

**THIS IS AN IMPORTANT DOCUMENT WHICH YOU SHOULD READ CAREFULLY.**

IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT  
YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

## **DISCOVEX RESOURCES LIMITED**

**(ACN 115 768 986)**

# **BIDDER'S STATEMENT**

**in relation to an offer by Discovex Resources Limited to acquire ALL  
your Shares in**

## **LATITUDE 66 COBALT LIMITED**

**(ACN 623 040 773)**

**For every 1 Latitude 66 Share you own, you will receive 0.8813161 new DCX Shares<sup>1</sup>**

The Offer is dated 24 April 2024 and will close at 5.00pm (WST) on 31 May 2024, unless extended or withdrawn.

The Latitude 66 Board unanimously recommend that Latitude 66 Shareholders

# **ACCEPT**

the Offer subject to there being no Superior Proposal.

The directors of Latitude 66 have indicated that they will accept the Offer in respect of all Latitude 66 Shares they own or control, subject to there being no Superior Proposal.

### **Legal Advisers to DCX**



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<sup>1</sup> Following the proposed 100:1 consolidation of the capital of DCX, for which the approval of DCX Shareholders is being sought at the DCX Shareholder Meeting to be held on 24 May 2024. On a pre-Consolidation basis, the consideration to be paid under the Offer would be 88.13161 new DCX Shares for every one Latitude 66 Share held.

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## KEY DATES

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### INDICATIVE TIMETABLE\*

Execution of the Bid Implementation Agreement	3 April 2024
Announcement of the Offer	4 April 2024
Dispatch of Notice of Meeting to DCX Shareholders	24 April 2024
Date of this Bidder's Statement	24 April 2024
Date that this Bidder's Statement was lodged with ASIC	24 April 2024
Offer opens (date of Offer)	26 April 2024
Lodgement of Prospectus and Public Offer opens	26 April 2024
Public Offer closes	24 May 2024
DCX Shareholder Meeting	24 May 2024
Effective date for the DCX Consolidation	24 May 2024
Offer closes (unless otherwise extended or withdrawn)**	31 May 2024
Completion of the Offer and issue of DCX Shares under the Public Offer and the Offer	5 June 2024
Anticipated date the suspension of trading is lifted and DCX Shares recommence trading on ASX	10 June 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.

### OFFER INFORMATION LINE

If you have any questions about this Bidder's Statement or the Offer, you should contact the DCX/Latitude 66 Takeover Query Line on 1300 441 607 (within Australia) or +61 2 7250 6677 (from outside Australia).

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## IMPORTANT INFORMATION

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### Bidder's Statement

This Bidder's Statement dated 24 April 2024, is issued by Discoverex Resources Limited (ACN 115 768 986) under Part 6.5 of the Corporations Act in relation to an off-market offer by DCX to acquire all of the Latitude 66 Shares (including all Rights attaching to them) and sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 24 April 2024. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this Bidder's Statement.

### Investment Risks

There are a number of risks that may have a material impact on the value of the Offer, the future performance of DCX and the value of DCX Shares. Some of these risks are described in Section 8 of this Bidder's Statement.

### Foreign Jurisdictions

No action has been taken to permit a public offer of the Shares in any jurisdiction outside Australia. Based on the information available to DCX, shareholders of Latitude 66 in the following jurisdictions will be entitled to receive the Bidder's Statement and have DCX Shares issued to them under the Offer subject to any qualifications set out below in respect of that jurisdiction:

- (a) Australia;
- (b) European Union (Finland and Germany), where (i) the Latitude 66 shareholder is a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union) and (ii) the number of other Latitude 66 shareholders is fewer than 150;
- (c) Hong Kong, where (i) the Latitude 66 shareholder is a "professional investor" (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong) and (ii) the number of other Latitude 66 shareholders is fewer than 50; and
- (d) any other person or jurisdiction in respect of which DCX reasonably believes that it is not prohibited and not unduly onerous or impractical to issue DCX Shares to a Latitude 66 shareholder with a registered address in such jurisdiction.

No person holding shares on behalf of a beneficial owner resident outside Australia may forward this Bidder's Statement (or any accompanying document) to anyone outside Australia without the consent of DCX, except nominees and custodians may forward this Bidder's Statement to, and

participate in the Offer on behalf of, any beneficial shareholder whom a nominee or custodian reasonably believes (including having received an investor representation to such effect) that the beneficial shareholder:

- (a) if in the European Union (Finland and Germany), is a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union); and
- (b) if in Hong Kong, is a "professional investor" (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong).

This Bidder's Statement does not constitute an offer of DCX Shares in any jurisdiction in which it would be unlawful. In particular, this Bidder's Statement may not be distributed to any person, and the DCX Shares may not be offered or sold, in any country outside Australia except to existing Latitude 66 shareholders to the extent permitted below.

### Hong Kong

This Bidder's Statement is confidential in Hong Kong and for the sole use by shareholders of Latitude 66. The contents of this Bidder's Statement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice. This Bidder's Statement also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document that contains an invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong (the "SFO"). Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, this Bidder's Statement or any advertisement, invitation or document relating to the Offer, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong). This Bidder's Statement may be issued only to "professional investors" (as defined in the SFO and any rules made under that ordinance) and not more than 50 other persons in Hong Kong in a manner that does not constitute any issue, circulation or distribution of this Bidder's Statement, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Bidder's Statement is for the exclusive use of

Latitude 66 shareholders in connection with the Offer. No steps have been taken to register or seek authorisation for the issue of this Bidder's Statement in Hong Kong. Only the person to whom a copy of this Bidder's Statement has been issued may take action in response to this Bidder's Statement. This Bidder's Statement is confidential to the person to whom it is addressed and no person to whom a copy of this Bidder's Statement is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Bidder's Statement to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Offer by the person to whom this Bidder's Statement is addressed

### **European Union (Finland and Germany)**

This Bidder's Statement has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Bidder's Statement may not be made available, nor may the Shares be offered for sale, in Finland and Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation"). In accordance with Article 1(4) of the Prospectus Regulation, an offer of Shares in Finland and Germany is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors); or
- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

### **Disclosure Regarding Forward-Looking Statements**

This Bidder's Statement includes forward-looking statements that have been based on DCX's current expectations and predictions about future events including DCX's intentions (which include those set out in Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of DCX, Latitude 66 and the Combined Group to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in Section 8.

You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. The forward-looking statements in this Bidder's Statement reflect views held only at the date of this Bidder's Statement.

### **Value of DCX Shares**

Given that you are being offered DCX Shares as consideration for your Latitude 66 Shares, the implied

value of the Offer will vary with the market price of DCX's Shares.

Further information on the implied value of the Offer is contained in Section 5.4. Before accepting the Offer, Latitude 66 Shareholders should obtain current quotes for DCX Shares from their stockbroker or other financial adviser.

In addition, all references to the implied value of the Offer are subject to the effects of rounding.

### **Number of DCX Shares – Post Consolidation**

Subject to shareholder approval, DCX intends to undertake an 100:1 Consolidation of its securities as part of the acquisition of Latitude 66. All references in this Bidder's Statement to the number of DCX Securities are stated on a post-Consolidation basis unless stated otherwise. In particular, the Consideration being offered to Latitude 66 Shareholders under the Offer of 0.8813161 DCX Shares per 1 Latitude 66 Share, is stated on a post-Consolidation basis.

### **Investment Advice**

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Latitude 66 Shareholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

### **Privacy**

DCX has collected your information from the registers of Latitude 66 for the purposes of making the Offer, administering your acceptance over your Latitude 66 Shares and the issue of DCX Shares as Consideration. The type of information DCX has collected about you includes your name, contact details and information on your shareholding in Latitude 66. Without this information, DCX would be hindered in its ability to issue this Bidder's Statement. DCX and its share registry may also disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC and ASX. By submitting an Acceptance Form, you authorise DCX to disclose any personal information contained in your Acceptance Form or collected from the register of Latitude 66 to DCX, Latitude 66, its share registry and their related bodies corporate and external service providers where necessary, for any purpose in connection with the Offer, including processing your acceptance of the Offer and complying with applicable law, the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Government Authority.

