



ASX ANNOUNCEMENT | DISCOVEX RESOURCES LIMITED

4 April 2024

## Transformational Acquisition of Gold-Cobalt Development Projects

### HIGHLIGHTS

- **DiscovEx Resources Limited (Company or DCX) intends to acquire all of the fully paid Ordinary shares in Latitude 66 Cobalt Limited (Latitude 66), an unlisted Australian public company that holds significant gold and cobalt assets in Finland via its wholly owned subsidiary company Latitude 66 Cobalt Oy (incorporated in Finland).**
- **Finland is home to the largest gold operation in Europe with the Kittila mine producing in excess of 200,000oz Au pa and a resource of 6.3Moz Au5. Finland has significant downstream refining capacity being the largest refiner of cobalt outside of China.**
- **The key assets of Latitude 66 comprises its flagship project in the Kuusamo Schist Belt (the KSB Project) and regional exploration projects in the highly prospective Peräpohja Schist Belts (PSB), Kainuu Schist Belts (Kainuu) and Central Lapland Greenstone Belt (Kola and Kolari) in Northern Finland.**
- **Existing JORC 2012 Indicated and Inferred Mineral Resource at the KSB Project of 7.3Mt @ 2.74g/t Au & 0.08% Co for 650,000oz Au and 5,840t Co.<sup>1</sup>**
- **The high-grade gold resource underpins the potential for strong project economics and a secure European-based supply of economic gold and cobalt production. The multi-commodity asset provides exposure to the growing critical raw material supply chain requirements currently developing in Europe.**
- **Extensive metallurgical test work completed demonstrating a conventional flowsheet with high gold and cobalt recoveries.**
- **Significant exploration potential within regional tenure, with diamond drilling currently underway, key regional targets include:**
  - **K9 Prospect: 13.45m @ 6.25g/t Au (L66K9DD008)<sup>2</sup>; and**
  - **K9 Prospect: 50.15m @ 0.45% Co (L66K9DD001)<sup>2</sup>; and**
  - **K8 Prospect: 10.25m @ 4.84g/t Au (L66K8DD002)<sup>3</sup>.**
- **DCX intends to raise up to \$4 million via a public offer of fully paid Ordinary shares in DCX, subject to shareholder approval.**
- **Proposed Board restructure post transaction to provide the appropriate mix of technical, corporate and “in-country” experience.**
- **The current DCX Board unanimously recommends the transaction, and each member of the Board intends, subject to no superior proposal emerging, to vote all shares they control in favour of the transaction. DCX’s largest shareholder Capricorn Metals has committed to vote in favour of the transaction.**
- **DCX to change its name to Latitude 66 Limited, subject to shareholder approval.**

<sup>1</sup> Refer to Table 2 on page 17, Appendix A and Section 3 of JORC Table 1 for all details on Resource (Schedule 5).

<sup>2</sup> Refer to Appendix B & C and JORC Table 1 for all previous exploration (Schedule 5).

<sup>3</sup> Refer to Appendix B & C and JORC Table 1 for all previous exploration (Schedule 5).

**DCX Managing Director, Toby Wellman, commented:**

*“We are extremely excited to be acquiring Latitude 66 and its quality project portfolio in Finland. Over the past seven years, Latitude 66 has acquired a significant tenement portfolio in Finland, predominantly focused on gold and cobalt. The flagship KSB Project already contains 650,000 ounces of gold as well as the second largest undeveloped cobalt resource in Europe.*

*“The proposed acquisition represents a step change for DCX and provides exposure to an emerging critical minerals demand that is gaining momentum across the globe. Europe recognises the importance of securing domestic supply chains and with DCX acquiring the second largest undeveloped Cobalt mineral resource in the European Union, the Company will have exposure to this and the eventual upside this may present.*

*“The Latitude 66’s projects complement our existing portfolio and provide leverage into one of the largest critical minerals regions in Europe. The quality of the projects, people and funding that this transaction brings will provide a springboard to take the Company to the next level.”*

**Latitude 66 Managing Director, Grant Coyle commented:**

*“Latitude 66 is extremely excited with the proposed transaction which brings together complementary projects located in Teir 1 mining jurisdictions. We see significant value creation potential in the DCX assets and feel the combination of the projects will enable a diversified growth strategy which can create huge value for all shareholders.*

*“The combination of the two companies enhances the Board and senior management skillsets required to achieve the growth strategy ambitions. We are excited to see the value Toby will be able to bring to the Finland asset portfolio. His previous experience in the Nordics will be a real asset for the company with the Finnish team and Toby already integrated as part of the current drilling campaign at K-South.”*

**Transaction Details**

The Company is pleased to announce that it has entered into a Bid Implementation Agreement (**BIA**) with Latitude 66 that sets out the terms the Company will offer to acquire all of the fully paid Ordinary shares (**Shares**) in Latitude 66 by way of an off-market takeover bid under the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Takeover Offer**).

Under the Takeover Offer, the Company will offer to Latitude 66 shareholders 0.8813161 Shares in DCX (on a post Consolidated basis<sup>4</sup>) for every one (1) Latitude 66 Share held.

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<sup>4</sup> Following the proposed consolidation of the capital of Latitude 66 on a ‘1 for 100’ basis, with fractional entitlements being rounded down to the nearest whole number, for which the approval of shareholders will be sought at a shareholder meeting expected to be held in May 2024 (**Consolidation**).

The Takeover Offer will be subject to the satisfaction of certain bid conditions including, amongst others:

- a. 90% minimum acceptance by Latitude 66 shareholders of the Takeover Offer;
- b. Confirmation from ASX that DCX can re-commence trading on successful completion of the Takeover Offer and having re-complied with Chapters 1 and 2 of the ASX Listing Rules (**Listing Rules**);
- c. No material adverse change, prescribed occurrence or regulated event in relation to Latitude 66 having occurred;
- d. Completion by DCX of a public offer raising at least \$2,000,000 (**Public Offer**);
- e. DCX receiving the necessary shareholder approvals and having completed the Consolidation; and
- f. DCX receiving from the Ministry for Economic Affairs and Employment of Finland the approval required for the Takeover Offer.

If the conditions of the offer under the BIA are not satisfied or waived before the end of the Takeover Offer, the proposed acquisition of Latitude 66 (**Proposed Transaction**) will not proceed.

The BIA includes standard exclusivity arrangements (including “no shop”, “no talk” and “no due diligence” restrictions and notification obligations) in favour of both parties, a “notification” and “matching right” in favour of both parties and a break fee regime in favour of both parties. The exclusivity arrangements are subject to customary exceptions that enable the directors of Latitude 66 and DCX to comply with their respective fiduciary and / or statutory duties.

Full details of the terms and conditions of the Takeover Offer are set out in the BIA, a copy of which is annexed at Schedule 1.

### Overview of Latitude 66

Latitude 66 is an Australian unlisted public company incorporated on 23 November 2017 for the purposes of acquiring, exploring, and developing the KSB Project located in the Kuusamo area of Finland, approximately 700km north of Helsinki (**KSB Project**). Latitude 66 owns 100% of Latitude 66 Cobalt Oy (Business ID: 2656776-9), an entity incorporated in Finland, which is the entity that owns 100% of a portfolio of polymetallic exploration projects in Finland (**Finnish Portfolio**).

Latitude 66 Cobalt Oy acquired the KSB Project from Dragon Mining Limited through the acquisition of Dragon Mining Oy on 8 November 2016. The company also has ownership interests in a number of other projects that comprise the Finnish Portfolio, detailed further below.

Since inception in 2017, Latitude 66 has accumulated one of the largest exploration land holdings in Finland (around 1,000 km<sup>2</sup>) and currently owns the third largest undeveloped cobalt mineral resource in the European Union.

Latitude 66 has unlocked the potential of the Kuusamo Schist Belt (**KSB**) with new discoveries and significantly increasing the gold and cobalt mineral resource inventory. Latitude 66 possesses cobalt and gold projects in Finland spanning all stages of the exploration pipeline, from greenfield exploration targets to mine development.

Beyond the KSB, Latitude 66 is conducting regional exploration activities in the highly prospective Peräpohja Schist Belts (**PSB**), Kainuu Schist Belts and Central Lapland Greenstone Belt.

Latitude 66 is positioning to be, not only a gold producer but a key supplier of locally sourced cobalt and other critical mineral products to the growing European battery market. At the KSB project Latitude 66 owns what is the third largest undeveloped cobalt mineral resource in the European Union and provides European industries a unique opportunity to de-risk the highly concentrated supply chain for cobalt and to comply with the European Union's Critical Raw Materials Act requirements. The European Union's Critical Raw Materials Act requires 10% of its critical raw materials to be mined in the European Union (**EU**).

Finland is currently the only cobalt mining country in the EU and has the largest cobalt refining capacity outside of China. The current EU production of cobalt is approximately 1,500 tpa as by-product from two nickel mines in Finland, both having no significant expansions planned.

### Latitude 66 Projects

Latitude 66 holds a 100% interest in the following projects (**Projects**), through its Finnish entity, Latitude 66 Cobalt Oy, further details of each are set out below.

The KSB Project, which comprises:

- a. one granted Mining Concession;
- b. six granted Exploration Permits;
- c. twenty-six Exploration Permit Applications; and
- d. one Exploration Reservation,

covering a total of 298 km<sup>2</sup> of prospective ground in the KSB.

The PSB Project, which comprises thirteen Exploration Permit Applications, covering a total of 400 km<sup>2</sup> of prospective ground in the PSB.

The Kainuu Project comprises seven Exploration Permit Applications covering a total of 122 km<sup>2</sup> of prospective ground in the Kainuu Schist Belt.

The Kola and Kolari Projects comprises fourteen Exploration Permit Applications covering a total of 297 km<sup>2</sup> of prospective ground in the Central Lapland Greenstone Belt.

### Location of Project

Latitude 66 holds a 100% interest in several multi-commodity assets located across five mineral belts in Northern Finland (**Figure 1**). The greenstone belts are Paleoproterozoic and Archean in age and are similar to many such geological belts recognised globally, many of which contain abundant mineral deposits.





**Figure 1: Latitude 66 Projects comprising the Finnish Portfolio**

Finland is home to multiple mining operations and downstream mineral processing facilities including the EU's largest gold mine, the 6.3Moz Kittilä Deposit (Proven Ore Reserve: 0.98Mt @ 4.1g/t Au, Probable Ore Reserve: 25.9Mt @ 4.1g/t Au, Measured Mineral Resource: 4.3Mt @ 2.9g/t Au, Indicated Mineral Resource: 13.6Mt @ 2.9g/t Au and Inferred Mineral Resource: 6.6Mt @ 5.1g/t Au for total 6.3 Moz).<sup>5</sup>

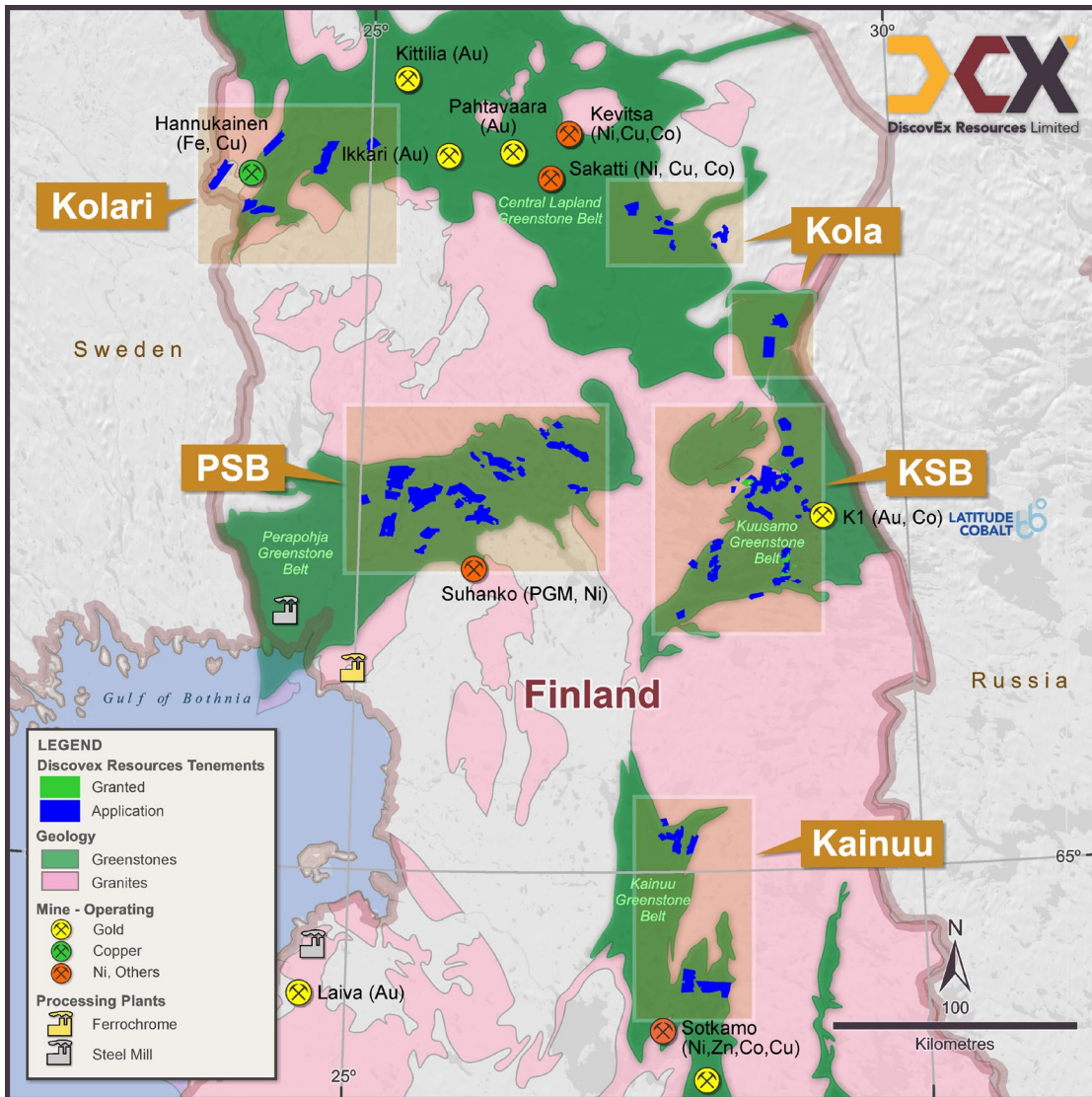
In addition, recent exploration success by Rupert Resources Ltd (TSX:RUP) at the Ikkari Project (Indicated Mineral Resource: 58.4 Mt @ 2.18g/t Au, Inferred Mineral Resource: 3.6 Mt @ 1.18g/t Au for total 4.2 Moz<sup>6</sup>) has highlighted the country's potential to host multi-million ounce gold discoveries.

The proposed acquisition of Latitude 66 includes the purchase of one granted mining lease, six granted exploration permits, sixty exploration application permits and one exploration reservation permit across five project areas including the PSB, KSB, Kainuu, Kolari and Kola Projects. The KSB Project is the primary asset for Latitude 66 and consists of the K1, K2 and K3 Indicated and Inferred Mineral Resource of 7.3Mt @ 2.7g/t Au and 0.08% Co for total metal of 650,000oz Au and 5,800t Co

<sup>5</sup> Previously announced by Agnico Eagle Mines Limited TSX:AEM on 15/2/2024.

<sup>6</sup> Previously announced by Rupert Resources Ltd TSX:RUP on 28/11/2023.

(Refer to Table 2 on page 17, Appendix A and Section 3 of JORC Table 1 for all details on Resource at Schedule 5).

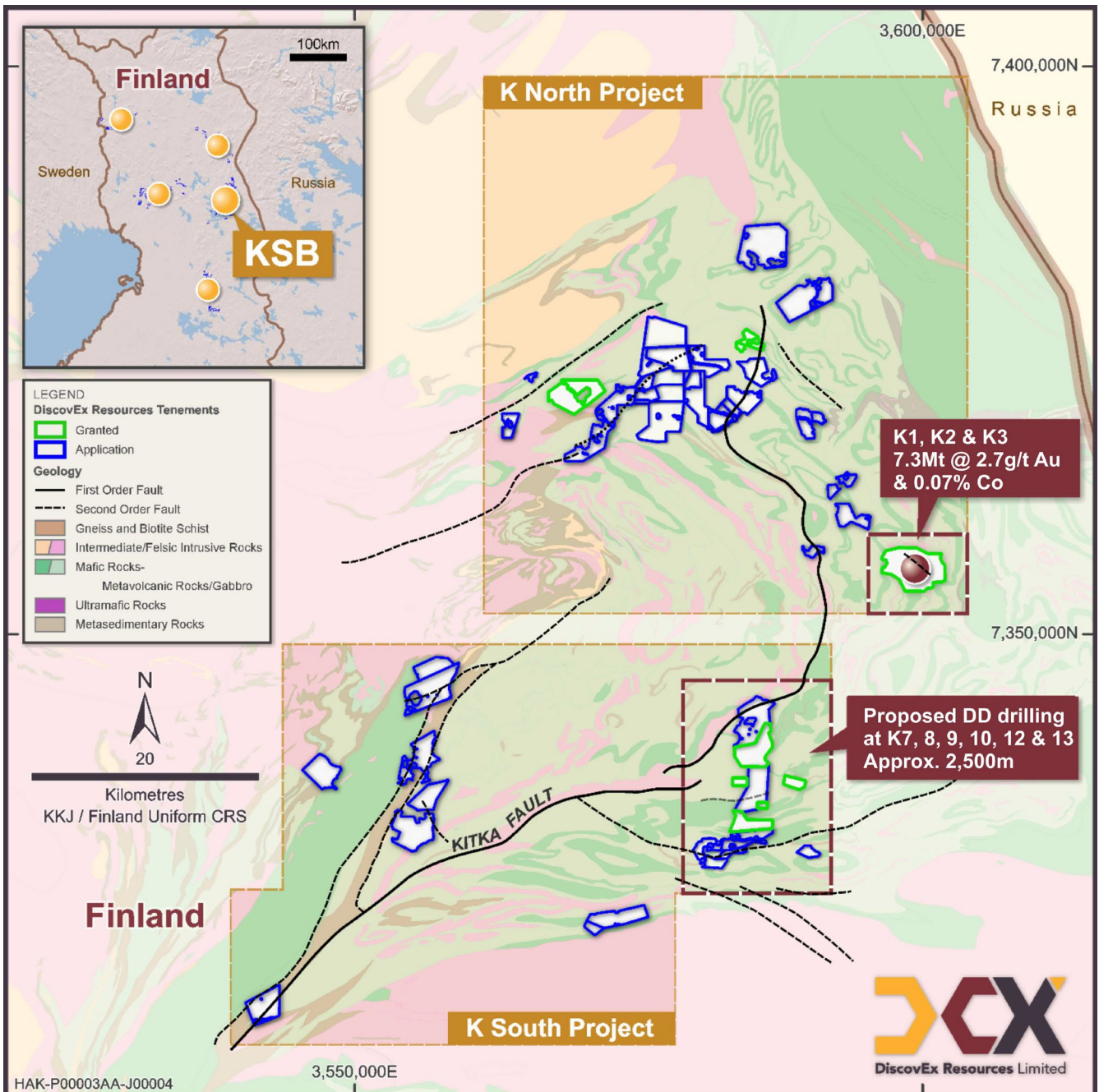


**Figure 2: Location of Project areas within Northern Finland**

### KSB Project

The KSB Project is located in the Sericite Quartzite Formation of the Palaeoproterozoic Kuusamo Schist Belt (**Figure 3**) and is split into two sub-projects of K-North and K-South (**Figure 2**). Within K North, three Resources have been delineated, namely the K1, K2 and K3 Deposits.





**Figure 3: KSB Project**

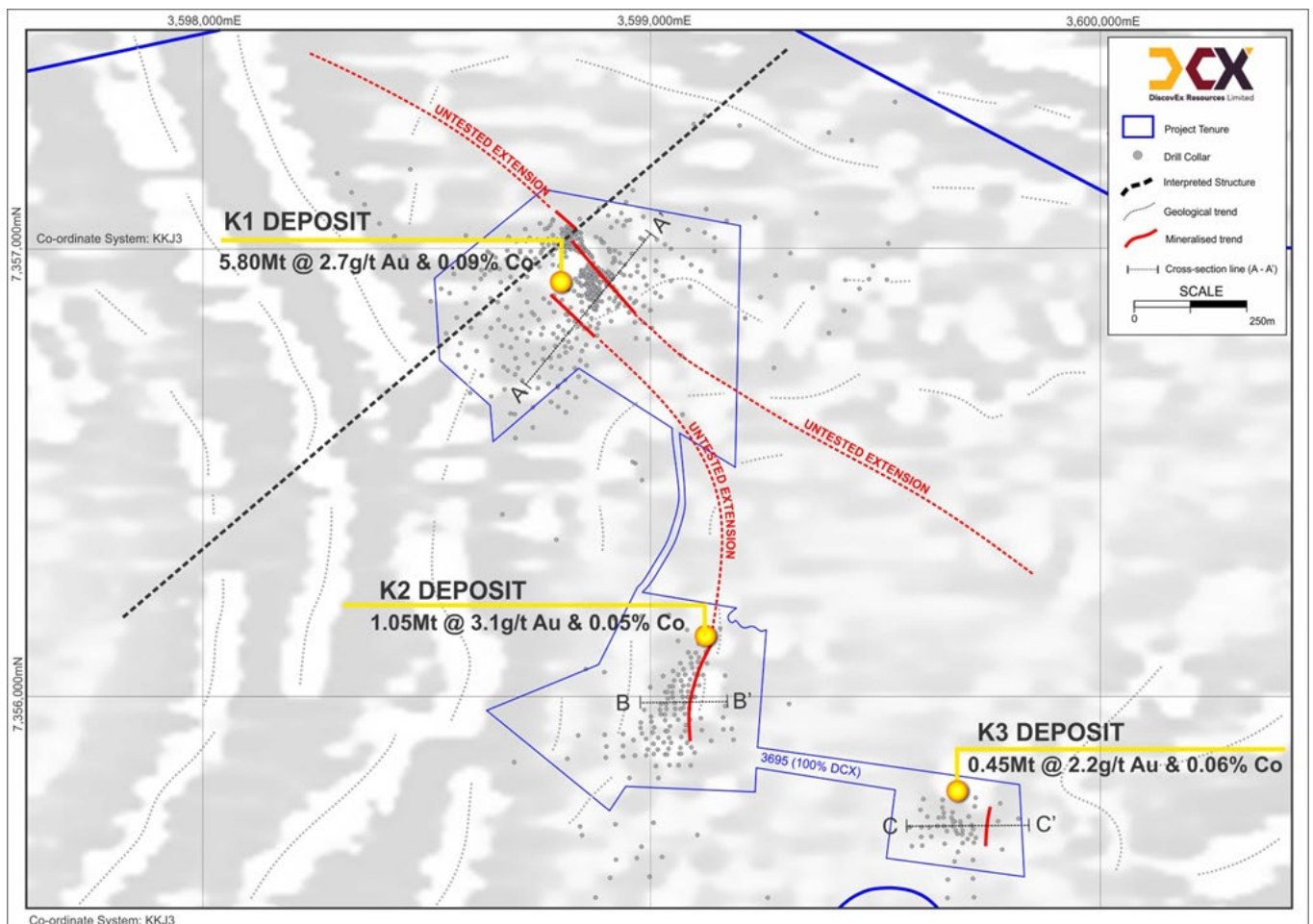
**K1 DEPOSIT**

**Geology and Geological Interpretation**

The mineralisation at K1 is mainly hosted by albitised, biotitised and sulphidised sericite quartzite and mafic volcanic rocks in a metamorphosed, supracrustal sequence. Native gold is chiefly associated with bismuth and tellurium minerals as inclusions in pyrite and cobaltite, between silicates, and in tiny gold-bismuth-tellurium rich veinlets oriented parallel with foliation and enveloped by silicates.

## Drilling, sampling and sub-sampling techniques

The drill spacing for the K1 Mineral Resource Estimate (MRE) is predominantly on 12.5m oblique sections with individual holes spaced at 8m to 20m on each section. Drill spacing increases with depth and becomes more variable. Drilling was completed using both percussion and surface diamond hole types. Hole depths ranged from 1 metre to 650m.



**Figure 4: Mineral Resource areas at K-North including K1, K2 and K3**

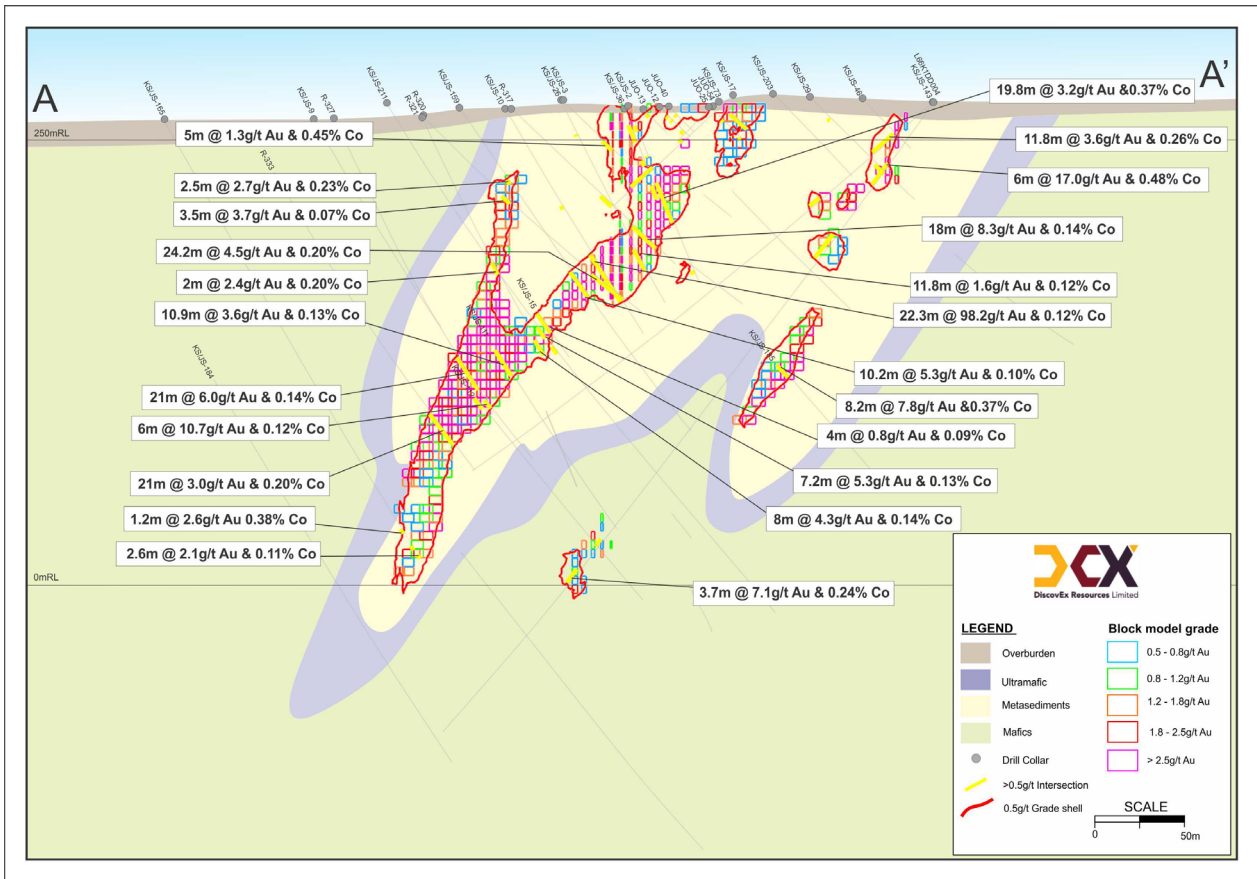
Historical percussion drill samples were collected at one metre intervals. Samples were collected at the rig, representing a coarse sample fraction. The whole sample was collected and split at the laboratory's sample handling facility.

Historical diamond core drilling was conducted by previous owners Geological Survey of Finland (GSF) and Outokumpu Mining Oy (Outokumpu) using 31.7mm and 41.7mm core diameter. Dragon Mining completed multiple drill programs at the deposit using 50.5mm (WL-66) core with some 50.7mm (NQ2). All drilling completed by Latitude 66 was using NQ2 core. Diamond core was cut in half using a core saw with sampling at varying intervals based on geological boundaries. Sampling, sub-sampling and analysis history is detailed below:





exhibits north-west plunging components to the mineralised shoots. A typical section is presented in Figure 5 below.



**Figure 5: Typical cross section (oblique +/-10m) through the K1 Deposit**

A gold and cobalt mineralisation indicator model was generated at a cut-off of 0.3g/t Au and 150ppm Co. The indicator grade estimates have been grade shelled at 30% probability and these grade shells can be considered appropriate to capture the mineralised body. This interpretation is designed to capture the broad mineralisation halo that encompasses the geological vein system and is not intended to constrain individual veins or vein clusters.

The grade shell was generated via indicator kriging of 3m run length downhole composites into small blocks (2mE x 2mN x 2mRL) and the grade shell wireframe was created at a 30% probability level. The probability cut-offs were selected based on extensive review of a range of probability cut-off levels. The selected probability shells are considered optimal to capture the observed continuity and tenor of mineralisation while excluding obvious low-grade material. Grade shells were reviewed in multiple orientations and in plan and section view prior to being accepted for grade estimation and block modelling purposes.

MIK was used for the estimation of gold at K1 with ordinary kriging used to estimate Co. The grade shell constraints were coded to the drill hole database and samples were composited to 3m downhole length. The parent block size within the estimated domains is 20mN x 10mE 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 variable drill section spacing and likely method of future open pit production. The MIK estimation at K1 have been localised to an SMU dimension (10mN x5mE x 5mRL) to emulate selectivity for open pit mining. Search ellipses were 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.

Classification was developed primarily on the basis of consideration of data numbers and spacing, quality and robustness of the estimate and appropriate quality control of sampling and assaying. Classification was achieved via block model script and the factors varied per deposit. The classification of Indicated is only considered in areas where the drill spacing is better than 40m strike by 40m down dip. Indicated blocks had an average distance to the utilised composites of 60m or less and had to be within 30m of the nearest drillhole.

### **Mining, Metallurgy and Other Modifying Factors**

Trial open pit mining was completed by Outokumpu In autumn 1992. A total of 17,645t of ore was processed with both gravity and flotation circuits in Rautuvaara Plant of Saattopora Gold Mine in December 1992<sup>7</sup>. It is assumed that mining at K1 would initially be conducted using open pit techniques.

Mineral resources are reported at a lower cutoff grade of 0.5 g/t Au and this is considered as a potential likely mining cutoff grade. Preliminary metallurgical testwork indicates acceptable recoveries for gold and cobalt using conventional processing methods. Targeted domain specific metallurgical testwork is ongoing. No other potential modifying factors have been considered to date.

## **K2 DEPOSIT**

### **Geology and Geological Interpretation**

K2 is located in the Paleoproterozoic Kuusamo Schist Belt. The Kuusamo Schist Belt consists of metasedimentary and metavolcanic units intruded by dolerites. The deposit is located in contact zone between mafic metavolcanic rocks of the tholeiitic Greenstone Formation II and the metasedimentary rocks of the Sericite Quartzite Formation, in the northern part of the Käylä-Konttiahö Anticline.

K2 comprises several lodes controlled by northwest trending faults crossing the northeast trending anticline. It is mineralised for gold and cobalt, and enriched in silver, copper, rare earth elements and molybdenum. The deposit is extensively albitised and includes quartz, biotite, sericite, chlorite, carbonates, pyrite and magnetite/hematite. Native gold occurs as inclusions in pyrite and also embedded on grain contacts associated with sulphides and silicates.

### **Drilling, sampling and sub-sampling techniques**

The drill spacing at K2 is predominantly on 12m sections with individual holes spaced at 12m on each section and drill spacing becomes more variable with depth. Drilling was completed using diamond holes only. Hole depths ranged from 7 metre to 348m.

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<sup>7</sup> Refer announcement from Dragon Mining Limited (ASX:DRA) on 18<sup>th</sup> March 2014 "Resource Updates Lift Kuusamo Ounces"

Historical diamond core drilling was conducted by previous owners Geological Survey of Finland (**GSF**) and Outokumpu Mining Oy (**Outokumpu**) using 45mm (T56) and 31.7mm (T46) core diameter. Dragon Mining completed multiple drill programs at the deposit using 50.5mm (WL-66) core with some 50.7mm (NQ2). No Latitude 66 drilling has been used in this estimate. Diamond core was cut in half using a core saw with sampling at varying intervals based on geological boundaries. Sampling, sub-sampling and analysis history is detailed below:

**Table 1b: Details of sampling, sub-sampling and analysis techniques for K2.**

Owner Status	Sampling Intervals	Analytical Methods
Geological Survey of Finland		Sample Prep: -75um grind
Before Acquisition by Latitude 66 Cobalt Ltd	1 m interval diamond core sawn samples.	Gold by FA (AA25) with AAS, ICP or gravimetric finish
Outokumpu Finmines Oy & Outokumpu Precious Metal Mines		Multi-element by aqua regia with AAS or ICP-MS finish
Dragon Mining Limited (ASX:DRA)		

### Sample Preparation and Analysis

Historical samples were sent for preparation (crushing and pulverising) and assaying at GSF's or Outokumpu's laboratory where samples were analysed 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. Sulphur was analysed systematically using the LECO method.

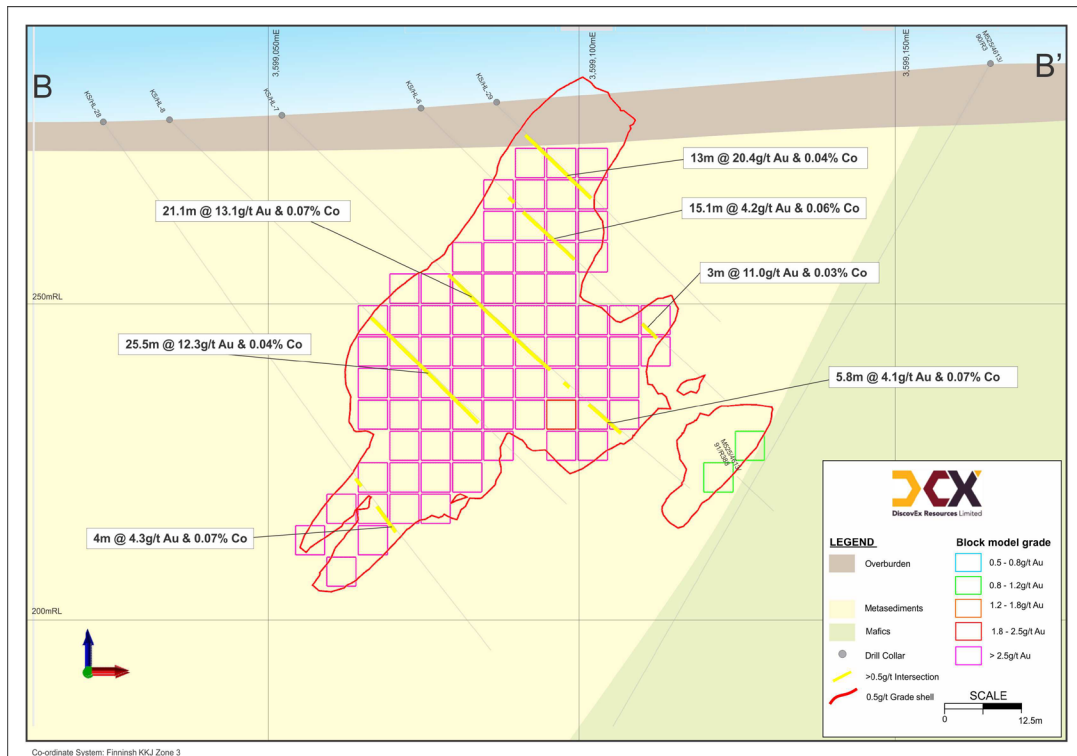
Dragon Mining core samples were sent to the ALS preparation laboratory in Outokumpu where samples were crushed to <2mm and split to approximately 1kg. Samples were pulverised to -75 microns and two pulp samples collected, 80g and 15-20g.

Gold analysis was completed at ALS Minerals in Rosia Montana, Romania using procedures Au-AA25 (Detection Limit – 0.01g/t gold; upper limit – 100g/t gold) – 30g Fire Assay with AAS finish. Gold values exceeding 3g/t gold are re-assayed by Au-GRA22 (Detection Limit – 0.05g/t gold; upper limit – 1,000g/t gold) – 50g Fire Assay with gravimetric finish.

Multi-element analysis was completed at ALS Minerals in Vancouver, Canada using procedures ME-MS41. Uranium values exceeding 1000ppm were re-assayed by (+)-OG46 method. Sulphur values exceeding 5% were re-assayed by the S-IR008 method.

### Estimation Methodology and Classification

The K2 mineral resource model has a strike length of 280 m, width of up to 50m, and extends from natural surface to a depth of 70 m. The deposit dips to the west at approximately 60°. A typical section is presented in **Figure 6** below.



**Figure 6: Typical cross section (7,355,985mN) through the K2 Deposit**

A gold and cobalt mineralisation indicator model was generated at a cut-off of 0.3g/t Au and 150ppm Co. The indicator grade estimates have been grade shelled at 30% probability and these grade shells can be considered appropriate to capture the mineralised body. This interpretation is designed to capture the broad mineralisation halo that encompasses the geological vein system and is not intended to constrain individual veins or vein clusters.

The grade shell was generated via indicator kriging of 3m run length downhole composites into small blocks (2mE x 2mN x 2mRL) and the grade shell wireframe was created at a 30% probability level. The probability cut-offs were selected based on extensive review of a range of probability cut-off levels. The selected probability shells are considered optimal to capture the observed continuity and tenor of mineralisation while excluding obvious low-grade material. Grade shells were reviewed in multiple orientations and in plan and section view prior to being accepted for grade estimation and block modelling purposes.

Ordinary Kriging was used to estimate Au and Co at K2. The grade shell constraints were coded to the drill hole database and samples were composited to 3m downhole length. The parent block size within the estimated domains is 10mN x 5mE x 5mRL. The parent block size was chosen based on mineralised bodies dimension and orientation, estimation methodology and relates to drill section spacing and likely method of future open pit production. Search ellipses were 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.

Classification was developed primarily on the basis of consideration of data numbers and spacing, quality and robustness of the estimate and appropriate quality control of sampling and assaying. Classification was achieved via block model script and the factors varied per deposit. The classification of Indicated is only considered in areas where the drill spacing is better than 40m strike by 40m down dip. Indicated blocks had an average distance to the utilised composites of 40m or less and had to be within 35m of the nearest drillhole.

### Mining, Metallurgy and Other Modifying Factors

Mineral resources are reported at a lower cutoff grade of 0.5 g/t Au and this is considered as a potential likely mining cutoff grade. Preliminary metallurgical testwork indicates acceptable recoveries for gold and cobalt using conventional processing methods. Targeted domain specific metallurgical testwork is ongoing. No other potential modifying factors have been considered to date.

### K3 DEPOSIT

#### Geology and Geological Interpretation

K3 is located in the Paleoproterozoic Kuusamo Schist Belt. The Kuusamo Schist Belt consists of metasedimentary and metavolcanic units intruded by dolerites. The deposit is located in contact zone between mafic metavolcanic rocks of the tholeiitic Greenstone Formation II and the metasedimentary rocks of the Sericitic Quartzite Formation, in the northern part of the Käylä-Konttiaho Anticline.

K3 comprises several lodes controlled by northwest trending faults crossing the northeast trending anticline. It is mineralised for gold and cobalt, and enriched in silver, copper, rare earth elements and molybdenum. The deposit is extensively albitised and includes quartz, biotite, sericite, chlorite, carbonates, pyrite and magnetite/hematite. Native gold occurs as inclusions in pyrite and also embedded on grain contacts associated with sulphides and silicates.

#### Drilling, sampling and sub-sampling techniques

The K3 deposit was drilled using diamond holes only. The drill spacing at K3 is predominantly on 10m sections with individual holes spaced at up to 25m on each section. Hole depths ranged from 35.9 metre to 207.5m.

Historical diamond core drilling was conducted by previous owners Geological Survey of Finland (**GSF**) and Outokumpu Mining Oy (**Outokumpu**) using 45mm (T56) core diameter. Dragon Mining used 50.5mm (WL-66) core. No Latitude 66 drilling has been used in this estimate. Diamond core was cut in half using a core saw with sampling at varying intervals based on geological boundaries. Sampling, sub-sampling and analysis history is detailed below:

**Table 1c: Details of sampling, sub-sampling and analysis techniques for K3.**

Owner Status	Sampling Intervals	Analytical Methods
Before Acquisition by Latitude 66 Cobalt Ltd	Geological Survey of Finland 1 m interval diamond core sawn samples.	Sample Prep: -75um grind Gold by FA (AA25) with AAS, ICP or gravimetric finish Multi-element by aqua regia with AAS or ICP-MS finish
Outokumpu Finmines Oy & Outokumpu Precious Metal Mines		
Dragon Mining Limited (ASX:DRA)		



### Sample Preparation and Analysis

Historical samples were sent for preparation (crushing and pulverising) and assaying at GSF's or Outokumpu's laboratory where samples were analysed 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. Sulphur was analysed systematically using the LECO method.

Dragon Mining core samples were sent to the ALS preparation laboratory in Outokumpu where samples were crushed to <2mm and split to approximately 1kg. Samples were pulverised to -75 microns and two pulp samples collected, 80g and 15-20g.

Gold analysis was completed at ALS Minerals in Rosia Montana, Romania using procedures Au-AA25 (Detection Limit – 0.01g/t gold; upper limit – 100g/t gold) – 30g Fire Assay with AAS finish. Gold values exceeding 3g/t gold are re-assayed by Au-GRA22 (Detection Limit – 0.05g/t gold; upper limit – 1,000g/t gold) – 50g Fire Assay with gravimetric finish.

Multi-element analysis was completed at ALS Minerals in Vancouver, Canada using procedures ME-MS41. Uranium values exceeding 1000ppm were re-assayed by (+)-OG46 method. Sulphur values exceeding 5% were re-assayed by the S-IR008 method.

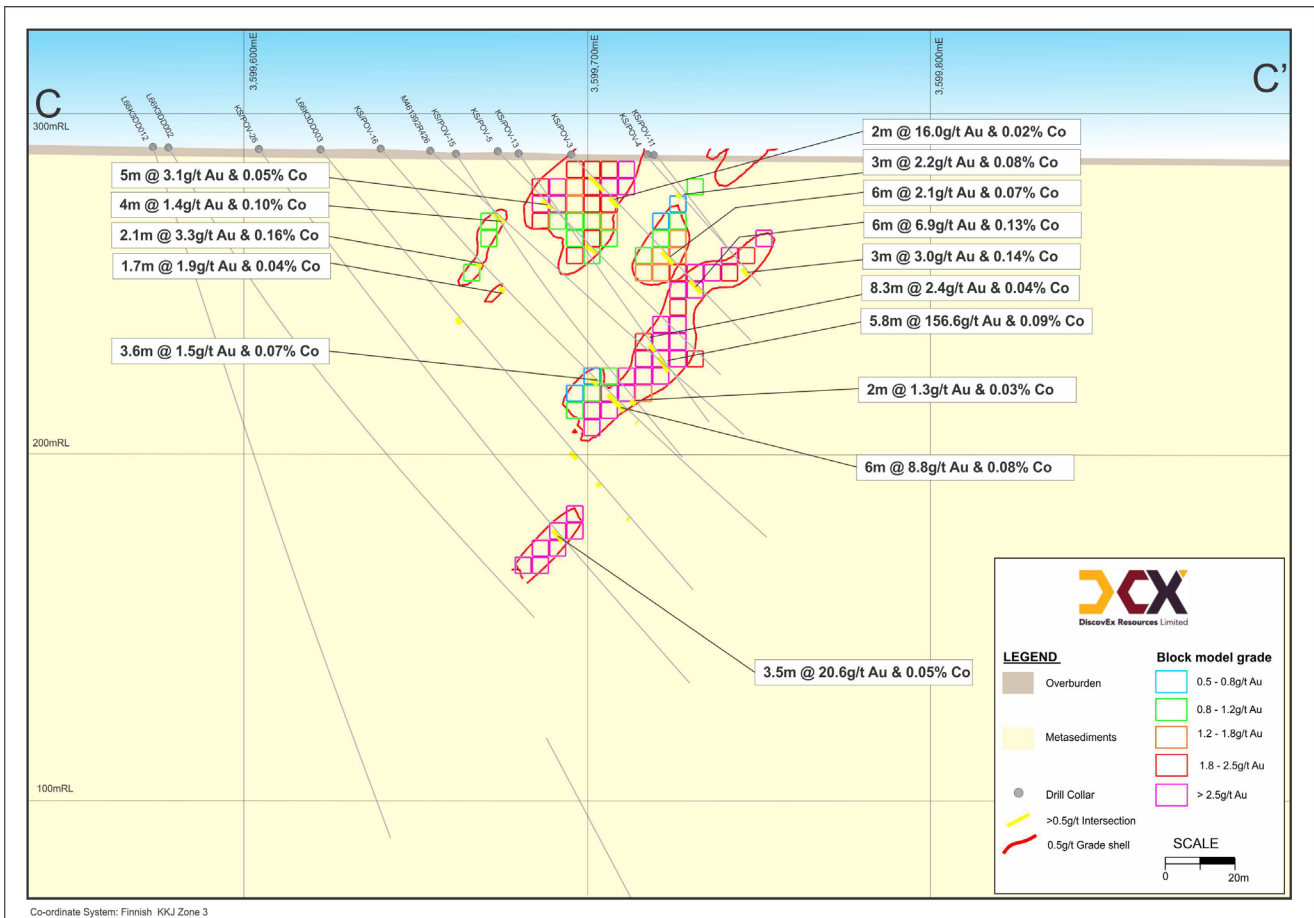
### Estimation Methodology and Classification

The K3 mineral resource model has a strike length of 75 m, width of up to 20m, and extends from natural surface to a depth of 90 m. The deposit dips to the west at approximately 50°. A typical section is presented in **Figure 7** below.

A gold and cobalt mineralisation indicator model was generated at a cut-off of 0.3g/t Au and 150ppm Co. The indicator grade estimate was grade shelled at 30% probability and these grade shells can be considered appropriate to capture the mineralised body. This interpretation is designed to capture the broad mineralisation halo that encompasses the geological vein system and is not intended to constrain individual veins or vein clusters.

The grade shell was generated via indicator kriging of 3m run length downhole composites into small blocks (2mE x 2mN x 2mRL) and the grade shell wireframe was created at a 30% probability level. The probability cut-offs were selected based on extensive review of a range of probability cut-off levels. The selected probability shells are considered optimal to capture the observed continuity and tenor of mineralisation while excluding obvious low-grade material. Grade shells were reviewed in multiple orientations and in plan and section view prior to being accepted for grade estimation and block modelling purposes.

Ordinary Kriging was used to estimate Au and Co at K3. The grade shell constraints were coded to the drill hole database and samples were composited to 3m downhole length. The parent block size within the estimated domains is 10mN x 5mE x 5mRL. The parent block size was chosen based on mineralised bodies dimension and orientation, estimation methodology and relates to the drill section spacing and likely method of future open pit production. Search ellipses were 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.



**Figure 7: Typical cross section (7,355,705mN) through the K3 Deposit.**

Classification was developed primarily on the basis of consideration of data numbers and spacing, quality and robustness of the estimate and appropriate quality control of sampling and assaying. Classification was achieved via block model script and the factors varied per deposit. The classification of Indicated is only considered in areas where the drill spacing is better than 40m strike by 40m down dip. Indicated blocks had an average distance to the utilised composites of 35m or less and had to be within 25m of the nearest drillhole.

### **Mining, Metallurgy and Other Modifying Factors**

Mineral resources are reported at a lower cutoff grade of 0.5 g/t Au and this is considered as a potential likely mining cutoff grade. Preliminary metallurgical testwork indicates acceptable recoveries for gold and cobalt using conventional processing methods. Targeted domain specific metallurgical testwork is ongoing. No other potential modifying factors have been considered to date.

Brian Wolfe from International Resource Solutions Pty Ltd (in his capacity as competent person for this Mineral Resource Estimate) has confirmed that the Mineral Resource is JORC 2012 compliant with the JORC 2012 Table 2 shown below. Mineral resources are reported at a lower cutoff grade of 0.5 g/t Au and this is considered as a potential likely mining cutoff grade. Preliminary metallurgical testwork indicates acceptable recoveries for gold and cobalt using conventional processing methods.

Targeted domain specific metallurgical testwork is ongoing. No other potential modifying factors have been considered to date.

Snowden Optiro was commissioned by DCX to carry out a high-level due diligence review of the MRE, with no fatal flaws in the interpretation or methodology found. The reported figures were able to be replicated during the review.

**Table 2: JORC Mineral Resource Estimate from KSB Project.**

Deposit	Category	Tonnage (kt)	Au (g/t)	Co (%)	Au (oz)	Co (t)
K1	Indicated	4,600	2.9	0.10	430,000	4,400
	Inferred	1,200	2.1	0.05	820,000	570
	<b>SUB-TOTAL</b>	<b>5,800</b>	<b>2.7</b>	<b>0.09</b>	<b>510,000</b>	<b>5,010</b>
K2	Indicated	960	3.2	0.05	100,000	500
	Inferred	90	1.7	0.05	5,000	50
	<b>SUB-TOTAL</b>	<b>1,050</b>	<b>3.1</b>	<b>0.05</b>	<b>105,000</b>	<b>550</b>
K3	Indicated	340	2.2	0.06	24,000	210
	Inferred	120	2.0	0.06	8,000	70
	<b>SUB-TOTAL</b>	<b>450</b>	<b>2.2</b>	<b>0.06</b>	<b>32,000</b>	<b>280</b>
<b>GRAND TOTAL</b>		<b>7,300</b>	<b>2.7</b>	<b>0.08</b>	<b>650,000</b>	<b>5,840</b>

N.B. totals may show some discrepancy due to rounding. Reporting lower cutoff grade is 0.5g/t Au

## Exploration Potential

### K South

In addition to the mineral resources at K North, extensive exploration work has been undertaken at K South, with Latitude 66 completing geophysical and geochemistry work programmes in 2020 and 2021. This resulted in significant mineralisation being returned from the K9 Prospect with intersections including 50.15m @ 0.45% Co (**L66K9DD001**), 13.45m @ 6.25g/t Au and 0.18% Co from 21.1m and 13.8m @ 3.56g/t Au & 0.04% Co from 62.7 (**L66K9DD008**) (refer to **Figure 8** and **Appendix B**).

Follow up diamond drilling of this intersection is planned in March 2024 with approximately 2,500m proposed across six target areas including K7, K8, K9, K10, K12 and K13.

Mineralised intervals displayed in Figure 8 are open to the south and west, with drilling planned to test multiple orientations identified in the diamond core. Interpretation of the airborne magnetic data set has identified that the mineralisation is located proximal to a dislocated fold hinge similar to that identified at K1.

