SMAG Bidder that:

- (a) *the present employees of Lat66 will continue to be employed by Lat66, other than to the extent any employees may cease employment (including by way of resignation, redundancy or termination in accordance with applicable law) in the ordinary course of Lat66's business;*

- (b) *the business of Lat66 will continue to be conducted in substantially the same manner as it is presently being conducted, other than to the extent affected by general market conditions that similarly affect other businesses of the size and nature of Lat66; and*
- (c) *there will not be any redeployment of the fixed assets of Lat66.*

SMAG Bidder does not presently intend to make any material alterations to the business currently conducted by Lat66 (including in respect of its existing employees, business and assets).

SunMirror intends to seek tax advice as to the most efficient corporate structure in respect of any interest held by the SunMirror Group in Lat66 and Lat66 Cobalt, assuming the successful close of the Offer. Such advice may involve an intra-group transfer of the Lat66 Shares or shares in Lat66 Cobalt as part of a restructure between entities within the SunMirror Group, resulting in the Lat66 Shares or shares in Lat66 Cobalt being held by SMAG (SMAG Bidder's ultimate parent company), or another wholly-owned entity of SMAG.

4.4 Integration of Lat66

Section 5.4(d) of the Original Bidder's Statement is deleted and replaced with the following:

The operations of Lat66 and Lat66 Cobalt are independent operations and SMAG Bidder has no present intention to conduct any merger with any other business, assets or operational activities of the SunMirror Group, other than the holding of shares in Lat66 (and, through Lat66, shares in Lat66 Cobalt) within the SunMirror Group.

4.5 Loan agreement

Section 6.3 of the Original Bidder's Statement is varied by adding the following immediately before section 6.4:

This loan agreement:

- (a) *is unsecured;*
- (b) *is interest-free, unless SMAG Bidder fails to pay any amount owing when due, in which case interest of 4% per annum will be payable on the overdue amount;*
- (c) *is not subject to any conditions precedent or conditions subsequent;*
- (d) *does not contain any restrictive covenants or undertakings that affect SMAG Bidder; and*
- (e) *does not contain any termination rights.*

Repayment of the loan may be satisfied by SMAG Bidder (after successful completion of the Offer) by the transfer of 100% of issued Lat66 Shares to SMAG, and may only occur after all amounts due to accepting Lat66 Shareholders have been paid following successful close of the Offer.

The loan must also be repaid if the Bid Implementation Agreement is terminated, which may occur if SMAG Bidder or Lat66 are in breach of a material term of the Bid Implementation Agreement that is not remedied or is incapable of remedy, if Lat66 breaches its obligations of

exclusivity under the Bid Implementation Agreement or if an event referred to in section 652C Corporations Act occurs in respect of Lat66, a material adverse change occurs in respect of Lat66 or a Lat66 Material Transaction occurs.

4.6 Performance Rights Offer

On 11 January 2022, SMAG Bidder gave notice confirming that the condition in respect of the Performance Rights Offer (set out in Item 8(a)(ii) of Schedule 1 of the Original Bidder's Statement) was fulfilled and that, accordingly, the Offer and all takeover contracts arising from acceptance of the Offer were freed of that Bid Condition.

In accordance with the Performance Rights Offer, SMAG Bidder and each holder of Performance Rights have entered into a deed under which the holder of the Performance has agreed to transfer their Performance Rights to SMAG Bidder in exchange for payment of a cash amount per Performance Right that is equivalent to the Bid Consideration (**Performance Rights Deed**).

Under the terms of each Performance Rights Deed:

- (a) the holder of each Performance Right agrees not to exercise any rights in respect of those Performance Rights (including any rights in accordance with their terms to transfer or exercise those Performance Rights);
- (b) the transfer of the Performance Rights and payment of the consideration for each Performance Right is subject to the Offer becoming unconditional;
- (c) SMAG Bidder must pay the consideration for each Performance Right by the date that is ten Business Days after the Offer becomes unconditional; and
- (d) the Performance Rights will be cancelled immediately after their transfer to SMAG Bidder.

SMAG Bidder and the holder of each Performance Right have also entered into a deed of variation in respect of each Performance Rights Deed (see section 4.7 below for further information).

4.7 Transactions since the date of the Original Bidder's Statement

On 27 January 2022, SMAG Bidder entered into:

- (a) deeds of variation in respect of each Performance Rights Deed;
- (b) a deed of variation with Lat66 in respect of the Bid Implementation Agreement and the Sale Agreement; and
- (c) a limited recourse loan agreement with Lat66.

Performance Rights Deeds

Each Performance Rights Deed has been varied so that 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 (that is, so Lat66 Shareholders who accept the Offer and the holders of Performance Rights 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.