Any disclosure of your personal information made for the above purposes will be on a confidential basis and

in accordance with the *Privacy Act 1988* (Cth) and all other legal requirements. If you would like details of, or would like to update, information about you held by DCX, please contact DCX at the address set out in the Corporate Directory.

### **Responsibility for Information**

The information on Latitude 66, the Latitude 66 Group and Latitude 66's securities contained in this Bidder's Statement should not be considered to be comprehensive and has been prepared using publicly available information and information made available to DCX by Latitude 66. The information on the Latitude 66 Group (including information in respect of its assets and liabilities, financial position and performance, profits and losses and securities) has not been independently verified by DCX. Accordingly, DCX does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information. The information on the Combined Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Latitude 66 and the Latitude 66 Group, has also been prepared using publicly available information and information made available by Latitude 66. Accordingly, information in relation to the Combined Group is subject to the foregoing disclaimer to that extent.

Further information relating to Latitude 66's business may be included in Latitude 66's Target's Statement.

PKF Perth has reviewed the information regarding the general Australian taxation implications of the Offer contained in Section 7. DCX and its respective advisers do not assume any responsibility for the accuracy or completeness of the information set out in Section 7.

### **Defined Terms**

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, defined terms have the meaning given in Section 12.

### **Websites**

DCX and Latitude 66 each maintain websites, ([www.discoverresources.com.au](http://www.discoverresources.com.au)) and ([www.lat66.com](http://www.lat66.com)) respectively. Information contained in or otherwise accessible through these internet sites is not part of this Bidder's Statement. All references to these sites in this Bidder's Statement are for information purposes only.

### **Estimates and Assumptions**

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by DCX's management. Management estimates reflect and are based on views as at the date of this Bidder's

Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

### **Effect of Rounding**

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

### **Currencies**

In this Bidder's Statement, references to "Australian dollars", "AUD", "\$", "A\$" or "cents" are to the lawful currency of Australia.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of DCX or Latitude 66 in respect of which different exchange rates may have been, or may be, used.

### **Diagrams**

Any diagrams appearing in this Bidder's Statement are illustrative only. Unless stated otherwise, all data contained in charts, graphs and tables is based on information available at the date of this Bidder's Statement.

### **Queries**

You should contact your legal, financial or professional adviser if you are unsure about how to deal with this Bidder's Statement.

If you have any enquires about the Offer, please contact the DCX/Latitude 66 Takeover Query Line on 1300 441 607 (within Australia) or +61 2 7250 6677 (outside of Australia).

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## CORPORATE DIRECTORY

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### **Current Directors**

Heath Hellewell  
*Non-Executive Chairman and Proposed  
Non-Executive Director*

Toby Wellman  
*Managing Director and Proposed  
Technical Director*

David Morgan <sup>1</sup>  
*Non-Executive Director*

### **Proposed Directors**

Thomas Hoyer <sup>2</sup>  
*Non-Executive Chairman*

Grant Coyle <sup>2</sup>  
*Managing Director*

Professor Steffen Hagemann <sup>2</sup>  
*Non-Executive Director*

### **Company Secretary**

Nerida Schmidt

### **Registered Office**

Level 1, 72 Kings Park Road, West Perth,  
Western Australia 6005

Telephone: +61 8 9380 9440  
Email: [info@discoverresources.com.au](mailto:info@discoverresources.com.au)

### **ASX Code**

DCX

### **Proposed ASX Code**

LAT

### **Legal Adviser**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### **Auditors**

PKF Perth  
Level 4, 35 Havelock Street  
WEST PERTH WA 6005

### **Share Registry**

Automic Group  
Level 5, 191 St Georges Terrace  
PERTH WA 6000

### **Taxation Adviser**

PKF Perth  
Level 4, 35 Havelock Street  
WEST PERTH WA 6005

### **Notes:**

1. Mr David Morgan intends to resign as soon as practicable after DCX has a Relevant Interest in more than 90% of the aggregate number of Latitude 66 Shares on issue and the Offer has become unconditional or is declared by DCX to be free of all Conditions.
2. To be appointed on and from completion of the Offer.

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## LETTER FROM THE DCX CHAIRMAN

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Dear Latitude 66 Shareholders

On behalf of the Directors of Discover Resources Limited (**DCX**), I am pleased to present you with this opportunity to be part of an ASX listed company with strong growth prospects.

As such, I am pleased to enclose our Offer for all of your shares in Latitude 66 (**Offer**). By accepting the Offer you will, subject to the terms and conditions set out in this Bidder's Statement, receive 0.8813161 new DCX Shares (on a post-Consolidation basis) for every one of your Latitude 66 Shares.

We are extremely excited to be acquiring Latitude 66 and its quality project portfolio in Finland. The Offer represents a step change for the Company and provides exposure to an emerging critical minerals demand that is gaining momentum across the globe. 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 and people that Latitude 66 brings will provide the Company with the opportunity to take itself to the next level.

The Offer values each Latitude 66 Share at approximately \$0.176 based on a value of \$0.20 per DCX Share (on a post-Consolidation basis), being the price at which DCX Shares are being offered to investors under the Public Offer. In addition to this attractive value, you will enjoy ASX trading liquidity and you may also be entitled to full or partial Australian capital gains tax rollover relief.

You will also continue to benefit from the expertise of the Latitude 66 Board and management team who will form part of DCX's new board and management team following completion of the Offer.

The Latitude 66 Board has unanimously recommended that Latitude 66 Shareholders accept the Offer made to them and have agreed to accept the Offer in respect of their own holdings, in the absence of a Superior Proposal.

The Latitude 66 Directors own or control 40,962,794 Latitude 66 Shares representing 28.88% of Latitude 66 Shares on issue at the date of this Bidder's Statement.

As at the date of this Bidder's Statement, DCX is not aware of any Superior Proposal having been received by Latitude 66 and Latitude 66 has not made DCX aware of any party having an intention to make such a proposal.

In conjunction with the Offer, DCX will seek to raise at least \$2,000,000 (**Minimum Subscription**) and up to \$4,000,000 (**Maximum Subscription**) through the issue of a minimum of 10,000,000 DCX Shares and a maximum of 20,000,000 DCX Shares at an issue price of \$0.20 per DCX Share (on a post-Consolidation basis) under the Prospectus (**Public Offer**). The Prospectus is issued for the purpose of supporting an application to have DCX's securities reinstated to trading on ASX.

The Offer and Public Offer constitutes a significant change in the nature and scale of DCX's activities and DCX needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List of ASX. As noted above, trading in DCX's Shares is currently suspended and will remain suspended until DCX re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Transaction.

Following completion of the Offer and re-admission to the Official List, the Combined Group will focus on exploration and development of all the DCX and Latitude 66 projects.

The Combined Group will undertake a diversified growth strategy to grow the JORC Code compliant resource at the KSB Project, continue to advance the study work on the pathway to development of the strategic gold and cobalt projects, management of the strategic “free carry” joint venture interest in the Greater Duchess Copper Gold Joint Venture and continuing to advance the strategic exploration assets in both Western Australia and Finland.

On completion of the Offer and Public Offer, DCX will have a new Board with significant expertise and experience in mineral exploration that will aim to ensure that funds raised through the Public Offer will be utilised in a cost-effective manner to achieve the Combined Group’s objectives and implement its strategy.

To accept the Offer, please follow the instructions on the accompanying Acceptance Form. The Offer is open for your acceptance until 5:00 pm (Perth Time) on **31 May 2024**, unless extended.

I encourage you to read this important document carefully. If you have any questions about the Offer, please contact the DCX/Latitude 66 Takeover Query Line on 1300 441 607 (within Australia) or +61 2 7250 6677 (outside of Australia), or your legal, financial or professional adviser.

I look forward to this step change and sharing in what we believe are exciting and prospective times ahead for the Company.

Yours sincerely

**Heath Hellewell**  
**Chairman**

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## 1. INVESTMENT OVERVIEW

This Section is intended to provide an overview of DCX, the Offer and the key risks that you should consider.

This Investment Overview is not intended to be comprehensive and should be read in conjunction with the detailed information contained in this Bidder's Statement.