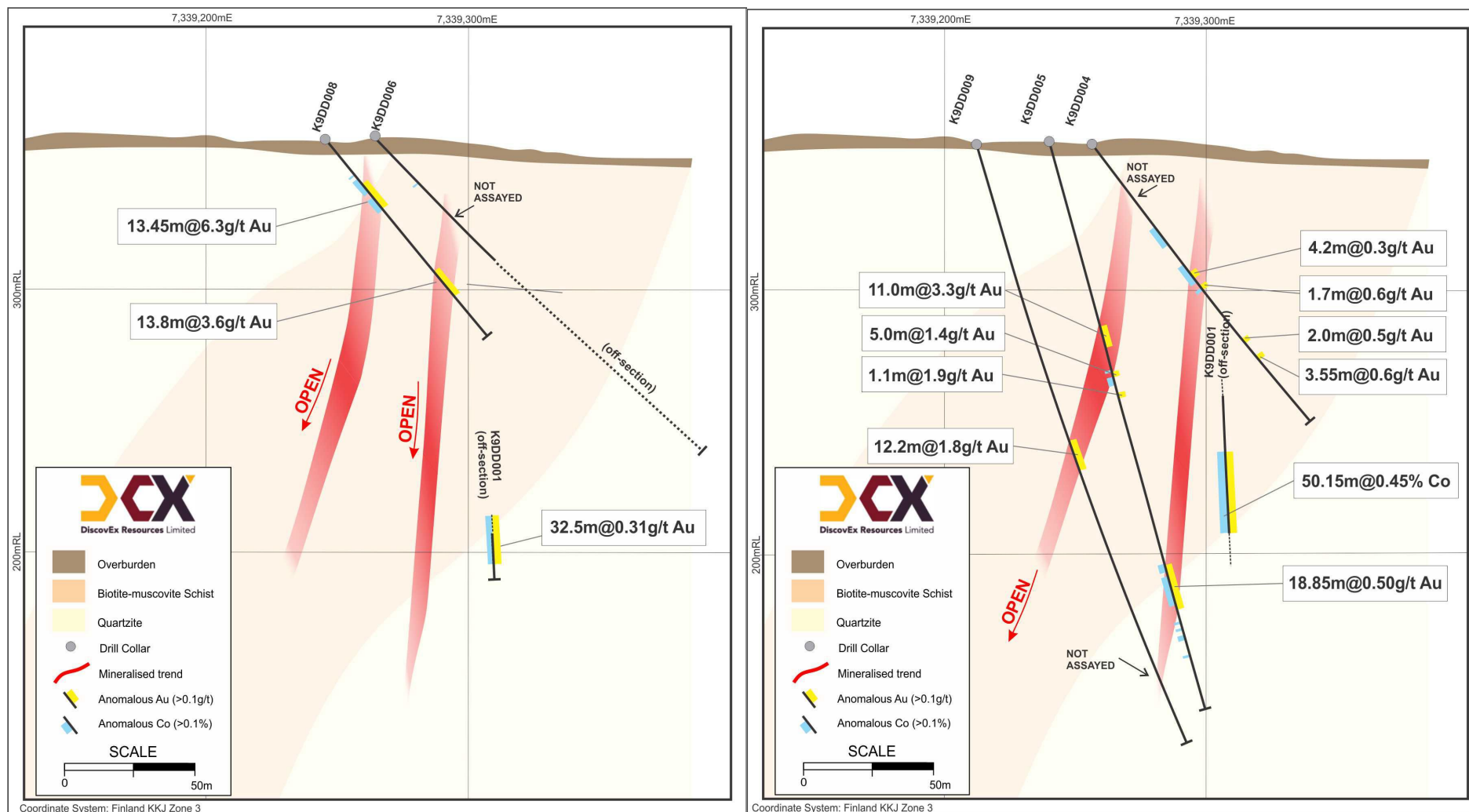


Figure 8: Left - Section 3,583,610mE (+/- 15m); Right - Section 3,583,640mE (+/- 15m), through the K9 Deposit (K-South).

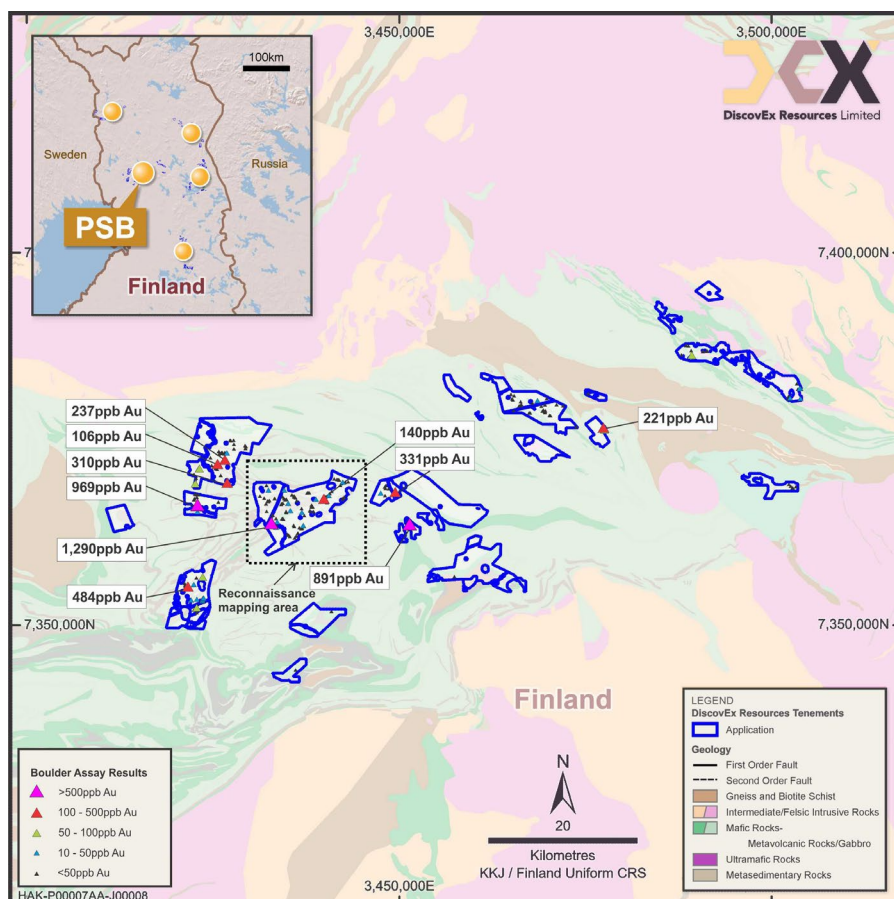


**PSB Project**

The PSB exhibits complex geological structure, with numerous faults and shear zones that have played a significant role in its formation and subsequent modification. It is believed that the PSB formed in a convergent plate boundary setting, where two tectonic plates collided, causing the rocks to fold, fault, and undergo regional metamorphism. It contains major faults, with strong evidence of reactivated deep crustal structures controlling basin architecture. One of the notable features of the PSB is its extensive gold mineralization with gold-bearing quartz veins and associated sulphide minerals found within the greenschists and amphibolites.

In addition to gold, the Peräpohja Schist Belt also contains other economically important minerals such as copper, zinc, and nickel. These mineral deposits are often associated with intrusive volcanic rocks within the belt and have attracted exploration and mining activities in the past.

Latitude 66 has the dominant land position in the PSB and has completed early-stage exploration activities including boulder sampling (Figures 9 & 10) and reconnaissance mapping (Figure 11) in 2020<sup>8</sup>.



**Figure 9: All boulder samples taken from the PSB Project, showing gold results.**

<sup>8</sup> See Appendix D and JORC Table 1 for additional details (Schedule 5).



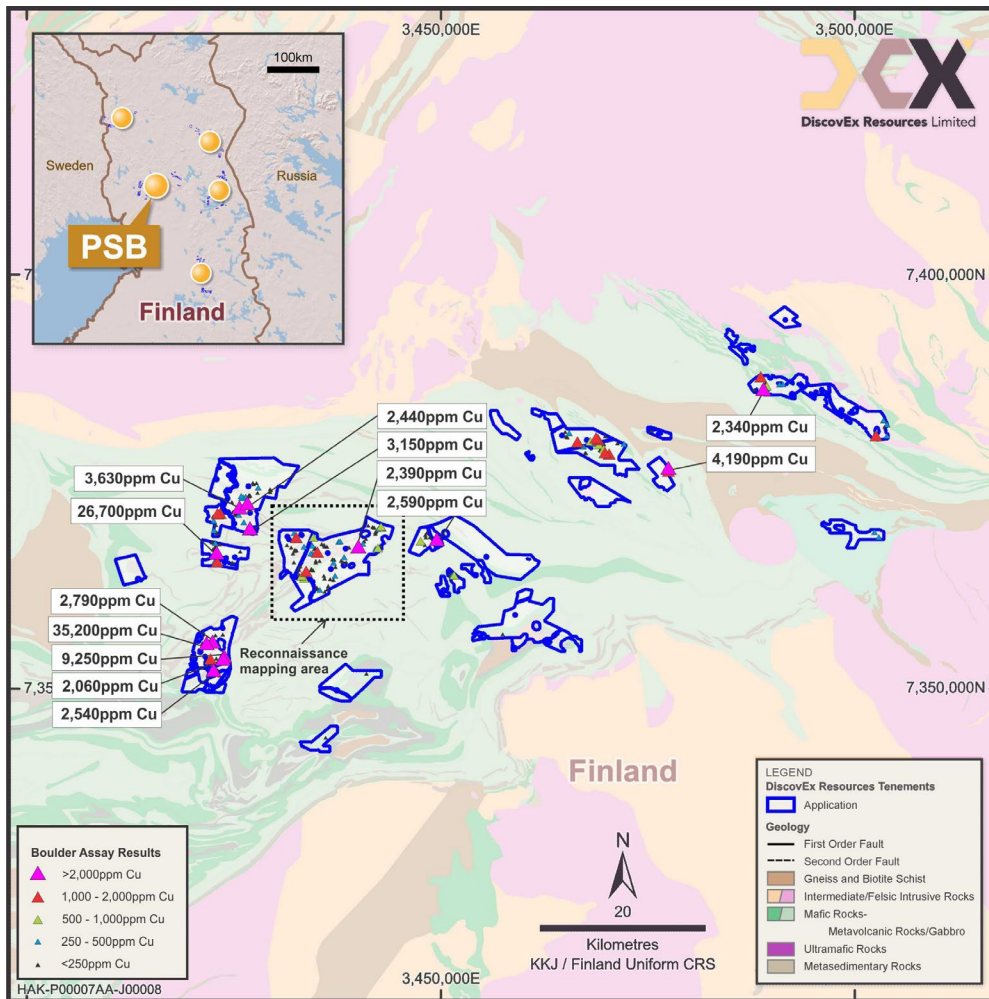


Figure 10: All boulder samples taken from the PSB Project, showing copper results.

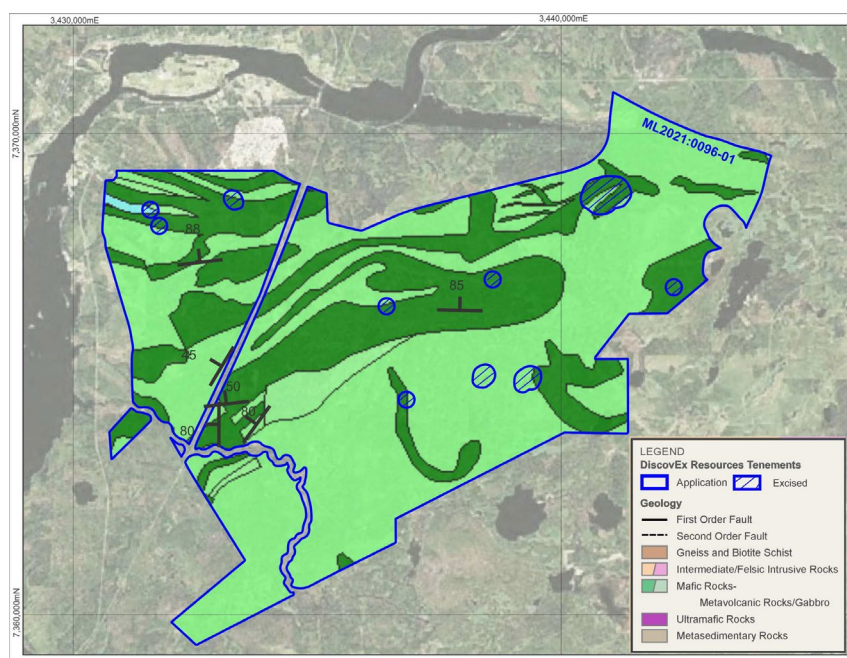


Figure 11: Reconnaissance mapping area within the PSB Project showing structural measurements.

### **Kola & Kolari Projects**

The Kola and Kolari Projects are located in the Central Lapland Greenstone Belt which is one of the largest global Paleoproterozoic greenstone belts, hosting numerous orogenic gold deposits and is composed of variable metamorphosed volcanic and sedimentary rocks.

All regions are prospective for Cu, Au, Co and Ni with multiple significant mining operations within the region including:

- a. Kittila (TSX: Agnico Eagle Mines Limited) – Au: Reserves and Resources of 6.3 Moz.<sup>9</sup>
- b. Sakatti (LON: Anglo American Plc) - Cu-Ni-PGE: Measured + Indicated Mineral Resources - 3.5 Mt @ 3.45% Cu, 2.47% Ni, 2.49 g/t 3E PGE (Pt+Pd+Au); Inferred Mineral Resources - 40.9 Mt @ 1.77% Cu; 0.83% Ni, 1.37 g/t 3E PGE (Pt+Pd+Au).<sup>10</sup>
- c. Kevitsa (STO: Boliden AB) - Ni-Cu: Proven Mineral Reserve – 47.9Mt @ 0.31% Cu & 0.20% Ni, Probable Mineral Reserve – 34.2Mt @ 0.32% Cu & 0.21% Ni, Measured Mineral Resource – 60.7Mt @ 0.34% Cu & 0.23% Ni, Indicated Mineral Resource - 105.7Mt @ 0.36% Cu & 0.24% Ni and Inferred Mineral Resource – 0.29Mt @ 0.22% Cu & 0.13% Ni.<sup>11</sup>

Latitude 66 is targeting Cu, Co, Ni and Au mineralisation throughout the land holding with relatively minor exploration work undertaken to date.

### **Kainuu Project**

The Kainuu Schist Belts are part of the larger Svecofennian orogeny, which occurred around 1.9 to 1.8 billion years ago during the Proterozoic Eon. Major lithologies include quartzite, amphibolite, mica schist, and garnet-rich schist. The region contains valuable mineral deposits, including gold, copper, and cobalt.

Exploration works completed by Latitude 66 include desktop structural interpretation delineating major regional shear zones and deformation trends. More than 25 gold-cobalt targets have been identified for follow up exploration.

### **Competent Person's Statement**

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Toby Wellman, a competent person who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Wellman has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 (the "JORC Code"). Mr Wellman is the Executive Technical Director and Exploration Manager of DiscovEx Resources Limited and consents to the inclusion in this announcement of the Exploration Results in the form and context in which they appear.

<sup>9</sup> Previously announced by Agnico Eagle Mines Limited TSX:AEM on 15/2/2024.

<sup>10</sup> Previously announced by Anglo American Plc LON:AAL Ore Reserves and Mineral Resources Report 2020.

<sup>11</sup> Previously announced by Boliden AB STO:BOL "Mineral Resource and Reserve Statement as at December 31, 2023.

Information in this announcement that relates to mineral resources for the K1, K2 and K3 mineral deposits is based on, and fairly represents, information and supporting documentation prepared by Mr Brian Wolfe, principal consultant of International Resource Solutions Pty Ltd who specialises in mineral resource estimation, evaluation, and exploration. Mr Wolfe is a Member of the Australian Institute of Geoscientists. Mr Wolfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or “CP”) as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wolfe has reviewed the contents of this announcement and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

The forward-looking statements in this announcement are based on the Company’s current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward-looking statements in this announcement. Forward looking statements generally (but not always) include those containing words such as ‘anticipate’, ‘estimates’, ‘should’, ‘will’, ‘expects’, ‘plans’ or similar expressions.

## Overview of the Company and its current activities

DCX was admitted to the ASX on 11 December 2007 and official quotation of its securities commenced on 13 December 2007 as Syndicated Metals Limited. DCX received shareholder approval to change its name from Syndicated Metals Limited on 17 March 2020. The principal activity of DCX is mineral exploration and evaluation of gold and base metals mineral resources in Western Australia.

DCX owns the following assets all located within Australia:

### **Sylvania Project**

The Sylvania Project consists of thirteen granted exploration licences and one exploration licence applications (which includes three (3) tenements subject to a 90/10 joint venture) that covers a total of 1,638km<sup>2</sup> located in the Pilbara Region of Western Australia and are centred nearby the giant Iron Ore hub of Newman.

The Sylvania Project's proximity to Newman and having both a major bitumen highway and gas pipeline adjacent to and within the tenure, provide excellent baseline infrastructure options for future project development. In addition, the Sylvania Project is situated immediately to the west (approximately 60km) of one of Western Australia's newest, large-scale gold mine developments operated by Capricorn Metals Ltd at Karlawinda (**Karlawinda Project**).

The Karlawinda Project contains a Mineral Resource estimate of 97.4Mt @ 0.7g/t Au for 2.23Moz (Indicated – 80.4Mt @ 0.7g/t Au for 1.88Moz and Inferred – 17Mt @ 0.6g/t Au for 0.35Moz) and poured its first gold in 2021. Further details are set out in Capricorn Metals Ltd announcement titled "Quarterly Exploration and Annual Resource/Reserve Update" dated 27 July 2023.

### **Edjudina Project**

The Edjudina Project is situated within the southern portion of the Laverton District, about 700km north-east of Perth, which hosts numerous major gold deposits, including AngloGold Ashanti Australia Limited's Sunrise Dam, Northern Star Resources Limited's Carosue Dam and Matsa Resources Limited's Red October Project. The Edjudina Project contains fourteen granted exploration licences, two granted prospecting licences and one exploration licence application for a total of 1,193 km<sup>2</sup> of underexplored, and highly prospective tenure.

### **Greater Duchess Copper Gold Joint Venture**

The Greater Duchess Copper Gold Joint Venture, held by Carnaby Resources Limited (ASX: CNB) (**Carnaby**) contains several tenements that are subject to a 17.5% free-carried interest held by DCX and are held under a joint venture between the two parties. Carnaby are required to solely fund all costs in connection with the activities of the joint venture, inclusive of exploration and development until a Decision to Mine (**DTM**).

Following the presentation to the joint venture committee of a positive Definitive Feasibility Study (**DFS**) and when a DTM is made, Carnaby will have a first right of refusal to acquire DCX's interest, equal to the fair market value. If Carnaby does not elect to acquire this interest, DCX may either contribute or dilute. If DCX's interest is diluted to less than 5%, Carnaby may at their election acquire DCX's interest for fair market value of the remaining interest.



The free carried interest includes 12 tenements, covering an area of approximately 293 km<sup>2</sup> and is located approximately 100km south-east of Mt Isa in North Queensland. Tenements included within the 17.5% free-carried interest are EPM 9083, EPM 11013, EPM 14366, EPM 14369, EPM 17637, EPM 18223, EPM 18990, EPM 19008, EPM 25435, EPM 25439, EPM 25853 and EPM 25972.

Refer to DCX's announcement on 18 September 2023 concerning the Company's position with regard to its rights over EPM14366, which covers the Lady Fanny Prospect area.

### **Other Projects**

Syndicated Royalties Pty Ltd (a 100% owned subsidiary of DCX) holds a 2% Net Smelter Return royalty over metals extracted from tenement EPM13870 held by Hammer Metals Limited (ASX: HMX) in the Mt Isa region of Queensland.

### **Benefits of the Proposed Transaction**

DCX considers Latitude 66's Finnish Portfolio to be complementary to its existing projects as there is a focus on gold and cobalt and presents as a well-priced opportunity in a top tier jurisdiction for mining with potential for multi-million-ounce gold discoveries.

The exploration upside is key to the Finnish Portfolio, and with multiple +million-ounce deposits located in Finland, the potential to build a solid gold mineral resource base is strong. The exploration landholding is sufficiently large enough and covers vast amounts of greenstone to provide a solid base for exploration potential.

### **Public Offer**

To assist the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules, and in order to fund the Proposed Transaction and the planned work programs, the Company intends, subject to DCX shareholder approval, to conduct the Public Offer under a full form prospectus (**Prospectus**) to raise a minimum of \$2 million through the issue of 10,000,000 ordinary shares at a proposed price of \$0.20 (post-Consolidation basis) up to a maximum of \$4 million through the issue of up to 20,000,000 ordinary shares at a proposed price of \$0.20 (post-Consolidation basis).

DCX has engaged Bell Potter Securities Limited (AFSL 243480) (**Bell Potter**) to act as lead manager to the Public Offer. It is not anticipated that the Public Offer will be underwritten. Further details of the engagement will be provided in the Prospectus.

Subject to shareholder approval, Mr Heath Hellewell (Non-Executive Chairman), Toby Wellman (Managing Director) and Mr David Morgan (Non-Executive Director) intended to subscribe for \$175,000, \$35,000 and \$10,000 respectively in the Public Offer.

### **Composition of the Board of Directors and Company Secretary**

DCX intends to appoint the Latitude 66 Managing Director, Mr Grant Coyle, to the DCX Board as Managing Director following completion of the Proposed Transaction. Mr Toby Wellman will continue on as a Technical Director.



In addition, the Company will welcome Mr Thomas Hoyer to the Board as Non-Executive Chairman (subject to completion of the Transaction), with Mr Heath Hellewell stepping down as Non-Executive Chairman to become a Non-Executive Director.

Professor Steffen Hagemann, Director of Geology at Latitude 66 will also join the Board as a Non-Executive Director. Current DCX director Mr David Morgan will retire from the board at the conclusion of the Proposed Transaction and Mr Kim Massey will step down from the DCX board immediately to focus on his role as Chief Executive Officer for Capricorn Metals Limited.

The qualifications and experience of Mr Grant Coyle, Mr Thomas Hoyer and Professor Steffen Hagemann are set out below (together, the **Proposed Directors**).

### **Mr Grant Coyle**

#### *Proposed Managing Director*

Mr Coyle has been the Chief Financial Officer for Latitude 66 since late 2022 and was appointed as the Managing Director on 31 August 2023. Mr Coyle has over 15 years' experience in senior commercial and project roles, including at Rio Tinto. Mr Coyle has extensive experience in financial operations and commercial assessment of development and exploration projects across greenfield and brownfield developments and mergers and acquisitions. He also has extensive experience in negotiating major commercial contracts such as joint ventures and spent two years at Macquarie Capital where he focused on investment and advisory activities

### **Mr Thomas Hoyer**

#### *Proposed Non-Executive Chairman*

Since 2017, Mr Hoyer has been the CEO of Latitude 66 Cobalt Inc, the Finnish subsidiary company of Latitude 66, developing multiple cobalt assets in northern Finland. Mr Hoyer is a graduate in economics and a seasoned executive management professional. He has held various CEO and Director roles in mineral processing, mining and exploration, funds management and sustainability consultancy. In the mining industry, Mr Hoyer is the former CEO of Afarak Group Oy (a London Stock Exchange listed entity), operating mines and smelters in Europe and Africa.

### **Professor Steffen Hagemann**

#### *Proposed Non-Executive Director*

Prof Hagemann has been the Director of Geology at Latitude 66 for 6 years. Prof Hagemann is a Professor for Economic Geology and Director of the Centre for Exploration Targeting at the University of Western Australia. He has 33-year experience in economic geology specialising in the field of structural geology, hydrothermal alteration, and fluid chemistry of mainly gold, iron and copper deposits. Prof Hagemann has specialised in combining detailed field observations with high tech geochemical methods in order to unravel the metallogeny and paleo magma/hydrothermal evolution of mineral systems and the 4-D control of orebodies. Most of his current research projects are in the Yilgarn craton of Western Australia and in South America with projects in the eastern Andes of Peru, NW Argentina and the Precambrian shields of Brazil and Guyana.

Mr Morgan and Mr Massey have contributed immensely in preparing the Company to take this next step with the acquisition and development of the Latitude 66 Projects and in readiness for its next

phase of growth. The Company thanks David and Kim for their massive contributions and wish them well into the future. Mr Massey will step down immediately, to focus on his role as Chief Executive Officer for Capricorn Metals Limited.

### **Company Secretary**

Ms Nerida Schmidt will remain Company Secretary of DCX. Ms Schmidt has more than 30 years' professional experience as the CFO and Company Secretary of a number of ASX, TSX and AIM listed companies in a variety of industries and has consulted to a number of listed and unlisted entities providing corporate, company secretarial and financial services. She holds a Bachelor of Commerce from the University of Western Australia and a Fellow of FINSIA. She is also a Chartered Secretary and holds a Graduate Diploma in Company Secretarial Practice.

### **Voluntary Suspension**

The Company's securities have been suspended from quotation since 11 March 2024 and will remain suspended until the Company has re-complied with Chapters 1 and 2 of the Listing Rules and the Proposed Transaction has completed, including by satisfaction of ASX's condition precedent to reinstatement.

### **Change of Name**

Following completion of the Proposed Transaction and subject to shareholder approval, the Company intends to change its name to Latitude 66 Limited.

### **Change to Nature of Activities**

The Proposed Transaction will result in a change in scale of DCX activities and will require shareholder approval under Chapter 11 of the Listing Rules as well as require the Company to re-comply with Chapters 1 and 2 of the Listing Rules.

### **DCX Shareholder Approvals**

A notice of meeting seeking Shareholder approval for the resolutions required to give effect to the Proposed Transaction will be sent to Shareholders. The resolutions are as follows:

- a. the approval for the change in the nature and/or scale in activities of the Company;
- b. the approval of the consolidation of the Company's currently issued Shares and options on a 1 for 100 basis;
- c. the issue of 125,000,000 (on a post-Consolidation basis) Shares under the Takeover Offer;
- d. the issue of up to 20,000,000 Shares (on a post-Consolidation basis) in connection with the Public Offer;
- e. the change of the Company's name to Latitude 66 Limited; and
- f. the election of the Proposed Directors.

The Company will also seek Shareholder approval for the adoption of a new constitution, related party participation in the Public Offer, issue of securities to service providers, issue of Performance Rights to related parties and management and adoption of an incentive securities plan.

Full details of the resolutions will be set out in the notice of meeting.

### **DCX's Business Model and Strategy (including Latitude 66)**

Following completion of the Proposed Transaction, the Company's proposed business model will be to focus on exploration and development of mineral resource opportunities, and specifically exploration and development of the Projects, initially as per the Company's proposed exploration programs.

DCX is planning to undertake a diversified growth strategy which will incorporate the following objectives after completion of the Proposed Transaction:

- a. **Advanced Exploration and Development:** Primary focus to grow the resource at the KSB Project and continue to advance the study work on the pathway to development of the strategic gold and cobalt project.
- b. **Strategic Management of Joint Venture:** Valuation growth through activity management of the strategic "free carry" joint venture interest in the Greater Duchess project.
- c. **Exploration Projects:** Continue to advance the strategic exploration assets in both Western Australia and Finland. Projects provide opportunities for valuation growth through low impact exploration work and joint venture opportunities.

### **DCX's key dependencies and risks (including Latitude 66)**

The key dependencies influencing the Company's strategy are:

- a. the Company's capacity to re-comply with Chapters 1 and 2 of the Listing Rules to enable re-admission to quotation of the Company's securities;
- b. the successful completion of the Public Offer;
- c. completion of the Proposed Transaction;
- d. exploration success on the Projects, resulting in increased confidence in the commercial viability of the Projects;
- e. retaining and recruiting key personnel skilled in the mining and resources sector; and
- f. minimising environmental impacts and complying with environmental and health and safety requirements.

The key risks of the Company will include:

- a. Re-quotation of the Company's securities on ASX;
- b. Environmental impacts of activities carried out in the Juomasuo area;
- c. Foreign operations and sovereign risk; and
- d. Natura 2000 and Nature Conservation Areas.

Further detail on the Company's dependencies and risks will be set out in the notice of meeting and Prospectus.

### **Unsecured Loan Facility**

The Company and Latitude 66 have entered into an unsecured loan facility agreement pursuant to which Latitude 66 has agreed to provide the Company with a \$500,000 facility (**Facility Amount**) to assist with costs incurred by the Company in connection with the Proposed Transaction, preparation of the Prospectus and payment of other working capital requirements of the Company which are due during the implementation of the Proposed Transaction and preparation of the Prospectus. The interest payable is 15% per annum on all advances made under the agreement. The repayment date under the agreement is 31 December 2024.

### Control Issues

No person will have a voting power in excess of 19.9% or more in the Company on completion of the Public Offer and the Proposed Transaction.

### Indicative Timetable\*

A timetable for the Proposed Transaction and associated events is as follows:

Dispatch Notice of Meeting	10 April 2024
Date that the Bidder's Statement was lodged with ASIC	10 April 2024
Takeover Offer opens	12 April 2024
Lodgement of Prospectus and Public Offer opens	12 April 2024
DCX Shareholder Meeting	10 May 2024
Public Offer closes	10 May 2024
Takeover Offer closes (unless otherwise extended or withdrawn)**	17 May 2024
Completion of the Takeover Offer and issue of DCX Shares under the Public Offer and the Takeover Offer	24 May 2024
Anticipated date the suspension of trading is lifted and DCX Shares recommence trading on ASX	29 May 2024

\* The above dates are indicative only and may change without notice, subject to compliance with the Corporations Act.

\*\* The closing date for the Offer may change as permitted by the Corporations Act.

### Pro-Forma Capital Structure

Set out below is the indicative capital structure of the Company following completion of the Takeover Offer, Consolidation and the Public Offer. The capital structure of the Company is indicative only and may be subject to change prior to the completion of the Proposed Transaction.

Description	Number (Minimum Subscription)	Number (Maximum Subscription)
Shares currently on issue (pre-Consolidation)	3,302,568,098	3,302,568,098
Shares on issue post-Consolidation (100:1)	33,025,681	33,025,681
Issue of Shares under the Public Offer (at \$0.20 per share)	10,000,000	20,000,000
Shares pursuant to the Takeover Offer (for acquisition of Latitude 66)	125,000,000	125,000,000



<b>Total Shares on issue following completion of Public Offer and Takeover Offer<sup>1</sup></b>	<b>168,025,681</b>	<b>178,025,681</b>
Options currently on issue	51,375,000	51,375,000
Options on issue (post-Consolidation) <sup>2</sup>	513,750	513,750
Issue of Options to Bell Potter <sup>3</sup>	1,000,000	2,000,000
Issue of Performance Rights <sup>4</sup>	16,550,000	16,550,000
<b>Total Options on issue following completion of Public Offer and Takeover Offer</b>	<b>1,513,750</b>	<b>2,513,750</b>

**Notes:**

- DCX has entered into a mandate with Longreach Capital Pty Ltd (ACN 618 027 651) (AFSL 497333) (**Longreach Capital**) pursuant to which Longreach Capital has provided corporate advisory services to DCX (**Longreach Capital Mandate**). DCX may elect to issue Shares to Longreach Capital pursuant to the Longreach Capital Mandate. However these Shares have not been included in the post-Consolidation Shares on issue. Further details of the Longreach Capital Mandate will be set out in the Prospectus.
- The 513,750 Options comprise of:
  - 1,000,000 Options (exercisable at \$1.30 each on or before 20 August 2024);
  - 25,750,000 Options (exercisable at \$0.75 each on or before 14 October 2025); and
  - 24,625,000 Options (exercisable at \$0.95 each on or before 14 October 2025).
- Subject to shareholder approval, it is proposed that the Company will issue 500,000 Options (exercisable at \$0.30 on or before the date that is three years from the date of issue) to Bell Potter for every \$1,000,000 raised under the Public Offer.
- Comprises of 5,500,000 Performance Rights to Grant Coyle, 2,750,000 Performance Rights to Toby Wellman, 4,000,000 Performance Rights to Thomas Hoyer, 750,000 Performance Rights to Steffen Hageman, 750,000 Performance Rights to Heath Hellewell and 2,800,000 Performance Rights to employees and consultants that are unrelated parties to the Company. Full Details of the Performance Rights will be set out in the notice of meeting to be dispatched in the coming weeks.

**Indicative Use of Funds Table**

It is anticipated that the funds raised under the Public Offer, together with the existing cash reserves of \$3.5m (being \$3.0m cash held in Latitude 66 and \$0.5m held in DCX) will enable two years of full operations across the projects. Indicative Use of Funds following completion of the Proposed Transaction are as follows:

	<b>Minimum Subscription (\$2,000,000)</b>	<b>Maximum Subscription (\$4,000,000)</b>
<b>Transaction Fees</b>	700,000	700,000
<b>Capital Raising Fees</b>	120,000	240,000
<b>Finland</b>		
Exploration including diamond and base of till drilling, surface geochemistry and detailed geophysics at various targets	1,900,000	2,860,000

## Australia

Exploration	800,000	1,000,000
<b>Administration &amp; Working Capital</b>	<b>1,980,000</b>	<b>2,700,000</b>
<b>Total use of funds</b>	<b>\$5,500,000</b>	<b>\$7,500,000</b>

*The above table is a statement of current intentions as at the date of this announcement. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis. A more detailed use of funds budget will be supplied in the Prospectus proposed to be issued for the Public Offer.*

## Exploration Program

DCX proposes the following exploration programs for the next 2 years:

### Finland

The Company will confirm strike, grade and strong economic potential at K7 and K9 inclusive of approximately 2,000m of drilling. If drill testing is successful, additional step out drilling to be completed to potentially delineate mineralisation that would constitute the basis for maiden resource areas, inclusive of approximately 5,000m of drilling.

Test numerous target areas located on the regionally significant Kitka Fault, that have been previously defined through geophysics and base of till sampling. Existing target areas to be drill tested include the K10, K12 and K10 prospects with total drilling anticipated to include 2,000m. Additional drilling will be completed contingent on exploration success.

Additional activities will also include the acquisition of government drill data and completion of electromagnetic/magnetic geophysical surveys through granted tenement areas.

### Sylvania

The Company will commence soil sampling programs around existing greenfield target areas including Jack Russel, Basenji and Jackal where previous surveys have highlighted lode gold potential.

### Edjudina

The Company will commence drill testing of the Hercules and Falcon Prospect areas including ~2,500m of AC. Additional drilling may be required dependant on results. Ongoing soil sampling to continue within the tenement bounds to generate additional target areas.

## Effect of Proposed Transaction on Company's Consolidated Total Assets and Total Equity Interests

A table showing the effect of the Proposed Transaction on the Company's Consolidated Total Assets and Total Equity Interests is provided in Schedule 2.

## Effect of Proposed Transaction on Company's Revenue, Expenses and Profit Before Tax

A table showing the effect of the Proposed Transaction on the Company's Revenue, Expenses and Profit before Tax is provided in Schedule 2.

### **Pro-forma Balance Sheets**

Pro-forma statements of Financial Position are provided in Schedule 3 for both the minimum and maximum subscription under the Public Offer.

### **Audited Financial Statements Latitude 66**

The audited financial statements for Latitude 66 for the period ended 30 June 2022 and 30 June 2023 and half year ended 31 December 2023 are included in Schedule 4.

### **Appropriate Enquiries**

The Company confirms that it has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses, and prospects of Latitude 66 for the Board to be satisfied that the Proposed Transaction is in the best interest of the Company's Shareholders.

### **Previous Security Issues**

In the six months prior to the date of this announcement, the Company has not issued any securities.

In the last six months prior to the date of this announcement, Latitude 66 has completed the following issues:

- 33,333,334 ordinary shares issued at \$0.15 to raise \$5,000,000 on 21 December 2023 in seed capital raising to professional and sophisticated investors; and
- 500,000 ordinary shares issued at \$0.53 on 7 January 2024 as consideration for corporate advisory services provided.

The above share issues by Latitude 66 were not underwritten.

### **ASX Waivers and Confirmations**

The Company has received conditional waiver from the requirements of Listing Rule 9.1(b) to allow the Company to apply the restrictions in paragraphs 1 and 2 of Appendix 9B (as applicable) to the existing shareholders of the Company as follows:

- a. the shares issued to the shareholders of Latitude 66 who subscribed with cash for their shares in Latitude 66 are treated as being held by a related party, promoter or unrelated party seed capitalists of the Company or Latitude 66, as appropriate to each holder.
- b. cash formula relief is applicable to those shares that are issued to persons who subscribed for their Latitude 66 shares for cash consideration. For the purposes of determining the length of the escrow period for shares issued to unrelated seed capitalists which are subject to 12 month escrow, the 12 month escrow period will begin on the date on which the cash subscription for their shares was made.
- c. for the purposes of determining the length of the escrow period for shares issued to related party or promoter seed capitalists which are subject to 24 months escrow, the 24 months escrow period will begin on the date of the reinstatement of trading in the Company's securities.

The above waiver is conditional on:

- a. the Company acquiring at least 90% of the issued shares of Latitude 66;
- b. the Company lodging a compulsory acquisition notice with the Australian Securities and Investment Commission in respect of the Latitude 66 Shares it does not acquire; and
- c. the Company providing compulsory acquisition notices to all persons as required under section 661B of the Corporations Act.

The Company has received confirmation that ASX would be likely to grant a conditional waiver from Listing Rule 1.1 (Condition 12) to permit the Company to have Performance Rights on issue with a nil exercise price on the condition that the terms of the waiver are clearly disclosed in the Prospectus.

The Company has also received confirmation that ASX would be likely to confirm that the terms of the Performance Rights are appropriate and equitable for the purposes of Listing Rule 6.1 on the condition that various conditions required by ASX are met.

### **Regulatory Statements**

The Company notes that:

- a. the Proposed Transaction requires security holder approval under Listing Rule 11.1.2 and may not proceed if that approval is not forthcoming;
- b. the Company is required to re-comply with ASX's requirements for admission and quotation and therefore Proposed Transaction may not proceed if those requirements are not met;
- c. if the Company does not complete the Proposed Transaction and re-comply with ASX's requirements for admission and quotation, the Company's securities will not be reinstated to trading until such time as the Company has demonstrated to ASX that it satisfies Chapter 12 of the Listing Rules;
- d. ASX has an absolute discretion in deciding whether to re-admit the Company to the Official List and to quote its securities and, therefore, the Proposed Transaction may not proceed if ASX exercises that discretion; and
- e. investors should take account of these uncertainties in deciding whether to buy or sell the Company's securities.

Furthermore, the Company:

- a. notes that ASX takes no responsibility for the contents of this announcement; and
- b. confirms that it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

Other than what has been disclosed in this announcement, the Company confirms that:

- a. there are no other fees paid or payable by the Company to a person for finding, arranging or facilitating the Proposed Transaction; and
- b. there are no other regulatory approvals or waivers required or other material conditions that must be satisfied for the Proposed Transaction to proceed in this announcement.

Authorised for release by and investor enquiries to:

**Mr Toby Wellman**  
**Managing Director**  
T: 08 9380 9440



**SCHEDULE 1 -Bid Implementation Agreement**



---

# Thomson Geer

Lawyers

Level 29, Central Park Tower  
152-158 St Georges Terrace  
Perth WA 6000 Australia

T +61 8 9404 9100 | F +61 8 9300 1338

## Bid Implementation Agreement

between

**DiscovEx Resources Limited**  
ACN 115 768 986  
(Bidder)

and

**Latitude 66 Cobalt Limited**  
ACN 623 040 773  
(Target)

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**This agreement** is made on

between **DiscovEx Resources Limited ACN 115 768 986** of Unit 1, Ground Floor, 72 Kings Park Road, West Perth WA 6005 (**Bidder**)

and **Latitude 66 Cobalt Limited ACN 623 040 773** of Level 1, 29 Napoleon Street, Cottesloe WA 6011 (**Target**)

## Recitals

- A The Bidder proposes to acquire the Target by means of the Takeover Bid.
- B The Parties have agreed that the Takeover Bid will be implemented on the terms and conditions in this Agreement.

**Now it is agreed** as follows:

## 1 Definitions and Interpretation

---

### 1.1 Definitions

In this Agreement the following terms shall bear the following meanings:

**Accounting Standards** means:

- (a) the requirements of the Corporations Act relevant to the preparation and contents of financial reports;
- (b) the accounting standards approved under the Corporations Act, being the Australian Accounting Standards and any authoritative interpretation issued by the Australian Accounting Standards Board; and
- (c) the accounting standards approved under the Uniform Act on Accounting Law and Financial Reporting.

**Agreed Announcement** means the announcement substantially in the form in Schedule 4 or as otherwise agreed between the Parties.

**Agreed Bid Terms** means the terms and conditions in Schedule 1.

**Agreement** means this agreement.

**Announcement Date** means the date of the announcement of the Takeover Bid by the Bidder pursuant to the Timetable.

**Approved Issues** means the issues of securities under the Longreach Offer, Prospectus Offer, Performance Rights Offer and Broker Options Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market that it operates.

**ASX Reinstatement Letter** has the meaning given in clause 3.2 of Schedule 1.

**Authority** means:

- (a) any government or governmental, semi-governmental or local authority within the Commonwealth of Australia, the Republic of 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, the Republic of Finland 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, the Republic of Finland or any of their respective states and territories;
- (d) ASIC; or
- (e) ASX.

**Bid Conditions** means the conditions to the Takeover Bid detailed in item 3 of the Agreed Bid Terms, each of which being a **Bid Condition**.

**Bidder Board** means the board of Bidder Directors.

**Bidder Consideration** means 0.8813161 Bidder Shares for every one (1) Target Share (on a post-Bidder Consolidation basis).

**Bidder Consolidation** means a consolidation of the Bidder Securities at a ratio of 1 Bidder Security for every 100 Bidder Securities on issue immediately prior to the consolidation.

**Bidder Data Room** means the data room made available by the Bidder to the Target accessible at <https://www.dropbox.com//scl/AACWyM8RaFA6P6pb3OfIkNPjApRfXMPA58I> as at 9:00am on the date two Business Days prior to the Execution Date.

**Bidder Director** means a director of the Bidder.

**Bidder Disclosure Letter** means the letter so entitled from the Bidder provided to the Target prior to execution of this Agreement on 25 March 2024.

**Bidder Disclosure Materials** means the information in relation to the Bidder Group disclosed in writing by or on behalf of the Bidder to the Target and/or its Representatives prior to the Execution Date in:

- (a) the Bidder Data Room; or
- (b) the Bidder Disclosure Letter.

**Bidder Group** means the Bidder and its Related Bodies Corporate.

**Bidder Indemnified Party** means any member of the Bidder Group, or any director, officer or employee of any member of the Bidder Group.

**Bidder Material Adverse Change** means any change, event, fact, circumstance, occurrence or matter that occurs after the Execution Date which (whether individually, or when aggregated with all such other changes, events, facts, circumstances, occurrences or matters) has the effect of:

- (a) reducing the consolidated net assets of the Bidder Group by at least \$500,000, other than a change, event, fact, circumstance, occurrence or matter:
  - (b) required or permitted to be done by this Agreement, the Takeover Bid, the Target Loan or the transactions contemplated by them;
  - (c) Fairly Disclosed in the Bidder Disclosure Materials;
  - (d) Fairly Disclosed in public announcements of the Bidder in the 12 months before the Execution Date;

- (e) arising as a result of any changes in general economic, regulatory or political conditions or the securities or other capital markets affecting the industry in which the Bidder operates, but excluding any changes that disproportionately impacts the Bidder;
- (f) arising as a result of any geopolitical conditions, hostilities, civil or political unrest, any acts of war, sabotage, cyberattack or terrorism (including any outbreak, escalation or worsening of any of the foregoing);
- (g) arising from any epidemic, pandemic, lightning, storm, flood, fire, seismic event or explosion, cyclone, tidal wave, landslide, natural disaster or adverse weather conditions or the like;
- (h) arising from any change in any laws or the interpretation, application or non-application of any laws by any Authority;
- (i) relating to foreign currency exchange rates; or
- (j) relating to any generally applicable change in applicable Accounting Standards or the JORC Code.

**Bidder Material Contract** means a contract or commitment requiring total payments by, or providing revenue to, the Bidder Group in excess of \$50,000 per annum.

**Bidder Option** means an option to acquire one Bidder Share.

**Bidder Prescribed Occurrence** means any of the following:

- (a) except in relation to the Bidder Consolidation, the Bidder converts all or any of the Bidder Shares into a larger or smaller number of Bidder Shares;
- (b) the Bidder or a Subsidiary resolves to reduce its share capital in any way;
- (c) the Bidder or a Subsidiary:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under sections 257C(1) or 257D(1);
- (d) except in relation to the Approved Issues, the Bidder or a Subsidiary issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) the Bidder or a Subsidiary issues, or agrees to issue, convertible notes;
- (f) the Bidder or a Subsidiary disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) the Bidder or a Subsidiary charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) the Bidder or a Subsidiary resolves to be wound up;
- (i) a liquidator or provisional liquidator of the Bidder or of a Subsidiary is appointed;
- (j) a court makes an order for the winding up of the Bidder or of a Subsidiary;
- (k) an administrator of the Bidder, or of a Subsidiary, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Bidder or a Subsidiary executes a deed of company arrangement; or



- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the Bidder or of a Subsidiary.

**Bidder Projects** means the Bidder Group projects known as the Sylvania Gold and Base Metals Project (in Newman, WA), the Edjudina Gold Project (in the Laverton District, WA) and the Greater Duchess Copper Gold Joint Venture (in Mount Isa, Queensland).

**Bidder Regulated Event** means the occurrence of any of the following events:

- (a) a member of the Bidder Group acquiring, offering to acquire, agreeing to acquire or announcing an intention to acquire, one or more shares, companies, businesses, properties or assets (including any exploration or mining permit), or an interest therein, other than in the ordinary course of business, the total consideration for which, or the value of which, either individually exceeds \$100,000 or in aggregate exceeds \$500,000;
- (b) a member of the Bidder Group disposing of, offering to dispose of, agreeing to dispose of or announcing an intention to dispose of, one or more shares, companies, businesses, properties or assets (including any exploration or mining permit) or an interest therein, other than in the ordinary course of business, for an amount, or for which the book value (as recorded in the Bidder's statement of financial position as at 30 June 2023) is, either individually greater than \$100,000 or in aggregate, greater than \$500,000;
- (c) a member of the Bidder Group entering into, offering to enter into, or announcing an intention to enter into:
- (i) any agreement, lease, joint venture, partnership, management agreement, arrangement or commitment which would require expenditure other than in the ordinary course of business, or the foregoing of revenue, by any member(s) of the Bidder Group of an amount or value which, exceeds either \$100,000 (for each separate agreement, lease, joint venture, partnership, management agreement, arrangement or commitment) or \$500,000 in aggregate;
  - (ii) any swap, futures contract, forward commitment or other derivative transaction;
  - (iii) any agreement or transaction which is outside the ordinary course of business, including any agreement in relation to or a transaction with a related party or any agreement or commitment which is likely to restrain the Bidder's business or lead to a Bidder Material Adverse Change;
- (d) the Bidder making any change to its constitution or convening a meeting to consider a resolution to change a constitution of any member of the Bidder Group or passing any special resolution;
- (e) the Bidder implementing or agreeing to implement any scheme of arrangement or compromise (including one for a reconstruction or amalgamation of any members of the Bidder Group), or any analogous procedure, scheme or arrangement in any jurisdiction; or
- (f) a Third Party commencing litigation against the Bidder or any member of the Bidder Group:
- (i) which may reasonably result in:
    - (A) a judgement against any member of the Bidder Group of more than \$100,000 (individually or in aggregate);
    - (B) the termination or loss of, or reduction of interest in, any of the Bidder Tenements; or

- (ii) which relates to the Bidder Group's interest in the Greater Duchesse Copper Gold Joint Venture,

other than to the extent:

- (g) required or permitted to be done by this Agreement, the Takeover Bid, the Target Loan or the transactions contemplated by them;
- (h) Fairly Disclosed in the Bidder Disclosure Materials;
- (i) Fairly Disclosed in public announcements of the Bidder in the 12 months before the Execution Date;
- (j) arising as a result of any changes in general economic, regulatory or political conditions or the securities or other capital markets affecting the industry in which the Bidder operates;
- (k) arising as a result of any geopolitical conditions, hostilities, civil or political unrest, any acts of war, sabotage, cyberattack or terrorism (including any outbreak, escalation or worsening of any of the foregoing);
- (l) arising from any epidemic, pandemic, lightning, storm, flood, fire, seismic event or explosion, cyclone, tidal wave, landslide, natural disaster or adverse weather conditions or the like;
- (m) arising from any change in any laws or the interpretation, application or non-application of any laws by any Authority;
- (n) relating to foreign currency exchange rates;
- (o) relating to any generally applicable change in applicable Accounting Standards or the JORC Code; or
- (p) with the prior written consent of the Target.

**Bidder Reimbursement Fee** means \$500,000.

**Bidder Securities** means all securities on issue in the capital of the Bidder, including but not limited to the Bidder Shares and the Bidder Options.

**Bidder Share** means a fully paid ordinary share in the Bidder.

**Bidder Shareholder** means a holder of one or more Bidder Shares.

**Bidder Shareholder Approval Condition** means the Bid Condition referred to in clause 3.7 of Schedule 1.

**Bidder Shareholder Meeting** means a meeting of the Bidder Shareholders to consider and (if thought fit) approve the Bidder Shareholder Resolutions.

**Bidder Shareholder Resolutions** means Bidder Shareholders approving the following resolutions:

- (a) the change to the nature and/or scale of Bidder's activities in connection with the Takeover Bid for the purposes of Listing Rules 11.1.2 and/or 11.1.3 (as appropriate);
- (b) the issue of up to 15,000,000 Bidder Shares at \$0.20 per Bidder Share under the Prospectus Offer for the purposes of Listing Rule 7.1 (on a post-Bidder Consolidation basis);
- (c) the issue of Bidder Shares as Bidder Consideration in connection with the Takeover Bid to Target Shareholders for the purposes of Listing Rule 7.1;

- (d) the election of the following three nominees of the Target to the Bidder Board effective from the Unconditional Date:
  - (i) Thomas Hoyer (as Non-Executive Chairman);
  - (ii) Grant Coyle (as Managing Director); and
  - (iii) Steffen Hagemann (as Non-Executive Director);
- (e) the Bidder Consolidation;
- (f) the change of the Bidder's Company name;
- (g) the Longreach Offer;
- (h) the Broker Options Offer;
- (i) the Performance Rights Offer;
- (j) the adoption of an incentive securities plan; and
- (k) the replacement of the Bidder's Constitution.

**Bidder Tenements** means the tenements set out in Part 1 of Schedule 3 and includes extension, renewal, conversion or substitution of any of those tenements.

**Bidder Tenement Applications** means the tenement applications set out in Part 2 of Schedule 3.

**Bidder Warranty** means a warranty set out in clause 8.3.

**Bidder's Statement** means the bidder's statement to be prepared by the Bidder in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.

**Broker Options Offer** means the offer by DCX to Bell Potter Securities Limited (ACN 006 390 772) (AFSL 243480) (or their nominee) (on a post-Consolidation basis) of up to 2,000,000 Bidder Options under the Prospectus, being 500,000 Bidder Options for every \$1,000,000 raised under the Prospectus Offer.

**Business Day** means a day on which banks are open for business in Perth, Australia and Finland, other than a Saturday, Sunday or public holiday.

**Claim** means any obligation, debt, cause of action, disability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise, in any way relating to this Agreement or the Transaction and includes any obligation, debt, cause of action, disability, claim, proceeding, suit or demand of any nature arising under an indemnity in this Agreement.

**Carnaby Dispute** means the current dispute between the Bidder and Carnaby Resources Ltd over tenement ownership of areas within EPM 14366.

**Competing Proposal** means, in respect of a Party, any expression of interest, proposal, offer, transaction or arrangement that would, if the proposed expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms, would result in a Third Party:

- (a) acquiring a Relevant Interest in, becoming the holder of, or otherwise having a right to acquire a legal, equitable or economic interest in 20% or more of all of that Party's shares or the shares of that Party's subsidiary;
- (b) entering into, buying, disposing of, terminating or otherwise dealing with any cash settled equity swap or other synthetic, economic or derivative transaction connected

with or relating to 20% or more of that Party's shares or the shares of that Party's subsidiary;

- (c) acquiring, becoming the holder of, obtaining a right to acquire or holding or obtaining an interest (including a legal, beneficial or economic interest) in 20% or more of the business conducted by, or property or assets of, that Party or that Party's subsidiaries;
- (d) acquiring Control of that Party or that Party's subsidiary;
- (e) otherwise acquiring, or merging with, that Party or that Party's subsidiary;
- (f) otherwise proposing a transaction similar in commercial and/or economic effect to that Party entering into any part of the Transaction; or
- (g) requiring that Party to abandon, or otherwise fail to proceed with, the Transaction,

including by way of takeover bid, shareholder approved acquisition, members' or creditors' scheme of arrangement, capital reduction, share buy-back or repurchase, sale of assets, sale or purchase of securities or assets, assignment of assets and liabilities, strategic alliance, dual listed company structure or joint venture or synthetic merger, deed of company arrangement, any debt for equity arrangement or other transaction or arrangement, or a series of any of the foregoing.