Deed of variation - Bid Implementation Agreement and Sale Agreement

SMAG Bidder and Lat66 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 the Maximum Cash Consideration is held in an Australian denominated bank account.

SMAG Bidder and Lat66 have also agreed to amend the Sale Agreement so that the Sale Agreement may be terminated by Lat66 if SMAG Bidder breaches its obligations under the Bid Implementation Agreement or fails to comply with its obligations in respect of the Offer.

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 EUR 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 5.3 of the Original Bidder's Statement (**First Loan Agreement**), 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.

4.8 Funding

SunMirror advises that, as at the date of this Supplementary Bidder's Statement, the second tranche of funding of the Maximum Cash Consideration referred to in section 6.2 of the Original Bidder's Statement has not yet been received by SunMirror.

5. Extension of Offer Period

The Original Bidder's Statement was lodged with ASIC on 22 December 2021. The Original Bidder's Statement noted that the Offer and any contract resulting from acceptance of the Offer is subject to the satisfaction of the Conditions.

The Offer was to remain open for acceptance during the period commencing on 23 December 2021 and ending at 5:00pm (AWST) on the later of:

- (a) 4 February 2022; or
- (b) any date to which the Offer Period is extended, in accordance with the Corporations Act.

On 27 January 2022, SMAG Bidder gave notice in accordance with section 650D(1) of the Corporations Act that it varied the Offer by extending the closing date of the Offer until 5:00pm (AWST) on 4 March 2022. All references in the Original Bidder's Statement to the closing date of the Offer are varied accordingly.

On 27 January 2022, in accordance with section 630(2)(b) of the Corporations Act, SMAG Bidder also gave notice that the date for giving a notice on the status of the Conditions as required by section 630(1) of the Corporations Act was extended from 28 January 2022 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. All references in the Original Bidder's Statement to the date for the delivery of that notice are varied accordingly.

SMAG Bidder notes that the Key Dates of the Original Bidder's Statement should be deleted and replaced by adding the following timetable:

Event	Date
Bidder's Statement and Target's Statement lodged with ASIC	22 December 2021
Bidder's Statement and Target's Statement sent to Lat66 Shareholders and Offer opens	23 December 2021
Date for giving notice of the status of the Bid Conditions	25 February 2022
Takeover Offer closes (unless otherwise extended or withdrawn) Commence compulsory acquisition	4 March 2022

The dates are indicative only and may change without notice. SMAG Bidder reserves the rights to amend the dates in the timetable in accordance with the Corporations Act and the terms of the Bid Implementation Agreement.

6. Status of Bid Conditions

As at the date of the Supplementary Bidder's Statement:

- (a) the Bid Condition in respect of the Performance Rights Offer set out in Item 8(a)(ii) of Schedule 1 of the Bidder's Statement has been fulfilled, such that the Offer and any takeover contract arising from acceptance of the Offer have been freed from those Bid Conditions;
- (b) SMAG Bidder has not freed the Offer from any of the other Bid Conditions; and
- (c) so far as SMAG Bidder is aware, none of the other Bid Conditions contained in Item 8(a) of Schedule 1 of the Bidder's Statement have been fulfilled or waived.

7. SMAG Bidder's Relevant Interest

As at the date of the Supplementary Bidder's Statement, SMAG Bidder has a Relevant Interest in 92.62% of Lat66. Accordingly, SMAG Bidder will be entitled to (and currently intends to) exercise the compulsory acquisition power set out in section 661A of the Corporations Act after the successful close of the Offer, and otherwise implement the objectives set out in section 5.4 of the Original Bidder's Statement (as supplemented by this Supplementary Bidder's Statement).

If you have not already accepted the Offer and SMAG Bidder compulsorily acquires your Lat66 Shares, you will receive the Bid Consideration at a later date than if you had accepted the Offer.

8. Queries

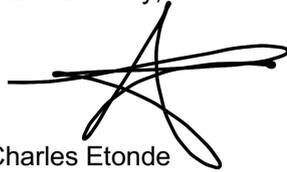
If you have any questions about the Original Bidder's Statement, the Supplementary Bidder's Statement or the Offer, please contact the SMAG Offer Information Line on 1300 288 664 (within Australia) or +61 2 96 98 5414 (from outside Australia), or your professional financial adviser.

9. Approval of the Supplementary Bidder's Statement

This Supplementary Bidder's Statement has been approved by a unanimous resolution of the directors of SMAG Bidder.

This Supplementary Bidder's Statement is dated 2 February 2022, which is the date it was lodged with ASIC.

Yours sincerely,



Charles Etonde
Director
SunMirror (Luxembourg) S.A.



Roger Hermann
Director
SunMirror (Luxembourg) S.A.