You should read this Bidder's Statement and the Target's Statement in full before deciding whether to accept the Offer for your Latitude 66 Shares. The detailed terms of the Offer (including the Conditions) are set out in Section 10.

The information in this Section is set out by way of response to a series of questions. Each answer has, where appropriate, cross-references to other questions in this Investment Overview and other sections of this Bidder's Statement which contain additional relevant information.

**Part A** of this Investment Overview deals with the Offer. **Part B** deals with DCX, its business and assets and DCX securities. **Part C** deals with risks relating to DCX, Latitude 66, the Offer and the Combined Group. **Part D** deals with other relevant questions.

If you have any questions about the Offer, please contact the DCX/Latitude 66 Takeover Query Line on 1300 441 607 (within Australia) or +61 2 7250 6677 (outside of Australia), or your professional financial adviser.

### Part A – Overview of the Offer

Question	Answer	Further information
<b>What is DCX offering to buy?</b>	DCX is offering to buy all of the issued Latitude 66 Shares, on the terms set out in this Bidder's Statement. Section 10 sets out the full terms of the Offer and the Conditions DCX does not currently own any Latitude 66 Shares.	Sections 9.9 and 10
<b>Why should I accept the Offer?</b>	DCX considers there are a number of reasons why Latitude 66 Shareholders should accept the Offer, which are detailed in Section 2. In summary, the Board believes that the key reasons why you should accept the Offer are: (a) the Latitude 66 Directors recommendation in the absence of a Superior Proposal; (b) the Offer represents an appropriate value for Latitude 66 Shares; (c) more than 70% of the value of the enlarged Combined Group will be attributable to the Latitude 66 Shareholders;	Section 2

Question	Answer	Further information
	<p>(d) .the Offer provides greater liquidity for your investment in Latitude 66</p> <p>(e) .the Offer provides Latitude 66 shareholders with an opportunity to participate in complimentary assets of DCX;</p> <p>(f) .the Public Offer to be conducted by the DCX in connection with the Offer will provide Latitude 66 a source of funding for Latitude 66 to advance its projects;</p> <p>(g) .the value of Latitude 66 Shares may fall if the Offer is unsuccessful or in the absence of a Superior Proposal emerging;</p> <p>(h) .potential eligibility for CGT rollover relief;</p> <p>(i) .since the Bid Implementation Agreement was executed, no Superior Proposal has emerged; and</p> <p>(j) .there are risks to not accepting the Offer.</p> <p>As at the date of this Bidder's Statement, no Superior Proposal has emerged.</p>	
<b>What will you receive if you accept the Offer?</b>	Subject to the Conditions being satisfied or freed, if you accept the Offer, you will receive 0.8813161 new DCX Shares for every 1 Latitude 66 Share that you hold (on a post-Consolidation basis), which is equal to 88.13161 new DCX Shares, for every one Latitude 66 Share held (on a pre-Consolidation basis).	Section 10 sets out the full terms of the Offer and the Conditions
<b>What is the value of the Offer?</b>	<p>The implied value of the Offer as at the date of this Bidder's Statement is approximately \$0.176 per Latitude 66 Share.<sup>2</sup></p> <p>The value of the Offer may change as a consequence of changes in the market price of DCX Shares.</p>	Sections 2.1 and 5.4
<b>How long will the Offer remain open?</b>	The Offer opens on 26 April 2024. Unless withdrawn or extended in accordance with the Corporations Act, the Offer is scheduled to close at 5:00 pm (WST) on 31 May 2024.	Section 10
<b>Can the Offer Period be extended?</b>	The Offer Period can be extended in accordance with the Corporations Act, for up to a maximum period of 12 months after the opening date of the Offer Period. Latitude 66 Shareholders will be provided with written notice of any extension.	The Key Dates Section provides an indicative timetable for the Offer

<sup>2</sup> Based on the price at which DCX Shares will be offered to investors under the Public Offer, being \$0.20 per DCX Share (on a post-Consolidation basis).

Question	Answer	Further information
<p><b>What choices do I have as a Latitude 66 Shareholder?</b></p>	<p>As a Latitude 66 Shareholder, you have the following choices in respect of your Latitude 66 Shares:</p> <p>(a) .accept the Offer with respect to all of your Latitude 66 Shares;</p> <p>(b) .sell all or some of your Latitude 66 Shares outside of the Offer in accordance with the terms of Latitude 66’s constitution, however given that Latitude 66 Shares are not listed on any public securities exchange, this may be difficult for you to do; or</p> <p>(c) .do nothing.</p>	<p>Section 10</p>
<p><b>How do I accept the Offer?</b></p>	<p>To accept the Offer, you should follow the instructions set out in this Bidder’s Statement and in the enclosed Acceptance Form.</p>	<p>Acceptance Form enclosed with this Bidder’s Statement and Section 10.3</p>
<p><b>Can I accept the Offer for part of my holding?</b></p>	<p>No, you must accept the Offer for all of your Latitude 66 Shares in the relevant class to which the Offer relates.</p>	<p>Section 10.3</p>
<p><b>If I accept the Offer can I withdraw my acceptance?</b></p>	<p>You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Offer, DCX varies the Offer in a way that postpones for more than 1 month the time that DCX must meet its obligations under the Offer (for example, if DCX extends the Offer Period for more than 1 month while the Offer remain subject to any of the Conditions).</p>	<p>Section 10.5</p>
<p><b>What happens if I do not accept the Offer?</b></p>	<p>The Offer is subject to a 90% Minimum Acceptance Condition. If you do not accept the Offer and DCX acquires a Relevant Interest in at least 90% of the Latitude 66 Shares and the other Conditions are satisfied or waived, DCX will proceed to compulsorily acquire the outstanding Latitude 66 Shares in relation to which the Offer has not been accepted.</p> <p>Assuming all Conditions are satisfied or waived, if you accept the Offer prior to compulsory acquisition, you will receive your Consideration sooner than if you wait to have your Latitude 66 Shares compulsorily acquired.</p> <p>DCX will not waive the Minimum Acceptance Condition, Prospectus Offer Condition or the Listing Condition.</p>	<p>Sections 6 and 10.10</p>

Question	Answer	Further information
<b>What happens if DCX improves the Consideration?</b>	If DCX improves the Consideration, all the Latitude 66 Shareholders who accept the Offer (whether or not they have accepted the Offer before or after such improvement) will be entitled to the benefit of the improved Consideration.	This is a requirement of the Corporations Act
<b>Are there conditions to the Offer?</b>	<p>The Offer is subject to the Conditions set out in Section 10.7 which includes:</p> <ul style="list-style-type: none"> <li>(a) .DCX acquiring a Relevant Interest in the number of Latitude 66 Shares on issue that represents at least 90% of the aggregate of all of the Latitude 66 Shares on issue (on a fully-diluted basis), thereby becoming entitled to compulsorily acquire all of the outstanding Latitude 66 Shares under Part 6A.1 of the Corporations Act;</li> <li>(b) .the Public Offer closes and, as at the close of the Public Offer, DCX receives or becomes entitled to receive, in immediately available funds, gross proceeds of no less than \$2 million (before the costs of the Public Offer) as a result of subscriptions made under the Public Offer;</li> <li>(c) .the DCX Shareholders' approve the Essential Resolutions;</li> <li>(d) .DCX receiving written confirmation from ASX that it will reinstate the DCX Shares to Official Quotation on ASX and terminate any suspension of trading of DCX Shares, subject to the satisfaction of such terms and conditions (if any) as are prescribed by ASX or the Listing Rules;</li> <li>(e) .no Latitude 66 Material Adverse Change occurs; and</li> <li>(f) .no Latitude 66 Prescribed Occurrences occurring.</li> </ul> <p>DCX may waive the satisfaction of any Condition in its sole discretion. However, DCX will not waive the Minimum Acceptance Condition, Prospectus Offer Condition or the Listing Condition.</p> <p>As at the date of this Bidder's Statement, DCX is not aware of any act, omission, event of fact that would result in any of the Conditions not being satisfied.</p>	Section 10.7 sets out the Conditions in full
<b>What if the Conditions are</b>	If the Offer closes and the Conditions are not satisfied or otherwise waived, the Offer will	Sections 10.10 and 10.11