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

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

but does not include:

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

**Control** has the meaning given in section 50AA of the Corporations Act.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Encumbrance** means any mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

**Exclusivity Period** means the period starting on the Execution Date and ending on the earlier of:

- (a) termination of this Agreement;
- (b) the end of the Offer Period; and



(c) the Long Stop Date.

**Execution Date** means the date of this Agreement.

**Exploration Permit Applications** means the exploration permit applications (in Finnish: malminetsintälupahakemus) made by a member of the Target Group that have been registered by the Finnish mining authority, the exploration permit applications (in Finnish: malminetsintälupahakemus) made by a member of the Target 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 Target Group but which are subject to appeal and which are disclosed in the Target Disclosure Materials.

**Exploration Permits** means the exploration permits as set out in the Mining Act granted to a member of the Target Group and which are not subject to appeal and which are disclosed in the Target Disclosure Materials.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012, as updated from time to time.

**Listing** means the re-quotation of Bidder Shares on the ASX upon completion of the Transaction.

**Listing Condition** means the Bid Condition referred to in clause 3.2 of Schedule 1.

**Listing Documents** has the meaning given in clause 4.4(b)(i).

**Listing Rules** means the official listing rules of the ASX.

**Loan Agreement** means a loan agreement entered into by the Bidder and the Target on or about the date of this Agreement on arm's length commercial terms.

**Long Stop Date** means the earlier of:

- (a) the date on which the Offer Period in respect of the Takeover Bid ends; and
- (b) 6 months after the Execution Date, or such other date as the Parties agree in writing.

**Longreach Mandate** means the mandate the Bidder has entered into with Longreach Capital Pty Ltd (ACN 618 027 651) (AFSL 497333) (**Longreach Capital**) pursuant to which the Bidder has agreed to pay Longreach Capital \$150,000, with the Bidder able to elect to satisfy 75% of this payment obligation via the issue of Bidder Shares (being \$112,500 or 562,500 Bidder Shares at a deemed issue price of \$0.20 (on a post-Consolidation basis)).

**Longreach Offer** means the offer of Bidder Shares under the Longreach Mandate.

**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 Target Group and which are disclosed in the Target Disclosure Materials.

**Notice of Bidder Shareholder Meeting** means the notice of the Bidder Shareholder Meeting to be prepared by the Bidder in accordance with the Corporations Act and Listing Rules to convene the Bidder Shareholder Meeting.

**Offer** has the meaning given in clause 2.1(b).

**Offer Period** means the period that the Offer is open for acceptance.

**Official List** means the official list of ASX.

**Party** means a party to this Agreement and **Parties** means both of them.

**Performance Rights** means a right to acquire a Bidder Share.

**Performance Rights Offer** means the offer (all on a post-Consolidation basis) by DCX of 5,500,000 Performance Rights to Grant Coyle, 2,750,000 Performance Rights to Toby Wellman, 4,000,000 Performance Rights to Thomas Hoyer, 750,000 Performance Rights to Stefan Hageman, 750,000 Performance Rights to Heath Hellewell and 2,600,000 Performance Rights to employees and consultants that are unrelated parties to the Company.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

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

**Prospectus** means the prospectus proposed to be issued by the Bidder pursuant to section 710 of the Corporations Act in connection with the Prospectus Offer.

**Prospectus Offer** means an equity capital raising, to be completed by the Bidder, to raise a minimum of \$2,000,000 (before costs), at an issue price of \$0.20 per Bidder Share (on a post-Bidder Consolidation basis) made under the Prospectus.

**Prospectus Offer Condition** means the Bid Condition referred to in clause 3.6 of Schedule 1.

**Register Date** means the date determined by the Bidder for the purposes of section 633(2) of the Corporations Act.

**Related Body Corporate** has the meaning given in section 50 of the Corporations Act.

**Related Party** has the meaning given in section 228 of the Corporations Act.

**Relevant Interest** has the meaning given in sections 608 and 609 of the Corporations Act.

**Representative** means:

- (a) in relation to the Target, a member of the Target Group, any director, officer or employee of any member of the Target Group, and any financier, financial adviser, accounting adviser, auditor, legal adviser or technical or other expert adviser or consultant to any member of the Target Group in relation to the Transaction; and
- (b) in relation to the Bidder, a member of the Bidder Group, any director, officer or employee of any member of the Bidder Group, and any financier, financial adviser, accounting adviser, auditor, legal adviser, or technical or other expert adviser or consultant to any member of the Bidder Group in relation to the Transaction.

**Reservation Applications** means the reservation application (in Finnish: varausilmoitus) as set out in the Mining Act made by a member of the Target Group as well as the reservation applications granted to a member of the Target Group but which are subject to appeal and which are disclosed in the Target Disclosure Materials.

**Reservation Decision** means the reservation decisions (in Finnish: varauspäätös) as set out in the Mining Act granted to a member of the Target Group and which are not subject to appeal and which are disclosed in the Target Disclosure Materials.

**Security Interest** has the meaning given in section 12 of the PPSA.

**Subsidiary** has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

**Superior Proposal** means, in respect of a Party, a bona fide written Competing Proposal which the board of directors of that Party, acting in good faith after receiving written advice from its external legal advisors, determines is:

- (a) reasonably capable of being completed, taking into account all aspects of the Competing Proposal, including the nature of the Competing Proposal, the conditions associated with the Competing Proposal and the likelihood of those conditions being satisfied within a reasonable period of time and the person or persons making it; and

- (b) more favourable than the Takeover Bid from the perspective of the shareholders of that Party, taking into account all the terms and conditions of the Competing Proposal (including consideration, conditionality, funding, certainty and timing),

and solely for this definition of Superior Proposal, the reference to '20% or more' in paragraphs (a), (b) and (c) of the definition of Competing Proposal is replaced with '100%'.

**Takeover Bid** has the meaning given in clause 2.1(a).

**Target Board** means the board of Target Directors.

**Target Data Room** means the data room made available by the Target to the Bidder accessible at [https://dataroom.ansarada.com/\\_mvc/Latitude66CobaltDataRoom%7C66453/7140053/spa/documents](https://dataroom.ansarada.com/_mvc/Latitude66CobaltDataRoom%7C66453/7140053/spa/documents) as at 9:00am on the date two Business Days prior to the Execution Date.

**Target Director** means a director of the Target.

**Target Disclosure Letter** means the letter so entitled from the Target provided to the Bidder prior to execution of this Agreement on 25 March 2024.

**Target Disclosure Materials** means the information in relation to the Target Group disclosed in writing by or on behalf of the Target to the Bidder and/or its Representatives prior to the Execution Date in:

- (a) the Target Data Room; or
- (b) the Target Disclosure Letter.

**Target Group** means the Target and its Related Bodies Corporate.

**Target Indemnified Party** means any member of the Target Group, or any director, officer or employee of any member of the Target Group.

**Target Loan** has the meaning given in clause 12.5.

**Target Material Adverse Change** means any change, event, fact, circumstance, occurrence or matter that occurs after the Execution Date which (whether individually, or when aggregated with all such other changes, events, facts, circumstances, occurrences or matters) has the effect of:

- (a) reducing the consolidated net assets of the Target Group by at least \$500,000, other than a change, event, fact, circumstance, occurrence or matter:
  - (b) required or permitted to be done by this Agreement, the Takeover Bid, the Target Loan or the transactions contemplated by them;
  - (c) Fairly Disclosed in the Target Disclosure Materials;
  - (d) Fairly Disclosed in public announcements of the Target in the 12 months before the Execution Date;
  - (e) arising as a result of any changes in general economic, regulatory or political conditions or the securities or other capital markets affecting the industry in which the Target operates, but excluding any changes that disproportionately impacts the Target;
  - (f) arising as a result of any geopolitical conditions, hostilities, civil or political unrest, any acts of war, sabotage, cyberattack or terrorism (including any outbreak, escalation or worsening of any of the foregoing);

- (g) arising from any epidemic, pandemic, lightning, storm, flood, fire, seismic event or explosion, cyclone, tidal wave, landslide, natural disaster or adverse weather conditions or the like;
- (h) arising from any change in any laws or the interpretation, application or non-application of any laws by any Authority;
- (i) relating to foreign currency exchange rates; or
- (j) relating to any generally applicable change in applicable Accounting Standards or the JORC Code.

**Target Material Contract** means a contract or commitment requiring total payments by, or providing revenue to, the Target Group in excess of \$50,000 per annum.

**Target Mining Rights** means the Exploration Permits, the Exploration Permit Applications, the Mining Concessions, the Reservation Applications and the Reservation Decisions.

**Target Option** means an option to acquire one Target Share.

**Target Prescribed Occurrence** means any of the following:

- (a) the Target converts all or any of the Target Shares into a larger or smaller number of Target Shares;
- (b) the Target or a Subsidiary resolves to reduce its share capital in any way;
- (c) the Target or a Subsidiary:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under sections 257C(1) or 257D(1);
- (d) the Target or a Subsidiary issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) the Target or a Subsidiary issues, or agrees to issue, convertible notes;
- (f) the Target or a Subsidiary disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) the Target or a Subsidiary charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) the Target or a Subsidiary resolves to be wound up;
- (i) a liquidator or provisional liquidator of the Target or of a Subsidiary is appointed;
- (j) a court makes an order for the winding up of the Target or of a Subsidiary;
- (k) an administrator of the Target, or of a Subsidiary, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Target or a Subsidiary executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the Target or of a Subsidiary.

**Target Regulated Event** means the occurrence of any of the following events:

- (a) the Target Group's consolidated cash reduces to below \$2,500,000;

- (b) a member of the Target Group acquiring, offering to acquire, agreeing to acquire or announcing an intention to acquire, one or more shares, companies, businesses, properties or assets (including any exploration or mining permit), or an interest therein, other than in the ordinary course of business, the total consideration for which, or the value of which, either individually exceeds \$100,000 or in aggregate exceeds \$500,000;
- (c) a member of the Target Group disposing of, offering to dispose of, agreeing to dispose of or announcing an intention to dispose of, one or more shares, companies, businesses, properties or assets (including any exploration or mining permit) or an interest therein, other than in the ordinary course of business, for an amount, or for which the book value (as recorded in the Target's statement of financial position as at 30 June 2023) is, either individually greater than \$100,000 or in aggregate, greater than \$500,000;
- (d) a member of the Target Group entering into, offering to enter into, or announcing an intention to enter into:
  - (i) any agreement, lease, joint venture, partnership, management agreement, arrangement or commitment which would require expenditure other than in the ordinary course of business, or the foregoing of revenue, by any member(s) of the Target Group of an amount or value which, exceeds either \$100,000 (for each separate agreement, lease, joint venture, partnership, management agreement, arrangement or commitment) or \$500,000 in aggregate;
  - (ii) any swap, futures contract, forward commitment or other derivative transaction;
  - (iii) any agreement or transaction which is outside the ordinary course of business, including any agreement in relation to or a transaction with a related party or any agreement or commitment which is likely to restrain the Target's business or lead to a Target Material Adverse Change;
- (e) the Target making any change to its constitution or convening a meeting to consider a resolution to change a constitution of any member of the Target Group or passing any special resolution;
- (f) the Target implementing or agreeing to implement any scheme of arrangement or compromise (including one for a reconstruction or amalgamation of any members of the Target Group), or any analogous procedure, scheme or arrangement in any jurisdiction; or
- (g) a Third Party commencing litigation against the Target or any member of the Target Group which may reasonably result in:
  - (i) a judgement against any member of the Target Group of more than \$100,000 (individually or in aggregate); or
  - (ii) the termination or loss of, or reduction of interest in, any of the Target Mining Rights.

other than to the extent:

- (h) required or permitted to be done by this Agreement, the Takeover Bid, the Target Loan or the transactions contemplated by them;
- (i) Fairly Disclosed in the Target Disclosure Materials;
- (j) Fairly Disclosed in public announcements of the Target in the 12 months before the Execution Date;



- (k) arising as a result of any changes in general economic, regulatory or political conditions or the securities or other capital markets affecting the industry in which the Target operates;
- (l) arising as a result of any geopolitical conditions, hostilities, civil or political unrest, any acts of war, sabotage, cyberattack or terrorism (including any outbreak, escalation or worsening of any of the foregoing);
- (m) arising from any epidemic, pandemic, lightning, storm, flood, fire, seismic event or explosion, cyclone, tidal wave, landslide, natural disaster or adverse weather conditions or the like;
- (n) arising from any change in any laws or the interpretation, application or non-application of any laws by any Authority;
- (o) relating to foreign currency exchange rates;
- (p) relating to any generally applicable change in applicable Accounting Standards or the JORC Code; or
- (q) with the prior written consent of the Bidder.

**Target Reimbursement Fee** means \$250,000.

**Target Securities** means all securities on issue in the capital of the Target, including but not limited to the Target Shares.

**Target Share** means a fully paid ordinary share in the Target.

**Target Shareholder** means a holder of one or more Target Shares.

**Target Warranty** means a warranty set out in clause 8.2.

**Target's Statement** means the target's statement to be prepared by the Target in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.

**Third Party** means a party other than the Target, the Bidder or any of their Subsidiaries.

**Timetable** means the timetable in Schedule 2.

**Transaction** means the off market takeover bid whereby the Bidder will acquire all of the issued and outstanding Target Shares in exchange for the issue of Bidder Consideration to Target Shareholders, including the Prospectus Offer, Bidder Consolidation and Bidder Shareholder Resolutions.

**Unacceptable Circumstances** means as in section 657A of the Corporations Act.

**Unconditional** means the Bidder issuing a notice in accordance with section 630(3) of the Corporations Act declaring that the Takeover Bid is free or freed (as the case may be) from all defeating conditions otherwise applicable to the Takeover Bid.

**Unconditional Date** means the date on which the Bidder declares the Takeover Bid as Unconditional.

## 1.2 Interpretation

In this Agreement:

- (a) headings are for convenience only and do not affect interpretation;
  - (b) the schedules and recitals are to be construed as part of this Agreement;
- and unless the context indicates a contrary intention:
- (c) the expression 'person' includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
  - (d) a reference to any Party includes that Party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
  - (e) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
  - (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
  - (g) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
  - (h) references to Parties, clauses, schedules, exhibits or annexures are references to Parties, clauses, schedules, exhibits and annexures to or of this Agreement, and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement;
  - (i) specifying anything after the words 'including', 'for example' or similar expression does not limit what else is included unless there is express wording to the contrary;
  - (j) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
  - (k) a reference to '\$' or 'dollar' is to Australian currency; and
  - (l) if any day appointed or specified by this Agreement for the payment of any money or doing of anything falls on a day which is not a Business Day, the day so appointed or specified shall be deemed to be the next Business Day.

## 1.3 Bidder Consolidation

The Parties acknowledge that the Bidder intends to undertake the Bidder Consolidation and that, unless stated otherwise, all references to Bidder Securities in this Agreement are on a pre-consolidation basis.

## 1.4 Fairly Disclosed

In this Agreement, a reference to Fairly Disclosed means changes, events, circumstances, occurrences, information or matters disclosed to the relevant party in writing in good faith and in sufficient detail so as to enable a reasonable and sophisticated party experienced in transactions similar to the Transaction and experienced in a business similar to any business conducted by the party, to identify the nature and scope of the relevant fact, matter, event or circumstance and to appreciate the consequences of the relevant fact, matter, event or circumstance for the Transaction and the subject matter of this Agreement.

## 2 Takeover Bid

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### 2.1 Making the Takeover Bid

The Bidder agrees to:

- (a) make an off-market takeover bid under Chapter 6 of the Corporations Act to acquire all the Target Shares on terms and conditions no less favourable to Target Shareholders than the Agreed Bid Terms (**Takeover Bid**); and
- (b) make an offer, pursuant to the Takeover Bid, to each Target Shareholder to acquire their Target Shares for the Bidder Consideration (the **Offer**).

### 2.2 Fractional entitlements

Where the calculation of the number of Bidder Shares to be issued to a particular Target Shareholder would result in the issue of a fraction of a Bidder Share, the fractional entitlement will be rounded down to the nearest whole number.

### 2.3 Public announcement of Takeover Bid

As soon as reasonably practicable following the execution of this Agreement, the Bidder will issue the Agreed Announcement on ASX.

### 2.4 Target Directors' recommendation and acceptance

The Target represents and warrants to the Bidder that each Target Director has informed the Target that they will:

- (a) publicly recommend that Target Shareholders accept the Offer to be made to them; and
- (b) accept, or procure the acceptance of, the Offer in respect of any Target Shares that they own or control, no earlier than 21 days after the Offer opens,

in each case in the absence of a Superior Proposal.

### 2.5 Bidder Directors' recommendation and acceptance

The Bidder represents and warrants to the Target that each Bidder Director has informed the Bidder that they will:

- (a) publicly recommend that Bidder Shareholders vote in favour of the Bidder Shareholder Resolutions; and
- (b) vote, or cause to vote, all Bidder Shares that they own or control in favour of the Bidder Shareholder Resolutions,

in each case in the absence of a Superior Proposal.

### 2.6 Bidder Board changes

If the Bidder acquires a Relevant Interest in at least 90% of the Target Shares and the Offer is declared Unconditional, the Bidder must as soon as it is practicable:

- (a) take all actions necessary to cause the appointment of the following as directors of the Bidder:
  - (i) Thomas Hoyer (as Non-Executive Chairman);
  - (ii) Grant Coyle (as Managing Director);
  - (iii) Steffen Hagemann (as Non-Executive Director); and

- (b) ensure that David Morgan and Kim Massey resign and unconditionally and irrevocably release the Bidder and any member of the Bidder Group (as applicable) from any claims they may have against the Bidder or any member of the Bidder Group (as applicable) (without limitation to any rights they may have under any deed of access and indemnity or policy of directors and officers insurance).

### **3 Facilitation of Offer**

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#### **3.1 Bidder's Statement**

- (a) The Bidder will prepare and dispatch the Bidder's Statement or any supplementary Bidder's Statement in accordance with clauses 3.1(b) and 3.1(c).
- (b) The Bidder will ensure that the Bidder's Statement (including any documentation dispatched together with the Bidder's Statement) and any supplementary Bidder's Statement is consistent with the Agreed Bid Terms and complies with all applicable legal requirements.
- (c) The Bidder must:
  - (i) provide the Target with copies of drafts of the Bidder's Statement and any supplementary Bidder's Statement on reasonable request and the final copy of the Bidder's Statement not less than 5 Business Days before the Bidder is required to lodge the Bidder's Statement with ASIC (provided that the Target will use best endeavours to review such documents as soon as possible and without delay);
  - (ii) consider in good faith any suggested amendments to the Bidder's Statement and any supplementary Bidder's Statement by the Target and its Representatives; and
  - (iii) not lodge the Bidder's Statement or any supplementary Bidder's Statement with ASIC or despatch the Bidder's Statement or any supplementary Bidder's Statement to Target Shareholders unless a final copy of the Bidder's Statement or supplementary Bidder's Statement has been provided to the Target and the Target has provided its written consent to lodgement with ASIC and despatch to Target Shareholders.
- (d) The Target must provide, on a timely basis, any assistance or information that is reasonably requested by the Bidder to enable the Bidder to prepare and finalise the Bidder's Statement or any supplementary Bidder's Statement.

#### **3.2 Target's Statement**

- (a) The Target will prepare and dispatch the Target's Statement or any supplementary Target's Statement in accordance with clauses 3.2(b) and 3.2(c).
- (b) The Target will ensure that the Target's Statement (including any documentation dispatched together with the Target's Statement) and any supplementary Target's Statement complies with all applicable legal requirements.
- (c) The Target must:
  - (i) provide the Bidder with copies of drafts of the Target's Statement and any supplementary Target's Statement on reasonable request and the final copy of the Target's Statement not less than 5 Business Days before the Target is required to lodge the Target's Statement with ASIC (provided that the Bidder will use best endeavours to review such documents as soon as possible and without delay);

- (ii) consider in good faith any suggested amendments to the Target's Statement and any supplementary Target's Statement by the Bidder and its Representatives; and
  - (iii) not lodge the Target's Statement or any supplementary Target's Statement with ASIC or despatch the Target's Statement to Target Shareholders or any supplementary Target's Statement unless a final copy of the Target's Statement or supplementary Target's Statement has been provided to Bidder and the Bidder has provided its written consent to lodgement with ASIC and despatch to Target Shareholders.
- (d) The Bidder must provide, on a timely basis, any assistance or information that is reasonably requested by the Target to enable the Target to prepare and finalise the Target's Statement or any supplementary Target's Statement.

### 3.3 Dispatch of Offer

- (a) The Target agrees that the Offer and accompanying documents to be sent by the Bidder under item 6 of section 633(1) of the Corporations Act may be sent on a date nominated by the Bidder that is earlier than the date prescribed by item 6 of section 633(1) of the Corporations Act.
- (b) Provided that a Superior Proposal has not been received in the interim, each Party agrees to use reasonable endeavours to send the Bidder's Statement and Target's Statement to Target Shareholders together and in accordance with the Timetable.

### 3.4 Promoting the Transaction

- (a) From the Announcement Date until the end of the Offer Period, in the absence of a Superior Proposal, the Bidder and the Target will support the Transaction and participate in efforts to jointly promote the merits of the Transaction to Target Shareholders and Bidder Shareholders, including:
  - (i) meeting with key Target Shareholders and Bidder Shareholders; or
  - (ii) participating in joint conference calls and investor presentations,
 in each case, in the absence of a Superior Proposal.
- (b) From the Announcement Date until the end of the Offer Period, the Target agrees to include in all public statements relating to the Transaction (following the initial announcement of the Transaction made pursuant to clause 2.3), a statement to the effect that:
  - (i) the Target Directors unanimously recommend that Target Shareholders accept the Offer to be made to them in the absence of a Superior Proposal; and
  - (ii) each Target Director intends to accept, or procure the acceptance of, the Offer made to them in respect of all Target Shares they own or control,
 in the absence of a Superior Proposal.
- (c) From the Announcement Date until the end of the Offer Period, the Bidder agrees to include in all public statements relating to the Transaction (following the initial announcement of the Transaction made pursuant to clause 2.3), a statement to the effect that:
  - (i) the Bidder Directors unanimously recommend that Bidder Shareholders vote in favour of the Bidder Shareholder Resolutions; and
  - (ii) each Bidder Director intends to vote, or cause to vote, all Bidder Shares that they own or control in favour of the Bidder Shareholder Resolutions,



in the absence of a Superior Proposal.

### 3.5 Bidder conduct during Offer Period

- (a) Subject to clause 3.5(c), between the Execution Date and the earlier to occur of the completion of the Takeover Bid or termination of this Agreement:
- (i) the Bidder must procure that each member of the Bidder Group carries on business in the ordinary and usual course and in substantially the same manner as conducted at the Execution Date;
  - (ii) the Bidder must use its reasonable endeavours to procure that:
    - (A) no Bidder Prescribed Occurrence occurs;
    - (B) no Bidder Regulated Event occurs;
    - (C) no member of the Bidder Group engages in any conduct that would or is reasonably likely to result in a Bidder Material Adverse Change;
    - (D) each member of the Bidder Group:
      - (I) preserves its relationships with all authorities and suppliers, licensors, licensees, joint venturers and others with whom they have business dealings;
      - (II) preserves intact its current business organisation and maintains its material assets in good working order necessary to operate all aspects of its business;
      - (III) maintains current liabilities at normal levels and discharge current liabilities as they fall due or otherwise in the ordinary course;
      - (IV) does not incur any borrowings or other debt finance from any Third Party, other than in relation to the Target Loan;
      - (V) does not repay any borrowings or debt finance earlier than the applicable due date;
      - (VI) does not enter or agrees to enter into any agreement in respect of the employment or engagement of a person in a managerial or executive office (as that expression is defined in the Corporations Act), other than as contemplated by this Agreement;
      - (VII) does not alter or agree to alter the terms of employment or benefits of any employee where such alteration would result in the total compensation payable by the Bidder Group to an employee increasing by more than 5% of the total compensation paid to that employee as at the Execution Date;
      - (VIII) does not enter or agree to enter into any unusual or abnormal contract or commitment; and
      - (IX) does not permit any of its insurances to lapse or do anything that would make any policy of insurance void or voidable.
- (b) The Bidder must promptly notify the Target in writing after it becomes aware of a matter which is in breach of or inconsistent with clause 3.5(a).
- (c) The obligations under clause 3.5(a) do not apply to any action undertaken by the Bidder Group:

- (i) required or permitted to be done by this Agreement, the Takeover Bid or the transactions contemplated by them;
- (ii) required by law or by an order of an Authority;
- (iii) approved in writing by the Target;
- (iv) which has been Fairly Disclosed in the Bidder Disclosure Materials or public announcements of the Bidder in the 12 months before the Execution Date; or
- (v) which is necessary for the Bidder or a member of the Bidder Group to meet its legal obligations or contractual obligations under a Bidder Material Contract existing prior to the Execution Date.

### 3.6 Target conduct during Offer Period

- (a) Subject to clause 3.6(c), between the Execution Date and the earlier to occur of the completion of the Takeover Bid or termination of this Agreement:
  - (i) the Target must procure that each member of the Target Group carries on business in the ordinary and usual course and in substantially the same manner as conducted at the Execution Date;
  - (ii) the Target must use its reasonable endeavours to procure that:
    - (A) no Target Prescribed Occurrence occurs;
    - (B) no Target Regulated Event occurs;
    - (C) no member of the Target Group engages in any conduct that would or is reasonably likely to result in a Target Material Adverse Change;
    - (D) each member of the Target Group:
      - (I) preserves its relationships with all authorities and suppliers, licensors, licensees, joint venturers and others with whom they have business dealings;
      - (II) preserves intact its current business organisation and maintains its material assets in good working order necessary to operate all aspects of its business;
      - (III) maintains current liabilities at normal levels and discharge current liabilities as they fall due or otherwise in the ordinary course;
      - (IV) does not incur any borrowings or other debt finance from any Third Party;
      - (V) does not repay any borrowings or debt finance earlier than the applicable due date;
      - (VI) does not enter or agrees to enter into any agreement in respect of the employment or engagement of a person in a managerial or executive office (as that expression is defined in the Corporations Act), other than as contemplated by this Agreement;
      - (VII) does not alter or agree to alter the terms of employment or benefits of any employee where such alteration would result in the total compensation payable by the Target Group to an employee increasing by more than 5% of the total compensation paid to that employee as at the Execution Date;

- (VIII) does not enter or agree to enter into any unusual or abnormal contract or commitment; and
- (IX) does not permit any of its insurances to lapse or do anything that would make any policy of insurance void or voidable.
- (b) The Target must promptly notify the Bidder in writing after it becomes aware of a matter which is in breach of or inconsistent with clause 3.6(a).
- (c) The obligations under clause 3.6(a) do not apply to any action undertaken by the Target Group:
  - (i) required or permitted to be done by this Agreement, the Takeover Bid or the transactions contemplated by them;
  - (ii) required by law or by an order of an Authority;
  - (iii) approved in writing by the Bidder;
  - (iv) which has been Fairly Disclosed in the Target Disclosure Materials or public announcements of the Target in the 12 months before the Execution Date; or
  - (v) which is necessary for the Target or a member of the Target Group to meet its legal obligations or contractual obligations under a Target Material Contract existing prior to the Execution Date.

### 3.7 Compliance with Timetable

Each Party agrees to use reasonable endeavours to do all acts and things within its power as may be reasonably necessary for the implementation and performance of the Takeover Bid in accordance with the Timetable. However, nothing in this clause prevents Target, Bidder or their directors or officers from taking or failing to take action the director or officer determines, acting in good faith after receiving written advice from its external advisers, that to do otherwise would or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the director or officer.

### 3.8 Co-operation and consultation

- (a) The Bidder and the Target must each:
  - (i) use all reasonable endeavours and commit necessary resources (including management and the resources of external advisors); and
  - (ii) procure that its Representatives work in good faith and in a timely and cooperative fashion with the other Party and its Representatives (including by attending meetings and by providing such record and information as the other Party reasonably requires),
 to implement the Transaction.
- (b) The Bidder and the Target must each consult with the other Party in advance in relation to all applications and other communications (whether written or oral, and whether direct or via a Representative) with any Authority relating to the Transaction and keep the other Party fully informed of progress in relation to the Transaction by:
  - (i) providing the other Party with drafts of any written communications to be sent to an Authority and make any amendments as the other Party reasonable requests; and
  - (ii) providing copies of any written communications sent to or received from an Authority to the other Party promptly upon despatch or receipt (as the case may be),
 in each case to the extent it is reasonable to do so.

### 3.9 Access to people and information

- (a) Between the Execution Date and the earlier of the end of the Offer Period and the date this Agreement is terminated, each party must, to the extent reasonably required to implement the Takeover Bid:
- (i) as soon as reasonably practicable provide the other party and its Representatives with any documents, records and other information (subject to applicable privacy laws) reasonably requested by them; and
  - (ii) provide the other party and its Representatives with reasonable access within normal business hours to the other party's Representatives (provided that such access does not impose an undue burden) which the party reasonably requires for the purposes of:
    - (A) implementing the Transaction;
    - (B) preparing for carrying on the business of the Target and the Bidder following implementation of the Transaction; and
    - (C) any other purpose which is agreed in writing between the Parties.
- (b) The obligations in clause 3.9(a) do not apply to the extent that the access of information is connected with the Target Board or the Bidder Board's deliberations in relation to the transactions contemplated by this Agreement, or information connected to a potential Competing Proposal.

### 3.10 Target Information in the Bidder's Statement

The Target will take responsibility for all information in respect of the Target and any member of the Target Group included in the Bidder's Statement and any supplementary Bidder's Statement and the Target acknowledges that the Bidder's Statement will include a statement to that effect.

### 3.11 Bidder Information in the Target's Statement

The Bidder will take responsibility for all information in respect of the Bidder and any member of the Bidder Group included in the Target's Statement or any supplementary Target's Statement and the Bidder acknowledges that the Target's Statement will include a statement to that effect.

### 3.12 No Independent Expert

- (a) The Parties agree that an independent expert's report for the Target's Statement is not required by section 640 of the Corporations Act.
- (b) The Parties acknowledge and agree that Target does not currently intend to commission the preparation of an independent expert's report for the Target's Statement.

## 4 Bid Conditions

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### 4.1 Bid Conditions

- (a) Subject to clause 4.1(b), the Target agrees not to do (or omit to do) anything which will, or is likely to, result in any of the Bid Conditions being breached, or not being, or not being capable of being satisfied.
- (b) Nothing in this clause 4.1 prevents the Target or the Target Board from taking, or failing to take, any action where to do so otherwise would, in the opinion of the Target Board (determined in good faith having obtained external legal advice), constitute a breach of the Target Directors' fiduciary or statutory duties.

- (c) If any event occurs or becomes apparent which would cause any of the Bid Conditions to be breached or cause satisfaction of them to be unreasonably delayed, each Party must, to the extent the Party is aware of such information, immediately notify the other Party of that event.

#### 4.2 Bidder Shareholder Approval Condition

- (a) The Bidder must use its reasonable endeavours to procure the satisfaction of the Bidder Shareholder Approval Condition.
- (b) Without limiting clause 4.2(a), the Bidder must:
- (i) prepare the Notice of Bidder Shareholder Meeting in accordance with the Corporations Act and Listing Rules;
  - (ii) use its reasonable endeavours to lodge the Notice of Bidder Shareholder Meeting with ASIC in accordance with the Timetable or such other time as agreed by the Parties;
  - (iii) provide the Target with copies of drafts of the Notice of Bidder Shareholder Meeting on reasonable request and the final copy of the Notice of Bidder Shareholder Meeting not less than 5 Business Days before the Bidder is required to lodge the Notice of Bidder Shareholder Meeting with ASX (provided that the Target will use best endeavours to review such documents as soon as possible and without delay);
  - (iv) consider in good faith any suggested amendments to the Notice of Bidder Shareholder Meeting by the Target and its Representatives;
  - (v) not send the Notice of Bidder Shareholder Meeting with ASX or despatch the Notice of Bidder Shareholder Meeting to Bidder Shareholders unless a final copy of the Notice of Bidder Shareholder Meeting has been provided to the Target and the Target has provided its written consent to lodgement with ASX and despatch to Bidder Shareholders (such consent not to be unreasonably withheld, conditioned or delayed);
  - (vi) keep the Target reasonably informed of any issues raised by ASX in relation to the Notice of Bidder Shareholder Meeting and consult (where practicable) with the Target in good faith prior to taking any steps or actions to address those issues;
  - (vii) promptly consult with the Target in good faith as to the need for, and the form of, any supplementary disclosure to Bidder Shareholders;
  - (viii) make a public recommendation that the Bidder Shareholders vote in favour of each of the Bidder Shareholder Resolutions at the Bidder Shareholder Meeting and include a statement to this effect in the Notice of Bidder Shareholder Meeting in the absence of a Superior Proposal;
  - (ix) procure that each Bidder Director votes in favour of the Bidder Shareholder Resolutions to the extent of their respective holdings and include a statement to this effect in the Notice of Bidder Shareholder Meeting in the absence of a Superior Proposal; and
  - (x) call and convene the Bidder Shareholder Meeting to approve the Bidder Shareholder Resolutions,

and unless required pursuant to the Corporations Act, Listing Rules or by any Authority, the Bidder must not:

- (i) adjourn, postpone or cancel the Bidder Shareholder Meeting without the prior written consent of the Target; or



- (ii) make any public statement that suggests that one or more members of the Bidder Board does not, or has ceased to, recommend that Bidder Shareholders vote in favour of any of Bidder Shareholder Resolution unless the relevant member(s) determine(s), acting in good faith after receiving written advice from external advisers, that failing to do so would or would be likely to constitute a breach of their fiduciary or statutory duties in relation to a Superior Proposal.

#### 4.3 Prospectus Offer Condition

- (a) The Bidder must use its reasonable endeavours to procure the satisfaction of the Prospectus Offer Condition.
- (b) Without limiting clause 4.3(a), the Bidder must:
  - (i) prepare the Prospectus in accordance with the Corporations Act and Listing Rules;
  - (ii) use its reasonable endeavours to lodge the Prospectus with ASIC and conduct the Prospectus Offer in accordance with the Timetable or such other time as agreed by the Parties;
  - (iii) provide the Target with copies of drafts of the Prospectus on reasonable request and the final copy of the Prospectus not less than 5 Business Days before the Bidder is required to lodge the Prospectus with ASIC (provided that the Target will use best endeavours to review such documents as soon as possible and without delay);
  - (iv) consider in good faith any suggested amendments to the Prospectus by the Target and its Representatives;
  - (v) not lodge the Prospectus with ASIC or despatch the Prospectus to investors unless a final copy of the Prospectus has been provided to the Target and the Target has provided its written consent to lodgement with ASIC and despatch to investors (such consent not to be unreasonably withheld, conditioned or delayed);
  - (vi) keep the Target reasonably informed of any issues raised by ASIC in relation to the Prospectus and consult (where practicable) with the Target in good faith prior to taking any steps or actions to address those issues;
  - (vii) promptly consult with the Target in good faith as to the need for, and the form of, any supplementary disclosure to investors;
- (c) The Bidder covenants to accept all valid subscription agreements and/or applications received under the Prospectus Offer (subject to the scaling back of applications that may be achieved in the event that it receives valid applications in excess of the maximum subscription available under the Prospectus Offer, provided such scaling does not prevent or unduly delay the satisfaction of the Prospectus Offer Condition).
- (d) The Target must use all reasonable endeavours and commit necessary resources (as required) to assist the Bidder in satisfying the Prospectus Offer Condition.

#### 4.4 Listing Condition

- (a) The Bidder must use its reasonable endeavours to procure the satisfaction of the Listing Condition.
- (b) Without limiting clause 4.4(a), the Bidder must:
  - (i) apply to ASX to reinstate the Bidder Shares to official quotation on ASX;

- (ii) prepare all applications and submissions to the ASX in connection with the Listing and the completion of the Transaction (collectively, the **Listing Documents**);
  - (iii) provide the Target with copies of drafts of the Listing Documents on reasonable request and the final copy of the Listing Documents not less than 5 Business Days before the Bidder is required to send the Listing Documents to ASX (provided that the Target will use best endeavours to review such documents as soon as possible and without delay);
  - (iv) consider in good faith any suggested amendments to the Listing Documents by the Target and its Representatives;
  - (v) not send the Listing Documents with ASX unless a final copy of the Listing Documents has been provided to the Target and the Target has provided its written consent to sending the Listing Documents to ASX (such consent not to be unreasonably withheld, conditioned or delayed); and
  - (vi) keep the Target reasonably informed of any issues raised by ASX in relation to the Listing Documents and consult (where practicable) with the Target in good faith prior to taking any steps or actions to address those issues.
- (c) Without limiting clause 4.4(a), the Target must:
- (i) on a timely basis, provide the Bidder with all information reasonably requested by the Bidder for purposes of preparing, and for inclusion in, the Listing Documents; and
  - (ii) comply with, and use its reasonable endeavours to cause the Target Shareholders to comply with, all reasonable conditions and requirements of ASX to the Listing and the completion of the Transaction, including but not limited to, complying with any escrow provisions required by the ASX and pertaining to the Bidder Shares held by such Target Shareholders.
- (d) The Bidder and the Target will co-operate with, and assist each other in good faith, in the preparation of all Listing Documents to the ASX and in procuring the approval of the ASX to the Listing and the completion of the Transaction.

#### 4.5 Variation

Subject to clause 4.6(a), the Bidder may vary the terms of the Takeover Bid in any manner permitted by the Corporations Act provided the varied terms are no less favourable to Target Shareholders than the Agreed Bid Terms.

#### 4.6 Waiver of conditions and extension

- (a) The Bidder must not declare the Takeover Bid to be free from the Bidder Shareholder Approval Condition, Prospectus Offer Condition or Listing Condition and must disclose the non-waiver of these conditions in all public announcements related to the Takeover Bid (including the Bidder's Statement).
- (b) Subject to clause 4.6(a) and the Corporations Act, the Bidder may:
  - (i) declare the Takeover Bid to be free from any Bid Condition or declare the Takeover Bid Unconditional; and
  - (ii) extend the Offer Period at any time.

## **5 Escrow**

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### **5.1 Escrow by ASX only**

The Parties agree that any Bidder Shares issued to Target Shareholders as Bidder Consideration will be escrowed only to the extent required by ASX.

### **5.2 Application for relief**

To the extent any Bidder Shares issued to Target Shareholders as Bidder Consideration will, upon issue, be restricted securities, under the Listing Rules, the Bidder agrees to apply to ASX for relief from such escrow requirement promptly upon request by the Target and in consultation with the Target.

## **6 Confidentiality**

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### **6.1 Disclosure of Confidential Information**

A Party (**Recipient**):

- (a) must keep confidential any Confidential Information of the other Party (**Disclosing Party**) disclosed to the Recipient by the Disclosing Party, or of which the recipient becomes aware, except information which is public knowledge otherwise than as a result of a breach of confidentiality by the Recipient or any of its permitted discloses; and
- (b) may disclose any Confidential Information in respect of which the Recipient:
  - (i) has an obligation of confidentiality under clause 6.1(a) only to those of the Recipient's officers or employees or financial, legal or other advisers who have a need to know for the purposes of this Agreement or the transactions contemplated by it; or
  - (ii) is compelled by law or by any regulatory authority, including ASIC and ASX.

### **6.2 Bidder's Statement and Target's Statement**

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

### **6.3 Disclosure by Recipient of Confidential Information**

- (a) A Party disclosing information under clause 6.1 or 6.2 must use all reasonable endeavours to ensure that any person receiving Confidential Information from it does not disclose the information except in the circumstances permitted by this clause 6.
- (b) A Party who has received Confidential Information from another under this Agreement must, on the request of the other Party after the termination of this Agreement, immediately deliver to that Party all documents or other materials containing or referring to that information which are in its possession, power or control or in the possession, power or control of persons who have received Confidential Information from it under clause 6.1.

## 6.4 Exceptions

- (a) The obligations of confidentiality under this clause 6 do not extend to Confidential Information that (whether before or after this Agreement is executed):
- (i) is rightfully known or in the possession or control of the Recipient and is not subject to an obligation of confidence (including an obligation under this Agreement);
  - (ii) is lawfully generally available to the public, other than as a result of a breach of this Agreement; or
  - (iii) the Recipient is required by law or by the rules and policies of the ASX or by order of a court of competent jurisdiction to disclose.
- (b) The Recipient must, whenever practicable and permitted by law, prior to making any disclosure permitted by clause 6.4(a)(iii), advise the Disclosing Party of the form and content of the proposed disclosure and will provide the Disclosing Party with a reasonable opportunity to comment on the proposed disclosure.

## 6.5 Effect of termination

This clause 6 will survive termination of this Agreement.

## 7 Exclusivity

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### 7.1 No existing discussions

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

### 7.2 No shop

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

### 7.3 No talk and no due diligence

Subject to clause 7.4, during the Exclusivity Period, each Party must not and must ensure that each of its Representatives does not, directly or indirectly, except with the prior written consent of the other Party:

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

which may reasonably be expected to encourage or lead to the receipt of a Competing Proposal in respect of that Party;

- (d) communicate to any person an intention to do anything referred to in paragraphs (a) to (c) (inclusive) of this clause 7.3,

even if:

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

#### 7.4 Exceptions

Clauses 7.3 and 7.5 do not prohibit or require any action or inaction by any Party or any of its Representatives if the board of directors of that Party, acting in good faith after receiving written advice from its external legal advisers, determines that:

- (a) where there is a Competing Proposal in respect of that Party, the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal, having regard to the steps that board proposes to take; and
- (b) failing to respond to, or provide information in respect of, that Competing Proposal constitutes or would be likely to constitute, a breach of any of the fiduciary or statutory duties of that party,

provided that the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by that Party or any of its Representatives in a manner that would breach its obligations under clause 7.3.

#### 7.5 Notice of Competing Proposal

- (a) During the Exclusivity Period, a Party must as soon as possible notify the other Party in writing if the first-mentioned Party, or any of its Representatives, becomes aware of any direct or indirect:
  - (i) approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate negotiations or discussions, in respect of any expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal in respect of the first-mentioned Party;
  - (ii) proposal made to the first-mentioned Party or any of its Representatives, in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal in respect of the first-mentioned Party; or
  - (iii) provision by the first-mentioned Party or any of its Representatives of any material confidential information concerning that Party or its related entities or their respective operations to any person in relation to an actual, proposed or potential Competing Proposal in respect of that Party.
- (b) A notification given under clause 7.5(a) must include the identity of the proponent of the Competing Proposal and a summary of all material terms and conditions of the actual, proposed or potential Competing Proposal.

#### 7.6 Matching right

Without limiting clause 7.5(a), during the Exclusivity Period, a Party must:



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

unless:

- (c) the board of directors of that Party determines that the actual, proposed or potential Competing Proposal is or may reasonably be expected to lead to a Superior Proposal from the perspective of the shareholders of that Party having regard to the steps which that board proposes to take;
- (d) that Party has provided the other Party with the material terms and conditions of the actual, proposed or potential Competing Proposal, including the price and the identity of the Third Party making the actual, proposed or potential Competing Proposal in accordance with clause 7.5;
- (e) that Party has given the other Party at least five Business Days after the provision of the information referred to in clause 7.6(d) to revise, or provide proposed revisions, to the Offer (as the case may be) to match or better the actual, proposed or potential Competing Proposal if the other Party so chooses in its absolute discretion; and
- (f) the other Party has not, within the time period referred to in clause 7.6(e), revised, or provided proposed revisions, to the Offer (as the case may be) which the board of directors of the first-mentioned Party determines, in good faith after receiving written advice from its external advisers, matches or betters the actual, proposed or potential Competing Proposal.

Each party acknowledges and agrees that each successive material modification of any actual, proposed or potential Competing Proposal will constitute a new actual, proposed or potential Competing Proposal for the purposes of this clause 7.6.

## 7.7 Compliance with law

This clause 7 does not impose any obligation on the Parties if the performance of that obligation would:

- (a) involve a breach of statutory, fiduciary or other duty of a director of either Party;
- (b) otherwise be unlawful (except that it is acknowledged that a performance of an obligation would not be unlawful merely because it would result in a breach of a contractual obligation of the relevant party); or
- (c) constitute Unacceptable Circumstances (as declared by the Takeovers Panel or a court).

## 8 Warranties

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### 8.1 Mutual warranties

Each Party represents and warrants to the other that, as at the Execution Date and until the end of the Offer Period:

- (a) it is validly incorporated, organised and subsisting under the laws of the place of its incorporation;
- (b) it has full power and capacity to enter into and perform its obligations under this Agreement;

- (c) this Agreement has been duly executed and is a legal, valid and binding agreement, enforceable against the Party in accordance with its terms;
- (d) all necessary authorisations for the execution, delivery and performance by it of this Agreement in accordance with its/their terms have been obtained;
- (e) it is not bound by any agreement that would prevent or restrict it from entering into and performing its obligations under this Agreement or the transaction contemplated by it;
- (f) it is solvent and no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it, for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets; and
- (g) no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this Agreement.

## 8.2 Target warranties

The Target represents and warrants to the Bidder that each of the following statements is true, accurate and not misleading as at the Execution Date and until the end of the Offer Period:

- (a) each member of the Target Group is a corporation validly existing under the laws of its place of incorporation;
- (b) as at the Execution Date, the issued capital of the Target is 141,833,334 Target Shares and there are no shares or other securities (including equity securities, debt securities or convertible securities) or options (listed or unlisted) or performance rights or other instruments which are convertible into securities in the Target except as described in this clause 8.2(b), nor has the Target offered or agreed to issue any such shares, securities, options or performance rights or other instruments to any Third Party;
- (c) no member of the Target Group is involved in any litigation, arbitration, legal, administrative or governmental proceedings or other dispute and there are no facts or circumstances known to the Target (after making reasonable inquiries) likely to give rise to any such proceedings or dispute;
- (d) each member of the Target Group is conducting its business in compliance in all material respects with the applicable laws and holds all material licences, permits and authorisations necessary to conduct its activities as presently conducted;
- (e) so far as the Target is aware, there has been no material breach by any member of the Target Group of any laws applicable to it, any orders of any Authority having jurisdiction over it, or any conditions to any material licence, permit or authorisation held by it;
- (f) all Target Disclosure Materials are, to the knowledge of the Target (after making reasonable enquiries), true and correct in all material respects and is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (g) as at the Execution Date, the Target is not aware, after having made due enquiry, of any matter which is likely to result in the occurrence of a Target Prescribed Occurrence, a Target Material Adverse Change or a Target Regulated Event between the Execution Date and the end of the Offer Period;
- (h) as at the Execution Date, the Target is not aware of any act, omission, event or fact that would result in any of the Bid Conditions being breached or not satisfied;

- (i) there is no Encumbrance (of whatsoever nature) over any assets of the Target Group other than an Encumbrance arising in the ordinary course of business or as previously disclosed in writing to the Bidder;
- (j) the Exploration Permits are:
  - (i) in full force and effect;
  - (ii) in good standing;
  - (iii) not liable to be forfeited or cancelled for any reason;
  - (iv) not the subject of any current objections, third party complaints or applications for tenements; and
  - (v) all rent and rates and all expenditure conditions in respect of each of the Exploration Permits have been paid or complied with by the relevant due date or will be paid or complied with if that date occurs during the Offer Period; and
- (k) the Exploration Permit Applications are:
  - (i) not liable to be forfeited or cancelled for any reason; and
  - (ii) all rent and rates and all expenditure conditions in respect of each of the Exploration Permit Applications have been paid or complied with by the relevant due date or will be paid or complied with if that date occurs during the Offer Period.

### 8.3 Bidder warranties

The Bidder represents and warrants to the Target that each of the following statements is true, accurate and not misleading as at the Execution Date and until the end of the Offer Period:

- (a) each member of the Bidder Group is a corporation validly existing under the laws of Australia;
- (b) as at the Execution Date, the issued capital of the Bidder is as follows:
  - (i) 3,302,568,098 Bidder Shares; and
  - (ii) 51,375,000 Bidder Options,

and there are no shares or other securities (including equity securities, debt securities or convertible securities) or options (listed or unlisted) or performance rights or other instruments which are convertible into securities in the Bidder except as described in this clause 8.3(b), nor has the Bidder offered or agreed to issue any such shares, securities, options or performance rights or other instruments to any Third Party, other than in respect to the Approved Issues;
- (c) other than those approvals referred to in the Bid Conditions, and except to the extent that Bidder may be directed to seek certain approvals by any Authority, no approvals are required to be obtained by the Bidder under any law, rule or regulation to perform and observe its obligations under this Agreement and to consummate the Transaction;
- (d) the Bidder Shares are listed on the ASX;
- (e) the Bidder has complied with Listing Rule 3.1 in relation to continuous disclosure and has (to the extent necessary) and will continue to comply with Division 4 of Part 6.5 and Chapter 6B of the Corporations Act and, other than for the matters and transactions contemplated by this Agreement (which will be the subject of the Agreed Announcement), it is not relying on the carve-out in ASX Listing Rule 3.1A to withhold any information from public disclosure;

- (f) Other than the potential Carnaby Dispute, no member of the Bidder Group is involved in any litigation, arbitration, legal, administrative or governmental proceedings or other dispute and there are no facts or circumstances known to the Bidder (after making reasonable inquiries) likely to give rise to any such proceedings or dispute;
- (g) each member of the Bidder Group is conducting its business in compliance in all material respects with the applicable laws (including the Listing Rules) and holds all material licences, permits and authorisations necessary to conduct its activities as presently conducted;
- (h) the Bidder Tenements are:
  - (i) in full force and effect;
  - (ii) in good standing;
  - (iii) not liable to be forfeited or cancelled for any reason;
  - (iv) not the subject of any current objections, third party complaints or applications for tenements; and
  - (v) all rent and rates and all expenditure conditions in respect of each of the Bidder Tenements have been paid or complied with by the relevant due date or will be paid or complied with if that date occurs during the Offer Period;
- (i) the Bidder Tenement Applications are:
  - (i) not liable to be forfeited or cancelled for any reason; and
  - (ii) all rent and rates and all expenditure conditions in respect of each of the Bidder Tenement Applications have been paid or complied with by the relevant due date or will be paid or complied with if that date occurs during the Offer Period;
- (j) so far as the Bidder is aware, there has been no material breach by any member of the Bidder Group of any laws applicable to it, any orders of any Authority having jurisdiction over it, or any conditions to any material licence, permit or authorisation held by it;
- (k) all Bidder Disclosure Materials are, to the knowledge of Bidder (after making reasonable enquiries), true and correct in all material respects and is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (l) as at the Execution Date, Bidder is not aware, after having made due enquiry, of any matter which is likely to result in the occurrence of a Bidder Prescribed Occurrence, a Bidder Material Adverse Change or a Bidder Regulated Event between the Execution Date and the end of the Offer Period;
- (m) as at the Execution Date, the Bidder is not aware of any act, omission, event or fact that would result in any of the Bid Conditions being breached or not satisfied;
- (n) there is no Encumbrance (of whatsoever nature) over any assets of the Bidder Group other than an Encumbrance arising in the ordinary course of business or as previously disclosed in writing to the Target; and
- (o) the Bidder Shares to be offered as Bidder Consideration under the Offer will be:
  - (i) duly authorised and validly issued;
  - (ii) fully paid and rank equally with all other Bidder Shares;
  - (iii) free of all Encumbrances; and
  - (iv) not liable to the imposition of any duty.

#### 8.4 **Reliance on representations and warranties**

- (a) Each Party acknowledges that no Party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this Agreement, except for representations or inducements expressly set out in this Agreement.
- (b) Each Party acknowledges and confirms that it does not enter into this Agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this Agreement.

