



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 DiscovEx Resources Limited (ACN 115 768 986) (**DCX**) to acquire all of the shares in Lat66 (**DCX Offer**).

This First Supplementary Target's Statement supplements, and should be read together with, Lat66's target's statement dated 24 April 2024 in relation to the DCX Offer (**Original Target's Statement**). Unless the context requires otherwise, terms defined in the Original 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 Original Target's Statement.

A copy of this First Supplementary Target's Statement was lodged with ASIC on 15 May 2024. Neither ASIC nor any of their 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.

1 AMENDMENTS TO THE ORIGINAL TARGET'S STATEMENT

1.1 Letter from the Lat66 Directors

The Letter from the Lat66 Directors in the Original Target's Statement is deleted in its entirety and replaced with the following:

LETTER FROM THE LAT66 DIRECTORS

Dear Lat66 Shareholder

*On 3 April 2024, Lat66 entered into a bid implementation agreement with the Bidder, being DiscovEx Resources Limited ACN 115 768 986, pursuant to which the Bidder agreed to make an offer to acquire all Lat66 Shares for consideration of 0.8813161 Bidder Shares per Lat66 Share (subject to rounding of entitlements and on a post-Bidder Consolidation basis), to be effected by way of a conditional off-market takeover bid (**Offer**). The Bidder's Statement from the Bidder is intended to be sent to Lat66 Shareholders on 26 April 2024 and outlines the terms and conditions of the Offer.*

THE LAT66 DIRECTORS' UNANIMOUS RECOMMENDATION

*The Lat66 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 Lat66 Directors collectively have a Relevant Interest in approximately 29% of the total number of Lat66 Shares on issue as at the date of this Target's Statement.

KEY REASONS THE LAT66 DIRECTORS UNANIMOUSLY RECOMMEND YOU **ACCEPT THE OFFER**

*In summary, the key reasons why the Lat66 Directors recommend you **ACCEPT** the Offer, in the absence of a Superior Proposal, are as follows:*

- 1. the Offer represents an appropriate value for Lat66 Shares, being an implied value of A\$0.176 per Lat66 Share¹ implying an 18% return for Lat66 Shareholders who invested in the most recent capital raising in December 2023;*
- 2. more than 70% of the value of the enlarged Merged Entity will be attributable to the Lat66 Shareholders;*

¹ Based on a deemed issue price of A\$0.20 per Bidder Share (on a post-Bidder Consolidation basis), being the proposed issue price under the Prospectus Offer to be completed by the Bidder under the Prospectus. After completion of the Offer, if completed successfully, the implied value of the Bid Consideration will change as a consequence of changes in the market price of the Bidder Shares from time to time.

3. the Offer presents Lat66 Shareholders greater liquidity for their investments, subject to any applicable ASX imposed escrow restrictions;
4. the Prospectus Offer to be conducted by the Bidder in connection with the Offer will provide a source of funding for the advancement of the Project and reduce the risk of future dilution from any future fundraisings;
5. the value of Lat66 Shares may fall if the Offer is unsuccessful or in the absence of a Superior Proposal emerging;
6. Lat66 Shareholders may obtain CGT rollover relief in relation to the Offer, provided the Bidder acquires at least 80% of the Lat66 Shares under the Offer;
7. since the Bid Implementation Agreement was executed, Lat66 has not received a Superior Proposal from a third party; and
8. 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.

KEY REASONS WHY YOU MAY CHOOSE TO NOT ACCEPT THE OFFER

In summary, the key reasons why you may choose not to accept the Offer are as follows:

1. Lat66 Shareholders may not agree with the Lat66 Directors' unanimous recommendation to accept the Offer;
2. Lat66 Shareholders may believe that they will have the opportunity for greater returns over the long term if Lat66 remains as a stand-alone entity;
3. 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;
4. the price of Bidder Shares will vary over time;
5. if any or all Bidder Shares issued to a Lat66 Shareholder are restricted, it will affect that Lat66 Shareholders capacity to sell them on-market or off-market and affect the liquidity of the Bidder Shares on-market; and
6. acceptance of the Offer may have potential tax consequences for Lat66 Shareholders, which may not suit their current financial position or tax circumstances.

Each of the above key reasons to **NOT ACCEPT** the Offer are detailed in Section 2.2 of this Target's Statement.

TIMING AND FURTHER INFORMATION

The Offer is scheduled to close at 5.00pm Perth time on 31 May 2024, unless withdrawn or extended. To **ACCEPT** the Offer, please refer to the acceptance instructions outlined in section 10.3 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 DCX/Lat66 Takeover Query Line on 1300 441 607 (within Australia) or +61 2 7250 6677 (outside of Australia).

Yours faithfully



Grant Coyle
Managing Director

1.2 Reasons to Accept the Offer

The response to the question "The Offer represents an appropriate value for Lat66 Shares" in Section 2.1 of the Original Target's Statement is deleted in its entirety and replaced with the following:

In the last six months, Lat66 issued:

- *33,333,334 Lat66 Shares at A\$0.15 to raise A\$5,000,000 on 21 December 2023 in seed capital raising to professional and sophisticated investors. The issue price was determined based on arm's length negotiations between Lat66 and the subscribers; and*
- *500,000 Lat66 Shares at A\$0.53 on 7 January 2024 to a consultant as consideration for corporate advisory services provided. The deemed issue price was determined based on arm's length negotiations between Lat66 and the consultant with the value of the Lat66 Shares issued to the consultant set off against the amount the owed by Lat66 to the consultant.*

The Offer represents an implied valuation of A\$0.176 per Lat66 Share, implying an 18% return for Lat66 Shareholders who invested in the most recent capital raising in December 2023.

The implied value of Lat66 Shares is based on a deemed issue price of A\$0.20 per Bidder Share (on a post-Bidder Consolidation basis), being the proposed issue price under the Prospectus Offer to be conducted by the Bidder under the Prospectus.

After completion of the Offer, if completed successfully, the implied value of the Bid Consideration will change as a consequence of changes in the market price of the Bidder Shares from time to time.

2 AUTHORISATION

This First Supplementary Target's Statement is dated 15 May 2024 and has been approved by a unanimous resolution passed by the Lat66 Directors.

Signed for and on behalf of Latitude 66 Cobalt Limited



Mr Grant Coyle
Managing Director