Question	Answer	Further information
<b>not satisfied or waived?</b>	<p>lapse, and your acceptance will be void. In other words, you will continue to hold your Latitude 66 Shares (unless you otherwise sell them).</p> <p>DCX will announce whether the Conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act.</p>	
<b>Will my new DCX Shares be listed on ASX?</b>	<p>DCX will apply to ASX for Official Quotation of the new DCX Shares to be issued as Consideration. Quotation of the new DCX Shares depends on ASX exercising its discretion to re-admit the DCX Shares to quotation on ASX.</p> <p>DCX's Shares are currently suspended from trading on ASX. As the Offer, if successful, will result in a significant change in nature and scale of DCX's activities in accordance with Listing Rule 11.1, DCX's Shares will remain suspended from trading on the ASX until DCX re-complies with Chapters 1 and 2 of the Listing Rules and receives ASX approval to be readmitted to the Official List of the ASX.</p>	Sections 3.13, 3.14 and 9.6

## Part B – Overview of DCX

Question	Answer	Further information
<b>Who is DCX?</b>	<p>DCX is an Australian public company which 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 and Queensland.</p> <p>On 4 April 2024, DCX announced its intention to acquire Latitude 66, an unlisted Australian public company which owns the Juomasuo Project located in the Kuusamo area of Finland, approximately 700km north of Helsinki. The acquisition will be completed by way of off-market takeover offer.</p> <p>Following successful completion of the acquisition, DCX intends to develop Latitude 66's projects as well as DCX's existing projects.</p> <p>DCX proposes to change its name to "Latitude 66 Limited", which in its opinion will be better suited to its new direction.</p>	Sections 2, 3, 4.2 and 9.2

Question	Answer	Further information
<p><b>What rights and liabilities will attach to my new DCX Shares?</b></p>	<p>The new DCX Shares issued under the Offer will be fully paid ordinary shares and will, from the time of issue, rank equally with existing DCX Shares.</p>	<p>Section 3.15</p>
<p><b>Who are the DCX Directors and what experience do they have?</b></p>	<p>As at the date of this Bidder's Statement, the Directors of DCX are:</p> <p>(a) .Heath Hellewell – Non-Executive Chairman;</p> <p>(b) .Toby Wellman – Managing Director; and</p> <p>(c) .David Morgan – Non-Executive Director.</p> <p>Details of the relevant experience of each Directors of DCX is set out in Section 3.3.</p> <p>As soon as practicable after DCX has a Relevant Interest in more than 90% of the aggregate number of Latitude 66 Shares on issue and the Offer has become unconditional or is declared by DCX to be free of all Conditions, David Morgan will resign as a Director and three nominees of Latitude 66 (being, Thomas Hoyer, Grant Coyle and Steffen Hagemann) will be appointed to the DCX Board.</p> <p>Details of the relevant experience of each Proposed Directors is set out in Section 3.4.</p>	<p>Sections 3.3 and 3.4</p>
<p><b>Do the DCX Directors or Proposed Directors have any securities in, or potential conflicts of interest in relation to, Latitude 66?</b></p>	<p>No, none of the DCX Directors have an interest in any Latitude 66 securities or potential conflicts of interest in relation to Latitude 66 or the Offer.</p> <p>The Proposed Directors of DCX have total interests in approximately 5.10% of Latitude 66 Shares. Following successful completion of the Offer, Mr Thomas Hoyer, Mr Grant Coyle and Professor Steffen Hagemann will be appointed as the Non-Executive Chairman, Managing Director and Non-executive Director of DCX respectively.</p>	<p>Sections 9.13 and 3.4</p>

Question	Answer	Further information																												
<p><b>Do the DCX Directors or Proposed Directors have any interest in DCX Securities?</b></p>	<p>As at the date of this Bidder's Statement, the DCX Directors have the following interests in DCX Securities (on a post-Consolidation basis):</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Shares</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Heath Hellewell</td> <td>1,735,185</td> <td>90,000</td> </tr> <tr> <td>Toby Wellman</td> <td>365,714</td> <td>150,000</td> </tr> <tr> <td>David Morgan</td> <td>359,667</td> <td>70,000</td> </tr> </tbody> </table> <p>As at the date of this Bidder's Statement, the Proposed Directors do not have an interest in DCX Securities, however they will receive the DCX Securities (on a post-Consolidation basis) set out in the table below on successful completion of the Offer.</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Shares</th> <th>Options</th> <th>Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Thomas Hoyer</td> <td>5,122,908</td> <td>nil</td> <td>4,000,000</td> </tr> <tr> <td>Grant Coyle</td> <td>146,886</td> <td>nil</td> <td>5,500,000</td> </tr> <tr> <td>Steffen Hagemann</td> <td>1,101,645</td> <td>nil</td> <td>750,000</td> </tr> </tbody> </table>	Director	Shares	Options	Heath Hellewell	1,735,185	90,000	Toby Wellman	365,714	150,000	David Morgan	359,667	70,000	Director	Shares	Options	Performance Rights	Thomas Hoyer	5,122,908	nil	4,000,000	Grant Coyle	146,886	nil	5,500,000	Steffen Hagemann	1,101,645	nil	750,000	Section 9.13
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### Part C – Overview of Risks

Question	Answer	Further information
<p><b>Are there risks if I accept the Offer?</b></p>	<p>If you accept the Offer and the Offer becomes unconditional, you will be issued with new DCX Shares. There are risks in holding DCX Shares.</p> <p>Section 8 provides a summary of these risks. Specifically, it deals with:</p> <ul style="list-style-type: none"> <li>(a) risks relating to the Offer;</li> <li>(b) risks that relate to the Combined Group; and</li> <li>(c) general and industry risks (to which you are already exposed).</li> </ul>	Section 8
<p><b>Are there any risks in respect of the Offer not proceeding?</b></p>	<p>In the event the Offer does not proceed, Latitude 66 Shareholders will not achieve the benefits of the Offer as described in Section 2.</p>	Section 8

## Part D – Other relevant questions

Question	Answer	Further information
<b>When will you receive your Consideration?</b>	Subject to all the Conditions being either satisfied or waived, if you accept the Offer, DCX intends to issue your new DCX Shares on or before the earlier of:  (a) one month after the date of your acceptance, or if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and  (b) 21 days after the end of the Offer Period.	Section 10.6
<b>Will I need to pay any transaction costs if I accept the Offer?</b>	You will not incur any brokerage fees or be obliged to pay stamp duty or GST in connection with your acceptance of the Offer.	Sections 10.15
<b>What are the tax implications of accepting the Offer?</b>	A general summary of the Australian tax consequences for Latitude 66 Shareholders who accept the Offer is set out in Section 7. This summary is expressed in general terms only and is not intended to provide taxation advice for your specific circumstances. Latitude 66 Shareholders should seek their own taxation advice in relation to the Offer.	Section 7

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## 2. WHY YOU SHOULD ACCEPT THE OFFER

### 2.1 Reasons for accepting the Offer

DCX believes you should **ACCEPT** the Offer for the following reasons:

1.	The Latitude 66 Directors' recommendation in the absence of a Superior Proposal
2.	The Offer represents an appropriate value for Latitude 66 Shares
3.	More than 70% of the value of the enlarged Combined Group will be attributable to the Latitude 66 Shareholders
4.	The Offer provides greater liquidity for your investment in Latitude 66
5.	The Offer provides Latitude 66 Shareholders with an opportunity to participate in complimentary assets of DCX
6.	The Public Offer to be conducted by DCX in connection with the Offer will provide Latitude 66 a source of funding for Latitude 66 to advance its projects
7.	The value of Latitude 66 Shares may fall if the Offer is unsuccessful or in the absence of a Superior Proposal emerging
8.	Potential eligibility for CGT rollover relief
9.	Since the Bid Implementation Agreement was executed, no Superior Proposal has emerged
10.	There are risks to not accepting the Offer

The above is only a headline summary of some of the reasons why you should accept the Offer. Each of these reasons is explained in more detail below.

If you wish to accept the Offer, you must return the signed Acceptance Form in accordance with the directions on the Acceptance Form by 5.00pm (WST) on 31 May 2024, unless extended.