#### 8.5 **Timing of warranties**

Except to the extent otherwise stated, the warranties set out in this clause 8 are provided on the Execution Date and repeated on each day up to and including the end of the Offer Period.

#### 8.6 **Notification**

Each Party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations and warranties given by it under this clause 8.

#### 8.7 **Status of warranties**

Each warranty in this clause 8 is severable and survives termination of this Agreement.

### 9 **Release**

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#### 9.1 **Release of Target Indemnified Parties**

- (a) Subject to clause 9.1(b), the Bidder releases any and all rights that it may have, and agrees with the Target that it will not make any Claim, against any Target Indemnified Party as at the Execution Date and from time to time in connection with:
  - (i) any breach of any covenant, representation or warranty given by the Target under this Agreement;
  - (ii) any disclosures containing any statement which is false or misleading (whether by omission or otherwise); or
  - (iii) any failure to provide information,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Target Indemnified Party has engaged in fraud, gross negligence, wilful breach, wilful misconduct, wilful concealment or has acted in bad faith. To avoid doubt, nothing in this clause 9.1(a) limits the rights of the Bidder to demand payment of the Bidder Reimbursement Fee under clause 12.4 or terminate this Agreement under clause 11.
- (b) The release in clause 9.1(a) is subject to any restriction imposed by law and will be read down to the extent that any such restriction applies.
- (c) The Target receives and holds the benefit of clause 9.1(a) as trustee for the other Target Indemnified Parties.

#### 9.2 **Release of Bidder Indemnified Parties**

- (a) Subject to clause 9.2(b), the Target releases any and all rights that it may have, and agrees with the Bidder that it will not make any Claim, against any Bidder Indemnified Party as at the Execution Date and from time to time in connection with:
  - (i) any breach of any covenant, representation or warranty given by the Bidder under this Agreement;



- (ii) any disclosures containing any statement which is false or misleading (whether by omission or otherwise); or
- (iii) any failure to provide information,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Bidder Indemnified Party has engaged in fraud, gross negligence, wilful breach, wilful misconduct, wilful concealment or has acted in bad faith. To avoid doubt, nothing in this clause 9.2(a) limits the rights of the Target to demand payment of the Target Reimbursement Fee under clause 12.2 or terminate this Agreement under clause 11.

- (b) The release in clause 9.2(a) is subject to any restriction imposed by law and will be read down to the extent that any such restriction applies.
- (c) The Bidder receives and holds the benefit of clause 9.2(a) as trustee for the other Bidder Indemnified Parties.

### 9.3 Survival of release

Each release in this clause 9:

- (a) is severable;
- (b) survives termination of this Agreement;
- (c) is a continuing obligation; and
- (d) constitutes a separate and independent obligation of the Party giving the release from any other obligation of that Party under this Agreement.

## 10 Deed of Access, Indemnity and Insurance

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- (a) The Target agrees that notwithstanding any other provision of this Agreement, the Bidder may enter into arrangements to secure directors and officers run-off insurance for any and all directors and officers of each member of the Bidder Group for up to a seven year period from the Unconditional Date and any actions taken by the Target or the Bidder to facilitate that insurance or in connection with such insurance (including paying any amounts to ensure such maintenance upfront) will not be Bidder Prescribed Occurrence or breach any provision of this Agreement, provided the cost of the run-off insurance does not exceed \$60,000.
- (b) The Bidder agrees that notwithstanding any other provision of this Agreement, the Target may enter into arrangements to secure directors and officers run-off insurance for any and all directors and officers of each member of the Target Group for up to a seven year period from the Unconditional Date and any actions taken by the Target or the Bidder to facilitate that insurance or in connection with such insurance (including paying any amounts to ensure such maintenance upfront) will not be Target Prescribed Occurrence or breach any provision of this Agreement, provided the cost of the run-off insurance does not exceed \$60,000.
- (c) Subject to the Bidder acquiring a relevant interest in more than 90% of the Bidder Shares and the Offer becoming Unconditional, the Bidder undertakes in favour of the Target and each other Target Indemnified Party that it will:
  - (i) for a period of seven years from the Unconditional Date, ensure that the constitutions of the Target and each other member of the Target Group continue to contain such rules as are contained in those constitutions at the Execution Date that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the Target Group; and

- (ii) procure that the Target and each other member of the Target Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and ensure that directors' and officers' run-off insurance cover for such directors and officers is maintained for a period of seven years from the retirement date of each director and officer.
- (d) The provisions contained in this clause 10 are subject to any Corporations Act restriction and will be read down accordingly.
- (e) The Target receives and holds the benefit of this clause 10 to the extent it relates to other Target Indemnified Parties, for and on behalf of, and as trustee for, them.

## **11 Termination**

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### **11.1 General termination rights**

- (a) Either Party may terminate this Agreement by giving written notice to the other Party if during the Offer Period:
  - (i) a Court or Authority issues an order, decree or ruling or takes an action which permanently restrains or prohibits the Offer and that order, decree, ruling or action is final and cannot be appealed or reviewed;
  - (ii) the Offer Period ends without the Bid Conditions being satisfied or waived;
  - (iii) the Long Stop Date is reached and the Offer Period has not concluded; or
  - (iv) the Bidder is removed from the Official List.
- (b) This Agreement may be terminated by written agreement between the Parties.

### **11.2 Bidder termination events**

Without limiting clause 11.1, the Bidder may terminate this Agreement at any time by giving written notice to the Target if:

- (a) the Target is in material breach of a Target Warranty under this Agreement or any other material obligation under this Agreement provided that the Bidder has given notice to the Target setting out the relevant circumstances and stating an intention to terminate this Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given;
- (b) the Target Board (or any one or more members of the Target Board) changes or withdraws its (or their) recommendation that Target Shareholders accept the Offer in respect of all their Target Shares or their intention to accept the Offer in respect of all of their Target Shares or make a public statement indicating that it no longer supports the Offer or that it support a Competing Proposal in respect of the Target;
- (c) the Bidder Board changes or withdraws its recommendation that Bidder Shareholders vote in favour of the Bidder Shareholder Resolutions following a determination pursuant to clause 7.6(c) and the Bidder is not in breach of its obligations in clause 7;
- (d) a Target Material Adverse Change occurs, provided that the Bidder has given notice to the Target setting out the relevant circumstances and stating an intention to terminate this Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given;
- (e) a Target Regulated Event occurs, provided that the Bidder has given notice to the Target setting out the relevant circumstances and stating an intention to terminate this

Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given; or

- (f) a Target Prescribed Occurrence occurs, provided that the Bidder has given notice to the Target setting out the relevant circumstances and stating an intention to terminate this Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given.

### 11.3 Target termination events

Without limiting clause 11.1, the Target may terminate this Agreement at any time by giving written notice to the Bidder if:

- (a) the Bidder is in material breach of a Bidder Warranty under this Agreement or any other material obligation under this Agreement provided that the Target has given notice to the Bidder setting out the relevant circumstances and stating an intention to terminate this Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given;
- (b) the Bidder Board (or any one or more members of the Bidder Board) withdraws its (or their) recommendation or makes any public statement indicating that it no longer intends to make or intends to withdraw the Offer (as the case may be) or that it supports a Competing Proposal in respect of the Bidder;
- (c) the Target Board changes or withdraws its recommendation that Target Shareholders accept the Offer in respect of all their Target Shares following a determination pursuant to clause 7.6(c) and the Target is not in breach of its obligations in clause 7;
- (d) a Bidder Material Adverse Change occurs, provided that the Target has given notice to the Target setting out the relevant circumstances and stating an intention to terminate this Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given;
- (e) a Bidder Regulated Event occurs, provided that the Target has given notice to the Target setting out the relevant circumstances and stating an intention to terminate this Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given; or
- (f) a Bidder Prescribed Occurrence occurs, provided that the Target has given notice to the Target setting out the relevant circumstances and stating an intention to terminate this Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given.

### 11.4 Effect of termination

If this Agreement is terminated by a Party under clause 11.1, 11.2 or 11.3:

- (a) each Party will be released from its obligations under this Agreement except its obligations under this clause 11.4 and clauses 1, 6, 9, 12, 14 and 16;
- (b) each Party will retain the rights it has or may have against the other Party in respect of any past breach of this Agreement; and
- (c) in all other respects, all future obligations of the Parties under this Agreement will immediately terminate and be of no further force or effect, including without limitation any further obligations in respect of the Takeover Bid.

## 12 Reimbursement and Costs

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### 12.1 Bidder Acknowledgements

The Bidder acknowledges and agrees that:

- (a) if the Target enters into this Agreement and the Takeover Bid does not succeed, the Target Group will have incurred significant costs and expenses, including significant opportunity costs;
- (b) the costs and expenses actually incurred by the Target Group will be of such nature that they cannot accurately be ascertained, but that the Target Reimbursement Fee is a genuine and reasonable estimate of the costs and expenses that have been or will be actually incurred by the Target Group in such circumstances and has been calculated to reimburse the Target Group for such costs and expenses;
- (c) the Target has requested that provision be made for the payment of the Target Reimbursement Fee to the Target in the circumstances described in clause 12.2, without which the Target would not have entered this Agreement; and
- (d) the Bidder Board has concluded that it is reasonable and appropriate for the Bidder to agree to the payment of the Target Reimbursement Fee in the circumstances described in clause 12.2 to secure the Target's participation in the Takeover Bid.

## 12.2 Target Reimbursement Fee

- (a) The Bidder agrees to pay the Target Reimbursement Fee to the Target if:
  - (i) the Bidder is in material breach of a Bidder Warranty or any other material obligation under this Agreement and the cure period specified in clause 11.3(a) has expired;
  - (ii) a Bidder Prescribed Occurrence or Bidder Regulated Event occurs;
  - (iii) the Bidder is in breach of its obligations under clause 7;
  - (iv) a Competing Proposal in respect of the Bidder is publicly announced before the end of the Offer Period and, within 12 months after the Long Stop Date the Third Party making the Competing Proposal or a Related Body Corporate of the Third Party completes in all material respects a transaction of the kind referred to in the definition of Competing Proposal; or
  - (v) at any time before the end of the Exclusivity Period, the Bidder Board (or any one or more members of the Bidder Board):
    - (A) withdraws its (or their) recommendation or makes any public statement indicating that it no longer intends to make or intends to withdraw the Offer (as the case may be); or
    - (B) no longer recommends that Bidder Shareholders vote in favour of the Bidder Shareholder Resolution,

other than due to a material breach of this Agreement by the Target and the cure period specified in clause 11.3(a) having expired,

and the Target validly terminates this Agreement under clause 11.3.
- (b) Despite any other provision of this Agreement, the payment of the Target Reimbursement Fee to the Target under this clause 12.2 does not release the Bidder from any claim or action such as for damages, specific performance or interlocutory relief arising from the Bidder's breach of this Agreement.
- (c) The Bidder must pay the Target Reimbursement Fee to the Target without set-off or withholding within 5 Business Days after the receipt by the Bidder of a written demand for payment from the Target. The demand may only be made after the occurrence of an event referred to in clause 12.2(a). The obligation to reimburse under this clause 12.2 cannot be triggered more than once.

### 12.3 Target Acknowledgements

The Target acknowledges and agrees that:

- (a) if the Bidder enters into this Agreement and the Takeover Bid does not succeed, the Bidder Group will have incurred significant costs and expenses, including significant opportunity costs;
- (b) the costs and expenses actually incurred by the Bidder Group will be of such nature that they cannot accurately be ascertained, but that the Bidder Reimbursement Fee is a genuine and reasonable estimate of the costs and expenses that have been or will be actually incurred by the Bidder Group in such circumstances and has been calculated to reimburse the Bidder Group for such costs and expenses;
- (c) the Bidder has requested that provision be made for the payment of the Bidder Reimbursement Fee to the Bidder in the circumstances described in clause 12.4, without which the Bidder would not have entered this Agreement; and
- (d) the Target Board has concluded that it is reasonable and appropriate for the Target to agree to the payment of the Bidder Reimbursement Fee in the circumstances described in clause 12.4 to secure the Bidder's participation in the Takeover Bid.

### 12.4 Bidder Reimbursement Fee

- (a) The Target agrees to pay the Bidder Reimbursement Fee to the Bidder if:
  - (i) the Target is in material breach of a Target Warranty or any other material obligation under this Agreement and the cure period specified in clause 11.2(a) has expired;
  - (ii) a Target Prescribed Occurrence or Target Regulated Event occurs;
  - (iii) the Target is in breach of its obligations under clause 7;
  - (iv) a Competing Proposal in respect of the Target is publicly announced before the end of the Offer Period and, within 12 months after the Long Stop Date the Third Party making the Competing Proposal or a Related Body Corporate of the Third Party completes in all material respects a transaction of the kind referred to in the definition of Competing Proposal; or
  - (v) at any time before the end of the Exclusivity Period, the Target Board (or any one or more members of the Target Board):
    - (A) changes or withdraws its (or their) recommendation that Target Shareholders accept the Offer in respect of all their Target Shares or makes a public statement indicating that it no longer supports the Offer; or;
    - (B) no longer intend to accept the Offer in respect of all of their Target Shares,
 other than due to:
    - (C) a material breach of this Agreement by the Bidder and the cure period specified in clause 11.2(a) having expired; or
    - (D) a Condition being breached or being incapable of satisfaction and the Bidder stating that it will not waive that breach or free the Offer from that Condition,
 and the Bidder validly terminates this Agreement under clause 11.2.
- (b) Despite any other provision of this Agreement, the payment of the Bidder Reimbursement Fee to the Bidder under this clause 12.4 does not release the Target



from any claim or action such as for damages, specific performance or interlocutory relief arising from the Target's breach of this Agreement.

- (c) The Target must pay the Bidder Reimbursement Fee to the Bidder without set-off or withholding within 5 Business Days after the receipt by the Target of a written demand for payment from the Bidder. The demand may only be made after the occurrence of an event referred to in clause 12.4(a). The obligation to reimburse under this clause 12.4 cannot be triggered more than once.

#### 12.5 Target Loan

- (a) The Target agrees to loan the Bidder up to \$500,000 to assist with the costs, expenses and professional fees incurred by the Bidder in connection with the Takeover Bid, Prospectus and the seeking of the ASX Reinstatement Letter (**Target Loan**).
- (b) The Target and the Bidder agree to enter into the Loan Agreement on the Execution Date.

#### 12.6 Duties and Costs

- (a) The Bidder must pay all duty in respect of the execution, delivery and performance of any transaction contemplated by this Agreement.
- (b) Except as otherwise provided in this Agreement or under any other arrangement(s) or agreement(s) between the Parties, each Party must pay its own legal costs and expenses in respect of the negotiation, preparation, execution, delivery and completion of this Agreement.

### 13 Announcements

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#### 13.1 No Announcement

Neither Party may make an announcement relating to the subject matter of this Agreement or its termination or make public this Agreement (or any of its terms) unless the announcement:

- (a) is permitted or required by this Agreement (including the Agreed Announcement);
- (b) has the prior approval of the other Party (not to be unreasonable withheld or delayed); or
- (c) is required to be made by any applicable law or the Listing Rules.

#### 13.2 Notice of Announcement

If a Party is required to make an announcement under clause 13.1(c), it must, to the extent practicable without that Party breaching any applicable law, give to the other Party:

- (a) such notice as is reasonable in the circumstances of its intention to make the announcement; and
- (b) a draft of the announcement and an opportunity, which is reasonable in the circumstances, to comment on the contents of the draft announcement.

#### 13.3 Announcement in respect of non-related matters

If a Party is required to make an announcement by any applicable law or the Listing Rules in respect of any matter other than in respect of the Takeover Bid, that Party must, to the extent practicable without that Party breaching any applicable law, give to the other Party such notice of any material announcements as is reasonable in the circumstances of its intention to make the announcement.

## **14 GST**

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### **14.1 Interpretation**

In this clause 14, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that Act.

### **14.2 GST gross up**

- (a) Subject to clause 14.2(b), if a Party makes a supply under or in connection with this Agreement in respect of which GST is payable, the consideration for the supply but for the application of this clause 14.2(a) (GST exclusive consideration) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) Clause 14.2(a) does not apply to any consideration that is expressed in this Agreement to be inclusive of GST.

### **14.3 Reimbursements and indemnifications**

If a Party must reimburse or indemnify another Party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other Party is entitled to for the loss, cost or expense, and then increased in accordance with this clause 14.

### **14.4 Tax invoice**

A Party need not make a payment for a taxable supply made under or in connection with this Agreement until it receives a tax invoice for the supply to which the payment relates.

## **15 Notices**

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### **15.1 Method of giving notices**

A notice required or permitted to be given by one Party to another under this Agreement must be in writing and is treated as being duly given if it is:

- (a) left at that other Party's address;
- (b) sent by pre-paid mail to that other Party's address; or
- (c) sent by email.

### **15.2 Time of Receipt**

A notice given to a Party in accordance with clause 15.1 to 15.4 is treated as having been duly given and received:

- (a) when delivered (in the case of it being left at that Party's address);
- (b) on the third Business Day after posting (in the case of it being sent by pre-paid mail); and
- (c) upon receipt by the sender of email confirmation of receipt of the email by the recipient of the email, in which event it will be deemed received as at the time and date of transmission of such confirmation (in the case of it being sent by email).

### **15.3 Address of Parties**

For the purposes of this clause 15, the address of a Party is the address below or another address of which that Party may from time to time give notice to each other Party:

**The Bidder**

Address Unit 1, Ground Floor, 72 Kings Park Road  
West Perth WA 6005

Attention: Toby Wellman

Email: [toby@discovexresources.com.au](mailto:toby@discovexresources.com.au)

With a copy to: Jonathan Murray and Dominic Hird  
Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000 Australia  
[jmurray@steinpag.com.au](mailto:jmurray@steinpag.com.au)  
[dhird@steinpag.com.au](mailto:dhird@steinpag.com.au)

**The Target**

Address Level 1, 29 Napoleon Street  
Cottesloe WA 6011

Attention: Grant Coyle

Email: [grant@lat66.com](mailto:grant@lat66.com)

With a copy to: Michael Ng and Scott Gibson  
Thomson Geer  
Level 29, Central Park Tower  
152-158 St Georges Terrace  
Perth WA 6000  
[mng@tqlaw.com.au](mailto:mng@tqlaw.com.au)  
[sqibson@tqlaw.com.au](mailto:sqibson@tqlaw.com.au)

**15.4 Change of Address**

Each Party may from time to time change its address by giving notice pursuant to clause 15.1 to the other Party.

**16 General**

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**16.1 Governing law**

This Agreement is governed by and is to be construed according to the laws of Western Australia, Australia.

**16.2 Jurisdiction**

- (a) Each of the Parties irrevocably submits to and accepts generally and unconditionally the exclusive jurisdiction of the courts and appellate courts of Western Australia with respect to any legal action or proceedings which may be brought at any time relating in any way to this Agreement.
- (b) Each of the Parties irrevocably waives any objection it may now or in the future have to the venue of any action or proceedings, and any claim it may now or in the future have that the action or proceeding has been brought in an inconvenient forum.

**16.3 Severability**

Any provision of this Agreement which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions.

**16.4 Amendments**

This Agreement may not be modified, amended or otherwise varied except by a document in writing signed by or on behalf of each of the Parties.

**16.5 Waiver**

No waiver or indulgence by any Party to this Agreement is binding on the Parties unless it is in writing. No waiver of one breach of any term or condition of this Agreement will operate as a waiver of another breach of the same or any other term or condition of this Agreement.

**16.6 Further acts**

The Parties will promptly do and perform all further acts and execute and deliver all further documents required by law or reasonably requested by any other Party to carry out and effect the intent and purpose of this Agreement.

**16.7 Approvals**

Subject to any law to the contrary and unless this Agreement expressly provides otherwise, where the doing or execution of any act, matter or thing is dependent on the consent or approval of a Party, that consent or approval may be given or withheld in the absolute discretion of that Party.

**16.8 Time of the essence**

Time is of the essence in this Agreement.

**16.9 Entire agreement**

- (a) This Agreement constitutes the sole and entire agreement between the Parties in relation to the transaction contemplated by this Agreement and contains all of the representations, warranties, undertakings and agreements of and between the Parties, except as otherwise agreed between the Parties.
- (b) The Parties accept that they rely on only those matters expressly set out in this Agreement, as this Agreement supersedes all prior negotiations, contracts, arrangements or understandings with respect to the subject matter dealt with in this Agreement.
- (c) There are no representations, warranties, undertakings or agreements between the Parties, expressed or implied, except as set out in this Agreement.

**16.10 Counterparts**

This Agreement may be executed in any number of counterparts (including by email) and all of those counterparts taken together constitute one and the same instrument.

## Schedule 1

### Agreed Bid Terms

#### **1 Bidder Consideration**

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0.8813161 Bidder Shares for every one (1) Target Share (on a post-Bidder Consolidation basis).

#### **2 Offer Period**

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One month from the date the Offer opens, subject to the Bidder's right to extend the period.

#### **3 Bid Conditions**

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##### **3.1 Minimum Acceptance Condition**

At or before the end of the Offer Period, the Bidder has a Relevant Interest in such number of Target Shares which represents at least 90% of all Target Shares.

##### **3.2 Listing Condition**

The Bidder receives written confirmation from ASX that it will reinstate the Bidder Shares to official quotation on ASX and terminate any suspension of trading of Bidder Shares, subject to the satisfaction of such terms and conditions (if any) as are prescribed by ASX or the Listing Rules (**ASX Reinstatement Letter**).

##### **3.3 Escrow Condition**

To the extent the ASX Reinstatement Letter imposes escrow restrictions requiring certain Bidder Shareholders or Target Shareholders who receive Bidder Consideration to enter into escrow agreements, such persons have entered into the relevant escrow agreements.

##### **3.4 No Target Material Adverse Change**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Target Material Adverse Change occurs.

##### **3.5 No Target Prescribed Occurrence**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Target Prescribed Occurrence occurs.

##### **3.6 Prospectus Offer Condition**

The Prospectus Offer closes and, as at the close of the Prospectus offer, the Bidder has received and is entitled to gross proceeds of not less than \$2,000,000 (before costs) as a result of subscriptions made under the Prospectus.

##### **3.7 Bidder Shareholder Approval Condition**

The Bidder Shareholders' approve the Bidder Shareholder Resolutions.

##### **3.8 Bidder Consolidation**

The Bidder completing the implementation of the Bidder Consolidation.



### 3.9 **No Target Regulated Event**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Target Regulated Event occurs.

### 3.10 **No Regulatory Actions**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) no preliminary or final decision, order or decree issued by an Authority is in effect; and
- (b) no action or investigation is commenced by any Authority,

in consequence of or in connection with the Offer (other than an application to, or decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of, Chapter 6, 6A, 6B or 6C of the Corporations Act or relating to Unacceptable Circumstances) which restrains or prohibits the making or completion of the Offer, or the acquisition of any Target Shares under the Offer, the completion of any of the transactions contemplated by the Offer or the rights of the Bidder in respect of the Target or any Target Shares.

### 3.11 **FDI Approval**

The Bidder receiving from the Ministry for Economic Affairs and Employment of Finland (**FDI Screening Authority**) (i) approval for the acquisition of control over Latitude 66 Cobalt Oy (being a 100% subsidiary of Latitude 66 and the entity subject to the screening of the FDI Screening Authority under the Finnish Screening Act) by the Bidder through the acquisition of the Target Shares, or (ii) decision by the FDI Screening Authority that the Finnish Screening Act does not apply (decision of non-applicability) for the acquisition of control over Latitude 66 Cobalt Oy by the Bidder through the acquisition of the Target Shares.

## Schedule 2

### Indicative Timetable

Event	Date
Execute Bid Implementation Agreement Bidder releases Agreed Announcement	3 April 2024
Notice of Bidder Shareholder Meeting sent to Bidder Shareholders	10 April 2024
Bidder's Statement lodged with ASIC and served on Target and ASX	10 April 2024
Target's Statement lodged with ASIC and served on Bidder and ASX	10 April 2024
Bidder's Statement and Target's Statement sent to Target Shareholders	10 April 2024
Notice to Target and ASIC that Bidder's Statement has been sent to Target shareholders	12 April 2024
Prospectus lodged with ASIC	12 April 2024
Bidder holds Bidder Shareholder Meeting	10 May 2024
Effective date for Bidder Consolidation	10 May 2024
Prospectus Offer closes	10 May 2024
Takeover offer closes	17 May 2024
Bidder sends compulsory acquisition notices (if required)	20 May 2024
Anticipated date the suspension of trading is lifted and Bidder Shares recommence trading on ASX	27 May 2024
Completion of compulsory acquisition (if required)	21 June 2024

### Schedule 3

#### List of DCX Group Tenements

#### Part 1: Tenements

Tenement	Holder(s)	Percentage Held by Group	Status
<b>Edjudina Gold Project – South Laverton, WA</b>			
E39/1765	DiscovEx Resources Limited/Gateway Mining Limited	80%	Granted
E39/1882	DiscovEx Resources Limited/Gateway Mining Limited	80%	Granted
E28/2884	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
E31/1187	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
E31/1198	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
E31/1227	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
E39/2102	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
E39/2126	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
P31/2126	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
P31/2125	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
E39/2178	DiscovEx Resources Limited	100%	Granted
E39/2181	DiscovEx Resources Limited	100%	Granted
E39/2182	DiscovEx Resources Limited	100%	Granted
E39/2186	DiscovEx Resources Limited	100%	Granted
E39/2334	DiscovEx Resources Limited	100%	Granted
<b>Sylvania Gold &amp; Base Metals Project – Newman, WA</b>			
E52/3638	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3366	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3365	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3784	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3887	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3997	Lighthouse Resource Holdings Pty Ltd/Crest Investment Group 3 Limited	90%	Granted
E52/3889	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3996	Lighthouse Resource Holdings Pty Ltd/Crest Investment Group 3 Limited	90%	Granted
E52/3780	Lighthouse Resource Holdings Pty Ltd/Crest Investment Group 3 Limited	90%	Granted
E52/3890	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3995	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3888	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3980	Lighthouse Resource Holdings Pty Ltd	100%	Granted
<b>Other Projects – Regional WA</b>			
E59/2812	Wedgetail Exploration Pty Ltd	100%	Granted
E27/695	DiscovEx Resources Limited	100%	Granted
<b>Greater Duchess Joint Venture – Mt Isa, Queensland</b>			
EPM 14366	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 14369	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 17637	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 18223	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 18980	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 19008	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 25435	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 25439	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted

EPM 25853	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 9083	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 11013	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 25972	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
<b>Net Smelter Return Royalty – Mt Isa, Queensland</b>			
EPM 13870	Syndicated Royalties Pty Ltd/Hammer Metals Limited	2% NSR	Granted

## Part 2: Tenement Applications

Tenement	Holder(s)	Percentage Held by Group	Status
<b>Edjudina Gold Project – South Laverton, WA</b>			
E39/2344	DiscovEx Resources Limited	-	Application
E39/1360	DiscovEx Resources Limited	-	Application
<b>Sylvania Gold &amp; Base Metals Project – Newman, WA</b>			
E52/3884	DiscovEx Resources Limited	-	Application
<b>Other Projects – Regional WA</b>			
E30/563	Wedgetail Exploration Pty Ltd	-	Application
E45/6778	Wedgetail Exploration Pty Ltd	-	Application
E45/6743	Wedgetail Exploration Pty Ltd	-	Application
E59/2828	Wedgetail Exploration Pty Ltd	-	Application
E59/2829	Wedgetail Exploration Pty Ltd	-	Application
E59/2833	Wedgetail Exploration Pty Ltd	-	Application
E57/1277	Wedgetail Exploration Pty Ltd	-	Application
E27/723	Wedgetail Exploration Pty Ltd	-	Application
E27/724	Wedgetail Exploration Pty Ltd	-	Application
E59/2833	Wedgetail Exploration Pty Ltd	-	Application

**Schedule 4**  
**Agreed Announcement**

**Executed** as an agreement

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

---

Director

---

\*Director/\*Company Secretary

---

Name of Director  
BLOCK LETTERS

---

Name of \*Director/\*Company Secretary  
BLOCK LETTERS  
\*please strike out as appropriate

**Executed by DiscovEx Resources Limited**  
ACN 115 768 986 in accordance with section  
127 of the *Corporations Act 2001* (Cth):

---

Director

---

\*Director/\*Company Secretary

---

Name of Director  
BLOCK LETTERS

---

Name of \*Director/\*Company Secretary  
BLOCK LETTERS  
\*please strike out as appropriate



**SCHEDULE 2 – Effect of Proposed Transaction on Company’s Consolidated Total Assets, Total Equity Interests, Revenue, Expenses and Profit Before Tax**

Particulars	Prior to the Proposed Transaction	Projected increase / decrease due to the Proposed Transaction	Post- Proposed Transaction – Pro Forma	Percentage change due to the Proposed Transaction
Total Consolidated Assets	9,285,302 <sup>1</sup>	18,737,116	28,022,418	302%
Total Consolidated Equity	8,824,086 <sup>1</sup>	17,616,762	26,440,848	300%
Consolidated Half Year Expenditure	1,150,601 <sup>1</sup>	Nil	1,150,601	0% <sup>2</sup>
Total Revenue	N/A	N/A	N/A	N/A
Total Consolidated Half Year Loss (before tax)	1,054,130 <sup>1</sup>	Nil	1,054,130	0% <sup>2</sup>

**Notes:**

1. Position of the Company as stated in its most recently published financial statements for the half year ended 31 December 2023 lodged with ASX on 13 February 2024.
2. Remains unchanged as all costs associated with the Proposed Transaction will be capitalised.

### SCHEDULE 3 – Pro Forma Statements of Financial Position

#### PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MINIMUM SUBSCRIPTION)

	Consolidated 31 Dec 2023 Pre- Acquisition & capital raising (reviewed)	Adjustments	Consolidated 31 Dec 2023 Post- Acquisition & capital raising (pro- forma unaudited)
	\$	\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1,011,177	5,543,792	6,554,969
Financial assets at fair value through profit or loss	535,519	157,124	692,643
Trade and other receivables	137,156	579,872	717,028
<b>TOTAL CURRENT ASSETS</b>	<b>1,683,852</b>	<b>6,280,788</b>	<b>7,964,640</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	62,640	541,531	604,171
Right-of-use asset	158,552	60,116	218,668
Exploration and evaluation costs	7,380,258	11,411,594	18,791,852
<b>TOTAL NON-CURRENT ASSETS</b>	<b>7,601,450</b>	<b>12,013,241</b>	<b>19,614,691</b>
<b>TOTAL ASSETS</b>	<b>9,285,302</b>	<b>18,294,029</b>	<b>27,579,331</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	254,995	604,997	859,992
Lease liabilities	74,089	64,218	138,307
Provisions	35,342	311,904	347,246
<b>TOTAL CURRENT LIABILITIES</b>	<b>364,426</b>	<b>981,119</b>	<b>1,345,545</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	88,477	2,459	90,936
Long term advances	-	136,776	136,776
Provisions	8,313	-	8,313
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>96,790</b>	<b>139,235</b>	<b>236,025</b>
<b>TOTAL LIABILITIES</b>	<b>461,216</b>	<b>1,120,354</b>	<b>1,581,570</b>
<b>NET ASSETS</b>	<b>8,824,086</b>	<b>17,173,675</b>	<b>25,997,761</b>
<b>EQUITY</b>			
Issued capital	38,386,126	(14,396,714)	23,989,412
Foreign currency translation reserve	-	(226,824)	(226,824)
Share based payments reserve	233,213	(122,141)	111,072
Accumulated (loss)/profit	(29,795,253)	31,919,354	2,124,101
<b>TOTAL EQUITY</b>	<b>8,824,086</b>	<b>17,173,675</b>	<b>25,997,761</b>

**PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MAXIMUM SUBSCRIPTION)**

	Consolidated 31 Dec 2023 Pre- Acquisition & capital raising (reviewed)	Adjustments	Consolidated 31 Dec 2023 Post-Acquisition & capital raising (pro-forma unaudited)
	\$	\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1,011,177	7,417,792	8,428,969
Financial assets at fair value through profit or loss	535,519	157,124	692,643
Trade and other receivables	137,156	7,417,792	8,428,969
<b>TOTAL CURRENT ASSETS</b>	<b>1,683,852</b>	<b>8,154,788</b>	<b>9,838,640</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	62,640	541,531	604,171
Right-of-use asset	158,552	60,116	218,668
Exploration and evaluation costs	7,380,258	11,411,594	18,791,852
<b>TOTAL NON-CURRENT ASSETS</b>	<b>7,601,450</b>	<b>12,013,241</b>	<b>19,614,691</b>
<b>TOTAL ASSETS</b>	<b>9,285,302</b>	<b>20,168,029</b>	<b>29,453,331</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	254,995	604,997	859,992
Lease liabilities	74,089	64,218	138,307
Provisions	35,342	311,904	347,246
<b>TOTAL CURRENT LIABILITIES</b>	<b>364,426</b>	<b>981,119</b>	<b>1,345,545</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	88,477	2,459	90,936
Long term advances	-	136,776	136,776
Provisions	8,313	-	8,313
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>96,790</b>	<b>139,235</b>	<b>236,025</b>
<b>TOTAL LIABILITIES</b>	<b>461,216</b>	<b>1,120,354</b>	<b>1,581,570</b>
<b>NET ASSETS</b>	<b>8,824,086</b>	<b>19,047,675</b>	<b>27,871,761</b>
<b>EQUITY</b>			
Issued capital	38,386,126	(12,633,787)	25,752,339
Foreign currency translation reserve	-	(226,824)	(226,824)
Share based payments reserve	233,213	(11,068)	222,145
Accumulated (loss)/profit	(29,795,253)	31,919,354	2,124,101
<b>TOTAL EQUITY</b>	<b>8,824,086</b>	<b>19,047,675</b>	<b>27,871,761</b>



**DiscovEx Resources Limited**

**SCHEDULE 4 – Audited Financial Statements Latitude 66**





**LATITUDE 66 COBALT LIMITED**

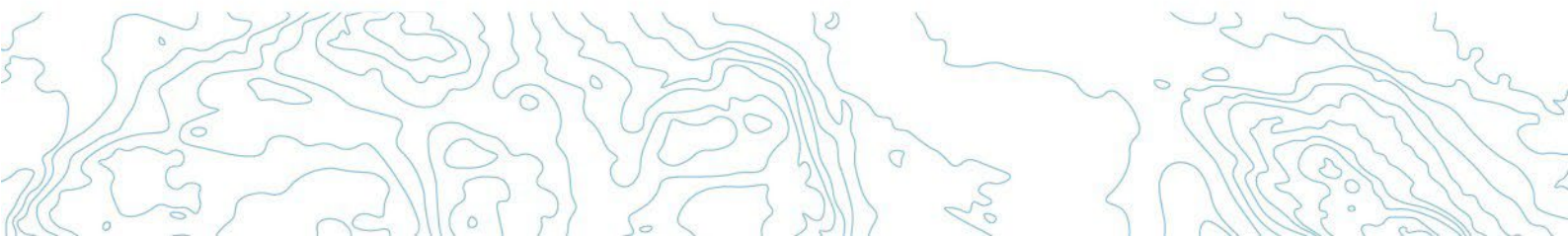
**ABN 81 623 040 773**

**AND ITS CONTROLLED ENTITY**

**Interim Financial Report**

**FOR THE HALF-YEAR ENDED**

**31 DECEMBER 2023**



# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

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## LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY CORPORATE DIRECTORY

**Australian Company Number:** 623 040 773

**Directors** Jeffrey Foster – resigned 31 August 2023  
Russell Delroy  
Joshua Welch  
Thomas Hoyer  
Steffen Hagemann  
Grant Coyle – appointed 31 August 2023

**Company Secretary** Eryn Kestel

**Registered Office** Level 1, 284 Oxford Street  
Leederville Western Australia 6007  
Australia

**Principal Place of Business** Level 1, 29 Napoleon Street  
Cottesloe Western Australia 6011  
Australia

**Finland Office**  
Latitude 66 Cobalt Oy  
Asemakatu 41  
90100 OULU  
Finland

**Auditor** RSM Australia Partners  
Level 32, Exchange Tower  
2 The Esplanade  
Perth Western Australia 6000  
T +61(0) 8 9261 9100  
F +61(0) 8 9261 9111

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## DIRECTORS' REPORT

The directors of Latitude 66 Cobalt Limited ("Latitude 66" or "Company") present their report for the Company and its subsidiary (collectively the "Consolidated Entity") for the half-year ended 31 December 2023.

### DIRECTORS

The names of the directors in office at any time during or since the end of the financial year are:

Jeffrey Foster	Resigned 31 August 2023
Russell Delroy	
Joshua Welch	
Thomas Hoyer	
Steffen Hagemann	
Grant Coyle	Appointed 31 August 2023

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the half-year consisted of mineral exploration for gold and cobalt. No significant change in the nature of the Consolidated Entity's activities occurred during the half-year.

### DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid, recommended or declared during the current or previous financial year.

### REVIEW OF OPERATIONS

The net consolidated loss of the Consolidated Entity for the half-year after providing for income tax amounted to \$2,252,153 (31 December 2022: profit of \$11,631,119).

During the year, the Consolidated Entity advanced exploration and scoping activities at its mineral properties in Finland. It also conducted due diligence on several business development opportunities in the resources sector however no transactions were agreed or transacted.

In December 2023, the Company undertook a capital raise via a placement which raised \$5m (less transaction costs). The funds raised will primarily be utilised to undertake exploration drilling activities in the first half of 2023 at the K South project area.

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

It is expected that the operations of the Consolidated Entity will continue in line with that of the current reporting period.

### SUBSEQUENT EVENTS

Subsequent to the end of the reporting period the Company continued to progress strategic partnering initiatives. Discussions with key selected strategic parties continue and we anticipate these discussions to continue over the coming months.

Concurrently, the Board has committed to list on ASX at the soonest opportunity. An ASX listing will provide improved market visibility to the Company's unique and EU facing asset portfolio. Discussions are continuing with a potential corporate transaction which would enable listing on the ASX. The Company is currently in discussions with the ASX on this matter.

The Company has entered into a contract with Norse Drilling, a Nordic drilling company, to undertake Stage 1 of the exploration drilling at K South. It is forecast for the drilling to commence in the first week of March 2023.

At the date of this report, there are no other matters or circumstances which have arisen since 31 December 2023 that have significantly affected or may significantly affect the operations, results of those operations and the state of affairs in the financial years subsequent to 31 December 2023, of the Consolidated Entity.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY DIRECTORS' REPORT

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Grant Coyle  
Managing Director  
Perth  
6 March 2024

**RSM Australia Partners**

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000

GPO Box R1253 Perth WA 6844

T +61(0) 8 92619100

F +61(0) 8 92619111

[www.rsm.com.au](http://www.rsm.com.au)

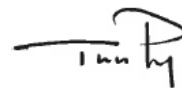
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Latitude 66 Cobalt Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 6 March 2024

**LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
for the half-year ended 31 December 2023

	Notes	Half-year to 31 December 2023 \$	Half-year to 31 December 2022 \$
Interest revenue	2.1	1,033	1,042
Other income	2.1	-	12,764,164
Personnel expenses		(923,667)	(800,417)
Corporate, administrative and general expenses		(1,085,757)	(680,126)
Foreign exchange gain/(loss)		32,940	179,591
Motor vehicle expenses		(56,203)	(57,775)
Depreciation and amortisation expenses		(44,380)	(45,825)
<b>Operating (loss) / profit</b>		<b>(2,076,034)</b>	<b>11,360,654</b>
Finance costs		(5,430)	(12,430)
<b>(Loss) / profit before income tax</b>		<b>(2,081,464)</b>	<b>11,348,224</b>
Income tax expense		-	-
<b>(Loss) / profit for the half-year after income tax</b>		<b>(2,081,464)</b>	<b>11,348,224</b>
<i>Items that may subsequently be reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations		(170,689)	282,895
<b>Other comprehensive (loss) / income for the half year</b>		<b>(170,689)</b>	<b>282,895</b>
<b>Total comprehensive (loss) / income for the half-year</b>		<b>(2,252,153)</b>	<b>11,631,119</b>

This statement should be read in conjunction with the accompanying notes to the consolidated financial statements.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

	Notes	31 December 2023 \$	30 June 2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,713,792	3,051,601
Other receivables		531,790	72,239
Prepayments		48,082	84,380
<b>Total current assets</b>		<b>5,293,664</b>	<b>3,208,220</b>
<b>Non-current assets</b>			
Property, plant and equipment		541,531	517,105
Exploration and evaluation assets	3.1	13,060,753	12,748,805
Right-of-use asset		60,116	90,172
<b>Total non-current assets</b>		<b>13,662,400</b>	<b>13,356,082</b>
<b>TOTAL ASSETS</b>		<b>18,956,064</b>	<b>16,564,302</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		604,997	744,496
Lease liability		64,218	68,341
Provisions		311,904	312,636
<b>Total current liabilities</b>		<b>981,119</b>	<b>1,125,473</b>
<b>Non-current liability</b>			
Lease liability		2,459	29,644
Long term advances		136,776	138,615
<b>Total non-current liability</b>		<b>139,235</b>	<b>168,259</b>
<b>TOTAL LIABILITIES</b>		<b>1,120,354</b>	<b>1,293,732</b>
<b>NET ASSETS</b>		<b>17,835,710</b>	<b>15,270,570</b>
<b>EQUITY</b>			
Share capital	4.1	16,067,348	11,250,055
Foreign currency translation reserves	4.2	(226,824)	(56,135)
Retained earnings/(Accumulated losses)		1,995,186	4,076,650
<b>TOTAL EQUITY</b>		<b>17,835,710</b>	<b>15,270,570</b>

This statement should be read in conjunction with the accompanying notes to the consolidated financial statements.



## LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2023

	Share Capital	Retained Earnings/ (Accumulated Losses)	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$
<b>At 1 July 2022</b>	<b>11,250,055</b>	<b>(6,385,583)</b>	<b>(581,253)</b>	<b>4,283,219</b>
Profit for the financial period	-	11,348,224	-	11,348,224
Exchange differences on translation of foreign operations	-	-	282,895	282,895
<b>At 31 December 2022</b>	<b>11,250,055</b>	<b>4,962,641</b>	<b>(298,358)</b>	<b>15,914,338</b>
<b>At 1 July 2023</b>	<b>11,250,055</b>	<b>4,076,650</b>	<b>(56,135)</b>	<b>15,270,570</b>
Loss for the financial period	-	(2,081,464)	-	(2,081,464)
Exchange differences on translation of Foreign operations	-	-	(170,689)	(170,689)
Issue of share capital	5,000,000	-	-	5,000,000
Less capital raising costs	(182,707)	-	-	(182,707)
<b>At 31 December 2023</b>	<b>16,067,348</b>	<b>1,995,186</b>	<b>(226,824)</b>	<b>17,835,710</b>

This statement should be read in conjunction with the accompanying notes to the consolidated financial statements.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2023

Notes	Half-year to 31 December 2023 \$	Half-year to 31 December 2022 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers, employees and others (inclusive of GST)	(2,171,776)	(1,430,014)
Interest received	1,033	1,042
Other receipts	-	143,276
<b>Net cash used in operating activities</b>	<b>(2,170,743)</b>	<b>(1,285,696)</b>
<b>Cash flows from Investing activities</b>		
Payment for exploration expenditure	(493,540)	(1,609,081)
Proceeds from the disposal of exploration and evaluation	19,785	123,796
Payment for property, plant and equipment	(45,268)	(55,025)
<b>Net cash used in investing activities</b>	<b>(519,023)</b>	<b>(1,540,310)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	4,547,531	-
Costs associated with raising capital	(182,707)	-
Repayment of lease liabilities	(32,538)	(32,408)
Proceeds from other financing activities	19,671	-
<b>Net cash from/(used in) financing activities</b>	<b>4,351,957</b>	<b>(32,408)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,662,191</b>	<b>(2,858,414)</b>
Cash and cash equivalents at beginning of the financial period	3,051,601	8,958,193
<b>Cash and cash equivalents at end of the financial period</b>	<b>4,713,792</b>	<b>6,099,779</b>

This statement should be read in conjunction with the accompanying notes to the consolidated financial statements.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY DIRECTORS' DECLARATION

for the half-year ended 31 December 2023

## 1. MATERIAL ACCOUNTING POLICIES

### Basis of preparation

The half-year consolidated financial report is a general purpose financial report for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

It is recommended that this half-year consolidated financial report be read in conjunction with the annual financial report for the year ended 30 June 2023. The half-year consolidated financial report does not include full disclosures of the type normally included in annual financial reports.

The accounting policies have been consistently applied by the Consolidated Entity and are consistent with those in the 30 June 2023 annual financial report, unless otherwise stated.

### New and revised accounting standards and interpretations

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## 2.1 INTEREST REVENUE AND OTHER INCOME

	Half-year to 31 December 2023 \$	Half-year to 31 December 2022 \$
Interest revenue	1,033	1,042
Other income – government grants, subsidies and financial support	-	143,276
Waiver of loan payable	-	12,620,888
	<b>1,033</b>	<b>12,765,206</b>

The waiver of loan payable was provided by SunMirror in accordance with the First Loan Agreement as the sale agreement was not completed by 31 December 2021 and the amounts is not repayable.

## 3.1 EXPLORATION AND EVALUATION ASSETS

### Reconciliation of movements in carrying amount:

	31 December 2023 \$	30 June 2023 \$
Carrying amount at beginning	12,748,805	8,155,935
Additions in the year	493,540	4,111,047
Deactivation/Depreciation	(19,785)	(129,073)
Foreign exchange movement	(161,807)	610,896
Carrying amount at end of year <sup>1</sup>	<b>13,060,753</b>	<b>12,748,805</b>

<sup>1</sup> The ultimate recoupment of costs carried for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. The carrying values above are based upon the Consolidated Entity's assumption that the exploration licenses will be renewed when required, subject to the Company meeting its agreed budgets and work programs.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2023

### 4.1 SHARE CAPITAL

	31 December 2023	30 June 2023
	\$	\$
<b>Share capital</b>		
141,333,334 fully paid ordinary shares (2023: 108,000,000)	16,067,348	11,250,055

	31 December 2023	30 June 2023
		\$
Share capital at start of year/period	11,250,055	11,250,055
Issue of shares	5,000,000	-
Less: capital raising costs	(182,707)	-
Share capital at end of year	16,067,348	11,250,055

### 4.2 RESERVES

	31 December 2023	30 June 2023
	\$	\$
<b>Foreign currency translation reserve</b>		
Balance at beginning of year	(56,135)	(581,253)
Exchange differences on translation of foreign operations	(170,689)	525,118
Balance at end of year	<b>(226,824)</b>	<b>(56,135)</b>

The reserve is transferred to statement of profit or loss and other comprehensive income when the net investment is disposed of.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2023

### 4.3 SHARE-BASED PAYMENTS

#### Performance rights

	31 December 2023	30 June 2023
	Number	Number
<b>Movement in rights on issue</b>		
At 1 July	40,000,000	40,000,000
Unlisted rights cancelled during the financial period	(40,000,000)	-
Balance at end of financial period	-	<b>40,000,000</b>

40,000,000 performance rights were granted on the 27 June 2019 to the directors and management of the Company. The fair value of these performance rights was based on the estimated fair value of the shares being \$0.25 per share. The performance rights were issued in two tranches expiring in 5 years and 8 years respectively.

The vesting conditions attached to the tranches are:

- Tranche 1: the Company produces a finalised environmental impact assessment ("EIA") that has been accepted as a reasoned conclusion by the Centre of Economic Development, Transport and the Environment ("ELY") for any of the tenements known as K Camp within 5 years
- Tranche 2: produces a finalised EIA that has been accepted as a reasoned conclusion by the ELY for any tenement currently held or acquired in the future by the Company anywhere else in Finland within 5 years
- Both tranches: automatically vest when:
  - a Court has approved of a merger by way of scheme of arrangement of the Company (but shall not include a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company);
  - an unconditional takeover bid of the majority of shares;
  - any person acquires a Relevant Interest in 50.1% or more of the Shares by any other means;
  - the announcement by the Company 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 the Company has been completed; or
  - a third-party purchaser acquires a substantial part of the business, or any of the material assets, or mining tenements of the Company (where a material asset of the Company includes a right in respect of assets representing an amount proximate to AUD \$15 million or more, or an amount deemed to be material by the board).

All performance rights were cancelled on 12 December 2023.

### 5. COMMITMENTS

There has been no material change in the commitments since the last annual reporting date.

### 6. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities relate to actual or potential claims of the Consolidated Entity that have arisen in the ordinary course of business, the outcome of which cannot be foreseen at present and for which no amounts are provided for in the statement of financial position. There are no contingent liabilities and contingent assets at 31 December 2023 (30 June 2023: None).

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2023

### 7. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the end of the reporting period the Company continued to progress strategic partnering initiatives. Discussions with key selected strategic parties continue and we anticipate these discussions to continue over the coming months.

Concurrently, the Board has committed to list on ASX at the soonest opportunity. An ASX listing will provide improved market visibility to the Company's unique and EU facing asset portfolio. Discussions are continuing with a potential corporate transaction which would enable listing on the ASX. The Company is currently in discussions with the ASX on this matter.

The Company has entered into a contract with Norse Drilling, a Nordic drilling company, to undertake Stage 1 of the exploration drilling at K South. It is forecast for the drilling to commence in the first week of March 2023.

At the date of this report, there are no other matters or circumstances which have arisen since 31 December 2023 that have significantly affected or may significantly affect the operations, results of those operations and the state of affairs in the financial years subsequent to 31 December 2023, of the Consolidated Entity.

### 8. DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

## LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY DIRECTORS' DECLARATION

for the half-year ended 31 December 2023

In the Directors' opinion:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
  - i) complying with Australian Accounting Standards AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
  
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 303(5)(a) of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Grant Coyle  
Managing Director  
Perth

Dated: 6 March 2024



## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LATITUDE 66 COBALT LIMITED**

### **Report on the Half-Year Financial Report**

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Latitude 66 Cobalt Limited (the Company) which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Latitude 66 Cobalt Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Latitude 66 Cobalt Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Latitude 66 Cobalt Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

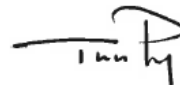
*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 6 March 2024



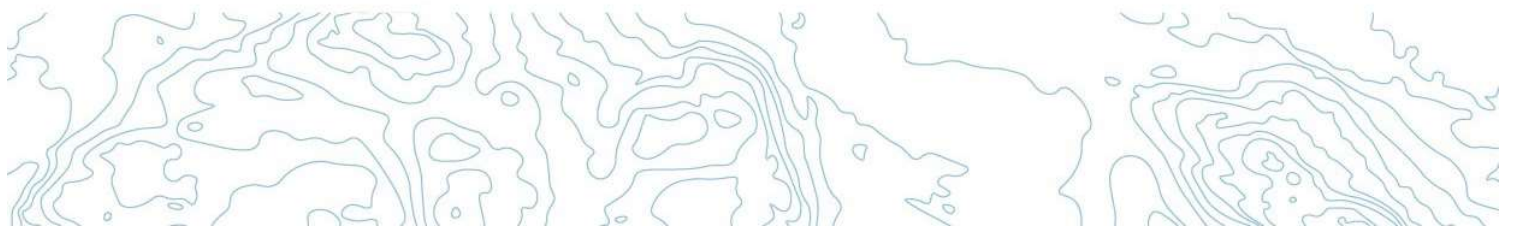
**LATITUDE 66 COBALT LIMITED**  
**ABN 81 623 040 773**

**AND ITS CONSOLIDATED ENTITY**

**Annual Financial Report**

**FOR THE YEAR ENDED**

**30 JUNE 2023**



# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

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**LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY**  
**DIRECTORS' REPORT**

for the year ended 30 June 2023

**Australian Company Number:** 623 040 773

**Directors** Jeffrey Foster – resigned 31 August 2023  
Russell Delroy  
Joshua Welch  
Thomas Hoyer  
Steffen Hagemann  
Grant Coyle – appointed 31 August 2023  
Mark Connelly (non-executive director) – resigned 31 August 2022  
Timothy Day (non-executive director) – resigned 1 September 2022

**Company Secretary** Eryn Kestel

**Registered Office** Level 1, 284 Oxford Street  
Leederville Western Australia 6007  
Australia

**Principal Place of Business** Level 1, 29 Napoleon Street  
Cottesloe Western Australia 6011  
Australia

**Finland Office**  
Latitude 66 Cobalt Oy  
Asemakatu 41  
90100 OULU  
Finland

**Auditor** RSM Australia Partners  
Level 32, Exchange Tower  
2 The Esplanade  
Perth Western Australia 6000  
T +61(0) 8 9261 9100  
F +61(0) 8 9261 9111

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## DIRECTORS' REPORT

for the year ended 30 June 2023

The directors of Latitude 66 Cobalt Limited ("Latitude 66" or "Company") present their report for the Company and its subsidiary (collectively the "Consolidated Entity") for the financial year ended 30 June 2023.