(a) **The Latitude 66 Directors' recommendation in the absence of a Superior Proposal**

The Latitude 66 Directors unanimously recommend that you **ACCEPT** the Offer, in the absence of a Superior Proposal.

The Latitude 66 Directors intend to accept the Offer in respect of Latitude 66 Shares they own or control, in the absence of a Superior Proposal. Details of the relevant interests of each Latitude 66 Director in Latitude 66 Shares are detailed in Section 9.13.

(b) **The Offer represents an appropriate value for Latitude 66 Shares**

If you accept the Offer made to you and the Offer becomes or is declared unconditional, you will receive 0.8813161 new DCX Shares,

(each on a post-Consolidation basis) for every one of your Latitude 66 Shares.

DCX has adopted a value of \$0.20 per DCX Share (on a post-Consolidation basis and on completion of the Offer) on the basis that this is the price that DCX Shares are being offered to investors under the Public Offer. If investors do not agree with this valuation and do not subscribe under the Public Offer, DCX may not be able to raise at least \$2 million (before costs) under the Prospectus, in which case the Prospectus Offer Condition to the Offer will not be satisfied.

Based on the Public Offer price for DCX of \$0.20 each, the implied value of the Offer is approximately \$0.176 per Latitude 66 Share, based on the assumptions set out above, implying an 18% return for Latitude 66 Shareholders who invested in the most recent capital raising in December 2023.

The implied value of the Offer will change as a consequence of changes in the market price of DCX Shares from time to time. The following table may assist Latitude 66 Shareholders to determine the implied value of the Offer at different DCX Share price levels. The table is not an indication of prices at which DCX Shares may trade – DCX Shares may trade within this range or at higher or lower levels. The prices in the table are the same pre and post the Consolidation of the DCX Shares.

Price of an DCX Share (\$)		Implied offer price for a Latitude 66 Share (\$)
Pre-Consolidation	Post-Consolidation	
\$0.001	\$0.10	\$0.088
\$0.002	\$0.20	\$0.176
\$0.003	\$0.30	\$0.264
\$0.004	\$0.40	\$0.353
\$0.005	\$0.50	\$0.441
\$0.006	\$0.60	\$0.529

(c) **More than 70% of the value of the enlarged Combined Group will be attributable to the Latitude 66 Shareholders**

If the Offer is completed and DCX acquires 100% of the Latitude 66 Shares, former Latitude 66 Shareholders will hold approximately 70.21% of the enlarged Combined Group (assuming the Maximum Subscription is subscribed under the Public Offer).

This would mean that, subject to completion of the Offer, more than 70.21% of the value of the Combined Group would be attributable to existing Latitude 66 Shareholders (in aggregate).

(d) **The Offer provides greater liquidity for your investment in Latitude 66**

Since DCX is ASX listed and DCX is offering to issue DCX Shares as consideration for your Latitude 66 Shares, you will, if you accept the Offer,

gain the ability to trade the DCX Shares that you receive as Consideration on ASX should the Offer be successful (subject to any trading restrictions that may apply to your DCX Shares).

Gaining share trading liquidity on ASX has been a key objective of the Latitude 66 Board for several years and this Offer provides you with the opportunity to realise this objective and associated benefits.

(e) **The Offer provides Latitude 66 Shareholders with an opportunity to participate in complimentary assets of DCX**

Latitude 66 Shareholders who accept the Offer will receive shares in DCX which will provide them the opportunity to participate in the complimentary assets held by DCX. These assets include the joint venture interest in the Greater Duchess Copper Gold Joint Venture and prospective gold and base metals projects in Western Australia and Queensland.

(f) **The Public Offer to be conducted by DCX in connection with the Offer will provide Latitude 66 a source of funding for Latitude 66 to advance its projects**

In the absence of the Offer, Latitude 66 may need to undertake a substantial equity capital raising to develop its projects and fund Latitude 66's working capital requirements. Any such equity raising has the potential to be significantly dilutive to Latitude 66 Shareholders.

Latitude 66 does not currently have the capital to fully fund the development of its projects and additional capital will be required for future exploration and development activities. There is no guarantee that Latitude 66 will be able to raise the capital required to advance its projects, or that the terms of such fundraising will be attractive to Latitude 66 Shareholders.

The Public Offer to be conducted by DCX in connection with its re-compliance with Chapters 1 and 2 of the Listing Rules will finance Latitude 66's commitments on its projects over the next 24 months and may help deliver shareholder value through advancement of its projects.

(g) **The value of Latitude 66 Shares may fall if the Offer is unsuccessful or in the absence of a Superior Proposal emerging**

Whilst the price of Latitude 66 Shares are impacted by a range of factors, many of them out of the control of Latitude 66, if the Offer is unsuccessful or a Superior Proposal does not emerge, there is a risk that the value of Latitude 66 Shares may fall to a value that is lower than the implied value of Latitude 66 Shares under the Offer.

(h) **Potential eligibility for CGT rollover relief**

You may have access to scrip for scrip rollover relief, in which case you will not incur CGT as a result of accepting the Offer. If the Offer is successful and results in DCX becoming the holder of 80% or more of the voting shares in Latitude 66 as at the close of the Offer Period, then if you would otherwise make a capital gain from the disposal of your Latitude

66 Shares pursuant to the Offer you may be able to choose to obtain full scrip for scrip CGT rollover relief.

If scrip for scrip CGT rollover relief is available and is chosen by the Latitude 66 Shareholders who would otherwise have made a capital gain on the disposal of their Latitude 66 Shares under the Offer, all of the capital gain from the disposal may be disregarded. For CGT rollover relief to be available to you, DCX must become the owner of 80% or more of the Latitude 66 Shares under the Offer and you must make a capital gain on the disposal of the Latitude 66 Shares. If a capital loss arises, no CGT scrip for scrip roll-over relief is available.

However, you may be subject to CGT as a result of a later taxable event (such as a disposal) happening to the DCX Shares received as consideration under the Offer. For further information regarding the potential CGT relief refer to Section 7 of this Bidder's Statement.

Notwithstanding this, you are urged to seek professional taxation advice in relation to your own personal circumstances.

(i) **Since the Bid Implementation Agreement was executed, no Superior Proposal has emerged**

There is the potential for a proposal that is superior to the Offer to emerge. However, as at the date of this Bidder's Statement, no Superior Proposal (nor any Competing Proposal) has emerged.

Even if a Competing Proposal is received prior to the end of the Offer Period, Latitude 66 will need to take certain steps in respect of that Competing Proposal, including together with its legal and financial advisers carefully considering the terms, conditions and merits of that proposal, inform DCX of receipt of that proposal and, in certain circumstances provide DCX with an opportunity to provide a matching or superior proposal to that proposal.

(j) **There are risks to not accepting the Offer**

If you do not accept the Offer, maintaining your investment in Latitude 66 may mean that you are exposed to the risks outlined in Section 8 of this Bidder's Statement, depending on the outcome of the Offer.

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### 3. PROFILE OF DCX

#### 3.1 Overview of DCX

DCX is an Australian public company which 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 and Queensland.

##### 3.1.1 Sylvania Project

The Sylvania Project is located in the Pilbara Region of Western Australia centred approximately 50 km south-west of the iron ore hub of Newman and approximately 60 km west of the large-scale gold mine development operated by Capricorn Metals Ltd at Karlawinda.

DCX acquired the Sylvania Project in 2021 when it entered into an acquisition, share placement and share purchase plan allowing DCX to acquire all of the shares in Lighthouse, a private company which held rights to acquire certain tenements and a farm-in and exploration joint venture agreement with Crest over EL applications that allowed Lighthouse to earn a 90% interest. Lighthouse exercised its rights to acquire the tenements and earned a 90% interest in two tenements with Crest.

The current tenement position for the Sylvania Project is:

- (a) 11 granted ELs covering an area of 1,339.2 km<sup>2</sup> held by DCX or its wholly-owned subsidiary Lighthouse.
- (b) 2 granted ELs covering an area of 291.4 km<sup>2</sup> in joint ownership with Crest where Lighthouse holds a 90% interest.
- (c) 3 EL applications covering an area of 192.2 km<sup>2</sup> held by DCX or Lighthouse.

There are remnant royalty rights on some tenements.

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.

##### 3.1.2 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 consists of

- (a) 5 granted ELs covering an area of 499.19 km<sup>2</sup> held by DCX
- (b) 6 granted ELs covering an area of 322.4 km<sup>2</sup> in joint ownership with Crest where DCX holds an 80% interest.
- (c) 3 granted ELs covering an area of 148.8 km<sup>2</sup> in joint ownership with Gateway where DCX holds an 80% interest.
- (d) 2 EL applications covering an area of 226.3 km<sup>2</sup> held by DCX.
- (e) 2 granted prospecting licences covering an area of 2.2 km<sup>2</sup> in joint ownership with Crest where DCX holds an 80% interest.

### 3.1.3 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 (**Greater Duchess Copper Gold Joint Venture**). Carnaby is 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 293km<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.

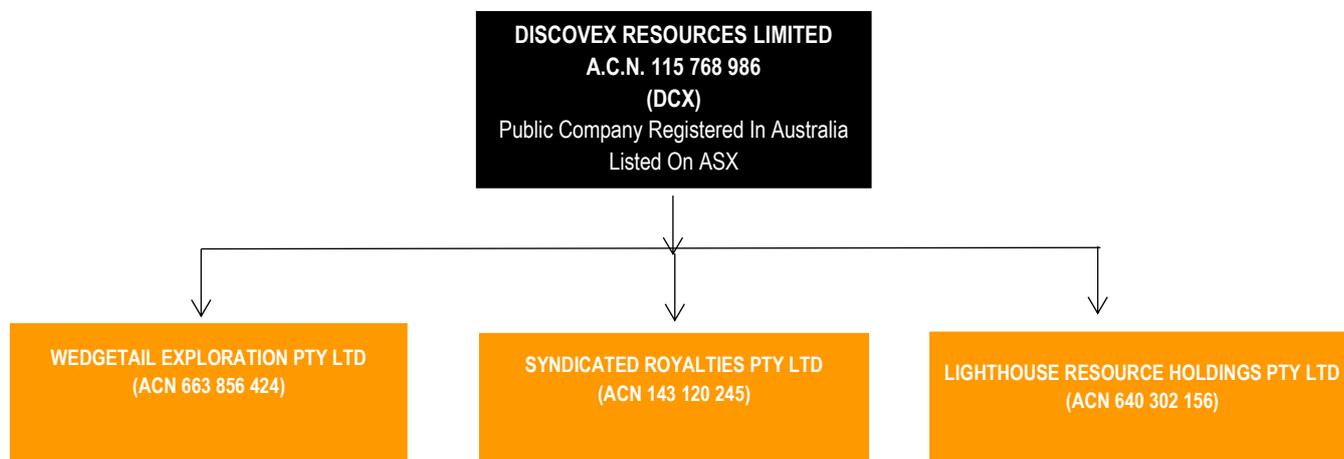
For further information on DCX's position with regard to its rights over EPM14366, which covers the Lady Fanny Prospect area, please refer to DCX's announcement on 18 September 2023 "Greater Duchess Joint Venture Update".

### 3.1.4 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.

### 3.2 Corporate Information

The corporate structure of DCX is shown in the diagram below:



Each of the subsidiaries shown above are wholly owned (100%) by DCX.

### 3.3 Directors and key personnel of DCX

As at the date of this Bidder's Statement, the Directors of DCX are:

- (a) Heath Hellewell - *Non-Executive Chairman*;
- (b) Toby Wellman – *Managing Director*; and
- (c) David Morgan – *Non-Executive Director*.

Details of the responsibilities and experience of the DCX Directors (as at the date of this Bidder's Statement) are set out in DCX's 2023 Annual Financial Report, a copy of which is available on request or from DCX's website ([www.discovexresources.com.au](http://www.discovexresources.com.au)).

A summary of the DCX Board and key personnel, as at the date of this Bidder's Statement, is set out below.

#### **Heath Hellewell – Non-Executive Chairman**

Mr Hellewell joined DCX after senior executive roles at Capricorn Metals Ltd (ASX:CMM), Doray Minerals Limited and Independence Group NL (ASX:IGO) and exploration roles at Resolute Mining Limited (ASX:RSG) and DeBeers Australia Pty Ltd. Mr Hellewell joined IGO in 2000 prior to the Company's IPO and was part of the team that identified and acquired the Tropicana project area, eventually leading to the discovery of the Tropicana gold deposit.

Following the discovery of the Andy Well gold deposits in 2010, Doray Minerals was named "Gold Explorer of the Year" in 2011 by The Gold Mining Journal and in 2014

Mr Hellewell was the co-winner of the prestigious "Prospector of the Year" award, presented by the Association of Mining and Exploration Companies.

In 2016 Mr Hellewell was instrumental in the acquisition of the Karlawinda Gold Project to form Capricorn Metals Ltd (ASX: CMM). Mr Hellewell is currently an independent Non-Executive Director of Core Lithium Ltd (ASX:CXO) and Duketon Mining Limited (ASX:DKM).

#### ***Toby Wellman – Managing Director***

Mr Wellman has more than 20 years' experience across exploration, development and production geology with exposure to varied mineralisation styles and commodities including gold, copper, lead, zinc, lithium and cobalt.

During his career, Mr Wellman made a significant contribution to the development of the Andy Well and Deflector Projects in WA as Senior Development Geologist and Senior Geologist for gold producer Doray Minerals. He was an integral part of the exploration team that discovered the Judy and Suzy deposits at Andy Well.

Other roles included senior geological positions for Boliden Minerals AB, where Mr Wellman led the targeting team that identified the Ravlidan Norra polymetallic deposit in Kristineberg, Northern Sweden and as Exploration Manager for Mont Royal Resources (ASX: MRZ).

#### ***David Morgan – Non-Executive Director***

Mr Morgan is a mining executive and a qualified mining engineer and mechanical engineer with more than 35 years' experience in the mining industry in Australia and Africa. He has previously held a number of executive development and mine operations roles involving project engineering, maintenance and contract earthmoving for companies such as Rio Tinto, Macmahon and WMC Resources.

He was General Manager Operations for Equigold in Queensland where he was responsible for the management of the Mt Rawdon Gold Mine, including being a key member of the build and commissioning team. He was General Manager Mining and Metallurgy for Sundance Resources' Mbalam Iron Ore Project in Cameroon where he oversaw the completion of a PFS on a \$3.3 billion Direct Shipping Ore and Itabirite project for that company, including the delivery of 10 years of JORC compliant, high grade Ore Reserves and the establishment of project metallurgical and processing parameters.

#### ***Nerida Schmidt – Company Secretary***

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.

She holds a Bachelor of Commerce from the University of Western Australia and is a Fellow of Finsia. She is also a Chartered Secretary and holds a Graduate Diploma in Company Secretarial Practice.

### **3.4 Reconstitution of the DCX Board**

Under the Bid Implementation Agreement, DCX and Latitude 66 have agreed that three (3) Latitude 66 nominees would be appointed to the DCX Board, and David Morgan would resign, as soon as practicable after DCX has a Relevant Interest in

more than 90% of the aggregate number of Latitude 66 Shares on issue and the Offer has become unconditional or is declared by DCX to be free of all Conditions.

Consequently, it is proposed that the board of directors of the DCX will comprise of:

- (a) Mr Thomas Hoyer – Non-Executive Chairman;
- (b) Mr Grant Coyle – Managing Director;
- (c) Mr Toby Wellman – Technical Director;
- (d) Mr Heath Hellewell – Non-Executive Director; and
- (e) Professor Steffen Hagemann– Non-Executive Director.

A summary of the qualifications and experience of each of Mr Thomas Hoyer, Grant Coyle and Professor Steffen Hagemann (together, the **Proposed Directors**) is set out below:

#### ***Thomas Hoyer – Non-Executive Chairman***

Since 2017, Mr Hoyer has been the CEO of Latitude 66 Cobalt Inc, the Finnish parent 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 Oyj (a London Stock Exchange listed entity), operating mines and smelters in Europe and Africa.