### DIRECTORS

The names of the directors in office at any time during or since the end of the financial year are:

Jeffrey Foster	Resigned 31 August 2023
Russell Delroy	
Joshua Welch	
Thomas Hoyer	
Steffen Hagemann	
Grant Coyle	Appointed 31 August 2023
Mark Connelly	Resigned 31 August 2022
Timothy Day	Resigned 1 September 2022

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year consisted of mineral exploration for gold and cobalt. No significant change in the nature of the Consolidated Entity's activities occurred during the financial year.

### DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid, recommended or declared during the current or previous financial year.

### REVIEW OF OPERATIONS

The net consolidated gain of the Consolidated Entity after providing for income tax amounted to \$10,462,233 (2022: gain of \$5,918,750).

During the year, the Consolidated Entity advanced exploration and scoping activities at its mineral properties in Finland. It also conducted due diligence on several business development opportunities in the resources sector however no transactions were agreed or transacted.

At the end of CY21, SunMirror (Luxembourg) S. A. (SMAG) made a takeover bid in respect of the fully paid ordinary shares in Latitude 66 Cobalt Limited. The impact of this transaction carried over into the following financial year as outlined in the timeline presented below.

On 23 December 2021, SunMirror (Luxembourg) S. A. (SMAG) made a takeover bid in respect of the fully paid ordinary shares in Latitude 66 Cobalt Limited. The take-over bid (Offer) was extended 5 times from the original closing date of 4 February 2022. On 13 June 2022, SMAG released a supplementary bidder's statement that cast doubt on the bidder's ability to obtain funding to complete the Offer.

On 5 July 2022, the Independent Directors changed their recommendation to shareholders, such that shareholders reject, or withdraw their acceptances of the Offer. Following this, the aggregate relevant acceptances fell below 90%. Accordingly, a bid condition was not satisfied by the Offer closing date of 12 July 2022 and as a consequence of this the bid lapsed.

On 4 August 2022 Latitude 66 Cobalt Limited terminated the Sale Agreement with SunMirror and in accordance with the Fourth Loan agreement, the exclusivity fee and unsecured limited recourse loans were not repayable.

Following on from the termination of the sale agreement an independently facilitated corporate strategy review was undertaken to outline and determine options for the company going forward. One of the key outcomes from this process was the appointment of a European facing corporate advisor, A. Brown & Company, to assist in procuring EU facing capital, and to advise on corporate and funding alternatives. This relationship has been actively reviewing opportunities and options since the end of CY22.

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## DIRECTORS' REPORT

for the year ended 30 June 2023

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

It is expected that the operations of the Consolidated Entity will continue in line with that of the current reporting period.

Latitude 66's continued strategy is to explore and develop the Consolidated Entity's existing assets in Finland and to assess new business opportunities in the resources sector which may add shareholder value.

The Consolidated Entity will continue to focus on maximising the value of its projects. In the coming year it intends to:

- Continue exploration activity at the Harakumpu and Juomasuo Projects with the aim of expanding or better defining known and new resources through drill testing where practicable;
- Continue to advance early-stage exploration in the Perapohja Schist Belt, Kainuu Schist Belt, and the Central Lapland Greenstone Belt;
- Capitalise on corporate knowledge base to identify and acquire new exploration ground to further enhance and develop the project pipeline;
- Work with regional mineral companies, other corporate or government entities to create partnerships and cooperation initiatives, and to attract development financing;
- Review new business opportunities in the resources sector which leverage off the Consolidated Entity's skills, expertise, and existing assets;
- Maintain the Consolidated Entity's balance sheet and ensure all expenditure is aligned with the creation of shareholder value; and
- The Consolidated Entity has and continues to implement COVID safe policies and working arrangements to ensure the Consolidated Entity employees can continue to work in a safe and productive environment.

All of these activities present inherent risk and therefore the Board is unable to provide certainty that any or all of these activities will be able to be achieved. The material business risks faced by the Consolidated Entity that are likely to have an effect on the Consolidated Entity's future prospects, and how the Consolidated Entity manages these risks, include:

- Latitude 66's exploration properties may never be brought into production – The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. To mitigate this risk, the Consolidated Entity will undertake systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Consolidated Entity will then progressively undertake a number of technical and economic and environmental studies with respect to its projects prior to making a decision to mine. However, there can be no guarantee that the studies will confirm the technical, environmental and economic viability of the Consolidated Entity's mineral properties or that the properties will be successfully brought into production;
- Fluctuations in commodity prices – The price of cobalt and gold fluctuates widely and are affected by numerous factors beyond the control of the Consolidated Entity. Future production, if any, from the Consolidated Entity's mineral resource and other mineral properties will be dependent upon the price of the underlying commodities being sufficient to make the project economic; and
- The Consolidated Entity's activities will require further capital – The ability to finance a mining project is dependent on the Consolidated Entity's existing financial position, the availability and cost of project and other debt markets, the availability and cost of leasing and similar finance packages for project infrastructure and mobile equipment, the availability of mezzanine and offtake financing and the ability to access equity markets to raise new capital. There can be no guarantees that when the Consolidated Entity seeks to implement financing strategies to pursue the development of its projects that suitable financing alternatives will be available and at a cost acceptable to the Consolidated Entity.

### SUBSEQUENT EVENTS

Subsequent to the end of the reporting period the Company continued to progress strategic partnering initiatives. Discussions with key selected strategic parties continue and we anticipate these discussions to continue over the coming months.

Concurrently, the Board has committed to list on ASX at the soonest opportunity. An ASX listing will provide improved market visibility to the Company's unique and EU facing asset portfolio. Discussions have commenced with ASX and market participants.

At the date of this report, there are no other matters or circumstances which have arisen since 30 June 2023 that have significantly affected or may significantly affect the operations, results of those operations and the state of affairs in the financial years subsequent to 30 June 2023, of the Consolidated Entity.

### ENVIRONMENTAL REGULATIONS

The Consolidated Entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia or Finland.



# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## DIRECTORS' REPORT

for the year ended 30 June 2023

### INFORMATION ON DIRECTORS

#### Mr Jeffrey Foster – Chairman and Director (resigned 31 August 2023)

##### *Qualifications*

BSc (Hons), MSc (University of Leicester)

##### *Responsibilities*

Chairs monthly meetings of the Board of Directors, manages and provides leadership to the Board of Directors, and acts as a direct liaison between the Board and the Company's management, through the Managing Director.

#### Mr Russell Delroy – Director

##### *Qualifications*

B.Com. (University of Western Australia)

##### *Responsibilities*

Investor and Shareholder Relations Director

#### Mr Joshua Welch – Director

##### *Qualifications*

BSc. (Murdoch University), M.Aus. IMM and GAICD

##### *Responsibilities*

Investor and Shareholder Relations Director

#### Professor Steffen Hagemann – Director

##### *Qualifications*

BSc (Frankfurt University);  
MSc (University of Wisconsin-Madison);  
PhD (University of Western Australia); and  
Habilitation (Technical University of Munich)

##### *Responsibilities*

Technical, geological and exploration Director

#### Mr Thomas Hoyer – Managing Director/Interim Chairman (appointed 31 August 2023)

##### *Qualifications*

MSc (Economics)

##### *Responsibilities*

Developing and executing the Company's business strategies. Providing strategic advice to the Board and Chairman. Preparing and implementing comprehensive business plans to facilitate achievement.

#### Mr Grant Coyle – Managing Director (appointed 31 August 2023)

##### *Qualifications*

B.Com. (University of Western Australia)  
MSc (Curtin University WA)

##### *Responsibilities*

Developing and executing the Company's business strategies. Providing strategic advice to the Board and Chairman. Preparing and implementing comprehensive business plans to facilitate achievement.

#### Mr Mark Connelly – Director – resigned 31 August 2022

##### *Qualifications*

B. Bus (Edith Cowan University), MAICD, AIMM and Member of SME

##### *Responsibilities*

Provides independent guidance, oversight and constructive challenge to the Board.

#### Mr Timothy Day – Director – resigned 1 September 2022

##### *Qualifications*

LLB (University of Western Australia and Monash University), Bsc (Hons) (University of Western Australia)

##### *Responsibilities*

Provides independent guidance, oversight and constructive challenge to the Board.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY DIRECTORS' REPORT

for the year ended 30 June 2023

## INFORMATION ON COMPANY SECRETARY

### Ms Eryn Kestel – Company Secretary

#### Qualifications

B. Bus (Accounting) (Curtin University of Technology) and CPA

#### Responsibilities

Administering the affairs of the Company and managing the business of the Company Board.

## MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors held during the financial year up to and including 30 June 2023 and the number of meetings attended by each director were:

Name	Number of meetings held whilst a director	Number of meetings attended whilst a director
Jeffrey Foster (Chairperson)	14	14
Russell Delroy	14	13
Joshua Welch	14	13
Thomas Hoyer	14	13
Steffen Hagemann	14	13
Mark Connelly	2	2
Timothy Day	2	2

## DIRECTORS' INTEREST IN SHARES AND OPTIONS

At reporting date, Directors, in office, held a relevant interest in the following securities of the Company:

Name	Ordinary Shares
Jeffrey Foster	2,040,000
Russell Delroy	15,190,000 <sup>i</sup>
Joshua Welch	15,190,000 <sup>ii</sup>
Thomas Hoyer	5,190,000
Steffen Hagemann	1,250,000
Mark Connelly	-
Timothy Day	-

<sup>i</sup> Includes 190,000 shares indirectly held through Francesa Gnagnerell ATF Colour Trust (50% owner of Garry Warren Pty Ltd who participated in the August 2019 Placement acquiring 380,000 fully paid Ordinary Shares).

<sup>ii</sup> Includes 190,000 shares indirectly held through Third Reef Pty Ltd <Back Reef A/c> (50% owner of Garry Warren Pty Ltd who participated in the August 2019 Placement acquiring 380,000 fully paid Ordinary Shares).

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## DIRECTORS' REPORT

for the year ended 30 June 2023

### PERFORMANCE RIGHTS

Performance rights were granted on the 27 June 2019 to the directors and management of the Company. Of the 40,000,000 performance rights issued, 39,250,000 performance rights with non-market vesting conditions were issued to the directors.

Details of equity instruments (other than ordinary shares and options) held directly, indirectly, or beneficially by directors and key management personnel and their related parties are as follows:

Name	Held at 1 July 2022	Balance 30 June 2023	Share-based payments during FY2023
<b>Directors:</b>			\$
Jeffrey Foster	3,000,000	3,000,000	-
Russell Delroy	15,000,000	15,000,000	-
Joshua Welch	15,000,000	15,000,000	-
Thomas Hoyer	5,000,000	5,000,000	-
Steffen Hagemann	1,250,000	1,250,000	-
Mark Connelly	-	-	-
Timothy Day	-	-	-
<b>Total</b>	<b>39,250,000</b>	<b>39,250,000</b>	-

As of grant date, no value has been recognised because these rights are not expected to vest.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Directors' and Officers' Liability Insurance is held to cover a director for certain liabilities arising whilst acting as a director of the Company. The wording of the policy prohibits disclosure of the nature of these liabilities and the amount of the premium.

### INDEMNIFICATION OF AUDITORS

To the extent permitted by law, Latitude 66 has agreed to indemnify its auditors, RSM Australia Partners, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify RSM Australia Partners during or since the financial year.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

### AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

Signed in accordance with a resolution of the directors pursuant to section 298(2)(a) of the Corporations Act 2001.



Grant Coyle  
Managing Director  
Perth  
29 September 2023



**RSM Australia Partners**

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Latitude 66 Cobalt Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

TUTU PHONG  
Partner

Perth, WA  
Dated: 29 September 2023

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

**LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
for the year ended 30 June 2023

	Notes	30 June 2023 \$	30 June 2022 \$
Interest revenue	2.1	2,707	476
Other income	2.1	-	311
Waiver of loan payables	2.1	12,620,889	2,027,250
Reversal / (charge) of share-based payments expense	5.3	-	6,620,068
Personnel expenses		(367,249)	(323,647)
Corporate, administrative and general expenses	2.2	(2,245,934)	(2,142,295)
Foreign exchange gain/(loss)		669,524	(37,939)
Motor vehicle expenses		(106,281)	(117,686)
Depreciation and amortisation expenses		(97,104)	(95,381)
<b>Operating profit / (loss)</b>		<b>10,476,552</b>	<b>5,931,157</b>
Finance costs		(14,319)	(12,407)
<b>Profit / (loss) before income tax</b>		<b>10,462,233</b>	<b>5,918,750</b>
Income tax expense	2.3	-	-
<b>Profit / (loss) for the year after income tax</b>		<b>10,462,233</b>	<b>5,918,750</b>
<i>Items that may subsequently be reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations		525,118	(304,270)
<b>Other comprehensive income/ (loss)</b>		<b>525,118</b>	<b>(304,270)</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>10,987,351</b>	<b>5,614,480</b>

This statement should be read in conjunction with the accompanying notes to the consolidated financial statements.

**LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at 30 June 2023

	Notes	30 June 2023 \$	30 June 2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4.1	3,051,601	8,958,193
Other receivables	4.2	72,239	192,697
Prepayments	4.3	84,380	16,961
<b>Total current assets</b>		<b>3,208,220</b>	<b>9,167,851</b>
<b>Non-current assets</b>			
Property, plant and equipment	3.1	517,105	329,355
Exploration and evaluation assets	3.2	12,748,805	8,155,935
Right-of-use asset	3.3	90,172	150,287
<b>Total non-current assets</b>		<b>13,356,082</b>	<b>8,635,577</b>
<b>TOTAL ASSETS</b>		<b>16,564,302</b>	<b>17,803,428</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	4.4	744,496	4,421,249
Lease liability	4.5	68,341	61,058
Provisions	4.6	312,636	213,251
Loan payable	4.7	-	8,726,665
<b>Total current liabilities</b>		<b>1,125,473</b>	<b>13,422,223</b>
<b>Non-current liability</b>			
Lease liability	4.5	29,644	97,986
Long term advances		138,615	-
<b>Total non-current liability</b>		<b>168,259</b>	<b>97,986</b>
<b>TOTAL LIABILITIES</b>		<b>1,293,732</b>	<b>13,520,209</b>
<b>NET ASSETS</b>		<b>15,270,570</b>	<b>4,283,219</b>
<b>EQUITY</b>			
Share capital	5.1	11,250,055	11,250,055
Foreign currency translation reserves	5.2	(56,135)	(581,253)
Share-based payments reserves	5.2	-	-
Retained earnings/(Accumulated losses)		4,076,650	(6,385,583)
<b>TOTAL EQUITY</b>		<b>15,270,570</b>	<b>4,283,219</b>

This statement should be read in conjunction with the accompanying notes to the consolidated financial statements.

**LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the year ended 30 June 2023

	Share Capital	Retained Earnings/ (Accumulated Losses)	Foreign Currency Translation Reserve	Share-based Payments Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>At 1 July 2021</b>	<b>11,250,163</b>	<b>(12,304,333)</b>	<b>(276,983)</b>	<b>6,620,068</b>	<b>5,288,915</b>
Reversal of share-based expense	-	-	-	<b>(6,620,068)</b>	<b>(6,620,068)</b>
Profit for the year	-	5,918,750	-	-	5,918,750
Exchange differences on translation of foreign operations	-	-	(304,270)	-	(304,270)
Return of capital	(108)	-	-	-	(108)
<b>At 30 June 2022</b>	<b>11,250,055</b>	<b>(6,385,583)</b>	<b>(581,253)</b>	-	<b>4,283,219</b>
<b>At 1 July 2022</b>	<b>11,250,055</b>	<b>(6,385,583)</b>	<b>(581,253)</b>	-	<b>4,283,219</b>
Profit for the year	-	<b>10,462,233</b>	-	-	<b>10,462,233</b>
Exchange differences on translation of Foreign operations	-	-	<b>525,118</b>	-	<b>525,118</b>
Return of capital	-	-	-	-	-
<b>At 30 June 2023</b>	<b>11,250,055</b>	<b>4,076,650</b>	<b>(56,135)</b>	-	<b>15,270,570</b>

This statement should be read in conjunction with the accompanying notes to the consolidated financial statements.



**LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

for the year ended 30 June 2023

	Notes	30 June 2023 \$	30 June 2022 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers, employees and others (inclusive of GST)		(1,662,098)	(2,236,869)
Interest received		2,707	476
Other receipts		-	311
<b>Net cash used in operating activities</b>	6	<b>(1,659,391)</b>	<b>(2,236,082)</b>
<b>Cash flows from Investing activities</b>			
Payment for exploration expenditure		(3,981,974)	(3,779,457)
Payment for property, plant and equipment		(200,281)	(99,006)
<b>Net cash used in investing activities</b>		<b>(4,182,255)</b>	<b>(3,878,463)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(64,946)	(64,752)
Receipt of extension fees		-	-
Proceeds from unsecured limited recourse loans		-	10,391,078
<b>Net cash (used in)/generated from financing activities</b>		<b>(64,946)</b>	<b>10,326,326</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(5,906,592)</b>	<b>4,211,781</b>
Cash and cash equivalents at beginning of the financial year		8,958,193	4,746,412
<b>Cash and cash equivalents at end of the financial year</b>	4.1	<b>3,051,601</b>	<b>8,958,193</b>

This statement should be read in conjunction with the accompanying notes to the consolidated financial statements.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of preparation**

The consolidated financial report is a general-purpose financial report prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Except for cash flow information, the consolidated financial report has been prepared on an accruals basis and is based on historical costs.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### **New and revised accounting standards and interpretations**

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Latitude 66 Cobalt Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Latitude 66 Cobalt Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

#### **Going concern**

This financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity had a net cash outflows from operating activities of \$1,659,391 and from investing activities of \$4,182,255 for the year ended 30 June 2023.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the ability of the Consolidated Entity to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds. Should the Consolidated Entity be unable to raise the required funding, there is a material uncertainty whether the Consolidated Entity will be able to continue as a going concern and therefore, whether they will be able to realise their assets and discharge their liabilities in the normal course of business.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, after consideration of the following factors:

- The Consolidated Entity is planning to raise funds in Q4 2023 to sufficiently cover the projected expenditure based on the approved cashflow budget; and
- The Consolidated Entity has the ability to scale down its operations in order to curtail expenditure, in the event funds available is insufficient to meet projected expenditure.

Accordingly, the Directors believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

#### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 13.

#### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

#### Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

##### *Recognition and measurement*

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the relevant asset. When a major inspection is performed, the cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are expensed to profit or loss as incurred.

The carrying amounts of the Consolidated Entity's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

#### Property, plant and equipment (continued)

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised immediately in the statement of profit or loss.

##### *Depreciation and de-recognition*

Depreciation period and method of depreciation is as follows:

- |                           |  |
|---------------------------|--|
| • Building                | 7% declining balance method of depreciation  |
| • Machinery and equipment | 25% declining balance method of depreciation |
| • Software                | 20% straight line method of depreciation     |

An item of property, plant and equipment is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal of an asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss.

#### Financial assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

##### *Impairment of financial assets*

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The loss allowance is recognised in profit or loss.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Other receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

#### Exploration and evaluation assets

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure encompasses expenditures incurred by the Consolidated Entity in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

- i. the rights to tenure of the area of interest are current; and
- ii. at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
  - exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to the acquisition of the rights to explore is capitalised as incurred.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

#### Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Employee benefits

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

##### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

##### *Defined contribution plan expense*

Contributions to defined contribution plans are expensed in the period in which they are incurred.

##### *Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue

The Consolidated Entity recognises revenue as follows:

##### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Consolidated Entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

##### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### *Other income*

Other income is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and service tax.

#### Goods and Services Tax ("GST") and other similar taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the tax authorities. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authorities is included in other receivables or other payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amounts of GST recoverable from, or payable to, the tax authorities.

#### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.



# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

#### **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

#### **Provisions**

Provisions are recognised when the Consolidated Entity has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate may be made of the amount of the obligation.

When the Consolidated Entity expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense related to any provision is recognised in profit or loss net of any reimbursement.

#### **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

#### **Issued capital**

Ordinary Shares and Performance Shares are classified as equity. Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currency transactions and balances

##### Functional and presentation currency

The functional currency of each of the Company's controlled entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars.

##### Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit and loss and other comprehensive income.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise, the exchange difference is recognised in the statement of profit and loss and other comprehensive income.

##### Controlled entities

The financial results and position of foreign controlled entities whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign controlled entities are transferred directly to the foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit and loss and comprehensive income in the period in which the operation is disposed.

#### Key estimates and judgements

In applying the Consolidated Entity's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Consolidated Entity.

All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances known to management. Actual results may differ from those judgements, estimates and assumptions.

Significant judgements, estimates and assumption made by management in the preparation of these financials are found in the following notes:

**Note 3.2** Capitalisation of exploration and evaluation assets

### 2.1 INTEREST REVENUE AND OTHER INCOME

	2023	2022
	\$	\$
Interest revenue	2,707	476
Other income – government grants, subsidies and financial support	-	311
Waiver of loan payable	12,620,889	2,027,250
	<b>12,623,596</b>	<b>2,028,037</b>

The waiver of loan payable was provided by SunMirror in accordance with the First Loan Agreement as the sale agreement was not completed by 31 December 2021 and the amounts is not repayable.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 2.2 CORPORATE AND ADMINISTRATIVE AND GENERAL EXPENSES

	2023	2022
	\$	\$
Administration, accounting, tax and audit	591,961	335,421
Communication/PR costs	136,449	102,817
Compliance expenses	-	450,238
Computer expenses	102,204	140,278
Exploration, research and development	709,795	238,947
Legal fees	41,519	236,451
Short-term rent	213,522	213,788
Travel and accommodation	307,150	227,598
Other	143,334	196,757
	<b>2,245,934</b>	<b>2,142,295</b>

### 2.3 INCOME TAX EXPENSE

	2023	2022
	\$	\$
(a) the major components of income tax expense comprise		
Current income tax charge	-	-
Deferred tax	-	-
	-	-
(b) Prima facie tax on loss before income tax is reconciled to income tax is follows:		
Prima facie tax on profit / (loss) before income tax at 30% (2022: 30%)	3,138,387	1,775,625
Tax effect of amounts which are non-deductible / (taxable) in calculating taxable income:		
Less: deferred tax assets not brought to account	(4,885,047)	(1,897,410)
Add: other permanent differences	1,746,660	121,785
<b>Income tax attributable to Consolidated Entity</b>	<b>-</b>	<b>-</b>

The Consolidated Entity has unrecognised tax losses of \$7,486,648 (2022: \$8,625,312 Australian and Finnish tax losses) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by the companies in their respective countries of incorporation. There are no deferred tax assets recognised as the directors are of the view that future taxable is not probable.

### 3.1. PROPERTY, PLANT AND EQUIPMENT

	Computer Software Licenses	Buildings	Machinery & Equipment	Total
	\$	\$	\$	\$
Cost	20,973	337,563	522,517	881,053
Accumulated depreciation	(20,218)	(206,098)	(137,632)	(363,948)
<b>Total</b>	<b>755</b>	<b>131,465</b>	<b>384,885</b>	<b>517,105</b>

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

## 3.1. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of the carrying amounts of property, plant and equipment are set out below:

	Computer Software Licenses	Buildings	Machinery & Equipment	Total
	\$	\$	\$	\$
<b>Carrying amount</b>				
<b>At 30 June 2022</b>	4,894	121,071	203,390	329,355
Additions	-	10,561	189,720	200,281
Exchange differences	393	9,728	16,340	26,461
<b>At 30 June 2023</b>	<b>5,287</b>	<b>141,360</b>	<b>409,450</b>	<b>556,097</b>
<b>Depreciation</b>				
Depreciation charge for the year	(4,293)	(9,372)	(23,324)	(36,989)
Exchange differences	(239)	(523)	(1,241)	(2,003)
<b>At 30 June 2023</b>	<b>(4,532)</b>	<b>(9,895)</b>	<b>(24,565)</b>	<b>(38,992)</b>
<b>At 30 June 2023</b>	<b>755</b>	<b>131,465</b>	<b>384,885</b>	<b>517,105</b>

## 3.2. EXPLORATION AND EVALUATION ASSETS

Reconciliation of movements in carrying amount:

	2023	2022
	\$	\$
Carrying amount at beginning	8,155,935	4,553,704
Additions in the year	4,111,047	3,762,085
Grant receipt	(129,073)	-
Foreign exchange movement	610,896	(159,854)
Carrying amount at end of year <sup>1</sup>	<b>12,748,805</b>	<b>8,155,935</b>

<sup>1</sup> The ultimate recoupment of costs carried for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. The carrying values above are based upon the Consolidated Entity's assumption that the exploration licenses will be renewed when required, subject to the Company meeting its agreed budgets and work programs.

## 3.3 RIGHT-OF-USE ASSET

	2023	2022
	\$	\$
Balance at beginning of year	150,287	210,402
Less: Depreciation	(60,115)	(60,115)
Balance at end of year	<b>90,172</b>	<b>150,287</b>

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 4.1 CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at bank	3,051,601	8,958,193

### 4.2 OTHER RECEIVABLES

	2023	2022
	\$	\$
Deposits	5,631	17,195
Taxes receivables	63,861	174,350
Other receivables	2,747	1,152
	<b>72,239</b>	<b>192,697</b>

#### Allowance for expected credit losses

The Consolidated Entity has assessed that there are no risks of default and as such, no additional impairment loss has been recognised against these financial assets as at 30 June 2023 (2022: Nil).

### 4.3 PREPAYMENTS

	2023	2022
	\$	\$
Prepayments – current	84,380	16,961

### 4.4 TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Trade creditors	550,646	395,293
Other payables	193,850	131,723
Extension fee <sup>1</sup>	-	3,894,233
	<b>744,496</b>	<b>4,421,249</b>

<sup>1</sup> One-time extension fees received in relation to the proposed sale of the Finland entity. Should the proposed sale be completed, these amounts will be reduced against the eventual sale value of the transaction. Otherwise, the amounts are not repayable. For further details, refer to note 4.7.

#### Fair value

Due to the short-term nature of these payables, the carrying amount is assumed to approximate their fair value.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 4.5 LEASE LIABILITY

	2023	2022
	\$	\$
Lease liability – current	68,341	61,058
Lease liability – non-current	29,644	97,986
	<b>97,985</b>	<b>159,044</b>

#### Reconciliation:

	2023	2022
	\$	\$
Balance at beginning of year	159,044	218,054
Lease payments	(64,946)	(64,751)
Interest	3,887	5,741
Balance at end of year	<b>97,985</b>	<b>159,044</b>

### 4.6 PROVISIONS

<b>Annual Leave and Long Service Leave</b>	<b>2023</b>	<b>2022</b>
	\$	\$
Balance at beginning of year	213,251	159,387
Arising	258,685	152,976
Utilised	(159,300)	(99,112)
Balance at end of year	<b>312,636</b>	<b>213,251</b>
Current	312,636	213,251

### 4.7 LOANS PAYABLE

	2023	2022
	\$	\$
<b>Unsecured limited recourse loans</b>	-	<b>8,726,665</b>

The unsecured limited recourse loans bear interest at the rate of 3% per annum payable on repayment of the loans in the event that the loans become repayable.

The Fourth Loan Agreement provides, pursuant to clauses 7.3(a) and 7.4, that:

- (a) if the Sale Agreement is terminated by any party to the Sale Agreement, the loan amount (and any accrued interest) provided under the Fourth Loan Agreement will not be payable in the circumstances; and
- (b) the amounts provided under the First Loan Agreement, the Second Loan Agreement and the Third Loan Agreement are not repayable in any circumstances.

In August 2022, the Company terminated the Sale Agreement and subsequently these amounts are not payable.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 5.1 SHARE CAPITAL

	2023	2022
	\$	\$
<b>Share capital</b>		
108,000,000 fully paid ordinary shares (2022: 108,000,000)	11,250,055	11,250,055

	2023	2022
		\$
Share capital at start of year/period	11,250,055	11,250,163
Return of capital	-	(108)
Share capital at end of year	11,250,055	11,250,055

### 5.2 RESERVES

	2023	2022
	\$	\$
<b>Foreign currency translation reserve</b>		
Balance at beginning of year	(581,253)	(276,983)
Exchange differences on translation of foreign operations	525,118	(304,270)
Balance at end of year	<b>(56,135)</b>	<b>(581,253)</b>

The reserve is transferred to statement of profit or loss and other comprehensive income when the net investment is disposed of.

	2023	2022
	\$	\$
<b>Share-based payments reserve</b>		
Balance at beginning of year	-	6,620,068
Share-based payments during the year	-	-
Reversal of share-based payments	-	(6,620,068)
Balance at end of year	-	-

Performance rights were granted on the 27 June 2019 to the directors and management of the Company. During the prior financial year the probability of these rights to be vested was reduced to nil and the share-based payments of \$6,620,068 were reversed.



# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 5.3 SHARE-BASED PAYMENT

Equity-settled share-based payments are provided to directors and employees. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value is determined using the fair value of equity instruments granted at the measurement date, based on market prices if available, taking into account the terms and conditions upon which those equity instruments were granted.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit or loss and other comprehensive income over the remaining vesting period, with a corresponding adjustment to the share-based payments reserve.

Equity-settled share-based payments may also be provided as consideration for the acquisition of assets. Where ordinary shares are issued, the transaction is recorded at fair value based on the quoted price of the ordinary shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

#### Performance rights issued

	2023 Number	2022 Number
<b>Movement in rights on issue</b>		
At 1 July	40,000,000	40,000,000
Unlisted rights issued during the year	-	-
Balance at end of year	<b>40,000,000</b>	<b>40,000,000</b>

40,000,000 performance rights were granted on the 27 June 2019 to the directors and management of the Company. The fair value of these performance rights was based on the estimated fair value of the shares being \$0.25 per share. The performance rights were issued in two tranches expiring in 5 years and 8 years respectively.

The vesting conditions attached to the tranches are:

- Tranche 1: the Company produces a finalised environmental impact assessment ("EIA") that has been accepted as a reasoned conclusion by the Centre of Economic Development, Transport and the Environment ("ELY") for any of the tenements known as K Camp within 5 years
- Tranche 2: produces a finalised EIA that has been accepted as a reasoned conclusion by the ELY for any tenement currently held or acquired in the future by the Company anywhere else in Finland within 5 years
- Both tranches: automatically vest when:
  - a Court has approved of a merger by way of scheme of arrangement of the Company (but shall not include a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company);
  - an unconditional takeover bid of the majority of shares;
  - any person acquires a Relevant Interest in 50.1% or more of the Shares by any other means
  - the announcement by the Company 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 the Company has been completed; or
  - a third-party purchaser acquires a substantial part of the business, or any of the material assets, or mining tenements of the Company (where a material asset of the Company includes a right in respect of assets representing an amount proximate to AUD \$15 million or more, or an amount deemed to be material by the board).

During the prior financial year, the share-based payments of \$6,620,068 were reversed through Profit or Loss.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 6. CASH FLOW INFORMATION

#### RECONCILIATION OF NET CASH AND CASH EQUIVALENTS USE IN OPERATING ACTIVITIES TO LOSS FOR THE YEAR

	2023	2022
	\$	\$
Profit / (loss) for the year	10,462,233	5,918,750
<i>Adjustments for:</i>		
Depreciation and amortisation	97,104	112,753
Unrealised foreign exchange	(110,235)	(80,513)
Interest expense	-	11,931
Waiver of loan payables	(12,620,889)	(2,027,250)
(Reversal) / charge of share-based payments	-	(6,620,068)
<i>Change in assets and liabilities:</i>		
Other receivables	53,039	296,795
Trade and other payables	359,972	205,384
Employee benefit provisions	99,385	(53,864)
Net cash used in operating activities	<b>(1,659,391)</b>	<b>(2,236,082)</b>

### 7. COMMITMENTS

	2023	2022
	\$	\$
<b>Exploration expenditure commitments</b>		
Within one year	15,883	15,880
After one year but not more than five years	79,414	79,402
More than five years	79,415	111,163
	<b>174,712</b>	<b>206,445</b>
<b>Operating lease expenditure commitments</b>		
Minimum lease repayments:		
Within one year	11,432	28,342
	<b>11,432</b>	<b>28,342</b>

### 8. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities relate to actual or potential claims of the Consolidated Entity that have arisen in the ordinary course of business, the outcome of which cannot be foreseen at present and for which no amounts are provided for in the statement of financial position. There are no contingent liabilities and contingent assets at 30 June 2023 (2022: None).

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 9. RELATED PARTY DISCLOSURES

#### (a) Key management personnel

Key management personnel of the Consolidated Entity comprise the Board of Directors and the Communications Manager.

#### (b) Compensation to key management personnel

For the year ended 30 June 2023, \$234,861 (2022: \$180,788) was recognised as an expense in respect of key management personnel remuneration.

Compensation levels for executive employees of the Consolidated Entity are competitively set to attract and retain appropriately qualified and experienced personnel. In addition to their salaries, the Consolidated Entity also provides paid employee pension fees in Finland for certain directors.

For the year ended 30 June 2023, \$21,970 (2022: \$17,081) was recognised as an expense in respect of key management personnel paid employees' pension fees.

During the year ended 30 June 2023 there were no share-based payments (2022: \$6,620,068 were reversed).

#### (c) Details of payments to key management personnel

Name	Short-term employee benefits	Post- employment benefits	Total
	\$	\$	\$
<b>2023</b>			
Thomas Hoyer	229,508	16,436	245,944
Mark Connelly	9,132	959	10,091
Timothy Day	9,343	981	10,324
Steffen Hagemann	43,890	4,645	48,535
	<u>291,873</u>	<u>\$23,021</u>	<u>314,894</u>

All other Directors were, and remain as at current date, unpaid for their services.

Name	Held at 1 July 2022	Balance 30 June 2023	Share-based payments during FY2023
<b>Directors:</b>			\$
Jeffrey Foster	3,000,000	3,000,000	-
Russell Delroy	15,000,000	15,000,000	-
Joshua Welch	15,000,000	15,000,000	-
Thomas Hoyer	5,000,000	5,000,000	-
Steffen Hagemann	1,250,000	1,250,000	-
Mark Connelly	-	-	-
Timothy Day	-	-	-
<b>Total</b>	<b>39,250,000</b>	<b>39,250,000</b>	<b>-</b>

#### (d) Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023	2022
Latitude 66 Cobalt Oy	Finland	100%	100%

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 10. AUDITOR'S REMUNERATION

	2023	2022
	\$	\$
Amounts paid or due and payable to the auditor for:		
Audit Services – RSM Australia Partners	27,500	22,000
	<b>27,500</b>	<b>22,000</b>

### 11. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the end of the reporting period the Company continued to progress strategic partnering initiatives. Discussions with key selected strategic parties continue and we anticipate these discussions to continue over the coming months.

Concurrently, the Board has committed to list on ASX at the soonest opportunity. An ASX listing will provide improved market visibility to the Company's unique and EU facing asset portfolio. Discussions have commenced with ASX and market participants.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

### 12. DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

### 13. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	2023	2022
	\$	\$
Profit/(loss) after income tax	6,583,259	7,919,961
Total comprehensive income/(loss)	6,583,259	7,919,961

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### 13. PARENT ENTITY INFORMATION (continued)

#### Statement of financial position

	2023	2022
	\$	\$
Total current assets	2,971,643	8,701,035
Total assets	18,469,604	24,198,995
Total current liabilities	384,690	12,697,339
Total liabilities	384,690	12,697,339
Equity		
Issued capital	11,250,055	11,250,055
Retained profits	6,834,859	251,600
Total equity	18,084,914	11,501,665

#### Contingent liabilities and contingent assets

The parent entity had no contingent liabilities and contingent assets as at 30 June 2023 and 30 June 2022.

#### Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

#### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY DIRECTORS' DECLARATION

for the year ended 30 June 2023

In the Directors' opinion:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
  - i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its performance for the year ended on that date.
- b) The financial statements and notes comply with International Financial Reporting Standards as described in Note 1 to the financial statements.
- c) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295(5)(a) of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Grant Coyle  
Managing Director  
Perth

Dated: 29 September 2023



**RSM Australia Partners**

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100  
F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF LATITUDE 66 COBALT LIMITED**

**Opinion**

We have audited the financial report of Latitude 66 Cobalt Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1, which indicates that the Group had net cash outflows from operating activities of \$1,659,391 and investing activities of \$4,182,255 for the year ended 30 June 2023. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING**

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RSM Australia Partners ABN 36 965 185 036

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## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

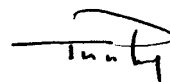
## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our auditor's report.

A handwritten signature of 'RSM' in a cursive, stylized font.

RSM AUSTRALIA PARTNERS

A handwritten signature of 'Tutu Phong' in a cursive, stylized font.

TUTU PHONG  
Partner

Perth, WA  
Dated: 29 September 2023



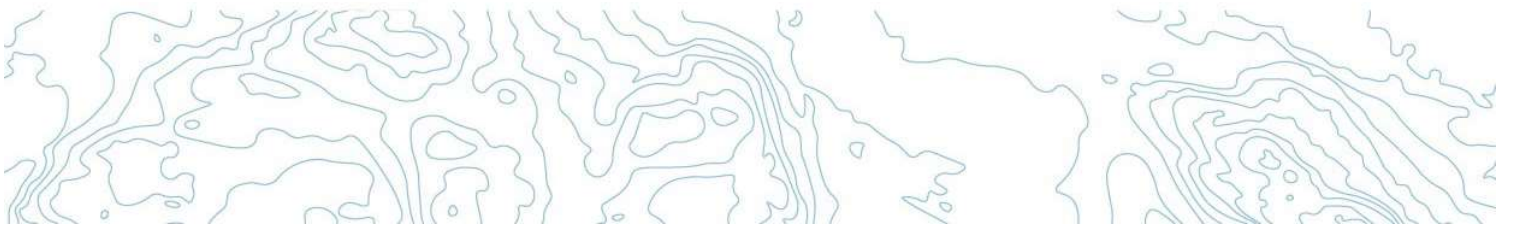
**LATITUDE 66 COBALT LIMITED**  
**ABN 81 623 040 773**

**AND ITS CONSOLIDATED ENTITY**

**Annual Financial Report**

**FOR THE YEAR ENDED**

**30 JUNE 2022**



# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

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**LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY  
CORPORATE DIRECTORY**

**Australian Company Number:** 623 040 773

**Directors**  
Jeffrey Foster  
Russell Delroy  
Joshua Welch  
Thomas Hoyer  
Steffen Hagemann  
Mark Connelly (non-executive director) – resigned 31 August 2022  
Timothy Day (non-executive director) – resigned 1 September 2022

**Company Secretary** Eryn Kestel

**Registered Office**  
Level 1, 284 Oxford Street  
Leederville Western Australia 6007  
Australia

**Principal Place of Business**  
Level 1, 29 Napoleon Street  
Cottesloe Western Australia 6011  
Australia

**Finland Office**  
Latitude 66 Cobalt Oy  
Asemakatu 41  
90100 OULU  
Finland

**Auditor**  
RSM Australia Partners  
Level 32, Exchange Tower  
2 The Esplanade  
Perth Western Australia 6000  
T +61(0) 8 9261 9100  
F +61(0) 8 9261 9111

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## DIRECTORS' REPORT

for the year ended 30 June 2022

The directors of Latitude 66 Cobalt Limited ("Latitude 66" or "Company") present their report for the Company and its subsidiary (collectively the "Consolidated Entity") for the financial year ended 30 June 2022.

### DIRECTORS

The names of the directors in office at any time during or since the end of the financial year are:

Jeffrey Foster	
Russell Delroy	
Joshua Welch	
Thomas Hoyer	
Steffen Hagemann	
Mark Connelly	Resigned 31 August 2022
Timothy Day	Resigned 1 September 2022

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year consisted of mineral exploration for gold and cobalt. No significant change in the nature of the Consolidated Entity's activities occurred during the financial year.

### DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid, recommended or declared during the current or previous financial year.

### REVIEW OF OPERATIONS

The net consolidated gain of the Consolidated Entity after providing for income tax amounted to \$5,918,750 (2021: loss of \$8,393,037).

During the year, the Consolidated Entity advanced exploration and scoping activities at its mineral properties in Finland. It also conducted due diligence on several business development opportunities in the resources sector however no transactions were agreed or transacted.

On 23 December 2021, SunMirror (Luxembourg) S. A. (SMAG) made a takeover bid in respect of the fully paid ordinary shares in Latitude 66 Cobalt Limited. The take-over bid (Offer) was extended 5 times from the original closing date of 4 February 2022. On 13 June 2022, SMAG released a supplementary bidder's statement that cast doubt on the bidder's ability to obtain funding to complete the Offer.

Subsequent to the end of the reporting period on 5 July 2022, the Independent Directors changed their recommendation to shareholders, such that shareholders reject, or withdraw their acceptances of the Offer. Following this, the aggregate relevant acceptances fell below 90%. Accordingly, a bid condition was not satisfied by the Offer closing date of 12 July 2022 and as a consequence of this the bid lapsed.

An In-Specie Distribution was made of one Finroy Limited share for every one Latitude 66 Cobalt Limited fully paid ordinary share held as at 5:00pm Australian Western Standard Time on 22 October 2021.

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 25 August 2021 Latitude 66 Cobalt Limited acquired 100% of the ordinary shares of Finroy Limited for the total consideration of \$108.

On 22 October 2021 there was an in-specie distribution of all of the shares in Finroy Limited to the shareholders of Latitude 66 Cobalt Limited. At this date Finroy Limited was deconsolidated from the Consolidated Entity.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## DIRECTORS' REPORT

for the year ended 30 June 2022

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

It is expected that the operations of the Consolidated Entity will continue in line with that of the current reporting period.

Latitude 66's continued strategy is to explore and develop the Consolidated Entity's existing assets in Finland and to assess new business opportunities in the resources sector which may add shareholder value.

The Consolidated Entity will continue to focus on maximising the value of its projects. In the coming year it intends to:

- Continue exploration activity at the Harakumpu and Juomasuo Projects with the aim of expanding or better defining known and new resources through drill testing where practicable;
- Continue to advance early-stage exploration in the Perapohja Schist Belt, Kainuu Schist Belt, and the Central Lapland Greenstone Belt;
- Capitalise on corporate knowledge base to identify and acquire new exploration ground to further enhance and develop the project pipeline;
- Work with regional mineral companies, other corporate or government entities to create partnerships and cooperation initiatives, and to attract development financing;
- Review new business opportunities in the resources sector which leverage off the Consolidated Entity's skills, expertise, and existing assets;
- Maintain the Consolidated Entity's balance sheet and ensure all expenditure is aligned with the creation of shareholder value; and
- The Consolidated Entity has and continues to implement COVID safe policies and working arrangements to ensure the Consolidated Entity employees can continue to work in a safe and productive environment.

All of these activities present inherent risk and therefore the Board is unable to provide certainty that any or all of these activities will be able to be achieved. The material business risks faced by the Consolidated Entity that are likely to have an effect on the Consolidated Entity's future prospects, and how the Consolidated Entity manages these risks, include:

- Latitude 66's exploration properties may never be brought into production – The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. To mitigate this risk, the Consolidated Entity will undertake systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Consolidated Entity will then progressively undertake a number of technical and economic and environmental studies with respect to its projects prior to making a decision to mine. However, there can be no guarantee that the studies will confirm the technical, environmental and economic viability of the Consolidated Entity's mineral properties or that the properties will be successfully brought into production;
- Fluctuations in commodity prices – The price of cobalt and gold fluctuates widely and are affected by numerous factors beyond the control of the Consolidated Entity. Future production, if any, from the Consolidated Entity's mineral resource and other mineral properties will be dependent upon the price of the underlying commodities being sufficient to make the project economic; and
- The Consolidated Entity's activities will require further capital – The ability to finance a mining project is dependent on the Consolidated Entity's existing financial position, the availability and cost of project and other debt markets, the availability and cost of leasing and similar finance packages for project infrastructure and mobile equipment, the availability of mezzanine and offtake financing and the ability to access equity markets to raise new capital. There can be no guarantees that when the Consolidated Entity seeks to implement financing strategies to pursue the development of its projects that suitable financing alternatives will be available and at a cost acceptable to the Consolidated Entity.

### SUBSEQUENT EVENTS

Subsequent to the end of the reporting period on 5 July 2022, the Independent Directors changed their recommendation to shareholders, such that shareholders reject, or withdraw their acceptances of the Offer. Following this, the aggregate relevant acceptances fell below 90%. Accordingly, a bid condition was not satisfied by the Offer closing date of 12 July 2022 and as a consequence of this the bid lapsed.

On 4 August 2022 Latitude 66 Cobalt Limited terminated the Sale Agreement with SunMirror and in accordance with the Fourth Loan agreement, the exclusivity fee and unsecured limited recourse loans will not be repayable.

The coronavirus pandemic ("COVID-19") is impacting global economic markets. Any governmental measures taken in response to COVID-19 may adversely impact the Consolidated Entity's operations and are likely to be beyond the control of the Consolidated Entity.

The Directors are monitoring the situation closely and as the situation is continuously evolving, the extent of the impact of COVID-19 to the Consolidated Entity is not possible to be reliably estimated at the date of this report.

At the date of this report, there are no other matters or circumstances which have arisen since 30 June 2022 that have significantly affected or may significantly affect the operations, results of those operations and the state of affairs in the financial years subsequent to 30 June 2022, of the Consolidated Entity.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## DIRECTORS' REPORT

for the year ended 30 June 2022

### ENVIRONMENTAL REGULATIONS

The Consolidated Entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia or Finland.

### INFORMATION ON DIRECTORS

#### Mr Jeffrey Foster – Chairman and Director

##### *Qualifications*

BSc (Hons), MSc (University of Leicester)

##### *Responsibilities*

Chairs monthly meetings of the Board of Directors, manages and provides leadership to the Board of Directors, and acts as a direct liaison between the Board and the Company's management, through the Managing Director.

#### Mr Russell Delroy – Director

##### *Qualifications*

B.Com. (University of Western Australia)

##### *Responsibilities*

Investor and Shareholder Relations Director

#### Mr Joshua Welch – Director

##### *Qualifications*

BSc. (Murdoch University), M.Aus. IMM and GAICD

##### *Responsibilities*

Investor and Shareholder Relations Director

#### Professor Steffen Hagemann – Director

##### *Qualifications*

BSc (Frankfurt University);  
MSc (University of Wisconsin-Madison);  
PhD (University of Western Australia); and  
Habilitation (Technical University of Munich)

##### *Responsibilities*

Technical, geological and exploration Director

#### Mr Thomas Hoyer – Managing Director

##### *Qualifications*

MSc (Economics)

##### *Responsibilities*

Developing and executing the Company's business strategies. Providing strategic advice to the Board and Chairman. Preparing and implementing comprehensive business plans to facilitate achievement.

#### Mr Mark Connelly – Director

##### *Qualifications*

B. Bus (Edith Cowan University), MAICD, AIMM and Member of SME

##### *Responsibilities*

Provides independent guidance, oversight and constructive challenge to the Board.

#### Mr Timothy Day – Director

##### *Qualifications*

LLB (University of Western Australia and Monash University), Bsc (Hons) (University of Western Australia)

##### *Responsibilities*

Provides independent guidance, oversight and constructive challenge to the Board.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY DIRECTORS' REPORT

for the year ended 30 June 2022

## INFORMATION ON COMPANY SECRETARY

### Ms Eryn Kestel – Company Secretary

#### Qualifications

B. Bus (Accounting) (Curtin University of Technology) and CPA

#### Responsibilities

Administering the affairs of the Company and managing the business of the Company Board.

## MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors held during the financial year up to and including 30 June 2022 and the number of meetings attended by each director were:

Name	Number of meetings held whilst a director	Number of meetings attended whilst a director
Jeffrey Foster (Chairperson)	12	12
Russell Delroy	12	11
Joshua Welch	12	11
Thomas Hoyer	12	11
Steffen Hagemann	12	10
Mark Connelly	11	10
Timothy Day	11	11

## DIRECTORS' INTEREST IN SHARES AND OPTIONS

At reporting date, Directors, in office, held a relevant interest in the following securities of the Company:

Name	Ordinary Shares
Jeffrey Foster	2,040,000
Russell Delroy	15,190,000 <sup>i</sup>
Joshua Welch	15,190,000 <sup>ii</sup>
Thomas Hoyer	5,190,000
Steffen Hagemann	1,250,000
Mark Connelly	-
Timothy Day	-

<sup>i</sup> Includes 190,000 shares indirectly held through Francesa Gnagnerell ATF Colour Trust (50% owner of Garry Warren Pty Ltd who participated in the August 2019 Placement acquiring 380,000 fully paid Ordinary Shares).

<sup>ii</sup> Includes 190,000 shares indirectly held through Third Reef Pty Ltd <Back Reef A/c> (50% owner of Garry Warren Pty Ltd who participated in the August 2019 Placement acquiring 380,000 fully paid Ordinary Shares).



# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## DIRECTORS' REPORT

for the year ended 30 June 2022

### PERFORMANCE RIGHTS

Performance rights were granted on the 27 June 2019 to the directors and management of the Company. Of the 40,000,000 performance rights issued, 39,250,000 performance rights with non-market vesting conditions were issued to the directors.

Details of equity instruments (other than ordinary shares and options) held directly, indirectly, or beneficially by directors and key management personnel and their related parties are as follows:

Name	Held at 1 July 2021	Balance 30 June 2022	Share-based payments during FY2022
<b>Directors:</b>			\$
Jeffrey Foster	3,000,000	3,000,000	(496,505)
Russell Delroy	15,000,000	15,000,000	(2,482,525)
Joshua Welch	15,000,000	15,000,000	(2,482,525)
Thomas Hoyer	5,000,000	5,000,000	(827,508)
Steffen Hagemann	1,250,000	1,250,000	(206,878)
Mark Connelly	-	-	-
Timothy Day	-	-	-
<b>Total</b>	<b>39,250,000</b>	<b>39,250,000</b>	<b>(6,495,941)</b>

As of grant date, no value has been recognised.

During the year ended 30 June 2021, the probability of these rights to be vested was deemed to be 80% at fair value of \$0.25 per right and were expected to vest on 30 November 2021. During the financial year ended 30 June 2022 the probability of these rights to be vested was deemed to be nil and the share-based payments reserve was reversed to nil.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Directors' and Officers' Liability Insurance is held to cover a director for certain liabilities arising whilst acting as a director of the Company. The wording of the policy prohibits disclosure of the nature of these liabilities and the amount of the premium.

### INDEMNIFICATION OF AUDITORS

To the extent permitted by law, Latitude 66 has agreed to indemnify its auditors, RSM Australia Partners, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify RSM Australia Partners during or since the financial year.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2011 is set out immediately after this directors' report.

Signed in accordance with a resolution of the directors pursuant to section 306(3)(a) of the Corporations Act 2001.