#### ***Grant Coyle – 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 Grant Coyle was previously acting interim CFO of Salt Lake Potash Limited (SO4) between 18 December 2020 and 15 July 2021 during the period where SO4 was seeking a permanent CFO. Mr Coyle resigned from SO4 on 15 July 2021. Mr Coyle was not a director of SO4 and was not employed by SO4 at the time the company was placed into voluntary administration in October 2021.

#### ***Professor Steffen Hagemann – Non-Executive Director***

Mr Hagemann has been the Director of Geology at Latitude 66 for 6 years. Mr 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.

Mr 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.

### 3.5 Capital Structure

As at the date of this Bidder's Statement, DCX's capital structure is as follows:

DCX Securities	Shares	Options
Current	3,302,568,098	51,375,000
Post-Consolidation <sup>2 3</sup>	33,025,681	513,750 <sup>1</sup>

**Notes:**

1. 513,750 Options comprising of (post-Consolidation);
  - a. 257,500 Options exercisable at \$0.725 each on or before 14 October 2025;
  - b. 246,250 Options exercisable at \$0.95 each on or before 14 October 2025; and
  - c. 10,000 Options exercisable at \$1.30 each on or before 20 August 2024.
2. Subject to rounding.
3. As noted in Section 9.4, DCX may elect to issue DCX Shares to Longreach Capital pursuant to the Longreach Mandate, however these Shares have not been included in the post-Consolidation Shares on issue. As at the date of this Bidder's Statement DCX has not elected to issue Shares to Longreach Capital.

### 3.6 Financial Performance

(a) **Basis of Presentation of Historical Financial Information**

The historical financial information below relates to DCX on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts of DCX for the financial period described below, which includes the notes to the financial accounts, are available in DCX's financial reports for the half year ended 31 December 2023 and the financial years ended 30 June 2023 and 30 June 2022. Copies of these financial reports are available at ([www.discoverresources.com.au](http://www.discoverresources.com.au)) or from the ASX website.

(b) **Historical Financial Information of DCX**

(i) **Consolidated Statement of Comprehensive Income**

The historical consolidated statement of comprehensive income of DCX are set out below and have been extracted from the audited consolidated statement of comprehensive income for the half year ended 31 December 2023 and the financial years ended 30 June 2023 and 30 June 2022.

(ii) **Consolidated Statement of Financial Position**

The historical consolidated statement of financial position of DCX are set out below and have been extracted from the audited consolidated statements of financial position for the half year

ended 31 December 2023 and the financial years ended 30 June 2023 and 30 June 2022.

(c) **Material adverse changes in DCX's financial net position since last published accounts**

There have been no material adverse changes to DCX's financial net position since its last published accounts.

**3.7 Consolidated Statement of Comprehensive Income**

	31 December 2023	30 June 2023	30 June 2022
	Audit Reviewed	Audited	Audited
	\$'000s	\$'000s	\$'000s
Revenue from continuing operations			
Interest income	20,953	43,288	518
Gain on disposal of tenement	-	37,153	-
Gain on disposal of financial asset	75,518	39,073	-
Cash received for project acquisition option fees	-	-	137,500
Fair value gain on financial assets	-	62,830	-
Other income	-	727	19,293
Administrative expenses	(222,355)	(340,879)	(375,037)
Occupancy expenses	(12,198)	(84,226)	(98,716)
Employee benefits expense	(131,321)	(227,880)	(268,222)
Share-based payment expense	-	(52,641)	(171,844)
Depreciation expense	(34,702)	(2,260)	(3,679)
Finance costs	(1,612)	-	-
Fair value loss on financial assets	(322,318)	-	(82,961)
Exploration expenditure written off	(406,927)	(104,111)	(453,066)
Loss on disposal of tenements	(19,168)	-	(72,152)
(Loss) before income tax	(1,054,130)	(628,926)	(1,368,366)
Income tax benefit/(expense)	-	-	-
Profit after income tax expense from discontinuing operation		-	550,239
(Loss) for the year/period	(1,054,130)	(628,926)	(818,127)
Other comprehensive income	-	-	-

	31 December 2023	30 June 2023	30 June 2022
	Audit Reviewed	Audited	Audited
	\$'000s	\$'000s	\$'000s
<b>Total comprehensive (loss) attributable to members of the parent</b>	<b>(1,054,130)</b>	<b>(628,926)</b>	<b>(818,127)</b>

### 3.8 Consolidated Statement of Financial Position

	31 December 2023	30 June 2023	30 June 2022
	Audit Reviewed	Audited	Audited
	\$'000s	\$'000s	\$'000s
<b>Current assets</b>			
Cash and cash equivalents	1,011,177	1,823,408	1,568,007
Trade and other receivables	137,156	107,849	649,971
Financial assets at fair value through profit or loss	535,519	1,044,166	831,700
Other current assets	-	-	-
<b>Total current assets</b>	<b>1,683,852</b>	<b>2,975,423</b>	<b>3,049,678</b>
<b>Non-current assets</b>			
Property, plant and equipment	62,640	84,040	120,417
Exploration and evaluation expenditure	7,380,258	7,149,675	4,868,094
Right-of-use assets	158,552	67,347	96,480
<b>Total non-current assets</b>	<b>7,601,450</b>	<b>7,301,062</b>	<b>5,084,991</b>
<b>Total assets</b>	<b>9,285,302</b>	<b>10,276,485</b>	<b>8,134,669</b>
<b>Current liabilities</b>			
Trade and other payables	254,995	288,835	343,027
Lease liabilities	74,089	61,946	60,007
Provisions	35,342	32,266	45,175
<b>Total current liabilities</b>	<b>364,426</b>	<b>383,047</b>	<b>448,209</b>
<b>Non-current liabilities</b>			
Lease liabilities	88,477	11,595	45,065

	31 December 2023	30 June 2023	30 June 2022
	Audit Reviewed	Audited	Audited
	\$'000s	\$'000s	\$'000s
Provisions	8,313	3,627	-
Total non-current liabilities	96,790	15,222	45,065
Total liabilities	461,216	398,269	493,274
Net assets	8,824,086	9,878,216	7,641,395
<b>Equity</b>			
Share capital	38,386,126	38,386,126	35,573,020
Reserves	233,213	325,846	399,226
Accumulated losses	(29,795,253)	(28,833,756)	(28,330,851)
Total equity	8,824,086	9,878,216	7,641,395

### 3.9 Forecast Information

DCX's future financial performance is dependent on a range of factors, many of which are beyond DCX's control. Accordingly, DCX's Directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable Australian law, policy and market practice.

Further information is available on DCX's financial performance from its financial reports. Copies of these reports are available from DCX's website ([www.discovexresources.com.au](http://www.discovexresources.com.au)).

### 3.10 Corporate Governance

The DCX Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles and Recommendations.

Details of DCX's corporate governance procedures, policies and practices can be obtained from DCX's website ([www.discovexresources.com.au](http://www.discovexresources.com.au)).

### 3.11 Trading of DCX Shares

Set out below is a table showing relevant trading prices of DCX Shares on ASX:

Trading Period	Price of DCX Shares
----------------	---------------------

Highest closing price on ASX in the four months prior to 2 April 2024 (being the last practicable trading date prior to the date DCX announced the Offer).	\$0.002
Lowest closing price on ASX in the four months prior to 2 April 2024 (being the last practicable trading date prior to the date DCX announced the Offer).	\$0.001
Closing sale price on ASX on the last trading day before the date DCX announced the Offer.	\$0.002
30 calendar day VWAP of DCX Shares before announcing the Offer.	\$0.0017

### 3.12 Substantial shareholders of DCX

As at the date of this Bidder's Statement, the following persons and their Associates are each a substantial Shareholder of DCX (being a Shareholder that holds more than a 5% interest in DCX):

DCX Shareholder	Number of DCX Shares	% of DCX issued Share Capital
Capricorn Metals Limited	350,000,000	10.6%

### 3.13 Change in Nature and Scale of DCX

The completion of the Offer will result in DCX undergoing a significant change in nature and scale of its activities as contemplated by Listing Rule 11.1.