Jeffrey Foster  
Chairperson  
Perth  
24 October 2022



**RSM Australia Partners**

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100  
F +61 (0) 8 92619111

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Latitude 66 Cobalt Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

TUTU PHONG  
Partner

Perth, WA  
Dated: 24 October 2022

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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**LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
for the year ended 30 June 2022

	Notes	30 June 2022 \$	30 June 2021 \$
Interest revenue	2.1	476	4,897
Other income	2.1	311	19,797
Waiver of loan payables	2.1	2,027,250	-
Reversal / (charge) of share-based payments expense	5.3	6,620,068	(6,620,068)
Personnel expenses		(323,647)	(233,957)
Corporate, administrative and general expenses	2.2	(2,142,295)	(1,169,120)
Foreign exchange loss		(37,939)	(39,607)
Motor vehicle expenses		(117,686)	(86,955)
Depreciation and amortisation expenses		(95,381)	(260,219)
<b>Operating profit / (loss)</b>		<b>5,931,157</b>	<b>(8,385,232)</b>
Finance costs		(12,407)	(7,805)
<b>Profit / (loss) before income tax</b>		<b>5,918,750</b>	<b>(8,393,037)</b>
Income tax expense	2.3	-	-
<b>Profit / (loss) for the year after income tax</b>		<b>5,918,750</b>	<b>(8,393,037)</b>
<i>Items that may subsequently be reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations		(304,270)	(77,164)
<b>Other comprehensive loss</b>		<b>(304,270)</b>	<b>(77,164)</b>
<b>Total comprehensive income/ (loss) for the year</b>		<b>5,614,480</b>	<b>(8,470,201)</b>

This statement should be read in conjunction with the accompanying notes to the consolidated financial statements.

**LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at 30 June 2022

	Notes	30 June 2022 \$	30 June 2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4.1	8,958,193	4,746,412
Other receivables	4.2	192,697	42,667
Prepayments	4.3	16,961	463,786
<b>Total current assets</b>		<b>9,167,851</b>	<b>5,252,865</b>
<b>Non-current assets</b>			
Property, plant and equipment	3.1	329,355	276,018
Exploration and evaluation assets	3.2	8,155,935	4,553,704
Right-of-use asset	3.3	150,287	210,402
<b>Total non-current assets</b>		<b>8,635,577</b>	<b>5,040,124</b>
<b>TOTAL ASSETS</b>		<b>17,803,428</b>	<b>10,292,989</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	4.4	4,421,249	4,626,633
Lease liability	4.5	61,058	59,011
Provisions	4.6	213,251	159,387
Loan payable	4.7	8,726,665	-
<b>Total current liabilities</b>		<b>13,422,223</b>	<b>4,845,031</b>
<b>Non-current liability</b>			
Lease liability	4.5	97,986	159,043
<b>Total non-current liability</b>		<b>97,986</b>	<b>159,043</b>
<b>TOTAL LIABILITIES</b>		<b>13,520,209</b>	<b>5,004,074</b>
<b>NET ASSETS</b>		<b>4,283,219</b>	<b>5,288,915</b>
<b>EQUITY</b>			
Share capital	5.1	11,250,055	11,250,163
Foreign currency translation reserves	5.2	(581,253)	(276,983)
Share-based payments reserves	5.2	-	6,620,068
Accumulated losses		(6,385,583)	(12,304,333)
<b>TOTAL EQUITY</b>		<b>4,283,219</b>	<b>5,288,915</b>

This statement should be read in conjunction with the accompanying notes to the consolidated financial statements.

**LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the year ended 30 June 2022

	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share-based Payments Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>At 1 July 2020</b>	<b>11,250,163</b>	<b>(3,911,296)</b>	<b>(199,819)</b>	-	<b>7,139,048</b>
Share-based expense during the year	-	-	-	6,620,068	6,620,068
Loss for the year	-	(8,393,037)	-	-	(8,393,037)
Exchange differences on translation of Foreign operations	-	-	(77,164)	-	(77,164)
<b>At 30 June 2021</b>	<b>11,250,163</b>	<b>(12,304,333)</b>	<b>(276,983)</b>	<b>6,620,068</b>	<b>5,288,915</b>
<b>At 1 July 2021</b>	<b>11,250,163</b>	<b>(12,304,333)</b>	<b>(276,983)</b>	<b>6,620,068</b>	<b>5,288,915</b>
Reversal of share-based expense	-	-	-	<b>(6,620,068)</b>	<b>(6,620,068)</b>
Profit for the year	-	5,918,750	-	-	5,918,750
Exchange differences on translation of foreign operations	-	-	(304,270)	-	(304,270)
Return of capital	(108)	-	-	-	(108)
<b>At 30 June 2022</b>	<b>11,250,055</b>	<b>(6,385,583)</b>	<b>(581,253)</b>	-	<b>4,283,219</b>

This statement should be read in conjunction with the accompanying notes to the consolidated financial statements.

**LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

for the year ended 30 June 2022

	Notes	30 June 2022 \$	30 June 2021 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers, employees and others (inclusive of GST)		(2,236,869)	(1,720,278)
Interest received		476	4,897
Other receipts		311	34,972
<b>Net cash used in operating activities</b>	6	<b>(2,236,082)</b>	<b>(1,680,409)</b>
<b>Cash flows from Investing activities</b>			
Payment for exploration expenditure		(3,779,457)	(1,287,869)
Payment for property, plant and equipment		(99,006)	(49,372)
<b>Net cash used in investing activities</b>		<b>(3,878,463)</b>	<b>(1,337,241)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(64,752)	(64,622)
Receipt of extension fees		-	3,894,223
Proceeds from unsecured limited recourse loans		10,391,078	-
<b>Net cash generated from financing activities</b>		<b>10,326,326</b>	<b>3,829,601</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,211,781</b>	<b>811,951</b>
Cash and cash equivalents at beginning of the financial year		4,746,412	3,934,461
<b>Cash and cash equivalents at end of the financial year</b>	4.1	<b>8,958,193</b>	<b>4,746,412</b>

This statement should be read in conjunction with the accompanying notes to the consolidated financial statements.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of preparation**

The consolidated financial report is a general-purpose financial report prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Except for cash flow information, the consolidated financial report has been prepared on an accruals basis and is based on historical costs.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### **New and revised accounting standards and interpretations**

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Latitude 66 Cobalt Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Latitude 66 Cobalt Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

#### **Going concern**

This financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity has a net cash outflow from operating activities of \$2,236,082 for the year ended 30 June 2022. As at that date, the Consolidated Entity had net current liability of \$4,254,372.

The directors believe that it is reasonably foreseeable that the Consolidated Entity will continue as a going concern as that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- Based on the approved cashflow budget and taking into consideration of cash and cash equivalents of \$8,958,193 as at 30 June 2022, the Consolidated Entity has sufficient funds to meet its projected expenditure;
- Subsequent to year end (Note 11), the Consolidated Entity terminated the sale agreement with SunMirror and as a result of that, the amounts due to SunMirror amounting to \$12,620,898 is no longer repayable; and
- The Consolidated Entity has the ability to scale down its operations in order to curtail expenditure, in the event funds available is insufficient to meet projected expenditure.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 13.

#### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

#### Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

#### Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

##### *Recognition and measurement*

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the relevant asset. When a major inspection is performed, the cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are expensed to profit or loss as incurred.

The carrying amounts of the Consolidated Entity's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.



# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment (continued)

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised immediately in the statement of profit or loss.

#### *Depreciation and de-recognition*

Depreciation period and method of depreciation is as follows:

- Building 7% declining balance method of depreciation
- Machinery and equipment 25% declining balance method of depreciation
- Software 20% straight line method of depreciation

An item of property, plant and equipment is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal of an asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss.

#### Financial assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Impairment of financial assets*

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The loss allowance is recognised in profit or loss.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Other receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Exploration and evaluation assets

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure encompasses expenditures incurred by the Consolidated Entity in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

- i. the rights to tenure of the area of interest are current; and
- ii. at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
  - exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to the acquisition of the rights to explore is capitalised as incurred.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

#### Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### Employee benefits

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

##### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Employee Benefits (continued)

##### *Defined contribution plan expense*

Contributions to defined contribution plans are expensed in the period in which they are incurred.

##### *Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

#### Revenue

The Consolidated Entity recognises revenue as follows:

##### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Consolidated Entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue (continued)

##### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### *Other income*

Other income is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and service tax.

#### Goods and Services Tax ("GST") and other similar taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the tax authorities. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authorities is included in other receivables or other payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amounts of GST recoverable from, or payable to, the tax authorities.

#### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

#### Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

#### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Provisions

Provisions are recognised when the Consolidated Entity has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate may be made of the amount of the obligation.

When the Consolidated Entity expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense related to any provision is recognised in profit or loss net of any reimbursement.

#### Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

#### Issued capital

Ordinary Shares and Performance Shares are classified as equity. Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### Foreign currency transactions and balances

##### *Functional and presentation currency*

The functional currency of each of the Company's controlled entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars.

##### *Transaction and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit and loss and other comprehensive income.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise, the exchange difference is recognised in the statement of profit and loss and other comprehensive income.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currency transactions and balances (continued)

##### Controlled entities

The financial results and position of foreign controlled entities whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign controlled entities are transferred directly to the foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit and loss and comprehensive income in the period in which the operation is disposed.

#### Key estimates and judgements

In applying the Consolidated Entity's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Consolidated Entity.

All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances known to management. Actual results may differ from those judgements, estimates and assumptions.

Significant judgements, estimates and assumption made by management in the preparation of these financials are found in the following notes:

**Note 3.2** Capitalisation of exploration and evaluation assets

### 2.1 INTEREST REVENUE AND OTHER INCOME

	2022	2021
	\$	\$
Interest revenue	476	4,897
Other income – government grants, subsidies and financial support	311	19,797
Waiver of loan payable	2,027,250	-
	<b>2,028,037</b>	<b>24,694</b>

The waiver of loan payable was provided by SunMirror in accordance with the First Loan Agreement as the sale agreement was not completed by 31 December 2021 and the amounts is not repayable.

### 2.2 CORPORATE AND ADMINISTRATIVE AND GENERAL EXPENSES

	2022	2021
	\$	\$
Administration, accounting, tax and audit	335,421	316,032
Communication/PR costs	102,817	44,396
Compliance expenses	450,238	-
Computer expenses	140,278	39,507
Exploration, research and development	238,947	282,883
Legal fees	236,451	147,591
Short-term rent	213,788	106,989
Travel and accommodation	227,598	127,283
Other	196,757	104,439
	<b>2,142,295</b>	<b>1,169,120</b>

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

## 2.3 INCOME TAX EXPENSE

	2022	2021
	\$	\$
(a) the major components of income tax expense comprise		
Current income tax charge	-	-
Deferred tax	-	-
	-	-
(b) Prima facie tax on loss before income tax is reconciled to income tax is follows:		
Prima facie tax on profit / (loss) before income tax at 30% (2021: 26%)	1,775,625	(2,182,190)
Tax effect of amounts which are non-deductible / (taxable) in calculating taxable income:		
(Add) / less: (reversal of deferred tax assets) / deferred tax assets not brought to account	(1,775,625)	2,182,190
<b>Income tax attributable to Consolidated Entity</b>	<b>-</b>	<b>-</b>

The Consolidated Entity has unrecognised tax losses of \$8,625,312 (2021: \$7,033,139 Australian and Finnish tax losses) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by the companies in their respective countries of incorporation. There are no deferred tax assets recognised as the directors are of the view that future taxable profits is not probable.

## 3.1. PROPERTY, PLANT AND EQUIPMENT

	Computer Software Licenses	Buildings	Machinery & Equipment	Total
	\$	\$	\$	\$
Cost	20,973	327,787	255,161	603,921
Accumulated depreciation	(16,079)	(206,716)	(51,771)	(274,566)
<b>Total</b>	<b>4,894</b>	<b>121,071</b>	<b>203,390</b>	<b>329,355</b>

Reconciliation of the carrying amounts of property, plant and equipment are set out below:

	Computer Software Licenses	Buildings	Machinery & Equipment	Total
	\$	\$	\$	\$
<b>Carrying amount</b>				
<b>At 30 June 2021</b>	9,475	135,726	130,817	276,018
Additions	-	-	99,072	99,072
Exchange differences	(386)	(5,542)	(5,339)	(11,267)
<b>At 30 June 2022</b>	<b>9,089</b>	<b>130,184</b>	<b>224,550</b>	<b>363,823</b>
<b>Depreciation</b>				
Depreciation charge for the year	(4,292)	(9,324)	(21,650)	(35,266)
Exchange differences	97	211	490	798
<b>At 30 June 2022</b>	<b>(4,195)</b>	<b>(9,113)</b>	<b>(21,160)</b>	<b>(34,468)</b>
<b>At 30 June 2022</b>	<b>4,894</b>	<b>121,071</b>	<b>203,390</b>	<b>329,355</b>

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 3.2. EXPLORATION AND EVALUATION ASSETS

Reconciliation of movements in carrying amount:

	2022	2021
	\$	\$
Carrying amount at beginning	4,553,704	3,008,850
Additions in the year	3,762,085	1,686,747
Foreign exchange movement	(159,854)	(141,893)
Carrying amount at end of year <sup>1</sup>	<b>8,155,935</b>	<b>4,553,704</b>

<sup>1</sup> The ultimate recoupment of costs carried for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. The carrying values above are based upon the Consolidated Entity's assumption that the exploration licenses will be renewed when required, subject to the Company meeting its agreed budgets and work programs.

### 3.3 RIGHT-OF -USE ASSET

	2022	2021
	\$	\$
Balance at beginning of year	210,402	270,517
Less: Depreciation	(60,115)	(60,115)
Balance at end of year	<b>150,287</b>	<b>210,402</b>

### 4.1 CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Cash at bank	8,958,193	4,746,412

### 4.2 OTHER RECEIVABLES

	2022	2021
	\$	\$
Deposits	17,195	17,927
Taxes receivables	174,350	24,740
Other receivables	1,152	-
	<b>192,697</b>	<b>42,667</b>

#### Allowance for expected credit losses

The Consolidated Entity has assessed that there are no risks of default and as such, no additional impairment loss has been recognised against these financial assets as at 30 June 2022 (2021: Nil).

### 4.3 PREPAYMENTS

	2022	2021
	\$	\$
Prepayments – current	<b>16,961</b>	<b>463,786</b>



# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 4.4 TRADE AND OTHER PAYABLES

	2022	2021
	\$	\$
Trade creditors	395,293	270,773
Other payables	131,723	98,799
Extension fee <sup>1</sup>	3,894,233	3,894,223
Payable to Dragon Mining Limited <sup>2</sup>	-	362,838
	<b>4,421,249</b>	<b>4,626,633</b>

<sup>1</sup> One-time extension fees received in relation to the proposed sale of the Finland entity. Should the proposed sale be completed, these amounts will be reduced against the eventual sale value of the transaction. Otherwise, the amounts are not repayable. For further details, refer to note 4.7.

<sup>2</sup> Payable to Dragon Mining Limited in accordance with the amended terms of agreement for Kuusamo Project.

#### Fair value

Due to the short-term nature of these payables, the carrying amount is assumed to approximate their fair value.

### 4.5 LEASE LIABILITY

	2022	2021
	\$	\$
Lease liability – current	61,058	59,011
Lease liability – non-current	97,986	159,043
	<b>159,044</b>	<b>218,054</b>

#### Reconciliation:

	2022	2021
	\$	\$
Balance at beginning of year	218,054	275,144
Lease payments	(64,751)	(64,622)
Interest	5,741	7,532
Balance at end of year	<b>159,044</b>	<b>218,054</b>

### 4.6 PROVISIONS

Annual Leave and Long Service Leave	2022	2021
	\$	\$
Balance at beginning of year	159,387	109,233
Arising	152,976	136,731
Utilised	(99,112)	(86,577)
Balance at end of year	<b>213,251</b>	<b>159,387</b>
Current	213,251	159,387

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 4.7 LOANS PAYABLE

	2022	2021
	\$	\$
<b>Unsecured limited recourse loans</b>	<b>8,726,665</b>	-

The unsecured limited recourse loans bear interest at the rate of 3% per annum payable on repayment of the loans in the event that the loans become repayable.

The Fourth Loan Agreement provides, pursuant to clauses 7.3(a) and 7.4, that:

- (a) if the Sale Agreement is terminated by any party to the Sale Agreement, the loan amount (and any accrued interest) provided under the Fourth Loan Agreement will not be payable in the circumstances; and
- (b) the amounts provided under the First Loan Agreement, the Second Loan Agreement and the Third Loan Agreement are not repayable in any circumstances.

In August 2022, the Company terminated the Sale Agreement and subsequently these amounts are not be payable.

### 5.1 SHARE CAPITAL

	2022	2021
	\$	\$
<b>Share capital</b>		
108,000,000 fully paid ordinary shares (2021: 108,000,000)	11,250,055	11,250,163

	2022	2021
		\$
Share capital at start of year/period	11,250,163	11,250,163
Return of capital	(108)	-
Share capital at end of year	11,250,055	11,250,163

### 5.2 RESERVES

	2022	2021
	\$	\$
<b>Foreign currency translation reserve</b>		
Balance at beginning of year	(276,983)	(199,819)
Exchange differences on translation of foreign operations	(304,270)	(77,164)
Balance at end of year	<b>(581,253)</b>	<b>(276,983)</b>

The reserve is transferred to statement of profit or loss and other comprehensive income when the net investment is disposed of.

	2022	2021
	\$	\$
<b>Share-based payments reserve</b>		
Balance at beginning of year	6,620,068	-
Share-based payments during the year	-	6,620,068
Reversal of share-based payments	(6,620,068)	-
Balance at end of year	-	<b>6,620,068</b>

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

## 5.2 RESERVES (continued)

Performance rights were granted on the 27 June 2019 to the directors and management of the Company. During the year ended 30 June 2021, the probability of these rights to be vested was deemed to be 80% and were expected to vest on 30 November 2021. During the year ended 30 June 2022 the probability of these rights to be vested was reduced to nil and the share-based payments of \$6,620,068 were reversed (2021: charge of \$6,620,068).

## 5.3 SHARE-BASED PAYMENTS

Equity-settled share-based payments are provided to directors and employees. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value is determined using the fair value of equity instruments granted at the measurement date, based on market prices if available, taking into account the terms and conditions upon which those equity instruments were granted.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit or loss and other comprehensive income over the remaining vesting period, with a corresponding adjustment to the share-based payments reserve.

Equity-settled share-based payments may also be provided as consideration for the acquisition of assets. Where ordinary shares are issued, the transaction is recorded at fair value based on the quoted price of the ordinary shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

### Performance rights issued

	2022 Number	2021 Number
<b>Movement in rights on issue</b>		
At 1 July	40,000,000	40,000,000
Unlisted rights issued during the year	-	-
Balance at end of year	<b>40,000,000</b>	<b>40,000,000</b>

40,000,000 performance rights were granted on the 27 June 2019 to the directors and management of the Company. The fair value of these performance rights was based on the estimated fair value of the shares being \$0.25 per share. The performance rights were issued in two tranches expiring in 5 years and 8 years respectively.

The vesting conditions attached to the tranches are:

- Tranche 1: the Company produces a finalised environmental impact assessment ("EIA") that has been accepted as a reasoned conclusion by the Centre of Economic Development, Transport and the Environment ("ELY") for any of the tenements known as K Camp within 5 years
- Tranche 2: produces a finalised EIA that has been accepted as a reasoned conclusion by the ELY for any tenement currently held or acquired in the future by the Company anywhere else in Finland within 5 years
- Both tranches: automatically vest when:
  - a Court has approved of a merger by way of scheme of arrangement of the Company (but shall not include a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company);
  - an unconditional takeover bid of the majority of shares;
  - any person acquires a Relevant Interest in 50.1% or more of the Shares by any other means
  - the announcement by the Company 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 the Company has been completed; or
  - a third-party purchaser acquires a substantial part of the business, or any of the material assets, or mining tenements of the Company (where a material asset of the Company includes a right in respect of assets representing an amount proximate to AUD \$15 million or more, or an amount deemed to be material by the board).

During the year ended 30 June 2022 the share-based payments of \$6,620,068 were reversed (2021: \$6,620,068)

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 6. CASH FLOW INFORMATION

#### RECONCILIATION OF NET CASH AND CASH EQUIVALENTS USE IN OPERATING ACTIVITIES TO LOSS FOR THE YEAR

	2022	2021
	\$	\$
Profit / (loss) for the year	5,918,750	(8,393,037)
<i>Adjustments for:</i>		
Depreciation and amortisation	112,753	260,219
Unrealised foreign exchange	(80,513)	23,013
Interest expense	11,931	-
Waiver of loan payables	(2,027,250)	-
(Reversal) / charge of share-based payments	(6,620,068)	6,620,068
<i>Change in assets and liabilities:</i>		
Other receivables	296,795	(401,337)
Trade and other payables	205,384	144,677
Employee benefit provisions	(53,864)	65,988
Net cash used in operating activities	<b>(2,236,082)</b>	<b>(1,680,409)</b>

### 7. COMMITMENTS

	2022	2021
	\$	\$
<b>Exploration expenditure commitments</b>		
Within one year	15,880	16,337
After one year but not more than five years	79,402	81,685
More than five years	111,163	114,359
	<b>206,445</b>	<b>212,381</b>
<b>Operating lease expenditure commitments</b>		
Minimum lease repayments:		
Within one year	28,342	29,157
	<b>28,342</b>	<b>29,157</b>

### 8. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities relate to actual or potential claims of the Consolidated Entity that have arisen in the ordinary course of business, the outcome of which cannot be foreseen at present and for which no amounts are provided for in the statement of financial position. There are no contingent liabilities and contingent assets at 30 June 2022 (2021: None).

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 9. RELATED PARTY DISCLOSURES

#### (a) Key management personnel

Key management personnel of the Consolidated Entity comprise the Board of Directors and the Communications Manager.

#### (b) Compensation to key management personnel

For the year ended 30 June 2022, \$180,788 (2021: \$175,304) was recognised as an expense in respect of key management personnel remuneration.

Compensation levels for executive employees of the Consolidated Entity are competitively set to attract and retain appropriately qualified and experienced personnel. In addition to their salaries, the Consolidated Entity also provides paid employee pension fees in Finland for certain directors.

For the year ended 30 June 2022, \$17,081 (2021: \$16,968) was recognised as an expense in respect of key management personnel paid employees' pension fees.

During the year ended 30 June 2022 share-based payments of \$6,620,068 were reversed (2021: charge of \$6,620,068).

#### (c) Details of payments to key management personnel

Name	Short-term	Post-	Total
	employee	employment	
	benefits	benefits	
	\$	\$	\$
<b>2022</b>			
Thomas Hoyer	118,137	8,473	126,610
Mark Connelly	54,794	5,479	60,273
Timothy Day	54,794	5,479	60,273
	<u>227,725</u>	<u>19,431</u>	<u>247,156</u>

All other Directors were, and remain as at current date, unpaid for their services.

During the year ended 30 June 2022 share-based payments of \$6,620,068 were reversed (2021: \$6,620,068).

Name	Held at	Balance	Share-based
	1 July 2021	30 June 2022	payments reversed
			during FY2022
<b>Directors:</b>			\$
Jeffrey Foster	3,000,000	3,000,000	(496,505)
Russell Delroy	15,000,000	15,000,000	(2,482,525)
Joshua Welch	15,000,000	15,000,000	(2,482,525)
Thomas Hoyer	5,000,000	5,000,000	(827,508)
Steffen Hagemann	1,250,000	1,250,000	(206,878)
Mark Connelly	-	-	-
Timothy Day	-	-	-
<b>Total</b>	<b>39,250,000</b>	<b>39,250,000</b>	<b>(6,495,941)</b>

#### (d) Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022	2021
Latitude 66 Cobalt Oy	Finland	100%	100%
Finroy Limited	Australia	-*	-

\* On 25 August 2021, Latitude 66 Cobalt Limited acquired 100% of the ordinary shares of Finroy Limited for a total consideration of \$108. On 22 October 2022, there was an in-specie distribution of all of the shares in Finroy Limited to the shareholders of Latitude 66 Cobalt Limited. At this date, Finroy Limited was deconsolidated from the Consolidated Entity.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

### 10. AUDITOR'S REMUNERATION

	2022	2021
	\$	\$
Amounts paid or due and payable to the auditor for:		
Audit Services – RSM Australia Partners	22,000	16,000
Tax review assistance	-	10,000
	<b>22,000</b>	<b>26,000</b>

### 11. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the end of the reporting period on 5 July 2022, the Independent Directors changed their recommendation to shareholders, such that shareholders reject, or withdraw their acceptances of the Offer. Following this, the aggregate relevant acceptances fell below 90%. Accordingly, a bid condition was not satisfied by the Offer closing date of 12 July 2022 and as a consequence of this the bid lapsed.

On 4 August 2022 Latitude 66 Cobalt Limited terminated the Sale Agreement with SunMirror and in accordance with the Fourth Loan agreement, the exclusivity fee and unsecured limited recourse loans will not be repayable.

The coronavirus pandemic ("COVID-19") is impacting global economic markets. Any governmental measures taken in response to COVID-19 may adversely impact the Consolidated Entity's operations and are likely to be beyond the control of the Consolidated Entity.

The Directors are monitoring the situation closely and as the situation is continuously evolving, the extent of the impact of COVID-19 to the Consolidated Entity is not possible to be reliably estimated at the date of this report.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

### 12. DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

### 13. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	2022	2021
	\$	\$
Profit/(loss) after income tax	7,919,961	(6,986,822)
Total comprehensive income/(loss)	7,919,961	(6,986,822)

**LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 June 2022

**13. PARENT ENTITY INFORMATION (continued)**

*Statement of financial position*

	<b>2022</b>	<b>2021</b>
	\$	\$
Total current assets	8,701,035	3,513,405
Total assets	24,198,995	14,644,201
Total current liabilities	12,697,339	4,442,330
Total liabilities	12,697,339	4,442,330
Equity		
Issued capital	11,250,055	11,250,163
Reserve	-	6,620,068
Retained profits	251,600	(7,668,361)
Total equity	11,501,665	10,201,870

*Contingent liabilities and contingent assets*

The parent entity had no contingent liabilities and contingent assets as at 30 June 2022 and 30 June 2021.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

# LATITUDE 66 COBALT LIMITED AND ITS CONTROLLED ENTITY DIRECTORS' DECLARATION

for the year ended 30 June 2022

In the Directors' opinion:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
  - i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the year ended on that date.
- b) The financial statements and notes comply with International Financial Reporting Standards as described in Note 1 to the financial statements.
- c) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295(5)(a) of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Jeffrey Foster  
Chairperson  
Perth

Dated: 24 October 2022





**RSM Australia Partners**

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100  
F +61 (0) 8 92619111

[www.rsm.com.au](http://www.rsm.com.au)

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
LATITUDE 66 COBALT LIMITED**

**Opinion**

We have audited the financial report of Latitude 66 Cobalt Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING**

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## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 24 October 2022

## SCHEDULE 5 – JORC TABLE 1

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>• Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>• 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.</li> </ul>	<p><b>LATITUDE 66</b></p> <p><b><u>Diamond core drilling</u></b>  Half drill core – The selection of mineralised intervals for sampling was based on visible sulphide mineralisation. Sampling was usually extended 4 to 6 m past visually logged mineralised intervals to the weakly or non-mineralised country rocks for better overall coverage. None of the holes have the entire length sampled.  Sampling intervals ranged from 0.13m – 4.7m with an average sample length being 1.1m. Sampling was adjusted to geological boundaries. Sampling is consistent with industry standards.</p> <p><b><u>Boulder Sampling</u></b>  Boulders identified in the field and sampled if visual alteration (e.g. sulphides, alteration or veining) identified. Sample weight generally between 0.5-2kg per sample. Given the nature of sampling transported medium, results are likely to be related to a distal source and not representative of in-situ material.</p> <p><b>HISTORICAL DRILLING</b></p> <p><b>K1</b>  The various mineralised lodes at the K1 (previously Juomasuo) deposit were sampled by Dragon Mining using surface diamond and percussion drill holes. Drill hole collars and starting azimuths (for historically located collars) were accurately surveyed by Dragon surveyors in 2003 and again in 2011. For the recent drill holes completed by Dragon, collar co-ordinates and starting azimuths were measured by Dragon geotechnicians using RTK-GPS Leica GNSS</p>

equipment. Down hole dip and azimuth deviations were recorded by the drilling contractor using either Maxibor, Devico Deviflex or Reflex Gyro survey instruments. 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.

Other historical drilling was conducted by previous owners Geological Survey of Finland (GSF) and Outokumpu Mining Oy Outokumpu). Dragon completed a number of drill programs at the deposit. Diamond drilling by GSF and Outokumpu used 31.7mm and 41.7mm core diameter with sampling at varying intervals based on geological boundaries. Recent Dragon drilling utilised 50.5mm core with some 50.7mm. Historical sampling used half-split core which was sampled and sent for preparation (crushing and pulverising) and assaying at GSF's or Outokumpu's laboratory where samples were analysed 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. Sulphur was analysed systematically using the LECO method.

## **K2**

The various mineralised lodes at the K2 (previously Hangaslampi) deposit were sampled using surface diamond drill holes. Drill spacing ranges from 12m along strike by 12m across strike in the central portion of the resource, to 25m along strike by 40m across strike on the periphery of the mineralized zones and drilled on the Finnish National Grid system (FIN KKJ4, 2003).

Drill holes used in the resource estimate included 99 surface diamond for a total of 2,020m within the resource wireframes. The supplied database contained a total of 155 records for a total of 14,592m of drilling. Holes were generally angled at -40° to -60° towards the east or west (the majority a 90° azimuth) to optimally intersect the mineralised zones.

Historical drill hole collars have been accurately re-surveyed by qualified surveyors in 2011 and 2012 using a precision GPS instrument (Leica SmartRover GNSS). All subsequent drill collars have been surveyed with Precision-GPS. Dip values were measured at 10m intervals down hole by drillers using conventional equipment.

Drilling was conducted by GTK, Outokumpu and by Dragon. Diamond drilling by GTK used 45mm core diameter (T56) and 31.7mm core diameter (T46) with sampling at varying intervals based on geological boundaries. Half-split core was sampled and sent for preparation (crushing and pulverising) and assaying at GTK's laboratory where samples were analysed using a Fire-Assay method with AAS or ICP finish. Diamond drilling by Outokumpu used 41.7mm, 50.5mm and 57.5mm diameter core (T56, WL-66 or WL76) with sampling and preparation as described above. Sample analysis was undertaken at Outokumpu's own laboratory using Fire-Assay with AAS or ICP finish. Diamond drilling by Dragon used 50.5mm and 50.7mm core diameter (WL-66 or NQ2) with sampling and analysis undertaken at ALS laboratories via the fire assay method with ICP finish (30g charge) Samples with grade assays above 3 g/t Au are re-analysed using a 50g charge and gravimetric finish. Outokumpu and Dragon both re-logged selected drill cores in 2003/2004 and 2008 respectively. A number of previously un-analysed sections were assayed. Dragon also completed an extensive program of re-logging and re-sampling of historical holes. All re-sampling and new sampling was undertaken at ALS laboratories.

### **K3**

The various mineralised lodes at the K3 (previously Pohjasvaara) deposit were sampled using surface diamond drill holes. Drill spacing ranges from 10m along strike by 10m across strike for the majority of the resource and drilled on the Finnish National Grid system (FIN KKJ4, 2003).

Drill hole collars and starting azimuths have been accurately surveyed by Dragon exploration surveyors. Dip values were measured at 10m intervals down hole by drillers using conventional equipment.

Drilling was conducted by GTK, Outokumpu and by Dragon. Diamond drilling by GTK and Outokumpu used 42mm core diameter (T56) with sampling at varying intervals based on geological boundaries. Half-split core was sampled

		<p>and sent for preparation (crushing and pulverising) and assaying at Outokumpu's laboratory where samples were analysed using a Fire-Assay method with AAS or ICP finish. Since 2002, diamond drilling by Outokumpu and Dragon used 50mm diameter core (WL-66) with sampling and preparation as described above. Sample preparation was undertaken at the local independent laboratory in Outokumpu. In 1985-2002, pulverised samples from drilling programs were assayed for gold using a 50g or 60g Fire Assay with AAS or ICP or gravimetric finish at GAL laboratory (Outokumpu town) and GTK's laboratory (Rovaniemi). In addition to gold, pulps were usually assayed for typical base metals and pathfinder elements (Co, Cu, Ni, Mo, Pb, As, S and Te) using AAS method. In 2011, analysis of Dragon's pulverised core was completed at ALS Chemex Laboratory (Rosia Montana, Romania) for Au using a 30g Fire Assay with AAS finish.</p>
<p><i>Drilling techniques</i></p>	<ul style="list-style-type: none"> <li>• <i>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 orientated and if so, by what method, etc).</i></li> </ul>	<p><b>LATITUDE 66</b></p> <p><b><u>Diamond core drilling</u></b> Latitude 66 engaged drilling companies RE Drilling Oy, KDC and MK Core Drilling Oy to complete the diamond drilling programs. Drill holes were variably orientated due to multiple azimuths of the differing targets. Drill holes were angled between -45 to -90 degrees. 50.7 mm (NQ2) and 57mm (WL66) diamond core was utilized throughout the drilling programs. Drill core orientation is capture with Reflex ACT II or III and a DeviGyro tool. The used drilling technique is adequate for the explored mineralisation type and the stage of exploration.</p> <p><b><u>Boulder Sampling</u></b> Not applicable as boulder sampling does not relate to drilling practices.</p> <p><b>HISTORICAL DRILLING</b></p> <p><b>K1</b> Diamond and percussion drilling were the primary drilling techniques used at Juomasuo. Dragon drilling used 50.5mm (WL-66) or 50.7mm (NQ2) core diameter. Hole depths ranged from 1m to 650m. Recoveries from diamond core were recorded as RQD figures in the supplied database. A total of 10,891 records were supplied with an average value of 77.4. Core was orientated</p>

		<p>using Reflex tools. Runs of diamond core were placed in cradles by Dragon geologists and marked up with an orientated centre line prior to logging. Lost core was also routinely recorded and the supplied database included a table of 196 records stating the length of lost core.</p> <p><b>K2</b> Diamond drilling is the sole technique used at Hangaslampi. Diamond holes were drilled with core diameters varying from 31.7mm to 57.5mm. Hole depths ranged from 7m to 348m. The latest core is oriented, structural measurements have been taken from the drill holes KS/HL-54 ... KS/HL-114.</p> <p><b>K3</b> Diamond drilling is the sole technique used at Pohjasvaara. Diamond holes were drilled with core diameters varying from 42mm to 50mm. Hole depths ranged from 35.9m to 207.5m. Recoveries from the 5 Outokumpu diamond core holes and the 7 Dragon diamond core holes were recorded as RQD figures in the supplied database. A total of 413 records were supplied with an average value of 60.9. Core was orientated using Reflex tools. Runs of diamond core were placed in cradles by Dragon geologists and marked up with an orientated centre line prior to logging. Lost core was also routinely recorded. No recovery data is available for historical drilling.</p>
<p><i>Drill sample recovery</i></p>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>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.</i></li> </ul>	<p><b>LATITUDE 66</b></p> <p><b><u>Diamond core drilling</u></b> Core recoveries/loss and quality (RQD) are routinely collected for all drill holes and presented in a table format. The data collected is consistent and follows common practice of the exploration companies.</p> <p><b><u>Boulder Sampling</u></b> Not applicable as boulder sampling does not relate to drilling practices.</p> <p><b>HISTORICAL DRILLING</b></p> <p><b>K1</b> Since 2003 diamond core has been reconstructed into continuous runs for orientation marking with depths checked against core blocks. Core loss</p>



		<p>observations were noted by geologists during the logging process. All percussion samples were visually checked for recovery, moisture and contamination and no recovery problems were encountered.</p> <p>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.</p> <p><b>K2</b></p> <p>Recoveries from diamond core were not supplied. Lost core was routinely recorded. From core photography it appears that historical recovery of diamond core was generally good.</p> <p>Since 2003, diamond core was reconstructed into continuous runs for orientation marking with depths checked against core blocks. Core loss observations were noted by geologists during the logging process. The consistency of the mineralised intervals suggests sampling bias due to material loss or gain is not an issue.</p> <p><b>K3</b></p> <p>Diamond core completed by Dragon was reconstructed into continuous runs for orientation marking with depths checked against core blocks. Core loss observations were noted by geologists during the logging process.</p> <p>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.</p>
<p>Logging</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<p><b>LATITUDE 66</b></p> <p><b><u>Diamond core drilling</u></b></p> <p>All diamond drill core were qualitatively logged for pertinent relevant features like lithology, mineralogy, mineralisation, structures, color and alteration and qualitatively by mineralization percentage, vein percentages and structural thicknesses. Data was collected into a table format using library defined codes. Geotechnical logging included alpha, beta and gamma (linear features) angle measurements of structures.</p>



#### **Boulder Sampling**

Boulders are qualitatively logged for pertinent relevant features like lithology, mineralogy, mineralisation, structures, color and alteration and qualitatively by mineralization percentage, deformation intensity and vein percentages. Data was collected into a table format using library defined codes.

#### **HISTORICAL DRILLING**

##### **K1**

All holes were field logged by company geologists to a high level of detail. Diamond holes were logged for recovery, RQD, number and type of defects. The supplied database contained tables with information on structural observations recorded for alpha/beta angles, dips, azimuths, and true dips. The amount and type of ore textures and ore minerals were also recorded within separate tables.

Drill samples were logged for lithology, rock type, colour, mineralisation, alteration, and texture. Logging was a mix of qualitative and quantitative observations. It has been standard practice by Outokumpu and Dragon (since 2001), that all diamond core be routinely photographed. All drill holes were logged in full.

##### **K2**

All holes were field logged by company geologists to a high level of detail. Diamond holes were logged for recovery, RQD, number and type of defects. The supplied database contained tables with information on structural observations recorded for alpha/beta angles, dips, azimuths, and true dips. The amount and type of ore textures and ore minerals were also recorded within a separate table.

Drill samples were logged for lithology, rock type, colour, mineralisation, alteration, and texture. Logging is a mix of qualitative and quantitative observations. It has been standard practice by Outokumpu and Dragon (since 2001), that all diamond core be routinely photographed. All drill holes were logged in full.

##### **K3**

		<p>All holes were field logged by company geologists to a high level of detail. The latest diamond holes were logged for recovery, RQD, number and type of defects. The supplied database contained tables with information structural observations recorded for alpha/beta angles, dips, azimuths, and true dips. The amount and type of ore textures and ore minerals were also recorded within separate tables.</p> <p>Drill samples were logged for lithology, rock type, colour, mineralisation, alteration, and texture. Logging is a mix of qualitative and quantitative observations. It has been standard practice by Outokumpu and Dragon (since 2001), that all diamond core be routinely photographed. All drill holes were logged in full.</p>
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<p><b>LATITUDE 66</b></p> <p><b><u>Diamond core drilling</u></b></p> <p>Drill core was cut in half by a diamond core saw with half core submitted for assay. In mineralised zones the sample intervals typically ranged from 0.13-1.5 m in length and greater than 1.5m long intervals for non-mineralised zones. The used sampling technique results in a representative sample. Samples were sent to ALS laboratories and MSALABS Inc for gold and multi-element analysis. Sample preparation composed of PREP-31Y (ALS Lab) and PRP-920 (MSALABS).</p> <p>Assay analysis comprised of:</p> <ul style="list-style-type: none"> <li>• ALS Lab – Aqua Regia ICP-MS finish (AuME-TL43) for gold and 50 x multi elements pre-2021.</li> <li>• MSALABS - Fire Assay/AAS finish (FAS-111) for gold only and Four Acid Digest (IMS-230) for 48 x multi elements post 2021</li> </ul> <p>QAQC procedure consisted of insertion of suitable certified reference material, blank or assay duplicates. For each 100 samples:</p> <ul style="list-style-type: none"> <li>• 5 OREAS certified reference material (CRM)</li> <li>• 5 assay duplicates</li> <li>• 2 blanks</li> <li>• additionally, after each visually logged sulphidic mineralisation interval an additional blank sample was inserted.</li> </ul> <p>The sample sizes are believed to be appropriate to correctly represent the style and thickness of mineralization.</p>

#### **Boulder Sampling**

Boulders identified in the field and sampled if visual alteration (e.g. sulphides, alteration and veining) identified.

Samples were sent to ALS laboratories and MSALABS Inc for gold and multi-element analysis. Sample preparation composed of PREP-31Y (ALS Lab) or PRP-910 (CRS Laboratories Oy).

Assay analysis comprised of:

- ALS Lab – Aqua Regia ICP-MS finish (AuME-TL43) for gold and 50 x multi elements pre-2021.
- MSALABS - Fire Assay/AAS finish (FAS-111) for gold only and Four Acid Digest (IMS-230) for 48 x multi elements post 2021

QAQC procedure consisted of insertion of suitable certified reference material, blank or assay duplicates. For each 100 samples:

- 2 OREAS certified reference material (CRM)
- 2 blanks

#### **HISTORICAL DRILLING**

##### **K1**

Diamond core is cut in half using a core saw with half core submitted for assay. 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 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.

Dragon has used systematic standard and pulp duplicate sampling since 2004. Every 20<sup>th</sup> sample (sample id ending in -00, -20, -40, -60, -80) is submitted as a standard, and every 20<sup>th</sup> 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 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.

**K2**

Historical core sample preparation techniques included quarter, half or whole core. The drill core sample size was not historically recorded.

Dragon diamond core is cut in half using a core saw with half core submitted for assay. In some cases, quarter core is sent for analysis.

Dragon has used systematic standard and pulp duplicate sampling since 2004. 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. No QAQC data is available for historic drilling before Dragon Mining.

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.

**K3**

Historical core sample preparation techniques included half core. Sampling was undertaken at varying intervals based on geological boundaries.

Dragon diamond core is cut in half using a hydraulic press (historical drill holes) or a core saw (the latest drill holes) with half core submitted for assay.

No QAQC data is available for historic drilling prior to Dragon Mining.

Dragon has used systematic standard and pulp duplicate sampling since 2004. Every 20<sup>th</sup> sample (sample id ending in -00, -20, -40, -60, -80) is submitted as a standard, and every 20<sup>th</sup> 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 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.

Quality of assay data and laboratory tests

- 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.

**LATITUDE 66**

**Diamond core drilling**

Sample analysis was performed by:

- MSALABS in Langley, Canada. Au was analysed with Fire Assay with AAS finish from 30g Fusion Size. Multi-element analysis was done from 0.25g sub-sample with IMS-230 method with near total four-acid digestion followed by ICP-MS. Overlimits of gold (>10 g/t) were reanalysed by 30 g Fire Assay with Gravimetric finish (FAS-415). Overlimits for Cu (>1 %) and Co are reanalysed from 0.2 g subsample with 4-acid digestion and ICP-ES finish by ICF-6Cu and ICF-6Co methods.
- ALS Lab. Au by aqua regia extraction with ICP-MS finish from a 25g sample. Multi-element analysis was completed from 0.5g sample using Aqua Regia with ICP-MS finish pre 2021.

QAQC procedure consisted of insertion of suitable certified reference material, blank or assay duplicate. For each 100 samples:

- 5 OREAS certified reference material (CRM)
- 5 assay duplicates
- 2 blanks
- additionally, after each visually logged sulphidic mineralisation interval an additional blank sample was inserted.

**Boulder Sampling**

Boulders identified in the field and sampled if visual alteration (e.g. sulphides, alteration or veining) identified.

Samples were sent to ALS laboratories and MSALABS Inc for gold and multi-element analysis. Sample preparation composed of PREP-31Y (ALS Lab) or PRP-910 (CRS Laboratories Oy).

Assay analysis comprised of:

- ALS Lab – Aqua Regia ICP-MS finish (AuME-TL43) for gold and 50 x multi elements pre-2021.
- MSALABS - Fire Assay/AAS finish (FAS-111) for gold only and Four Acid Digest (IMS-230) for 48 x multi elements post 2021

QAQC procedure consisted of insertion of suitable certified reference

material, blank or assay duplicates. For each 100 samples:

- 2 OREAS certified reference material (CRM)
- 2 blanks

#### **HISTORICAL DRILLING**

##### **K1**

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 ICPMS 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.

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. The various programs of QAQC carried out by various companies over the years have produced results which support the sampling and assaying procedures used at the various deposits.

Three certified reference materials (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 show that no contamination has occurred.

Pulp duplicate analyses (470) honour the original assay but do not test the accuracy of the core sampling. Dragon has advised that for future drill programs, ¼ core will be submitted as 'field' duplicates.

##### **K2**

Samples were assayed using a number of methods including Fire Assay with AAS

or ICP finish (30g pulp), Aqua Regia digest with GFAAS finish and Aqua Regia with ICP-MS finish. Values exceeding 3ppm Au (Dragon drilling) were checked using Fire-Assay with gravimetric finish (50g pulp). The main elements assayed were Au and Co, but major and trace elements were analysed on selected drill holes using “near total” four acid digestion with IPC-MS analysis. Historical analysis was undertaken at GTK’s and Outokumpu’s own laboratories, re-analysis and Dragon drilling was assayed at ALS laboratories. Furthermore, samples from Outokumpu’s drilling and relogging program in 2002-2004 were assayed in GTK and ACME laboratories.

No geophysical tools were used to determine any element concentrations used in this resource estimate.

Sample preparation checks for fineness were carried out by the laboratory as part of internal procedures to ensure the grind size of 90% passing 75µm was being attained. Laboratory QAQC includes the use of internal standards using certified reference material, and pulp replicates. No historical QAQC data is available however programs of QAQC carried out by Dragon have produced results which support the sampling and assaying procedures used at the various deposits.

A total of 420 QAQC samples from the drill program were sent to an umpire laboratory and show good precision.

A total of 3 different certified reference materials representing a variety of grades from 1.34g/t to 8.69g/t were inserted randomly during the Dragon drilling for a total of 311 samples. Results highlighted that the sample assays are accurate, however in general the assayed gold values for the higher-grade standards were slightly lower than the gold standard reference values.

A total of 216 blank samples were submitted during the drill program and results show that sample contamination has been contained.

Field duplicate analyses (109) honor the original assay and demonstrate best practice sampling procedures have been adopted by Dragon.

### **K3**

The predominant assay method for drill samples was by Fire Assay with AAS or ICP finish (30g or 50g or 60g pulps). In 2011-12, samples reporting greater than 3 ppm were checked using a gravimetric finish. The main elements assayed were Au and Co, but also major and trace elements – including REE – were analysed



		<p>on the latest drill holes with analysis undertaken at ALS Chemex Laboratories (Vancouver, Canada).          No geophysical tools were used to determine any element concentrations used in this resource estimate.          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.          QAQC data is available only for the latest assays of Pohjasvaara deposit.          A total of 3 different certified reference materials representing a variety of grades from 1.344g/t to 8.685g/t were inserted systematically for a total of 19 samples in 2011-12. Results highlighted that the sample assays are accurate, showing no obvious bias.          A total of 12 blank samples were submitted during the drill programs. Results show that no contamination has occurred.          57 field duplicate analyses honour the original assay and demonstrate best practice sampling procedures have been adopted.</p>
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<p><b>LATITUDE 66</b></p> <p><b><u>Diamond core drilling</u></b>          All assay data is recorded in the company database from original assay results received from laboratory with assay certificates linked to all results. Sampling and laboratory quality are recorded with every received assay batch. QAQC samples are reviewed and if there are assays exceeding acceptable control values these are reported.</p> <p><b><u>Boulder Sampling</u></b>          All assay data is recorded in the company database from original assay results received from laboratory with assay certificates linked to all results. Sampling and laboratory quality are recorded with every received assay batch. Laboratory QAQC reviewed as required.</p> <p><b>HISTORICAL DRILLING</b></p> <p><b>K1</b>          Mr Trevor Stevenson (RPM) verified significant intersections of mineralisation</p>



		<p>by viewing diamond core and comparing assay values for those intersections within the Dragon database.</p> <p>There has been no specific drill program at Juomasuo designed to twin existing drill holes.</p> <p>Primary data was documented on paper logs prior to being digitised using Drill Logger software. From 2008 data has been documented on Excel spreadsheets and printed on paper copies.</p> <p>RPM adjusted Au results to half the analytical detection value where zero values were encountered in the supplied data. This affected approximately 200 records.</p> <p><b>K2</b></p> <p>Significant mineralisation intersections were observed by Mr Paul Payne (formerly of RPM) during a site visit in September 2010.</p> <p>Mineralisation at the nearby Juomasuo deposit was observed by Mr Trevor Stevenson during the most recent site visit.</p> <p>There has been no specific drill program at Hangaslampi designed to twin existing drill holes.</p> <p>Primary data is documented on paper logs prior to being manually entered into a digital database.</p> <p>RPM made no adjustments to the supplied assay data.</p> <p><b>K3</b></p> <p>Significant mineralisation intersections were observed by Mr Paul Payne (formerly of RPM) during a site visit in September 2010.</p> <p>Mineralisation at the nearby Juomasuo deposit was observed by Mr Trevor Stevenson during the most recent site visit.</p> <p>There has been no specific drill program at Pohjasvaara designed to twin existing drill holes.</p> <p>Primary data was documented on paper logs prior to being digitised using Drill Logger software. From 2008 data has been documented on Excel spreadsheets and printed on paper copies.</p> <p>RPM made no adjustments to the supplied assay data.</p>
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral</i></li> </ul>	<p><b>LATITUDE 66</b></p> <p><b>Diamond core drilling</b></p>

*Resource estimation.*

- *Specification of the grid system used.*
- *Quality and adequacy of topographic control.*

Planned collar locations were pegged using differential GPS provided by a contracted surveyor using 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 contracted surveyor. Drill holes are aligned at the commencement of drilling using non-magnetic True North- based GPS orientation devices (e.g. Devico DeviSight or DeviAligner). Drillholes were accurately surveyed using non- magnetic deviation or MEMS-based down-hole survey equipment such as the DeviGyro, or Reflex Gyro.

**Boulder Sampling**

Not applicable as boulder sampling does not relate to drilling practices. Boulder samples recorded with a handheld GPS (accuracy +/- 5m).

**HISTORICAL DRILLING**

**K1**

Drill hole collars and starting azimuths have been 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, Devico Deviflex or Reflex Gyro survey instruments.

Drill hole locations were positioned using the Finnish National Grid System (FIN KKJ4, 2003) and later reprojected into FIN KKJ3.

The topographic surface over the Juomasuo deposit was provided to RPM by Dragon and was prepared by Dragon using topographic contours from digi-form maps. Surveyed data points from drill hole collars and trench samples were used to create a more accurate surface immediately above the mineralised lodes.

**K2**

Drill hole collars and starting azimuths were accurately re-surveyed by qualified surveyors in 2011 and 2012 with a high precision GPS instrument (Leica SmartRover GNSS). All subsequent drill collars have been surveyed with Precision-GPS. Down hole dip values were recorded at 10m intervals by the drillers using conventional equipment.

Drill hole locations were positioned using the Finnish National Grid System

		<p>(FIN KKJ4, 2003) and later reprojected into FIN KKJ3. The topographic surface over the Hangaslampi deposit was provided to RPM by Dragon and was prepared by Dragon using topographic contours from digi-form maps. The surface was re-snapped to reflect accurate collar re-surveys undertaken by Dragon.</p> <p><b>K3</b> Drill hole collars and starting azimuths have been accurately surveyed by Outokumpu and Dragon surveyors. Down hole dip values were recorded at 10m intervals by the drillers using conventional equipment. Drill hole locations were positioned using the Finnish National Grid System (FIN KKJ4, 2003) and later reprojected into FIN KKJ3. The topographic surface over the Pohjasvaara deposit was prepared using drill hole collar locations and extended to the cover the block model.</p>
<p><i>Data spacing and distribution</i></p>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<p><b>LATITUDE 66</b></p> <p><b><u>Diamond core drilling</u></b> Limited drilling has been completed at the K1, 2 &amp; 3 Prospects with the bulk of drillholes completed by previous explorers. Latitude 66 drilling includes targets at K8 and K9. Results can be used for reporting Exploration Results, but do not yet provide enough data for Mineral Resource or Mineral Reserve estimate. There is no historical drilling completed at the K9 target prior to Latitude 66 drilling.</p> <p><b><u>Boulder Sampling</u></b> Due to the random nature of boulder sampling, data spacing is not related to a grid and as such is not sufficient to establish geological or grade continuity. No compositing has been applied.</p> <p><b>HISTORICAL DRILLING</b></p> <p><b>K1</b> The majority of drill holes have been located on 12.5m oblique sections and at 8m to 20m spacing on each section. The main mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource, and the classifications applied under the 2012 JORC Code. Samples have been composited to 1m lengths</p>

		<p>using 'best fit' techniques.</p> <p><b>K2</b> Drill spacing ranges from 12m along strike by 12m across strike in the central portion of the resource, to 25m along strike by 40m across strike on the periphery of the mineralized zones. The main mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource, and the classifications applied under the 2012 JORC Code. Samples have been composited to 1m lengths using 'best fit' techniques.</p> <p><b>K3</b> The majority of drill holes have been located from 10m to 15m along strike by 15m to 20m across strike. The main mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource, and the classifications applied under the 2012 JORC Code. Samples have been composited to 1m lengths using 'best fit' techniques.</p>
<p>Orientation of data in relation to geological structure</p>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• 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.</li> </ul>	<p><b>LATITUDE 66</b></p> <p><b><u>Diamond core drilling</u></b> Drilling is optimized to test anticipated strike of mineralization. Drill holes were planned to intersect mineralization at a 90-degree angle from strike. The amount of drilling is insufficient for more conclusive interpretation of the geological structures.</p> <p><b><u>Boulder Sampling</u></b> Not applicable as boulder sampling does not relate to drilling practices.</p> <p><b>HISTORICAL DRILLING</b></p> <p><b>K1</b> Drill holes are orientated predominantly to the north-east (33°) or south-west and drilled at an angle which is approximately perpendicular to the orientation of the mineralised trends. Historical drill holes were drilled on east-west sections. No orientation-based sampling bias has been identified in the data.</p>

		<p><b>K2</b> Drill holes are orientated predominantly to an azimuth of 90° or 270° and drilled at an angle of between 40° and 60° to the east which is approximately perpendicular to the orientation of the mineralised trends. No orientation based sampling bias has been identified in the data.</p> <p><b>K3</b> Drill holes are orientated predominantly to an azimuth of 90° or 270° and drilled at an angle of between 40° and 60° to the east which is approximately perpendicular to the orientation of the mineralised trends. No orientation based sampling bias has been identified in the data.</p>
<p>Sample security</p>	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>	<p><b>LATITUDE 66</b></p> <p><b><u>Diamond core drilling</u></b> Personnel collected the core after every drill shift, or the core was stored in a locked container at the drill sites designated parking area. Core has been kept in Latitude 66 custody including being locked close to drill site storage to the company main core logging facility in Posio. Sample transportation to the laboratory was handled by official transportation companies. Employees do not handle the drill core samples after cutting as they are shipped directly to the designated laboratory of choice for analysis.</p> <p><b><u>Boulder Sampling</u></b> Samples are stored in zip-locked bags and placed in a box pallet and steel strapped. Transported to the laboratory was handled by official transportation companies.</p> <p><b>HISTORICAL DRILLING</b></p> <p><b>K1</b> Chain of custody of the historical samples was managed by GTK and Outokumpu. Company personnel transported diamond core to the core shed where geologists logged the core. Core cutting, sample preparation and assaying were done by GTK or Outokumpu's GAL laboratory personnel. Chain of custody of samples was managed by Dragon and the process was closely viewed by Trevor Stevenson (RPM) during the October 2013 site visit.</p>

		<p>Diamond core boxes are transported 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 have no further involvement in the preparation or analysis of samples.</p> <p><b>K2</b> Chain of custody of the historical samples was managed by GTK and Outokumpu. Their personnel transport diamond core to the core shed where geologists log the core. Core cut, sample preparation and assays were done by GTK or Outokumpu's GAL laboratory personnel. Chain of custody of samples was managed by Dragon and the process was closely viewed by Trevor Stevenson (RPM) during the October 2013 site visit. Dragon personnel or courier contractors transport diamond core to the core shed where Dragon geologists log the core. Core samples are cut by ALS laboratory personnel. Samples are transported to the sample preparation laboratory and then on to the analysis laboratory using contract couriers or laboratory personnel. Dragon employees have no further involvement in the preparation or analysis of samples.</p> <p><b>K3</b> Chain of custody of the historical samples was managed by GTK and Outokumpu. Their personnel transport diamond core to the core shed where geologists log the core. Core cut, sample preparation and assays were done by GTK or Outokumpu's GAL laboratory personnel. Chain of custody of samples was managed by Dragon and the process was closely viewed by Trevor Stevenson (RPM) during the October 2013 site visit. Contracted courier firms transport diamond core to the core shed where Dragon geologists log the core. Core samples are cut by ALS laboratory personnel. Samples are transported to the sample preparation laboratory and then on to the analysis laboratory using contract couriers or laboratory personnel. Dragon employees have no further involvement in the preparation or analysis of samples.</p>
Audits or reviews	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data.</li> </ul>	The signer is aware of any audits or reviews of the sampling procedures or protocols.

#### **HISTORICAL DRILLING**

##### **K1**

A review of sampling techniques and data was carried out during the site visit conducted by Trevor Stevenson (RPM) in October 2013. The conclusion made was that sampling and data capture was to industry standards.

##### **K2**

A review of sampling techniques and data was carried out during a site visit conducted by Paul Payne (formerly with RUL) in September 2010. The site was most recently visited by Trevor Stevenson (RPM) in October 2013. The conclusions made from both visits were that sampling and data capture was to industry standards.

##### **K3**

A review of sampling techniques and data was carried out during a site visit conducted by Paul Payne (formerly with RUL) in September 2010. The site was most recently visited by Trevor Stevenson (RPM) in October 2013. The conclusions made from both visits were that sampling and data capture was to industry standards.

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>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.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<p><b>K1</b> deposit is located in the area of Mining concessions JUOMASUO and POHJASVAARA (number 3965/1-2, 47.86ha + 6.336ha = 54.196ha).</p> <p><b>K2</b> deposit is located in the area of Mining concessions JUOMASUO and POHJASVAARA (number 3965/1-2, 47.86ha + 6.336ha = 54.196 ha).</p> <p><b>K3</b> deposit is located in the area of Mining concessions JUOMASUO and POHJASVAARA (number 3965/1-2, 47.86ha + 6.336ha = 54.196 ha).</p> <p><b>K8</b> exploration target is located in the area of Exploration Application SÄYNÄJÄVAARA (number ML2019:0074, 44.4ha)</p> <p><b>K9</b> exploration target is located in the area of Exploration concession OLLINSUO (number ML2011:0022-01, 1427.7ha)</p>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p><b>K1</b> The K1 deposit was discovered by GTK in 1985 when checking a low-altitude airborne electric and magnetic anomaly with ground geophysical methods and diamond drilling. During 1983 to 1989, GTK performed detailed geological, geophysical, and chemical studies along with diamond drilling. This work was followed by diamond and percussion drilling, test mining and pilot plant testing by Outokumpu during 1990-2003.</p> <p><b>K2</b> The K2 deposit was discovered by GTK in 1988 as a follow-up to exploration at</p>



		<p>the nearby Juomasuo prospect. It was detected as a weak electric and magnetic anomaly by ground geophysical survey.</p> <p>GTK conducted detailed bedrock mapping, geological, geophysical and geochemical studies and drilled 42 diamond drill holes between 1989 and 1991 for a total of 3,025.05m. Outokumpu bought the property in 1992 and drilled a further 63 diamond holes totalling 5,335.40m between 1992 and 2003.</p> <p>DRA assumed control of the property in 2003 and completed further diamond drilling (50 diamond drill holes totalling 6,231.25m) from surface to test extensions of the existing lodes.</p> <p><b>K3</b></p> <p>The K3 deposit was discovered by GTK in 1985 as a follow-up to exploration at the nearby Juomasuo prospect. It was detected as a distinct electric and magnetic anomaly by low-altitude airborne and ground geophysical survey. Subsequent exploration by GTK and Outokumpu outlined a small, medium to high grade deposit.</p> <p>GTK conducted detailed bedrock mapping, geological, geophysical and geochemical studies and drilled 19 diamond drill holes between 1985 and 1992 for a total of 2,022m. Outokumpu bought the property in 1993 and drilled a further 18 diamond holes between 1993 and 2003 for a total of 1,387.55m.</p> <p>Dragon assumed control of the property in 2003 and completed further diamond drilling from surface to test extensions of the existing lodes.</p>
<p>Geology</p>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<p>Paleoproterozoic metasedimentary rock and shear zone-hosted Au-Co-(Cu) mineralisation, form a unique “KSB-style” deposit type (KSB, Kuusamo Schist Belt). The type example is the K1 Juomasuo deposit hosted primarily in intensely hydrothermally altered and sulphidised, tightly folded sequence of metasedimentary rocks of the Sericite Quartzite Formation</p> <p>The structural setting is within the eastern boundary of a major regional antiform, the Käylä-Konttiahö Antiform. The Ollinsuo project (K9) permit area covers the central and western parts of the interpreted Käylä-Konttiahö Antiform trending N-NE to S-SW in this area. Local rock types are early quartzites interbedded with biotite-white mica schists and later or coeval mafic volcanic rocks and dolerite dykes, which have intruded into these volcano-sedimentary rocks.</p>

<p><i>Drill hole Information</i></p>	<ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>• <i>easting and northing of the drill hole collar</i></li> <li>• <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>dip and azimuth of the hole</i></li> <li>• <i>down hole length and interception depth</i></li> <li>• <i>hole length.</i></li> </ul> </li> <li>• <i>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.</i></li> </ul>	<p>All information related to drilling details can be found in Appendix A. Holes completed by Dragon Mining have been previously reported by Dragon Mining Limited (ASX:DRA). Previous announcements include:</p> <ul style="list-style-type: none"> <li>• “First drilling and re-assay results Kuusamo Gold Project”- 23/02/2011.</li> <li>• “Depth extensions yield high grade intercepts – Kuusamo”- 11/05/2011.</li> <li>• “Further encouraging intercepts from the Kuusamo Gold Project”- 02/06/2011.</li> <li>• “Significant Preliminary Results from Kuusamo Drill Hole”- 01/07/2011.</li> <li>• “Further gold intercepts from the Kuusamo Gold Project”- 18/07/2011.</li> <li>• “Further gold intercepts from the Kuusamo Gold Project”- 12/08/2011.</li> <li>• “Highlight intercept confirmed – Kuusamo Gold Project, Finland”- 18/08/2011.</li> <li>• “Spectacular intercept from Kuusamo”- 31/08/2011.</li> <li>• “Further exceptional results from Kuusamo, Finland”- 15/09/2011.</li> <li>• “Kuusamo North Yields another high-grade Intercept”- 12/10/2011.</li> <li>• “Kuusamo North Yields Further Encouraging Gold Intercepts”- 20/10/2011.</li> <li>• “Significant Intercept Highlights Growth Potential at Kuusamo”- 15/11/2011.</li> <li>• “Encouraging Results Continue from Kuusamo North”- 06/12/2011.</li> <li>• “Exceptional Intercept Confirmed – Kuusamo North, Finland”- 18/01/2012.</li> <li>• “Further Gold Intercepts from Kuusamo North, Finland”- 02/03/2012.</li> <li>• “Encouraging Gold Intercepts from Kuusamo North, Finland”- 27/03/2012.</li> <li>• “Intercepts Further Highlight the Potential of Kuusamo”- 17/05/2012.</li> <li>• “Kuusamo North Yields Further High Grade Intercepts”- 02/07/2012.</li> <li>• “Kuusamo North Depth Extension Yields Robust Gold Zone”- 26/09/2012.</li> <li>• “Kuusamo Update”- 24/01/2013.</li> <li>• “Further High Grade Intercepts – Kuusamo”- 18/04/2013.</li> </ul>
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		<ul style="list-style-type: none"> <li>• “Further Significant Intercepts from the Kuusamo Gold Project” – 28/03/2014.</li> <li>• “Drilling activities continue in Southern Finland”- 27/10/2014.</li> <li>•</li> </ul>
<p><i>Data aggregation methods</i></p>	<ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li>• <i>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.</i></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<p>The metal concentration averages of mineralised intercepts presented in this report are sample length weighted averages of sample grades. No metal equivalents are used.</p>
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</i></li> </ul>	<p><b>K1</b> At K1 the majority of drill holes were orientated predominantly to an azimuth of 30° to 40° and angled to an average dip of approximately -50° which is approximately perpendicular to the orientation of the mineralised trends. Approximately 90 drill holes were orientated to the south-west (220°). Historical drilling was conducted on east-west sections. The lodes strike at approximately 310° and dips at 70° to the south-west.</p> <p><b>K2</b> At K2 drill holes were orientated predominantly to an azimuth of 90° and angled to a dip of -45°to -60° which is approximately perpendicular to the orientation of the mineralised trends. The mineralised zones strike at approximately 020°, variably dipping between 20° and 45° to the west.</p> <p><b>K3</b> At K3 drill holes were orientated predominantly to an azimuth of 90° and angled to a dip of -45°to -60° which is approximately perpendicular to the orientation of the mineralised trends. The mineralised zones strike at approximately 350°, variably dipping between 55° and 85° to the west.</p> <p><b>OTHER</b> At K9 and K8 the drilling was reconnaissance in nature and information on the</p>

		<p>true strike, dip, and plunge of the mineralised body is insufficient to conclude how close the intercept lengths are to true mineralisation width. At H1 the drilling was resource-infill in nature and the results are planned to be used in JORC compliant resource update in 2023.</p>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<p>Maps, sections and intercepts are reported in this report.</p>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.</i></li> </ul>	<p>Significant intersections (exploration) are reported for gold &gt;0.1 g/t cut-off grade with no top cut. A maximum 2 samples of internal dilution was included where applicable.</p> <p>Significant intersections (resource) are reported for gold &gt;0.5 g/t cut-off grade with no top cut. A maximum 2 samples of internal dilution was included where applicable.</p>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<p><b>K1</b></p> <p>At K1, GTK historically conducted detailed geological, geophysical, and chemical studies. Dragon has recently conducted surface channel sampling through gold lodes in addition to the diamond drilling programs. Dragon completed a detailed 3,715 line kilometre heli-borne VTEM and magnetic survey over the Kuusamo Gold Project area and the tenement holding immediately to the southwest of this area during 2012, providing a platform from which future exploration could advance. Imaging and interpretation of the new dataset is advancing, the work completed to date highlights a number of areas of interest that display an analogous geophysical signature to four of the five known deposits at the Kuusamo Project.</p> <p>Three trenches were excavated, channel sampled and mapped for lithology and structure by Dragon. In 2013, trenches were extended and new channel sampling profiles onto the stripped outcrops were sawed and sampled. Results of new channel samples arrived too late to this mineral resource estimate, and so, they will be used in the next resource update. Independent geological consultants WSP completed a structural geology evaluation of the K2 area. Dragon completed a detailed 3,715 line kilometre heli-borne VTEM and</p>

		<p>magnetic survey over the Kuusamo Gold Project area and the tenement holding immediately to the southwest of this area during 2012, providing a platform from which future exploration could advance. Imaging and interpretation of the new dataset is advancing, the work completed to date highlights a number of areas of interest that display an analogous geophysical signature to four of the five known deposits at the Kuusamo Project.</p> <p>Dragon completed a detailed 3,715 line kilometre heli-borne VTEM and magnetic survey over the Kuusamo Gold Project area and the tenement holding immediately to the southwest of this area during 2012, providing a platform from which future exploration could advance. Imaging and interpretation of the new dataset is advancing, the work completed to date highlights a number of areas of interest that display an analogous geophysical signature to four of the five known deposits at the Kuusamo Project.</p>
<p>Further work</p>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<p><b>K1</b></p> <p>Extensional and infill drilling will continue in the near future. An Environmental Impact Assessment (EIA) commenced in the spring of 2011 in order to collate the information and knowledge required to facilitate the subsequent permit processes in respect of the Project. The EIA process focuses on comparing the impacts caused by the various alternatives on the environment, people and local industries. The EIA report was published on the 11th of December 2013.</p> <p><b>OTHER</b></p> <p>Lat66 is planning to complete step out drilling at K9 &amp; K8 targets and test multiple VTEM anomalies that have coincident base of till mineralisation.</p>

### Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> <li>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.</li> </ul>	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.
	<ul style="list-style-type: none"> <li>Data validation procedures used.</li> </ul>	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	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> </ul>	The Competent Person has undertaken a site visit during February 2023 during which the K1, K2, K3 field sites were visited and all relevant aspects of the work undertaken to date was reviewed and discussed.
	<ul style="list-style-type: none"> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	N/A.
Geological interpretation	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> </ul>	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.

	<ul style="list-style-type: none"> <li>• <i>Nature of the data used and of any assumptions made.</i></li> </ul>	<p>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 a sampling and assaying program by Lat 66 and this data has also been included.</p>
	<ul style="list-style-type: none"> <li>• <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i></li> </ul>	<p>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.</p>
	<ul style="list-style-type: none"> <li>• <i>The use of geology in guiding and controlling Mineral Resource estimation.</i></li> </ul>	<p>Key features are based on the presence of quartz veining and sulphide mineralisation in conjunction with gold and cobalt grade assays.</p>
	<ul style="list-style-type: none"> <li>• <i>The factors affecting continuity both of grade and geology.</i></li> </ul>	<p>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.</p>
<i>Dimensions</i>	<ul style="list-style-type: none"> <li>• <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></li> </ul>	<p>The Mineral Resource areas have overall maximum dimensions as follows:-</p>
		<ul style="list-style-type: none"> <li>• K1 400m strike by 80m width and 500m deep</li> </ul>
		<ul style="list-style-type: none"> <li>• K2 350m strike by 50m width and 160m deep</li> </ul>
		<ul style="list-style-type: none"> <li>• K3 200m strike by 80m width and 170m deep</li> </ul>
<i>Estimation and modelling techniques</i>	<ul style="list-style-type: none"> <li>• <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></li> </ul>	<p>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.</p>



		<p>A parent block size of 10mE by 20mN by 10mRL was selected as an appropriate block size for MIK and OK estimation at K1 given the variability of the drill spacing and the likely potential future mining methods. A parent block size of 5mE by 10mN by 5mRL was selected as an appropriate block size for OK estimation at K2 and K3. Variography was generated for the various lodes to enable estimation via MIK and ordinary kriging. Hard boundaries were used for the estimation throughout.</p>
		<p>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.</p>
	<ul style="list-style-type: none"> <li><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></li> </ul>	<p>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</p>
	<ul style="list-style-type: none"> <li><i>The assumptions made regarding recovery of by-products.</i></li> </ul>	<p>No by-products are thus far assumed.</p>
	<ul style="list-style-type: none"> <li><i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i></li> </ul>	<p>Estimations have been undertaken for a variety of auxiliary elements including U, S, REE's.</p>



	<ul style="list-style-type: none"> <li><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> </ul>	<p>The parent block size within the estimated K1 domains is 20mN x10mE x 10mRL, with sub-celling for domain volume resolution. The parent block size within the estimated K2 and K3 domains is 10mN x5mE x 5mRL. 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.</p>
	<ul style="list-style-type: none"> <li><i>Any assumptions behind modelling of selective mining units.</i></li> </ul>	<p>Selective mining unit dimensions of 10mN x5mE x 5mRL were assumed throughout</p>
	<ul style="list-style-type: none"> <li><i>Any assumptions about correlation between variables.</i></li> </ul>	<p>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.</p>
	<ul style="list-style-type: none"> <li><i>Description of how the geological interpretation was used to control the resource estimates.</i></li> </ul>	<p>The geological/mineralisation model domained the mineralized lode material and were used as hard boundaries for the estimation.</p>
	<ul style="list-style-type: none"> <li><i>Discussion of basis for using or not using grade cutting or capping.</i></li> </ul>	<p>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.</p>
	<ul style="list-style-type: none"> <li><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></li> </ul>	<p>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.</p>
Moisture	<ul style="list-style-type: none"> <li><i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i></li> </ul>	<p>The tonnages are estimated on a dry basis.</p>

<p><i>Cut-off parameters</i></p>	<ul style="list-style-type: none"> <li><i>The basis of the adopted cut-off grade(s) or quality parameters applied</i></li> </ul>	<p>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.</p>
<p><i>Mining factors or assumptions</i></p>	<ul style="list-style-type: none"> <li><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></li> </ul>	<p>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.</p>
<p><i>Metallurgical factors or assumptions</i></p>	<ul style="list-style-type: none"> <li><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></li> </ul>	<p>Preliminary metallurgical testwork indicates acceptable recoveries for gold and cobalt using convention processing methods. Targeted domain specific metallurgical testwork is ongoing.</p>
<p><i>Environmental factors or assumptions</i></p>	<ul style="list-style-type: none"> <li><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></li> </ul>	<p>No environmental factors or assumptions have been made.</p>
		<p>Environmental reviews have been undertaken across the deposit areas and specific long term environmental studies are currently being planned.</p>

Bulk density	<ul style="list-style-type: none"> <li>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.</li> </ul>	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 <sup>3</sup> .
	<ul style="list-style-type: none"> <li>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,</li> </ul>	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 <sup>3</sup>
		density = ((s_ok*0.0326) + 2.74)
	<ul style="list-style-type: none"> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	The bulk density values were assigned as described above on the assumption that all mineralisation is in fresh rock.
Classification	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories</li> </ul>	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.
	<ul style="list-style-type: none"> <li>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).</li> </ul>	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.
	<ul style="list-style-type: none"> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	The Mineral Resource estimate appropriately reflects the view of the Competent Persons.
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	No audits or reviews have been undertaken to the CP's knowledge.
	<ul style="list-style-type: none"> <li>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</li> </ul>	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.

	<ul style="list-style-type: none"> <li>• <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></li> </ul>	<p>The statement relates to global estimates of tonnes and grade.</p>
	<ul style="list-style-type: none"> <li>• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available</i></li> </ul>	<p>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.</p>

**APPENDIX A – Drill Hole Collars and Significant Intersections for the Resource areas of K1, K2 and K3 (>0.5g/t Au with maximum two samples of internal dilution)**

Hole ID	Hole Type	Max Depth	Easting	Northing	RL	Dip	Azimuth	From	To	Au (g/t)	Co (ppm)
JUO-10	DD	34.5	3598870	7356920	268.3	-45.8	36.3	1.0	4.0	2.13	567
"	"	"	"	"	"	"	"	11.0	14.0	2.03	2660
"	"	"	"	"	"	"	"	18.0	28.0	2.87	999
"	"	"	"	"	"	"	"	30.0	32.3	3.37	1947
JUO-100	DD	10.5	3598822	7357034	265.5	-45.4	36.2	4.0	5.0	1.70	2030
"	"	"	"	"	"	"	"	6.0	10.0	1.78	1618
JUO-101	DD	16.5	3598824	7357033	265.9	-45.0	37.3	9.2	15.2	3.95	1659
JUO-102	DD	18.3	3598820	7357036	265.3	-46.8	37.3	8.5	14.1	2.64	3745
"	"	"	"	"	"	"	"	14.9	16.6	7.04	576
"	"	"	"	"	"	"	"	6.5	7.5	1.30	2480
JUO-103	DD	8	3598818	7357042	265.7	-44.3	36.6	1.4	5.9	82.62	4348
JUO-104	DD	3.3	3598818	7357046	266.1	-44.3	38.2	0.0	1.0	0.90	3130
JUO-105	DD	4.6	3598815	7357046	266.2	-44.3	37.8	1.0	2.1	1.43	3278
JUO-106	DD	7	3598848	7356942	268.5	-45.1	35.7	0.0	7.0	5.76	1046
JUO-107	DD	15	3598844	7356936	267.9	-44.5	36.1	1.0	13.4	7.00	1021
JUO-108	DD	12	3598854	7356941	269.1	-45.1	35.4	0.0	9.1	5.91	1858
JUO-109	DD	24.1	3598851	7356936	268.3	-53.8	35.7	7.0	10.5	4.06	1996
"	"	"	"	"	"	"	"	17.5	18.5	2.57	2600
JUO-11	DD	17.4	3598873	7356912	268.7	-44.4	34.6	2.0	5.0	4.17	1373
"	"	"	"	"	"	"	"	7.0	14.4	2.46	1796
JUO-110	DD	18	3598857	7356934	268.9	-61.9	34.2	2.0	4.0	2.23	1105
"	"	"	"	"	"	"	"	8.0	16.2	4.29	927



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JUO-111	DD	14	3598872	7356956	268.5	-36.1	37.3	5.0	7.0	0.75	1295
"	"	"	"	"	"	"	"	9.3	13.6	6.45	1223
JUO-112	DD	10	3598885	7356954	268.8	-40.0	37.3	0.0	8.0	3.71	1609
JUO-113	DD	19.8	3598865	7356900	267.8	-37.0	216.4	0.0	17.4	3.45	1837
JUO-114	DD	17.4	3598867	7356892	267.6	-42.7	215.2	0.0	16.0	2.01	1689
JUO-115	DD	23.6	3598876	7356895	268.0	-44.2	214.9	11.0	14.5	5.42	1397
"	"	"	"	"	"	"	"	15.9	18.7	3.49	1484
"	"	"	"	"	"	"	"	20.8	23.1	2.11	429
JUO-116	DD	7.3	3598906	7356941	269.1	-39.7	35.4	-	-	-	-
JUO-117	DD	14.5	3598869	7356883	267.3	-40.6	216.0	0.6	3.0	6.59	1832
"	"	"	"	"	"	"	"	4.8	11.0	3.39	1209
JUO-118	DD	8	3598804	7357006	265.5	-40.1	215.7	0.0	3.2	6.94	247
JUO-119	DD	7	3598808	7357003	265.4	-40.6	216.4	-	-	-	-
JUO-12	DD	21	3598882	7356904	268.6	-43.7	35.3	4.5	6.0	4.5	5625
"	"	"	"	"	"	"	"	15.2	21.0	1.96	1029
JUO-120	DD	7.7	3598812	7356999	265.1	-40.7	218.3	4.6	6.5	2.5	663
JUO-121	DD	20	3598818	7357001	266.2	-34.3	219.1	6.0	8.3	9.56	694
"	"	"	"	"	"	"	"	10.4	11.4	0.7	90
"	"	"	"	"	"	"	"	14.8	15.7	0.9	405
JUO-122	DD	9.3	3598875	7356882	267.0	-42.9	215.7	4.3	8.6	13.23	1562
JUO-123	DD	9	3598886	7356944	269.1	-33.8	35.7	7.7	9.0	1.35	7
JUO-124	DD	7.8	3598899	7356941	269.2	-36.5	35.7	2.0	7.0	5.12	-
JUO-125	DD	9.1	3598845	7357005	266.4	-40.3	215.7	0.0	7.6	63.63	-
JUO-126	DD	10.1	3598840	7357006	266.4	-36.6	215.7	0.0	2.7	69.32	-
JUO-13	DD	24.3	3598887	7356899	268.3	-45.1	39.4	6.4	10.8	2.1	3591
JUO-14	DD	17.1	3598881	7356891	268.5	-45.6	34.6	3.1	3.8	2.66	322



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JUO-15	DD	20.7	3598876	7356895	268.1	-45.6	36.9	3.3	6.9	1.73	411
JUO-16	DD	17.6	3598871	7356886	267.7	-44.7	38.2	0.0	5.2	1.1	725
"	"	"	"	"	"	"	"	8.3	9.1	0.72	2907
"	"	"	"	"	"	"	"	13.1	14.2	1.73	472
JUO-17	DD	15.4	3598882	7356949	268.9	-44.4	36.1	3.1	14.1	8.58	1676
JUO-18	DD	35	3598871	7356933	268.6	-45.4	35.6	3.0	4.0	2	1850
"	"	"	"	"	"	"	"	8.0	12.4	3.41	1242
"	"	"	"	"	"	"	"	27.0	30.4	4.59	1947
JUO-19	DD	25.1	3598865	7356924	268.4	-45.4	37.1	0.6	1.8	4.8	552
"	"	"	"	"	"	"	"	12.7	13.8	0.77	1122
"	"	"	"	"	"	"	"	19.8	20.8	0.9	5130
JUO-2	DD	18	3598896	7356937	269.0	-45.6	38.2	0.0	1.0	2.3	850
"	"	"	"	"	"	"	"	8.0	12.0	10.25	1985
JUO-20	DD	21.4	3598875	7356950	268.8	-45.5	36.9	4.0	5.0	0.8	2480
"	"	"	"	"	"	"	"	7.6	19.5	6.76	1104
JUO-21	DD	30	3598870	7356942	268.9	-44.2	35.7	5.0	9.0	2	1293
"	"	"	"	"	"	"	"	18.4	22.4	9.45	1783
JUO-22	DD	24.8	3598864	7356934	268.4	-45.7	37.5	9.9	13.0	2.0	272
"	"	"	"	"	"	"	"	17.0	24.0	5.9	429
JUO-23	DD	8	3598913	7356940	269.3	-45.3	35.7	0.0	4.0	5.53	1308
JUO-24	DD	16	3598908	7356932	269.2	-45.9	34.9	1.0	2.3	2.6	4303
"	"	"	"	"	"	"	"	8.2	9.5	0.91	2262
"	"	"	"	"	"	"	"	13.0	15.0	6.7	365
JUO-25	DD	26.6	3598902	7356923	268.7	-45.5	34.5	9.6	10.6	1	1930
"	"	"	"	"	"	"	"	23.1	25.1	11.8	1400
JUO-26	DD	10	3598859	7356891	267.6	-45.7	37.9	0.0	7.8	3.89	2027





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JUO-27	DD	20.3	3598864	7356887	267.0	-45.1	211.9	0.0	10.0	3.64	2011
JUO-28	DD	24.6	3598869	7356953	268.7	-45.7	35.9	1.0	4.0	4.6	2360
"	"	"	"	"	"	"	"	9.0	11.0	6.7	1615
"	"	"	"	"	"	"	"	15.0	18.1	2.24	674
JUO-29	DD	30.8	3598865	7356946	268.3	-45.0	35.7	10.0	12.0	3.51	2150
"	"	"	"	"	"	"	"	14.0	15.0	3.23	1710
"	"	"	"	"	"	"	"	16.0	17.7	12.33	3026
JUO-3	DD	25.7	3598889	7356937	269.0	-43.1	37.1	3.0	10.0	3.34	1326
"	"	"	"	"	"	"	"	13.0	21.0	5.51	1636
JUO-30	DD	20	3598857	7356935	269.0	-45.5	34.1	1.0	4.0	3.53	1020
"	"	"	"	"	"	"	"	6.0	10.0	4.85	1050
"	"	"	"	"	"	"	"	12.0	13.0	4.4	1350
JUO-31	DD	15	3598868	7356963	268.4	-45.1	39.7	5.7	11.8	3.7	302
JUO-32	DD	30	3598862	7356953	267.6	-46.1	37.6	1.1	2.1	0.51	1050
"	"	"	"	"	"	"	"	4.1	5.1	2.06	440
"	"	"	"	"	"	"	"	8.1	9.1	6.14	1700
JUO-33	DD	23.1	3598856	7356944	268.6	-45.5	36.8	0.0	5.0	5.8	1510
"	"	"	"	"	"	"	"	14.0	16.0	6.9	905
"	"	"	"	"	"	"	"	19.0	20.8	4.12	1806
JUO-34	DD	26.5	3598867	7356903	268.0	-45.0	215.7	3.7	9.7	2.9	1132
"	"	"	"	"	"	"	"	13.0	25.2	3.08	-
JUO-35	DD	14.2	3598858	7356936	269.2	-45.1	215.7	0.0	7.0	2.26	1423
"	"	"	"	"	"	"	"	9.0	12.0	5.96	1780
JUO-36	DD	21.8	3598866	7356902	268.1	-44.5	38.6	4.0	13.9	1.36	1476
"	"	"	"	"	"	"	"	18.1	21.1	4.47	1383
JUO-37	DD	14.4	3598866	7356925	268.5	-45.7	215.7	0.0	1.0	4.41	336





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"	"	"	"	"	"	"	"	6.3	14.4	5.84	802
JUO-38	DD	11.7	3598882	7356881	268.0	-45.2	215.7	2.2	9.9	2.94	577
JUO-39	DD	27	3598859	7356914	267.5	-40.6	215.7	15.6	24.0	3.74	1569
JUO-4	DD	34.5	3598883	7356927	268.4	-44.4	34.9	15.2	20.0	4.72	2268
"	"	"	"	"	"	"	"	26.3	30.3	2.48	1938
"	"	"	"	"	"	"	"	31.3	32.4	5.38	1584
JUO-40	DD	19.9	3598889	7356903	268.8	-44.8	35.2	5.2	7.2	3.55	4540
JUO-41	DD	19.4	3598856	7356955	267.9	-46.8	36.1	9.2	10.2	0.9	1000
JUO-42	DD	25.3	3598859	7356925	267.6	-45.4	39.0	0.0	4.0	2.12	1343
"	"	"	"	"	"	"	"	10.0	15.3	4.32	585
JUO-43	DD	12	3598878	7356955	268.7	-43.8	35.7	0.9	10.7	3.77	1384
JUO-44	DD	22	3598878	7356943	268.9	-45.1	35.9	4.0	6.7	1.18	590
"	"	"	"	"	"	"	"	13.5	16.0	1.64	1856
"	"	"	"	"	"	"	"	17.0	21.3	4.55	1427
JUO-45	DD	20.1	3598858	7356902	267.5	-44.8	37.5	2.0	6.2	4.69	1480
"	"	"	"	"	"	"	"	11.0	13.0	5.65	670
"	"	"	"	"	"	"	"	16.0	20.1	4.34	775
JUO-46	DD	16.4	3598859	7356903	267.8	-44.4	217.0	3.0	16.0	5.41	1741
JUO-47	DD	17	3598852	7356938	268.8	-45.0	33.9	2.0	13.0	7.19	2483
JUO-48	DD	20	3598850	7356945	268.6	-45.6	35.4	0.0	4.0	2.13	2320
"	"	"	"	"	"	"	"	7.1	8.2	6.71	1518
JUO-49	DD	20	3598846	7356940	268.2	-45.6	35.4	1.0	9.0	10.95	1119
"	"	"	"	"	"	"	"	9.7	15.4	2.16	1881
JUO-5	DD	25.2	3598863	7356908	267.9	-45.4	34.1	6.0	12.3	2.3	514
"	"	"	"	"	"	"	"	19.3	20.3	0.6	690
JUO-50	DD	28.5	3598869	7356895	268.1	-45.4	213.6	0.0	23.2	1.64	1806



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JUO-51	DD	20	3598872	7356899	268.5	-45.2	35.3	0.0	6.0	0.93	345
"	"	"	"	"	"	"	"	8.2	9.2	9.08	1400
"	"	"	"	"	"	"	"	15.3	17.3	1.69	1835
JUO-52	DD	20.9	3598878	7356909	268.5	-45.2	215.7	4.5	8.6	4.78	3484
JUO-53	DD	18	3598871	7356887	268.0	-45.3	216.6	0.6	18.0	2.87	2800
JUO-54	DD	28	3598897	7356927	268.3	-44.2	215.7	19.3	21.3	6.21	3110
JUO-55	DD	16.4	3598903	7356935	268.6	-45.0	31.0	12.0	13.0	4.88	2000
JUO-56	DD	18	3598877	7356884	267.8	-45.9	215.7	4.0	14.5	4.87	699
JUO-57	DD	13	3598860	7356939	269.3	-44.7	37.7	0.0	9.0	4.22	752
JUO-58	DD	10.6	3598845	7356950	268.3	-45.4	213.2	6.0	7.4	4.79	896
JUO-59	DD	23.6	3598854	7356940	269.1	-44.5	215.8	0.0	3.5	2.39	2124
"	"	"	"	"	"	"	"	10.5	16.4	3.6	1110
"	"	"	"	"	"	"	"	18.5	20.5	2.34	674
JUO-6	DD	15	3598894	7356945	269.2	-44.4	36.5	0.0	2.0	4.6	2665
"	"	"	"	"	"	"	"	5.0	9.0	5.55	1518
JUO-60	DD	8.8	3598860	7356927	268.0	-44.5	214.6	0.0	5.0	4.2	1432
JUO-61	DD	26.2	3598856	7356920	267.0	-45.6	215.7	21.0	25.0	9.18	1753
JUO-62	DD	5.4	3598860	7356961	267.6	-44.2	35.7	0.4	1.4	1.8	1060
"	"	"	"	"	"	"	"	2.4	3.5	2.74	649
JUO-63	DD	20.2	3598841	7356990	265.7	-39.4	36.8	13.1	14.1	29.61	1680
JUO-64	DD	22.7	3598819	7357002	265.7	-40.4	216.1	0.7	2.4	0.9	402
"	"	"	"	"	"	"	"	4.1	5.0	0.63	162
"	"	"	"	"	"	"	"	8.5	22.7	8.64	419
JUO-65	DD	19.1	3598847	7357007	266.5	-40.5	35.1	-	-	-	-
JUO-66	DD	24.5	3598814	7357003	265.8	-40.0	217.3	8.5	19.3	3.76	1352
"	"	"	"	"	"	"	"	21.2	24.5	1.05	160



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JUO-67	DD	31.5	3598807	7357011	266.2	-40.4	215.6	9.5	14.6	3.31	178
"	"	"	"	"	"	"	"	16.5	18.5	3.49	135
"	"	"	"	"	"	"	"	25.0	28.0	1	313
"	"	"	"	"	"	"	"	31.0	31.5	0.3	135
JUO-68	DD	25	3598837	7357020	266.7	-40.1	35.7	-	-	-	-
JUO-69	DD	15	3598828	7357033	266.2	-39.5	35.5	5.5	11.0	4.33	548
JUO-7	DD	13.2	3598890	7356950	269.0	-45.1	36.6	0.0	7.5	3.73	1658
JUO-70	DD	27	3598823	7357026	265.7	-40.0	37.4	14.6	20.6	3.94	961
JUO-71	DD	11.3	3598824	7357037	265.9	-39.9	37.2	0.0	0.4	11.36	300
"	"	"	"	"	"	"	"	3.0	9.6	5.19	1315
JUO-72	DD	34.1	3598814	7357012	265.7	-39.9	216.3	1.0	2.0	0.8	120
"	"	"	"	"	"	"	"	21.7	30.7	1.79	359
"	"	"	"	"	"	"	"	32.7	34.1	7.98	280
JUO-73	DD	24.7	3598803	7357014	265.5	-39.8	215.6	4.5	10.5	7.15	647
"	"	"	"	"	"	"	"	20.5	24.7	2.35	176
JUO-74	DD	4.6	3598813	7357047	266.0	-44.8	36.6	-	-	-	-
JUO-75	DD	23.2	3598819	7357030	265.7	-36.4	36.7	0.0	4.6	2.00	471
"	"	"	"	"	"	"	"	10.9	12.9	0.75	1790
"	"	"	"	"	"	"	"	13.9	18.6	18.68	3479
JUO-76	DD	18	3598817	7357036	265.2	-45.0	36.9	6.2	9.5	1.99	1557
"	"	"	"	"	"	"	"	11.5	12.4	1.71	3411
JUO-77	DD	7.8	3598821	7357041	265.8	-39.5	35.7	1.0	3.9	0.68	2152
"	"	"	"	"	"	"	"	4.7	5.3	0.36	1326
JUO-78	DD	12.5	3598808	7357040	265.2	-43.4	35.6	1.0	3.0	2.05	380
"	"	"	"	"	"	"	"	4.6	5.6	0.6	2320
JUO-79	DD	33.3	3598815	7357023	265.1	-40.8	32.4	8.5	10.5	1.85	715



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"	"	"	"	"	"	"	"	17.0	18.1	320.43	737
"	"	"	"	"	"	"	"	25.1	29.5	175	2428
JUO-8	DD	26	3598884	7356941	269.0	-45.0	35.6	3.1	5.1	1.85	1865
"	"	"	"	"	"	"	"	12.0	20.0	3.15	1741
JUO-80	DD	9.2	3598815	7357041	265.5	-44.9	35.7	3.0	7.7	8.05	2893
JUO-81	DD	19.1	3598809	7357032	265.0	-41.7	36.0	3.3	5.1	20.8	1090
"	"	"	"	"	"	"	"	8.7	9.7	2.2	1150
JUO-82	DD	17.8	3598804	7357030	266.0	-40.7	28.7	7.1	12.9	3.09	681
JUO-83	DD	15.5	3598806	7357037	265.3	-39.5	9.4	1.3	2.3	2.5	1110
"	"	"	"	"	"	"	"	3.3	6.3	0.67	1026
JUO-84	DD	14.2	3598831	7357029	266.1	-45.5	36.6	8.5	10.5	7.1	1080
JUO-85	DD	14.6	3598834	7357025	266.1	-40.0	36.2	4.1	5.5	7.84	1596
"	"	"	"	"	"	"	"	9.8	11.7	3.53	450
JUO-86	DD	30	3598827	7357015	266.3	-35.3	36.7	19.2	25.5	8.99	511
JUO-87	DD	24.1	3598813	7357029	265.1	-44.5	36.2	3.1	4.1	4	700
"	"	"	"	"	"	"	"	8.1	9.1	0.7	290
"	"	"	"	"	"	"	"	20.1	22.0	7.18	4793
JUO-88	DD	40	3598824	7357009	265.5	-40.8	215.3	13.6	15.6	6.45	290
"	"	"	"	"	"	"	"	19.1	20.0	0.99	342
"	"	"	"	"	"	"	"	23.4	36.4	1.97	205
JUO-89	DD	21.5	3598822	7356997	265.2	-40.4	215.4	12.2	15.6	4.23	718
"	"	"	"	"	"	"	"	18.9	19.9	1.1	170
JUO-9	DD	32.6	3598876	7356929	268.5	-45.2	35.7	0.0	1.0	7	1440
"	"	"	"	"	"	"	"	9.0	19.0	3.31	1212
"	"	"	"	"	"	"	"	27.0	30.0	7.13	2557
JUO-90	DD	16.6	3598847	7357007	266.4	-46.4	215.9	8.3	15.9	26.08	1785



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JUO-91	DD	12	3598842	7357009	266.4	-39.8	216.7	1.6	2.8	0.72	684
"	"	"	"	"	"	"	"	3.8	10.3	23.89	614
JUO-92	DD	26	3598833	7356995	265.8	-44.2	39.6	11.3	15.4	12.8	825
JUO-93	DD	14	3598833	7357004	265.6	-40.2	35.8	1.4	3.6	5.19	1557
"	"	"	"	"	"	"	"	6.2	9.2	0.6	437
JUO-94	DD	15	3598844	7357022	266.7	-39.7	215.0	-	-	-	-
JUO-95	DD	25	3598846	7357015	266.7	-39.4	215.0	15.7	22.0	21.77	1402
JUO-96	DD	18.6	3598837	7356993	266.0	-40.0	35.4	9.3	13.3	15.1	1710
JUO-97	DD	30	3598823	7357017	266.0	-39.4	37.0	0.0	1.2	1.08	4164
"	"	"	"	"	"	"	"	21.3	25.1	3.67	643
JUO-98	DD	32.7	3598818	7357018	265.5	-39.7	35.0	18.2	20.2	7.2	490
"	"	"	"	"	"	"	"	23.2	28.2	3.38	1094
JUO-99	DD	33	3598801	7357020	265.8	-40.7	215.9	6.3	9.0	2.79	243
"	"	"	"	"	"	"	"	12.3	22.3	3.85	294
"	"	"	"	"	"	"	"	25.3	29.3	10.58	265
KS/HL-10	DD	98.5	3599049	7355996	279	-45	89	38.0	44.0	2.05	841
"	"	"	"	"	"	"	"	48.0	56.0	3.14	1109
"	"	"	"	"	"	"	"	83.0	84.0	0.60	371
KS/HL-100	DD	139.3	3598991	7355904	282	-53	89	-	-	-	-
KS/HL-101	DD	178.9	3598962	7355902	281	-54	91	102.6	104.7	0.78	236
"	"	"	"	"	"	"	"	107.7	113.3	1.73	231
"	"	"	"	"	"	"	"	115.2	118.2	1.46	258
KS/HL-102	DD	238.7	3598839	7355909	279	-51	91	-	-	-	-
KS/HL-103	DD	163.8	3599001	7355954	281	-53	91	71.6	80.6	0.87	282
KS/HL-104	DD	161	3598978	7355928	281	-64	90	-	-	-	-
KS/HL-105	DD	165.9	3598937	7355914	281	-51	93	120.3	126.7	0.88	128



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"	"	"	"	"	"	"	"	128.9	133.4	1.53	49
KS/HL-106	DD	100.6	3598901	7355887	280	-46	91	-	-	-	-
KS/HL-107	DD	180.2	3598938	7355889	282	-45	90	-	-	-	-
KS/HL-108	DD	100.1	3598899	7355862	283	-45	90	-	-	-	-
KS/HL-109	DD	168.9	3598939	7355864	283	-60	90	141.4	146.5	78.36	1013
KS/HL-11	DD	48.5	3599083	7356010	280	-45	89	18.0	27.0	1.28	3064
KS/HL-110	DD	150.4	3598965	7355866	284	-60	91	39.5	41.2	0.70	279
"	"	"	"	"	"	"	"	44.5	46.0	0.90	665
"	"	"	"	"	"	"	"	112.9	121.3	7.57	1506
KS/HL-111	DD	181.2	3598992	7355880	284	-44	92	-	-	-	-
KS/HL-112	DD	151.2	3599017	7355880	286	-46	91	62.8	68.7	3.46	382
KS/HL-113	DD	100.5	3599066	7355883	288	-45	90	-	-	-	-
KS/HL-114	DD	100.2	3599091	7355885	290	-45	91	-	-	-	-
KS/HL-12	DD	71.05	3599068	7356010	279	-45	90	42.0	49.5	1.90	477
"	"	"	"	"	"	"	"	59.4	61.8	0.80	1281
KS/HL-13	DD	100.6	3599049	7356009	278	-45	91	41.0	49.0	1.68	1150
"	"	"	"	"	"	"	"	51.0	65.3	3.95	975
KS/HL-14	DD	55.5	3599084	7356023	279	-42	91	17.0	27.5	2.24	2674
"	"	"	"	"	"	"	"	41.0	43.7	0.81	999
KS/HL-15	DD	76.2	3599041	7356021	277	-50	91	57.0	61.0	8.55	950
"	"	"	"	"	"	"	"	68.0	70.0	1.40	1459
KS/HL-16	DD	57	3599089	7356036	278	-45	90	7.5	10.4	3.34	1599
"	"	"	"	"	"	"	"	23.0	24.2	0.70	3424
"	"	"	"	"	"	"	"	41.5	43.1	1.40	244
KS/HL-17	DD	83.7	3599068	7356035	277	-45	90	48.0	54.0	1.30	824
"	"	"	"	"	"	"	"	57.0	65.0	2.50	911
KS/HL-18	DD	84.2	3599053	7356034	277	-45	91	42.8	57.0	3.09	687



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"	"	"	"	"	"	"	"	58.0	59.4	0.80	876
KS/HL-19	DD	57.5	3599098	7356048	277	-45	89	14.5	19.9	5.55	1105
"	"	"	"	"	"	"	"	36.1	44.5	1.72	623
"	"	"	"	"	"	"	"	48.1	49.1	0.60	2876
KS/HL-2	DD	99.45	3599054	7355959	282	-45	90	39.7	42.1	2.44	249
"	"	"	"	"	"	"	"	49.4	57.4	12.76	442
"	"	"	"	"	"	"	"	97.0	99.5	1.15	29
KS/HL-20	DD	92	3599063	7356046	276	-48	87	45.0	52.3	0.95	496
KS/HL-21	DD	37.2	3599107	7356062	277	-45	90	9.0	20.0	2.60	3351
"	"	"	"	"	"	"	"	28.6	31.2	0.87	1039
KS/HL-22	DD	64.7	3599091	7356061	277	-46	93	31.8	40.8	1.72	300
KS/HL-23	DD	80.8	3599072	7356060	279	-45	92	42.0	46.0	4.90	1025
"	"	"	"	"	"	"	"	52.0	57.0	2.20	1059
"	"	"	"	"	"	"	"	64.0	70.0	2.70	1447
KS/HL-24	DD	39.5	3599106	7356074	276	-44	89	21.0	22.0	1.50	883
"	"	"	"	"	"	"	"	28.0	29.0	0.80	250
KS/HL-25	DD	38.5	3599107	7356087	276	-45	89	13.2	16.5	3.50	1653
"	"	"	"	"	"	"	"	26.6	28.0	1.05	869
KS/HL-26	DD	59.6	3599090	7356086	275	-45	90	33.1	41.0	3.60	1582
KS/HL-27	DD	117.6	3599022	7355957	280	-55	88	46.5	51.0	1.38	200
"	"	"	"	"	"	"	"	66.4	70.9	57.90	617
"	"	"	"	"	"	"	"	81.0	83.9	8.88	61
KS/HL-28	DD	104.25	3599024	7355982	279	-55	89	69.4	71.0	0.82	671
"	"	"	"	"	"	"	"	75.0	79.0	4.30	653
KS/HL-29	DD	50.1	3599086	7355985	282	-44	89	7.0	20.0	20.41	449
KS/HL-3	DD	98.35	3599032	7355958	280	-45	90	19.4	28.0	1.35	291
"	"	"	"	"	"	"	"	48.3	50.6	5.43	119





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"	"	"	"	"	"	"	"	54.6	55.6	4.30	118
"	"	"	"	"	"	"	"	62.0	74.0	2.90	786
"	"	"	"	"	"	"	"	76.7	81.2	6.72	806
KS/HL-30	DD	102	3599039	7355995	279	-57	90	54.8	56.6	1.58	381
"	"	"	"	"	"	"	"	65.0	66.0	8.25	734
KS/HL-31	DD	110.6	3599037	7356008	278	-55	89	62.6	65.0	29.09	963
KS/HL-33	DD	36.5	3599086	7355973	283	-42	90	-	-	-	-
KS/HL-34	DD	70.7	3599035	7356007	278	-56	90	63.0	65.0	5.92	1347
KS/HL-35	DD	80.4	3599062	7355947	283	-65	91	48.8	56.0	2.07	276
KS/HL-36	DD	83.7	3599032	7355946	281	-61	90	30.9	31.8	0.63	161
"	"	"	"	"	"	"	"	63.7	66.0	1.73	331
KS/HL-37	DD	111	3599034	7355920	283	-64	91	60.1	61.7	3.56	120
KS/HL-38	DD	42.9	3598897	7356053	277	-45	91				
KS/HL-39	DD	43.45	3598848	7355690	275	-43	90	22.0	23.0	0.72	382
KS/HL-4	DD	70.2	3599073	7355972	282	-40	90	16.0	18.5	7.18	1197
"	"	"	"	"	"	"	"	23.5	24.5	1.20	206
"	"	"	"	"	"	"	"	29.5	38.8	14.28	225
"	"	"	"	"	"	"	"	61.6	62.6	1.00	547
KS/HL-40	DD	35.5	3598878	7355551	275	-42	90	21.5	22.8	0.89	49
KS/HL-41	DD	42	3598857	7355510	275	-43	90	-	-	-	-
KS/HL-42	DD	62	3599026	7355639	289	-45	272	23.0	26.0	5.27	161
"	"	"	"	"	"	"	"	28.0	31.5	2.25	355
KS/HL-43	DD	70.7	3599103	7355689	275	-45	90	-	-	-	-
KS/HL-44	DD	99	3598954	7355817	286	-42	90	-	-	-	-
KS/HL-45	DD	54.7	3599096	7355873	291	-43	90	-	-	-	-
KS/HL-46	DD	108.65	3599036	7355870	288	-43	91	70.5	74.5	0.88	207
"	"	"	"	"	"	"	"	76.5	78.8	13.01	294



"	"	"	"	"	"	"	"	84.8	86.8	2.62	77
KS/HL-48	DD	99.3	3599041	7355883	287	-41	89	66.0	66.9	0.64	260
"	"	"	"	"	"	"	"	69.3	75.4	3.25	370
"	"	"	"	"	"	"	"	78.2	82.2	0.84	689
"	"	"	"	"	"	"	"	85.2	89.5	0.61	424
KS/HL-49	DD	71.5	3598969	7355637	284	-45	75	-	-	-	-
KS/HL-5	DD	117.75	3599021	7355970	280	-45	87	56.8	69.1	6.05	243
"	"	"	"	"	"	"	"	71.0	83.8	5.79	350
"	"	"	"	"	"	"	"	96.5	97.5	0.60	711
KS/HL-50	DD	73	3598979	7355662	287	-44	90	-	-	-	-
KS/HL-51	DD	90.9	3599045	7355896	286	-44	91	60.2	66.2	2.01	215
"	"	"	"	"	"	"	"	71.3	78.2	2.79	407
KS/HL-52	DD	100.4	3598614	7355334	257	-45	116	-	-	-	-
KS/HL-53	DD	100	3598596	7355291	255	-45	117	-	-	-	-
KS/HL-54	DD	150.2	3598551	7355312	256	-46	120	-	-	-	-
KS/HL-55	DD	159.1	3599002	7355943	281	-60	88	93.0	94.0	0.71	1000
KS/HL-56	DD	199.1	3599004	7355918	282	-60	91	-	-	-	-
KS/HL-57	DD	111.25	3599030	7355895	285	-58	88	-	-	-	-
KS/HL-58	DD	130.1	3599006	7355893	284	-60	91	-	-	-	-
KS/HL-59	DD	102.8	3599031	7355870	287	-58	91	-	-	-	-
KS/HL-6	DD	67	3599074	7355985	281	-45	89	19.1	34.2	4.23	582
"	"	"	"	"	"	"	"	49.8	52.8	11.03	251
KS/HL-60	DD	120.8	3599006	7355869	286	-60	90	25.8	27.8	1.44	13
"	"	"	"	"	"	"	"	52.1	57.1	0.90	57
KS/HL-61	DD	73.5	3599091	7355846	293	-46	93	-	-	-	-
KS/HL-62	DD	106.7	3599063	7355846	292	-50	91	-	-	-	-
KS/HL-63	DD	107.1	3599042	7355845	291	-58	94	-	-	-	-



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KS/HL-64	DD	130.4	3599013	7355844	289	-60	90	-	-	-	-
KS/HL-65	DD	67.5	3599100	7356097	275	-45	92	31.2	37.0	1.10	480
"	"	"	"	"	"	"	"	46.6	54.5	2.23	1320
KS/HL-66	DD	55.6	3599101	7355998	282	-45	91	15.2	17.7	10.11	94
KS/HL-67	DD	74.3	3599088	7355947	285	-64	89	10.2	20.1	2.19	726
"	"	"	"	"	"	"	"	26.2	32.3	0.93	319
"	"	"	"	"	"	"	"	41.6	43.1	0.57	292
KS/HL-68	DD	125	3598978	7355941	282	-60	86	-	-	-	-
KS/HL-69	DD	73.2	3599080	7355934	285	-64	88	11.0	15.2	1.80	274
"	"	"	"	"	"	"	"	43.0	55.5	6.82	496
KS/HL-7	DD	88.1	3599052	7355984	280	-45	89	37.1	59.2	13.11	740
"	"	"	"	"	"	"	"	62.2	64.2	4.45	1173
"	"	"	"	"	"	"	"	67.2	73.0	4.05	679
KS/HL-70	DD	100.7	3599042	7355932	283	-65	90	56.8	58.3	0.73	150
"	"	"	"	"	"	"	"	66.6	68.0	1.09	10
KS/HL-71	DD	121.9	3599009	7355930	282	-64	91	60.6	61.9	1.01	1025
"	"	"	"	"	"	"	"	66.1	75.7	1.30	33
"	"	"	"	"	"	"	"	82.6	84.2	2.48	1287
KS/HL-72	DD	65.1	3599078	7355922	286	-58	89	7.0	9.1	2.33	29
								44.0	51.3	6.71	1166
KS/HL-73	DD	143.1	3598979	7355916	283	-59	87	90.0	90.9	0.51	418
"	"	"	"	"	"	"	"	95.4	107.6	22.40	167
KS/HL-74	DD	73	3599082	7355896	288	-57	89	48.8	49.9	7.34	17
KS/HL-75	DD	95.1	3599045	7355895	286	-55	90	63.0	65.3	1.21	377
KS/HL-76	DD	90.4	3599067	7355870	289	-69	90	-	-	-	-
KS/HL-77	DD	109.2	3598991	7355867	285	-59	89	60.2	61.5	0.58	160
"	"	"	"	"	"	"	"	79.9	88.1	3.63	231



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"	"	"	"	"	"	"	"	95.0	97.2	1.87	250
KS/HL-78	DD	120.2	3599016	7355818	293	-44	90	-	-	-	-
KS/HL-79	DD	127.6	3599006	7355718	291	-44	90	-	-	-	-
KS/HL-8	DD	87.9	3599035	7355983	279	-45	90	45.3	70.8	12.26	426
KS/HL-80	DD	160.1	3598920	7355713	284	-44	89	-	-	-	-
KS/HL-81	DD	127.6	3598997	7355597	285	-44	87	-	-	-	-
KS/HL-82	DD	133.3	3598909	7355594	281	-45	93	-	-	-	-
KS/HL-83	DD	181.6	3598897	7355912	278	-46	94	-	-	-	-
KS/HL-84	DD	100.6	3598922	7355633	282	-44	88	-	-	-	-
KS/HL-88	DD	100.8	3598855	7356060	273	-45	89	-	-	-	-
KS/HL-89	DD	79.6	3598842	7355709	280	-44	90	-	-	-	-
KS/HL-9	DD	50.4	3599081	7355998	281	-40	89	11.0	16.6	1.43	518
KS/HL-90	DD	85.4	3599261	7355549	285	-45	89	-	-	-	-
KS/HL-91	DD	286.15	3598815	7355858	279	-45	90	-	-	-	-
KS/HL-92	DD	348.2	3598695	7355853	276	-45	88	-	-	-	-
KS/HL-93	DD	100.6	3599040	7356180	273	-45	89	-	-	-	-
KS/HL-94	DD	93.4	3598979	7356176	274	-44	88	-	-	-	-
KS/HL-95	DD	79.4	3598920	7356173	272	-43	87	-	-	-	-
KS/HL-96	DD	79.7	3599166	7356045	282	-45	89	-	-	-	-
KS/HL-97	DD	79.8	3599069	7355908	286	-54	89	45.9	58.5	2.40	568
KS/HL-98	DD	106.8	3599042	7355907	284	-53	90				
KS/HL-99	DD	130.4	3599016	7355906	283	-54	89	7.5	8.9	0.57	4
M525/4613/89/R355	DD	118.3	3599051	7356055	275	-45	125	50.1	53.1	1.97	727
"	"	"	"	"	"	"	"	59.1	60.1	12.00	998
"	"	"	"	"	"	"	"	63.1	64.1	4.50	621
M525/4613/90/R362	DD	84.4	3599062	7356123	273	-45	91	-	-	-	-
M525/4613/90/R363	DD	100.3	3599066	7356073	275	-45	90	59.3	62.3	1.67	509



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M525/4613/90/R364	DD	95	3599048	7356022	277	-44	93	46.8	55.8	8.16	623
M525/4613/90/R365	DD	110.1	3599035	7355971	280	-44	90	52.1	74.8	4.50	325
"	"	"	"	"	"	"	"	76.8	83.8	4.51	985
"	"	"	"	"	"	"	"	97.8	100.8	2.23	73
M525/4613/90/R366	DD	112.1	3599037	7355921	283	-46	96	76.9	81.4	1.51	729
M525/4613/90/R367	DD	80.7	3599065	7355870	284	-44	90	59.2	65.2	3.77	377
M525/4613/90/R368	DD	160	3598986	7355968	280	-44	91	-	-	-	-
M525/4613/90/R369	DD	158.5	3598999	7356019	278	-45	91	-	-	-	-
M525/4613/90/R376	DD	145.4	3599165	7355977	288	-61	269	-	-	-	-
M525/4613/91/R382	DD	61.5	3599084	7356097	274	-45	85	47.4	50.4	2.03	570
M525/4613/91/R383	DD	60.1	3599091	7356073	275	-45	92	21.0	26.0	0.68	763
"	"	"	"	"	"	"	"	28.0	30.5	15.54	1393
"	"	"	"	"	"	"	"	36.5	47.5	0.73	378
M525/4613/91/R384	DD	87.1	3599076	7356048	277	-45	93	40.0	42.5	2.24	316
"	"	"	"	"	"	"	"	44.5	46.5	1.35	205
"	"	"	"	"	"	"	"	57.9	65.9	3.86	951
M525/4613/91/R385	DD	160.3	3599027	7356045	276	-46	87	-	-	-	-
M525/4613/91/R386	DD	66.35	3599073	7356022	278	-45	91	29.4	31.4	3.65	2411
"	"	"	"	"	"	"	"	50.4	55.4	1.50	1109
M525/4613/91/R387	DD	80.1	3599070	7355997	280	-44	90	29.5	32.5	1.57	434
"	"	"	"	"	"	"	"	49.5	54.5	2.44	852
M525/4613/91/R388	DD	90.95	3599066	7355972	282	-46	87	21.8	29.8	12.51	526
"	"	"	"	"	"	"	"	33.8	50.8	8.19	652
"	"	"	"	"	"	"	"	70.9	73.9	4.77	780
"	"	"	"	"	"	"	"	76.9	78.9	2.80	289
M525/4613/91/R389	DD	63.9	3599112	7355950	287	-45	270	23.4	27.4	2.53	1491
"	"	"	"	"	"	"	"	30.4	32.4	1.40	480

M525/4613/91/R390	DD	58.2	3599113	7355923	289	-45	270	-	-	-	-
M525/4613/91/R391	DD	72.4	3599182	7355926	290	-60	270	-	-	-	-
M525/4613/91/R393	DD	126.7	3599161	7355952	290	-46	260	-	-	-	-
M525/4613/91/R394	DD	69.6	3599134	7355900	292	-45	267	-	-	-	-
M525/4613/91/R396	DD	146.6	3599185	7355901	291	-43	270	-	-	-	-
M525/4613/91/R397	DD	97.2	3599162	7355926	292	-35	269	74.6	75.1	2.00	1521
"	"	"	"	"	"	"	"	88.7	92.7	1.20	264
M525/4613/91/R398	DD	70.6	3599082	7356148	272	-45	90	-	-	-	-
M525/4613/91/R401	DD	15.35	3599125	7356100	277	-90	0	-	-	-	-
M525/4613/91/R402	DD	16.95	3599105	7356047	277	-90	0	8.9	11.9	4.19	204
M525/4613/91/R404	DD	35.25	3599125	7356073	277	-90	0	10.0	11.0	0.58	1959
"	"	"	"	"	"	"	"	14.0	15.0	0.85	2687
M525/4613/91/R405	DD	16.85	3599115	7356048	278	-90	0	-	-	-	-
M525/4613/91/R407	DD	18.2	3599107	7356023	280	-90	0	-	-	-	-
M525/4613/91/R409	DD	47.65	3599094	7355997	281	-90	0	18.3	19.3	0.68	1176
M525/4613/91/R410	DD	23.9	3599085	7355971	283	-90	0	12.9	13.9	0.53	406
"	"	"	"	"	"	"	"	20.9	21.9	0.84	839
M525/4613/91/R412	DD	31.05	3599098	7356023	279	-90	0	9.2	12.2	1.86	2497
"	"	"	"	"	"	"	"	25.2	31.1	2.87	1041
KS/JS-2	DD	112.45	3598876	7356882	275.3	-68.5	33.1	17.25	21.5	3.57	1021
"	"	"	"	"	"	"	"	34.56	35.59	0.8	880
"	"	"	"	"	"	"	"	52.55	72.42	3.23	3660
"	"	"	"	"	"	"	"	73.5	75.15	1.5	2001
"	"	"	"	"	"	"	"	106.82	107.93	1.6	1451
KS/JS-3	DD	114.6	3598846	7356860	271.4	-43.5	35.7	33.73	44.5	1.12	4146
"	"	"	"	"	"	"	"	45.5	47.5	1.96	1385

"	"	"	"	"	"	"	"	49	52	2.93	1945
"	"	"	"	"	"	"	"	53.5	73.84	5.82	3257
"	"	"	"	"	"	"	"	82.48	89.4	1.93	1141
"	"	"	"	"	"	"	"	96.01	97.1	0.51	689
"	"	"	"	"	"	"	"	108.25	109.85	2.36	1830
KS/JS-9	DD	224.3	3598761	7356752	261.2	-60.4	36.1	142.93	144.55	6.9	854
"	"	"	"	"	"	"	"	153.85	178	3.35	1037
"	"	"	"	"	"	"	"	179	180	4.0	796
"	"	"	"	"	"	"	"	184	187	3.27	1270
KS/JS-10	DD	148.2	3598839	7356825	267.8	-60.0	34.7	63.5	64.5	2.31	111
"	"	"	"	"	"	"	"	96.5	118.8	98.2	1159
"	"	"	"	"	"	"	"	122.95	124.74	5.83	4327
KS/JS-15	DD	163	3598809	7356779	262.4	-59.2	35.9	88.43	95.94	5.29	2194
"	"	"	"	"	"	"	"	137.61	141.6	0.81	943
KS/JS-17	DD	90.95	3598909	7356934	275.3	-43.6	215.7	39.9	41.9	4.72	1214
"	"	"	"	"	"	"	"	59.5	62.9	8.01	1529
"	"	"	"	"	"	"	"	65.97	67.6	4.38	2056
"	"	"	"	"	"	"	"	69.8	76.25	7.61	4744
KS/JS-26	DD	127.4	3598856	7356852	272.7	-64.4	34.8	22.15	24	0.81	127
"	"	"	"	"	"	"	"	70.3	72.66	1.12	1348
"	"	"	"	"	"	"	"	85.25	86.41	1.18	502
"	"	"	"	"	"	"	"	93.85	105.6	1.62	1151
KS/JS-29	DD	83.5	3598942	7356962	274.7	-45.8	35.7	17.08	18.45	0.81	349
"	"	"	"	"	"	"	"	51.15	52.15	1.97	2940
"	"	"	"	"	"	"	"	55.5	60.6	8.32	1545
KS/JS-36	DD	63.1	3598869	7356884	275.1	-70.1	35.1	8	13.6	1.23	825



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"	"	"	"	"	"	"	"	17.13	25.4	6.11	1580
"	"	"	"	"	"	"	"	37.15	40.25	1.38	654
"	"	"	"	"	"	"	"	53	60.8	13.82	5421
KS/JS-46	DD	40	3598958	7356987	273.1	-46.3	35.7	22.7	25.1	5.57	6845
KS/JS-73	DD	29.45	3598913	7356914	276.6	-43.1	35.7	12.7	20.5	2.54	2062
"	"	"	"	"	"	"	"	23	24.4	0.7	1446
KS/JS-111	DD	400	3598760	7356776	270.0	-60.0	37.9	124.25	126.85	0.73	645
"	"	"	"	"	"	"	"	135.4	138.65	1.75	4128
"	"	"	"	"	"	"	"	164.2	166	1.72	464
"	"	"	"	"	"	"	"	167.8	175.05	5.01	1677
"	"	"	"	"	"	"	"	176.85	178.65	2.1	755
"	"	"	"	"	"	"	"	379.05	381.45	7.87	756
"	"	"	"	"	"	"	"	385.6	387.6	0.57	65
KS/JS-112	DD	484.6	3598738	7356743	268.3	-58.2	39.0	178	181.2	3.53	488
"	"	"	"	"	"	"	"	187.1	187.95	1.33	653
"	"	"	"	"	"	"	"	190.25	191.6	1.2	3969
"	"	"	"	"	"	"	"	196.2	206.15	3.69	2210
"	"	"	"	"	"	"	"	219.5	223.2	2.29	3612
"	"	"	"	"	"	"	"	227.55	228.3	2.54	745
"	"	"	"	"	"	"	"	399.7	401.2	0.92	267
KS/JS-143	DD	439	3598978	7357022	271.4	-43.2	214.1	29.65	41.45	3.58	2613
"	"	"	"	"	"	"	"	42.7	44.75	0.78	5812
"	"	"	"	"	"	"	"	86.3	88.35	8.31	2113
"	"	"	"	"	"	"	"	355.4	360.4	3.94	785
"	"	"	"	"	"	"	"	365.35	371.85	0.52	2963
"	"	"	"	"	"	"	"	372.6	373.6	1.6	3550





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"	"	"	"	"	"	"	"	379.6	381	0.61	2240
KS/JS-159	DD	278	3598817	7356811	268.2	-56.9	39.3	47.85	50.4	2.69	2301
"	"	"	"	"	"	"	"	113.5	123.7	5.29	969
KS/JS-165	DD	598.2	3598718	7356677	260.9	-60.0	32.8	264	265.15	2.60	3810
"	"	"	"	"	"	"	"	271.4	272.8	0.65	1170
"	"	"	"	"	"	"	"	279.3	281.9	2.06	1052
KS/JS-184	DD	421.6	3598687	7356630	260.4	-59.5	36.6	-	-	-	-
KS/JS-185	DD	270.9	3598867	7356843	271.2	-50.8	33.4	59.6	69.4	2.89	808
"	"	"	"	"	"	"	"	71.9	74.1	3.54	1170
"	"	"	"	"	"	"	"	111.25	115.4	5.48	604
"	"	"	"	"	"	"	"	186.7	189.7	1.17	293
"	"	"	"	"	"	"	"	191.7	199.9	7.79	3762
KS/JS-203	DD	109.9	3598932	7356944	276.1	-44.6	18.8	77.25	78.4	1.11	3290
KS/JS-211	DD	361.1	3598788	7356782	270.7	-59.4	32.5	155.55	162.75	5.30	1342
"	"	"	"	"	"	"	"	166.15	169.7	6.62	1561
L66K1DD001	DD	179.2	3598799	7356944	275.9	-65.2	34.5	64	69	5.37	983
"	"	"	"	"	"	"	"	75	80	1.59	696
"	"	"	"	"	"	"	"	81.15	86	4.87	613
"	"	"	"	"	"	"	"	89	91.1	3.13	2294
"	"	"	"	"	"	"	"	98.25	104	1.71	509
"	"	"	"	"	"	"	"	105	110	11.10	1313
"	"	"	"	"	"	"	"	113.9	116.7	1.81	760
"	"	"	"	"	"	"	"	122.7	126.1	2.87	302
"	"	"	"	"	"	"	"	130	131.5	1.03	2710
"	"	"	"	"	"	"	"	133.94	136.56	3.72	919
L66K1DD002	DD	394.9	3598914	7356966	275.4	-45.3	216.0	35.4	45.7	6.40	2475





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"	"	"	"	"	"	"	"	64.8	67.7	0.97	441
"	"	"	"	"	"	"	"	77.3	81.2	0.43	1980
"	"	"	"	"	"	"	"	85	91	3.12	1260
"	"	"	"	"	"	"	"	94.57	120.1	5.12	1389
"	"	"	"	"	"	"	"	135.2	148	15.81	1140
"	"	"	"	"	"	"	"	159.2	170.3	13.38	1456
"	"	"	"	"	"	"	"	175.2	179.5	0.97	267
"	"	"	"	"	"	"	"	182.55	183.6	2.23	246
"	"	"	"	"	"	"	"	186.57	194.3	1.12	2374
"	"	"	"	"	"	"	"	198.3	206.4	1.45	2488
"	"	"	"	"	"	"	"	207.4	229.3	8.37	2320
"	"	"	"	"	"	"	"	236.77	245	4.13	1572
"	"	"	"	"	"	"	"	247.8	262	5.94	1697
L66K1DD003	DD	451.7	3598812	7356767	270.7	-70.0	34.5	156.8	157.7	1.66	856
"	"	"	"	"	"	"	"	267.3	268.4	0.71	443
"	"	"	"	"	"	"	"	272	273	0.64	3890
"	"	"	"	"	"	"	"	276.2	277.8	0.85	7953
"	"	"	"	"	"	"	"	280.3	285	0.68	1606
"	"	"	"	"	"	"	"	292.2	294.1	4.62	458
"	"	"	"	"	"	"	"	341	344.8	1.03	294
L66K1DD004	DD	449	3598984	7357018	271.4	-54.7	217.0	47	53	17.04	4783
"	"	"	"	"	"	"	"	88.45	89.5	0.51	700
"	"	"	"	"	"	"	"	95.4	97.5	1.05	1035
"	"	"	"	"	"	"	"	100.6	102.5	0.74	818
"	"	"	"	"	"	"	"	105	107.2	0.67	655
"	"	"	"	"	"	"	"	308	313	1.81	2348



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"	"	"	"	"	"	"	"	331.3	332.3	0.59	12750
"	"	"	"	"	"	"	"	334.3	338	7.08	2394
L66K1DD005	DD	278.5	3598644	7356820	262.2	-52.5	29.5	170.4	174.25	9.87	485
"	"	"	"	"	"	"	"	221.62	223.62	4.32	1117
L66K2DD001	DD	145.2	3598952	7355817	286	-57	90	-	-	-	-
L66K2DD002	DD	182.4	3598951	7355817	286	-73	90	-	-	-	-
L66K3DD002	DD	176.2	3599577	7355707	289.7	-59.3	91.4	105.5	106.5	0.60	966
L66K3DD003	DD	167.7	3599621	7355707	288.8	-50.5	91.4	62	64	1.66	465
"	"	"	"	"	"	"	"	112.9	116.8	1.19	1017
"	"	"	"	"	"	"	"	126.3	127.3	1.55	350
"	"	"	"	"	"	"	"	138.35	139.3	2.90	177
L66K3DD012	DD	212.8	3599573	7355707	289.8	-72.4	93.3	-	-	-	-
R-317	DD	180	3598831	7356836	268.5	-46.5	35.7	69.2	78.6	1.41	813
"	"	"	"	"	"	"	"	98	116	8.27	1363
"	"	"	"	"	"	"	"	138.1	140.1	16.4	330
R-320	DD	182.1	3598804	7356794	263.4	-44.5	34.1	53.1	55.6	0.6	1270
"	"	"	"	"	"	"	"	63.1	66.6	3.73	696
"	"	"	"	"	"	"	"	130	154.2	4.53	1978
R-321	DD	212.3	3598803	7356794	263.5	-65.5	30.5	93	95	2.37	1970
"	"	"	"	"	"	"	"	127	131	1.12	591
"	"	"	"	"	"	"	"	134.5	136.5	0.65	4340
"	"	"	"	"	"	"	"	141.2	149.2	4.31	1356
R-327	DD	221.5	3598777	7356752	261.3	-64.7	36.7	150.2	171.2	6.04	1378
"	"	"	"	"	"	"	"	175.2	181.2	10.70	1977
R-333	DD	235.7	3598749	7356710	261.4	-61.5	36.8	196.1	217.1	2.98	1959
KS/POV-3	DD	75.9	3599694.2	7355700	287.601	-46.5	89.2	4.8	5.8	1.40	884



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"	"	"	"	"	"	"	"	8.8	13.8	3.06	550
"	"	"	"	"	"	"	"	17.6	19.6	6.67	77
"	"	"	"	"	"	"	"	38.1	44.1	2.07	716
"	"	"	"	"	"	"	"	51.1	57.1	8.30	1505
KS/POV-4	DD	35.9	3599716	7355711	287.57	-50.8	90.8	13.15	16.15	2.20	784
KS/POV-5	DD	91.8	3599673	7355709	288.51	-45.3	91.1	18.75	21.4	0.96	381
"	"	"	"	"	"	"	"	23.7	24.9	0.6	492
"	"	"	"	"	"	"	"	34.2	37.4	1.92	241
"	"	"	"	"	"	"	"	74	75	0.9	1026
KS/POV-11	DD	48.5	3599718	7355701	286.79	-50	90.0	12.6	13.6	0.8	649
"	"	"	"	"	"	"	"	40.6	43.6	3.02	1414
KS/POV-13	DD	96.1	3599678	7355699	288.00	-55.3	89.4	12.7	18.0	3.72	174
"	"	"	"	"	"	"	"	26.2	67.8	2.36	391
"	"	"	"	"	"	"	"	69.8	75.55	156.64	884
"	"	"	"	"	"	"	"	79	80	8.60	-
KS/POV-15	DD	130.6	3599660	7355698	288.00	-57.8	93.3	88	90	1.35	373
KS/POV-16	DD	159.5	3599639	7355707	289.12	-49.8	90.5	42	44.07	3.29	1611
"	"	"	"	"	"	"	"	52.4	54.1	1.87	340
"	"	"	"	"	"	"	"	88.6	92.2	1.47	745
"	"	"	"	"	"	"	"	96	102	8.81	780
KS/POV-26	DD	199.9	3599603	7355706	289.19	-54.35	88.1	140.2	143.65	20.60	537
M461392R426	DD	123.2	3599653	7355709	288.81	-44.2	90.7	24.8	28.8	1.43	1037
"	"	"	"	"	"	"	"	87.9	91.7	11.69	719

**APPENDIX B: Drill Hole Collars and Significant Gold Intersections for Exploration Results (>0.1g/t Au with maximum two samples of internal dilution)**

Hole_ID	Hole Type	Max Depth	NAT East	NAT North	NAT RL	Collar Dip	Collar Azi_MGA	From	To	Au (g/t)
L66K8DD001	DD	92.53	3584781.74	7342303.61	271.672	-50.0	0	35.3	39.45	0.11
"	"	"	"	"	"	"	"	41.7	46.6	0.18
"	"	"	"	"	"	"	"	47.6	48.6	0.17
"	"	"	"	"	"	"	"	49.35	59.2	1.78
L66K8DD002	DD	122.3	3584781.31	7342259.05	271.519	-50.6	0	74.35	86.7	3.19
"	"	"	"	"	"	"	"	89.75	102.3	3.72
L66K8DD003	DD	55.1	3584781.97	7342339.65	271.548	-50.6	0	23.9	33.2	4.32
L66K8DD004	DD	80	3584873.86	7342361.76	273.265	-50.5	0	-	-	-
L66K8DD005	DD	95.3	3584753.54	7342263.76	270.424	-50.8	0	63.55	69.55	0.56
"	"	"	"	"	"	"	"	73.55	81.3	0.23
L66K8DD006	DD	155.1	3584761.07	7342219.78	271.412	-50.6	0	137	142	0.55
L66K9DD001	DD	182.5	3583703.48	7339306.31	349.211	-63.9	265	126.8	133	0.22
"	"	"	"	"	"	"	"	137	138.5	0.17
"	"	"	"	"	"	"	"	143.5	176	0.31
L66K9DD002	DD	73.2	3584486.38	7339407.45	285.837	-62.5	310	-	-	-
L66K9DD003	DD	300.01	3583710.14	7339342.94	346.573	-74.0	236	177.2	178.8	0.2
"	"	"	"	"	"	"	"	190.5	191.5	0.87
L66K9DD004	DD	140.1	3583635.15	7339256.45	355.785	-52.9	350	42.85	44.15	0.12
"	"	"	"	"	"	"	"	48.7	49.7	0.14
"	"	"	"	"	"	"	"	62	66.2	0.32
"	"	"	"	"	"	"	"	69.7	71.4	0.6



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"	"	"	"	"	"	"	"	93.5	95.5	0.53
"	"	"	"	"	"	"	"	97.5	101.1	0.62
L66K9DD005	DD	224.92	3583639.55	7339240.09	356.401	-74.7	350	73.35	84.35	<b>3.33</b>
"	"	"	"	"	"	"	"	90	95	<b>1.38</b>
"	"	"	"	"	"	"	"	100.2	101.3	<b>1.9</b>
"	"	"	"	"	"	"	"	167.7	186.5	0.5
"	"	"	"	"	"	"	"	190.7	191.6	0.15
L66K9DD006	DD	176.48	3583603	7339264.36	358.497	-45.8	350	-	-	-
L66K9DD007	DD	185.45	3583669.26	7339210.36	354.797	-60.1	355	-	-	-
L66K9DD008	DD	97.6	3583614.44	7339245.8	357.578	-50.4	350	21.1	34.55	<b>6.25</b>
"	"	"	"	"	"	"	"	37	39.5	0.65
"	"	"	"	"	"	"	"	62.7	76.5	<b>3.56</b>
L66K9DD009	DD	242.9	3583656	7339212.88	355.463	-74.1	339	118.9	131.1	<b>1.79</b>
"	"	"	"	"	"	"	"	142	143	0.1

**APPENDIX C: Drill Hole Collars and Significant Cobalt Intersections for Exploration Results (>0.1% Co with maximum two samples of internal dilution).**

Hole_ID	Hole_Type	Max_Depth	NAT_East	NAT_North	NAT_RL	Collar_Dip	Collar_Azi_MGA	mFrom	mTo	Co_pct
L66K9DD001	DD	182.5	3583703	7339306	349	-63.9	265	124.75	174.9	0.45
L66K9DD002	DD	73.2	3584486	7339407	286	-62.5	310	-	-	-
L66K9DD003	DD	300.01	3583710	7339343	347	-74.0	236	-	-	-
L66K9DD004	DD	140.1	3583635	7339256	356	-52.9	350	40	48	0.21
"	"	"	"	"	"	"	"	57.9	58.6	0.1
"	"	"	"	"	"	"	"	60	66.2	0.11
"	"	"	"	"	"	"	"	69.7	70.5	0.13
L66K9DD005	DD	224.92	3583640	7339240	356	-74.7	350	90	96	0.11
"	"	"	"	"	"	"	"	167.65	177.7	0.23
"	"	"	"	"	"	"	"	178.7	184.4	0.16
"	"	"	"	"	"	"	"	190.65	194.3	0.13
"	"	"	"	"	"	"	"	196.2	198.2	0.11
"	"	"	"	"	"	"	"	203.9	205	0.12
L66K9DD006	DD	176.48	3583603	7339264	358	-45.8	350	24	24.7	0.11
L66K9DD007	DD	185.45	3583669	7339210	355	-60.1	355	-	-	-
L66K9DD008	DD	97.6	3583614	7339246	358	-50.4	350	17	17.5	0.21
"	"	"	"	"	"	"	"	19.2	27.45	0.17
"	"	"	"	"	"	"	"	28.2	39.5	0.16
L66K9DD009	DD	242.9	3583656	7339213	355	-74.1	339	-	-	-

**APPENDIX D: Boulder samples taken from the PSB Project.**

Sample_ID	Northing	Easting	Au_ppm	Cu_ppm	Sample_ID	Northing	Easting	Au_ppm	Cu_ppm
PEPB024A	7355263	3421563	0.484	35200	psb_pl_12_07	7379375	3469073	0.005	819
LdSP_22_11_1	7366200	3422900	0.969	26700	OKPB0010	7379982	3466292	0.001	805
PEPB024B	7355263	3421563	0.293	11200	JTP_27_3	7368225	3434555	0.017	797
PEPB013	7353731	3423693	0.036	9250	JTP_27_12	7366243	3434077	0.004	763
OKTK033	7376617	3477342	0.221	4130	OKPK006B	7378845	3469406	0.002	750
KRNW_22_01_1	7371735	3425526	0.106	3630	OKTK055	7380115	3468584	0.001	727
KRNW_20_05_1	7369186	3426860	0.31	3150	KRCE_06_04_1	7366809	3442214	0.002	721
PETP027	7355547	3422354	0.013	2790	JTP_05_6	7367812	3447465	0.013	679
PEPK018	7367935	3449368	0.331	2590	LdSP_30_17_1	7363605	3437083	0.002	678
PEPB006	7352075	3422463	0.006	2540	KRNW_23_11_1	7369067	3422526	0.091	659
KRNW_20_01_1	7372249	3426537	0.237	2440	OKPK011B	7378495	3469612	0.001	644
PEPK022	7367071	3439853	0.139	2390	KRCE_07_10_1	7369364	3442387	0.001	623
MITP032	7386147	3488987	0.002	2340	PEPK041	7363600	3433076	0.005	620
PEPB024C	7355263	3421563	0.143	2320	OKTK058	7380225	3468491	0.024	611
OKPK033A	7381580	3458572	0.002	2180	LdSP_17_02_1	7363264	3433403	0.014	607
PEPB016	7353423	3423542	0.01	2060	OKTK071	7368559	3503277	0.0005	603
PEPB019	7353463	3422012	0.011	1855	LdSP_12_10_1	7369367	3442388	0.001	598
LdSP_22_01_1	7365327	3422869	0.035	1680	JTP_23_1	7373060	3426055	0.002	598
psb_pl_30_07	7366429	3435015	0.015	1575	PEPK026	7366883	3440083	0.004	583
JTP_28_6	7368245	3432367	0.01	1510	OKTK074	7368657	3502455	0.001	578
LdSP_29_07_1	7363988	3433544	0.032	1400	OKPK006A	7378845	3469406	0.0005	574
OKPK011A	7378495	3469612	0.002	1330	LdSP_29_11_1/2	7364295	3433412	0.002	573
OKPK013	7378214	3470272	0.007	1290	JTP_03_2	7363663	3451369	0.891	557
psb_pl_12_06_2	7380220	3468516	0.003	1275	OKPK012	7378492	3469611	0.0005	528
KRNW_23_03_2	7371033	3422967	0.022	1270	OKTK009	7380010	3468811	0.001	511
MITP040	7387555	3488532	0.008	1110	MIPB038B	7380525	3503799	0.02	497

MIPK002	7380571	3502406	0.014	1110	JTP_23_4	7373288	3425743	0.001	496
OKTK008	7380021	3468832	0.002	1090	MITP029	7386107	3489205	0.002	488
OKPB011	7379655	3466323	0.001	1070	LdSP_23_14_1	7367591	3422674	0.004	473
KRNW_23_05_1	7371080	3423164	0.074	1050	JTP_27_11	7366286	3434134	0.004	471
OKTK032	7376302	3477486	0.055	1050	LdSP_29_05_1	7364007	3433645	0.002	458
MITP028	7386345	3489226	0.07	977	psb_pl_27_09	7367720	3437584	0.006	451
psb_pl_13_06	7379795	3467890	0.003	930	OKPK009	7378603	3469540	0.001	442
psb_pl_12_08	7379378	3469070	0.005	860	MITK005	7387497	3488809	0.001	442
PETP045	7365195	3436897	0.013	438	MITK007	7387545	3488517	0.001	305
JTP_28_10	7367006	3433287	0.008	437	KRNW_21_02_1	7370111	3426049	0.002	304
JTP_21_5	7374297	3427776	0.002	431	OKTK056	7380215	3468516	0.002	303
MIPB038A	7380525	3503799	0.012	415	JTP_13_3	7365904	3438205	0.002	301
PEPK044	7364025	3433595	0.002	409	OKTP037	7377443	3467255	0.005	292
OKTK024	7379534	3472026	0.001	398	OKJT001	7380829	3465356	0.002	290
PETP026	7355549	3422355	0.002	396	LdSP_13_08_1	7369295	3442365	0.01	289
PEPK015	7367829	3449348	0.001	389	PEPK014	7367820	3449350	0.001	287
psb_pl_12_05	7380120	3468585	0.001	383	JTP_22_18	7372959	3425808	0.002	285
PETP046	7363638	3437132	0.003	382	OKTK080	7368862	3502293	0.0005	283
JTP_27_13	7366317	3434258	0.005	379	OKTK066	7368409	3502738	0.001	280
MITP_037	7386065	3487929	0.002	378	KRNW_23_09_1	7370261	3422466	0.005	275
JTP_28_3	7368758	3432223	0.006	377	KRNW_21_01_1	7370058	3426056	0.004	272
LdSP_14_09_1	7361954	3435293	0.002	376	JTP_22_19	7373021	3425931	0.001	260
JTP_03_5	7363676	3451303	0.001	373	psb_pl_27_08	7367778	3437730	0.003	257
OKTK059	7380093	3468663	0.001	370	LdSP_30_18_1	7363631	3437106	0.002	253
KRNW_22_09_1	7371008	3425481	0.008	368	KRNW_23_06_1	7371143	3423149	0.004	249
JTP_24_6	7369066	3422520	0.008	366	psb_pl_27_03	7367030	3438790	0.013	244
JTP_22_15	7373025	3425933	0.0005	365	MIPK028	7383595	3503061	0.013	244
JTP_27_8	7367247	3434352	0.003	357	JTP_22_8	7373259	3426840	0.012	241
OKPK004	7379539	3468242	0.001	356	JTP_22_13	7373028	3426424	0.006	241
MIPK008	7382430	3503369	0.004	355	LdSP_13_01_1	7368949	3442178	0.002	237
MITP_048	7386860	3490813	0.006	353	PEPK071	7374875	3427753	0.001	234



JTP_28_9	7367012	3433341	0.003	348	OKTK040	7381121	3475314	0.002	232
MITP003	7381866	3503816	0.022	343	LdSP_22_10_1	7366485	3422751	0.003	230
psb_pl_13_04	7379277	3467123	0.001	336	PEPB014	7353668	3423601	0.033	230
LdSP_22_04_1	7365347	3422758	0.001	335	JTP_24_3	7370851	3422754	0.007	222
LdSP_29_09_1	7364248	3433417	0.003	332	OKTP038	7377405	3467257	0.001	221
JTP_22_14	7373085	3426237	0.002	329	psb_pl_30_08	7366429	3435015	0.0005	213
LdSP_29_11_3	7364295	3433412	0.002	320	JTP_20_11	7374145	3429279	0.001	212
JTP_03_3	7363670	3451322	0.001	318	PETP022	7355157	3421439	0.004	210
PEPK028	7367510	3440504	0.023	318	psb_pl_30_09	7366437	3435027	0.001	203
MITP041	7386838	3491281	0.003	315	PETP005	7351871	3440889	0.001	199
LdSP_29_10_1	7364283	3433389	0.003	305	JTP_21_2	7373715	3427816	0.002	195
LdSP_29_08_1	7364005	3433488	0.001	194.5	LdSP_28_01_1	7365231	3433065	0.003	152.5
LdSP_23_05_1	7366148	3423006	0.007	193.5	LdSP_29_12_1	7364310	3433398	0.001	146.5
JTP_20_9	7374030	3429363	0.001	189	psb_pl_29_05	7365224	3434814	0.005	145
JTP_03_4	7363737	3451277	0.003	189	KRSE_05_09_1	7355746	3460198	0.008	144.5
LdSP_22_06_1	7365783	3423037	0.002	187	PETP023	7355153	3421439	0.001	144.5
KRCE_07_04_1	7369591	3441640	0.003	181	OKTK029	7376617	3473704	0.001	144.5
JTP_22_11	7373155	3426554	0.003	180.5	PEPK027	7366878	3440086	0.007	141.5
OKTK005	7379347	3467058	0.003	179.5	MIPK005	7380355	3502396	0.005	140
LdSP_23_06_1	7366149	3423040	0.001	176.5	KRNW_24_02	7368859	3422670	0.001	138
OKTK067	7368407	3502724	0.001	176.5	PEPK030	7368015	3440870	0.0005	135.5
JTP_05_5	7367810	3447464	0.004	175	LdSP_20_05_2	7365158	3424889	0.004	135
OKPB009	7379438	3466291	0.001	173	JTP_30_4	7367335	3435851	0.001	131.5
LdSP_12_10_2	7369367	3442388	0.0005	172.5	JTP_27_9	7367247	3434351	0.004	131
MITP006	7381830	3503721	0.001	172	OKTK018	7380495	3469794	0.001	131
JTP_04_2	7368361	3448625	0.001	170.5	JTP_30_7	7367117	3436081	0.001	130.5
MITP_042	7386836	3491319	0.004	170	JTP_05_7	7367387	3448080	0.001	128
MIPK003	7380562	3502300	0.002	168.5	KRCE_07_03_1	7369555	3441874	0.001	127.5
JTP_23_2	7373110	3426065	0.0005	167.5	psb_pl_30_10	7366936	3434823	0.001	125.5
JTP_30_6	7367163	3435892	0.001	166.5	LdSP_30_08_1	7363274	3435852	0.003	125
KRNW_24_11	7367691	3422288	0.001	165	KRNW_22_08_1	7371045	3425298	0.001	125

JTP_21_1	7373686	3427819	0.002	165	LdSP_30_07_1	7363142	3436574	0.001	124.5
OKJT009	7380988	3464962	0.003	164	KRCE_07_05_1	7368785	3442057	0.005	124.5
MIPK026	7383572	3502090	0.009	163.5	LdSP_23_08_1	7366940	3422522	0.002	120.5
KRCE_06_01_1	7367210	3442620	0.003	162.5	LdSP_22_07_1	7365830	3422990	0.001	120.5
psb_pl_13_03	7377689	3467682	0.001	162	LdSP_22_01_2	7365327	3422869	0.001	120
OKTK042	7378517	3467362	0.0005	160	JTP_21_8	7374852	3427745	0.0005	120
KRNW_24_04	7368803	3422810	0.002	159.5	LdSP_28_14_1	7364840	3432886	0.003	119
PEPK052	7364388	3432724	0.006	158.5	PEPK059A	7364371	3432718	0.008	118
psb_pl_30_01	7364370	3434285	0.001	158	psb_pl_30_03	7364290	3434200	0.001	116.5
psb_pl_28_05	7365940	3438340	0.001	155.5	psb_pl_13_05	7379305	3467080	0.002	116
MIPK004	7380463	3502346	0.001	154.5	OKTP036	7377464	3467732	0.0005	116
psb_pl_12_06_1	7380220	3468516	0.002	153	MITP009	7381756	3503854	0.001	116
KRNW_23_10_1	7370075	3422595	0.0005	153	KRCE_07_07_1	7369188	3442717	0.0005	115.5
psb_pl_27_11	7367746	3437886	0.004	152.5	OKTK006	7379312	3467110	0.001	114
MITP012	7381552	3503639	0.001	111.5	PEPB011	7356539	3423572	0.005	87.8
MIPK009	7383430	3503119	0.004	111.5	OKPK014	7378170	3470321	0.0005	87.6
MITP_046	7386809	3490902	0.004	110	KRCE_07_06_1	7369144	3442274	0.004	87.4
MIPB038C	7380525	3503799	0.002	109.5	psb_pl_29_04	7365190	3434817	0.002	87.3
OKTP041	7377335	3467057	0.0005	109	JTP_22_16	7372952	3425771	0.0005	86.8
OKJT010	7380388	3465052	0.0005	109	LdSP_29_19_1	7363706	3433716	0.002	86.6
OKTP001	7375412	3467324	0.001	108.5	KRNW_20_06_1	7372249	3426537	0.001	85.5
psb_pl_13_01	7378525	3467496	0.0005	107.5	JTP_27_10	7367064	3434491	0.001	85.5
LdSP_30_04_1	7363049	3436891	0.002	107.5	LdSP_29_18_1	7363568	3433178	0.002	85.4
OKPK008	7378709	3469596	0.001	106	OKTP045	7377157	3466720	0.002	85.1
LdSP_30_11_1	7362317	3436333	0.002	105.5	psb_pl_30_05	7364255	3434430	0.001	84.9
KRNW_20_03_1	7371643	3426747	0.006	105	OKTK041	7378516	3467485	0.001	84.5
OKJT013	7379925	3463642	0.001	103	psb_pl_13_02	7378525	3467496	0.001	84.4
JTP_30_5	7367316	3435890	0.001	102	KRCE_06_02_1	7366988	3442380	0.001	82.7
LdSP_23_07_1	7366363	3422842	0.001	101.5	JTP_13_2	7366118	3438213	0.005	82.2
MITP036	7386051	3487921	0.001	101	MITP005	7381841	3503722	0.0005	80.9
LdSP_28_03_1	7365235	3433056	0.001	100.5	LdSP_07_05_1	7356095	3462914	0.002	80.6



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OKTP043	7377361	3466859	0.0005	99.9	KRNW_24_09	7367569	3423030	0.001	80.4
LdSP_22_09_1	7366805	3422433	0.002	99.2	psb_pl_29_03	7365386	3434816	0.001	80.2
LdSP_29_06_1	7363988	3433572	0.001	98.5	JTP_24_5	7369779	3422711	0.001	80.2
JTP_30_8	7366663	3436217	0.002	98.5	psb_pl_28_04	7365250	3438520	0.001	78.9
OKTK065	7368395	3502730	0.003	96.9	JTP_10_3	7344028	3436044	0.003	77.3
MITP010	7381670	3503771	0.003	95.7	OKTK063	7368368	3502777	0.001	76.9
JTP_12_10	7369678	3441209	0.001	94.9	LdSP_22_02_1	7365370	3422832	0.001	76.4
JTP_23_3	7373214	3426092	0.001	94.7	JTP_21_11	7374865	3427312	0.0005	76.2
LdSP_13_07_1	7369145	3442274	0.0005	94.3	JTP_22_4	7373246	3426844	0.001	76
JTP_13_4	7365362	3437998	0.001	93.7	psb_pl_28_02	7365313	3438123	0.002	75.8
OKPB008	7378815	3465114	0.001	93	JTP_20_13	7374089	3429378	0.001	75.7
JTP_21_6	7374306	3427820	0.001	92.6	JTP_12_2	7369229	3442567	0.001	75.4
JTP_29_8	7367343	3431298	0.005	91.7	PEPK024	7367138	3439971	0.002	75.1
PEPK032	7363615	3432972	0.001	91.5	PEPK061	7366341	3432142	0.001	75
KRNW_24_10	7367531	3422680	0.001	89.7	JTP_05_3	7368393	3448123	0.001	74.8
PETP039	7365899	3438442	0.003	88.7	psb_pl_28_07	7365370	3437990	0.001	74.7
MITP_039	7386220	3487910	0.001	88	KRNW_24_01	7369007	3422549	0.003	74.7
PEPK031	7367718	3440616	0.001	25.3	LdSP_14_12_1	7362220	3435007	0.001	74.3
JTP_20_14	7373760	3429362	0.003	25	LdSP_14_08_1	7361962	3435270	0.001	73.3
KRNW_22_07_1	7371049	3425243	0.001	24	LdSP_14_06_1	7361931	3436134	0.001	73
JTP_14_1_1	7365484	3435319	0.041	24	LdSP_23_02_1	7366267	3422990	0.002	70.1
LdSP_30_05_1	7363042	3436864	0.003	23	LdSP_14_10_1	7362146	3435096	0.003	69.5
LdSP_28_06_1	7365324	3432202	0.002	20	LdSP_23_10_1	7367143	3422796	0.001	69.1
JTP_29_6	7366342	3432140	0.0005	18.3	OKTP033	7377809	3467695	0.001	69.1
JTP_05_1	7368794	3448230	0.002	17.7	KRNW_24_07	7368855	3423416	0.001	66.4
JTP_05_2	7368585	3448080	0.001	15.7	JTP_23_7	7372504	3424684	0.001	65.8
psb_pl_30_04	7364245	3434430	0.001	15.3	OKJT012	7380297	3465213	0.001	65.7
PEPB-015	7353345	3423506	0.011	15.1	JTP_14_1_2	7365484	3435319	0.046	64.8
PEPK013	7356407	3422744	0.004	14.4	JTP_21_12	7374886	3427282	0.001	64.5
PEPK059B	7364371	3432718	0.004	14.3	MIPK001	7380716	3502326	0.0005	63.6
OKPK005	7378730	3469176	0.001	14.2	LdSP_20_01_1	7366550	3425708	0.0005	61.8

PEPB017	7352395	3422725	0.082	13.9	JTP_22_2	7373240	3426904	0.001	61.6
KRNW_22_11_1	7371411	3424748	0.001	12.6	LdSP_28_06_2	7365324	3432202	0.001	61.2
KRSE_05_04_1	7356481	3457406	0.0005	12.2	MITP038	7386221	3487908	0.001	60.9
PETP020	7355544	3421138	0.002	12	OKTP042	7377390	3466949	0.001	60.1
JTP_22_9	7373278	3426754	0.0005	11.7	PEPK053	7364389	3432724	0.001	59.9
MITP004	7381858	3503785	0.017	11.5	OKTK013	7379607	3469529	0.001	57
LdSP_30_12_1	7362323	3436355	0.002	11.3	PEPK062	7367070	3431879	0.002	55.6
JTP_20_12	7374129	3429334	0.002	11	LdSP_30_09_1	7363518	3435807	0.001	54.7
LdSP_28_10_1	7364728	3432730	0.001	10.9	MITK006	7387496	3488804	0.001	53.5
LdSP_30_03_1	7363056	3436952	0.0005	10.7	MITK004	7386936	3489152	0.001	53.1
PEPK029	7367691	3440610	0.0005	10.7	OKPK010	7378607	3469485	0.001	52.8
PETP043	7364756	3437231	0.0005	10.6	LdSP_17_01_1	7365833	3423269	0.001	48.9
PEPB021	7353607	3422807	0.042	9.6	KRNW_24_03	7368831	3422752	0.001	48.7
LdSP_23_13_1	7367591	3422570	0.002	8.8	PETP021	7355420	3421208	0.003	48.6
PEPK033	7363698	3432763	1.29	8.3	JTP_22_5	7373202	3426789	0.0005	48.1
KRCE_06_06_1	7366470	3442163	0.003	8	LdSP_30_15_1	7363484	3437043	0.013	45.6
KRCE_06_03_2	7366943	3442350	0.005	7.4	KRNW_22_05_2	7371200	3425083	0.001	45.4
PETP042	7365655	3436902	0.005	7.3	MITP001	7381949	3504105	0.003	45.3
psb_pl_30_02	7364344	3434285	0.002	7.1	JTP_22_3	7373235	3426893	0.001	44.5
JTP_14_2	7366807	3434635	0.001	5.8	OKTP040	7377355	3467078	0.0005	43.4
JTP_24_2	7370874	3422757	0.001	5.6	LdSP_23_11_1	7367151	3422782	0.006	42.8
OKTK021	7379604	3471235	0.0005	5.6	PEPK065	7374791	3427337	0.002	42.6
JTP_03_1	7363023	3451110	0.001	5.5	LdSP_30_19_1	7361701	3435897	0.001	41.9
PEPK059C	7364371	3432718	0.001	5.2	PEPB010	7356518	3423564	0.096	41.2
JTP_29_2	7366709	3432344	0.001	4.7	OKTK070	7368566	3503273	0.001	41.2
PEPB002	7351704	3422774	0.002	4.5	LdSP_22_08_1	7365853	3423206	0.002	41.1
KRCE_07_09_1	7369205	3443119	0.0005	4.4	LdSP_23_12_2	7367618	3422504	0.001	40.9
PEPK040	7363675	3432829	0.006	4.2	KRNW_22_05_1	7371200	3425083	0.001	40
KRNW_20_02_1	7372335	3426746	0.001	3.8	PEPK051	7364756	3432916	0.001	37.5
KRCE_06_05_1	7366800	3442211	0.0005	3.8	PEPK023	7367083	3439983	0.021	35
JTP_30_3	7367485	3435561	0.001	3.8	LdSP_28_11_1	7364707	3432760	0.002	34.7



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KRNW_24_05	7368753	3423185	0.001	3.5	LdSP_29_04_1	7363870	3433702	0.002	34.4
PEPK058	7364398	3432724	0.001	3.2	MITP047	7386874	3490832	0.004	33.9
JTP_29_5	7366608	3432327	0.0005	2.4	LdSP_23_16_1	7367574	3423037	0.001	33.1
PETP041	7365687	3436964	0.003	2.3	OKPB014	7379388	3466074	0.001	33
LdSP_29_03_1	7363865	3433715	0.0005	2.1	PEPK050	7364755	3432916	0.0005	32.2
PEPB022	7355303	3421286	0.0005	2.1	JTP_12_9	7369588	3441716	0.002	31.9
LdSP_20_04_1	7365150	3424873	0.0005	1.6	MIPK025	7383589	3503142	0.001	31.6
JTP_29_3	7366676	3432272	0.0005	1.6	JTP_28_8	7366721	3432526	0.001	30.8
PEPB023	7355298	3421286	0.0005	1.5	JTP_22_12	7373150	3426540	0.0005	30.6
JTP_29_4_1	7366616	3432370	0.0005	1.4	JTP_24_4	7370880	3422738	0.001	27.8
LdSP_20_05_1	7365158	3424889	0.003	0.7					