Following such a change in nature and scale, DCX's Shares will only be re-admitted to trading on the ASX if DCX first complies with the requirements of Listing Rule 11.1.

To comply with Listing Rule 11.1, DCX must (amongst other things):

- obtain DCX Shareholder approval for the change in nature and scale resulting from completion of the Offer;
- re-comply with the requirements of Chapters 1 and 2 of the Listing Rules as if it were applying for admission to the Official List of the ASX; and
- issue a full form prospectus and raise the minimum subscription under the Public Offer made that prospectus.

The Conditions to the Offer include, amongst other things, DCX:

- obtaining DCX Shareholder approval for the change in nature and scale of DCX's activities; and
- raising no less than \$2 million (before costs) pursuant to the Public Offer.

#### DCX Shareholder Meeting

DCX has convened a shareholder meeting for 24 May 2024 (**DCX Shareholder Meeting**) to obtain, amongst other things, shareholder approvals for each of the

resolutions which are necessary to complete the acquisition of Latitude 66 and the associated transactions (**Essential Resolutions**), being in summary:

- (f) the change to the nature and scale of DCX's activities as a result of the successful completion of the Offer for the purposes of Listing Rule 11.1.2;
- (g) the issue of shares under the Offer;
- (h) the Consolidation;
- (i) the conduct of the Public Offer on the terms and conditions set out in the Prospectus;
- (j) the adoption of a new constitution; and
- (k) the appointment of the Proposed Directors to the DCX Board (further details in respect of which are set out in Section 3.4).

Each of the Essential Resolutions to be considered at the DCX Shareholder Meeting (other than the approval sought in respect of the issue of the DCX Shares as noted (g) above) are conditional upon the passing of each of the other Essential Resolutions. If any of the Essential Resolutions are not approved, all of the Essential Resolutions (other than the approval sought in respect of the issue of the DCX Shares under the Offer) will fail and the Offer (as well as the Public Offer) will not be completed.

DCX is also seeking shareholder approval for:

- (l) the change of the name of DCX to "Latitude 66 Limited";
- (m) the adoption of an employee securities incentive plan;
- (n) Director and Proposed Director participation in the Public Offer;
- (a) the issue of 5,500,000 Performance Rights to Mr Grant Coyle, 2,750,000 Performance Rights to Mr Toby Wellman, 4,000,000 Performance Rights to Mr Thomas Hoyer, 750,000 Performance Rights to Mr Steffen Hagemann, 750,000 Performance Rights to Mr Heath Hellewell and 2,800,000 Performance Rights to employees and consultants that are unrelated parties to the Company; and
- (o) the issue of Options to Bell Potter.

These resolutions are conditional upon and subject to the Essential Resolutions, though they are not Essential Resolutions.

Further details of the proposed resolutions are contained in the Notice of Meeting.

DCX's Shares are currently suspended from trading and will remain suspended until DCX has completed the Offer and re-complied with Chapters 1 and 2 of the Listing Rules, including by satisfaction of ASX's conditions precedent to reinstatement.

If DCX Shareholders do not approve the Essential Resolutions, DCX's Shares will not be reinstated to trading until such time as DCX has demonstrated to ASX that it satisfies Chapter 12 of the Listing Rules.

DCX intends to lodge the Prospectus for the Public Offer on or about 26 April 2024.

### **3.14 ASX Listing**

DCX's Shares are currently suspended and will remain suspended until DCX has completed the Offer and re-complied with Chapters 1 and 2 of the Listing Rules, including by satisfaction of ASX's conditions precedent to reinstatement.

DCX will lodge an application for Official Quotation by ASX of the DCX Shares offered as part of the Consideration offered pursuant to the Offer. Official Quotation will not be automatic and will depend upon ASX exercising its discretion.

Upon completion of the Offer and Public Offer, DCX considers that it will be in a position to satisfy the requirements of Chapters 1 and 2 of the Listing Rules, resulting in the DCX Shares (including the DCX Shares issued as Consideration) being re-admitted to trading on the ASX.

As DCX is listed on ASX, DCX's actions and activities are subject to the Listing Rules.

### **3.15 Rights and liabilities of DCX Shares**

The DCX Shares offered to Latitude 66 Shareholders under the Offer are fully paid ordinary shares in the capital of DCX, and from the date of their issue will rank equally with all then existing DCX Shares and will have the same rights and liabilities attaching to them.

The rights and liabilities attaching to DCX Shares are governed by the Constitution of DCX, the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and the general law of Australia.

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Bidder's Statement. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Further details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at DCX's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of DCX.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored when calculation the proportion.

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid or credited as paid is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the Corporations Act. No dividend shall carry interest as against DCX. The Directors may set aside out of the profits of DCX any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of DCX may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, DCX may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which DCX shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by DCX to the payment of the subscription price of Shares.

(d) **Winding-up**

If DCX is wound up, the liquidator may, with the authority of a special resolution of DCX, divide among the shareholders in kind the whole or any part of the property of DCX, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of DCX, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares under the Bidder's Statement are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, DCX may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not DCX is being wound up, may be varied with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

### **3.16 Dividend History**

The Directors do not currently recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this Bidder's Statement.

### **3.17 Further Information**

As DCX is offering DCX Shares as consideration for the acquisition of Latitude 66 Shares, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of DCX Shares under sections 710 to 713 of the Corporations Act.

DCX is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. DCX is subject to the ASX Listing Rules which require continuous disclosure of any information DCX has concerning itself that a reasonable person would expect to have a material effect on the price or value or its securities.

ASX maintains files containing publicly disclosed information about all listed companies. DCX's file is available for inspection at ASX during normal business hours.

DCX is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by DCX may be obtained from, or inspected at, an ASIC office.

On request to DCX and free of charge, Latitude 66 Shareholders may obtain a copy of:

- (a) the annual financial report of DCX for the year ended 30 June 2023 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);
- (b) the half-year financial report for the period ended 31 December 2023 (being the half-year financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC); and
- (c) any continuous disclosure notice given to ASX by DCX since the lodgement with ASIC of the 2023 annual report for DCX referred to above and before lodgement of this Bidder's Statement with ASIC.

A list of the announcements that DCX has lodged with ASX since the lodgement of its latest annual report (on 27 September 2023) is set out below.

Date	Subject of Announcement
24 April 2024	Notice of Extraordinary General Meeting
24 April 2024	Update - Proposed issue of securities - DCX
24 April 2024	Update - Proposed issue of securities - DCX
24 April 2024	Update - Proposed issue of securities - DCX
24 April 2024	Update - Consolidation/Split - DCX
4 April 2024	Proposed issue of securities - DCX
4 April 2024	Proposed issue of securities - DCX
4 April 2024	Proposed issue of securities - DCX
4 April 2024	Investor Presentation
4 April 2024	Final Director's Interest Notice
4 April 2024	Consolidation/Split - DCX
4 April 2024	Transformational Acquisition Gold-Cobalt Development Project
25 March 2024	Rio Tinto withdraws from Spearhole Option Agreement
11 March 2024	Suspension from Quotation
5 March 2024	Hercules soil anomaly continues to grow - Edjudina Project
13 February 2024	Half Yearly Report and Accounts
2 February 2024	HIGH GRADE DISCOVERY 4m @ 7.0% Cu UPDATE - CNB
31 January 2024	Quarterly Activities Report
31 January 2024	Quarterly Cashflow report
30 January 2024	Sylvania Update - Rio completes maiden drill program
23 January 2024	PGD: Additional Highly Prospective Tenure Acquired at

<b>Date</b>	<b>Subject of Announcement</b>
	Newman
4 December 2023	Change of Director's Interest Notice
4 December 2023	Expiry of Unlisted Options
4 December 2023	Notification of cessation of securities - DCX
23 November 2023	Results of Meeting
23 November 2023	AGM Presentation
17 November 2023	Greater Duchess Chalcus Lode Extension - CNB
27 October 2023	Maiden Mineral Resource Estimate, Greater Duchess - CNB
24 October 2023	Notice of Annual General Meeting/Proxy Form
18 October 2023	Quarterly Cashflow Report
18 October 2023	Quarterly Activities Report
11 October 2023	Geophysics identifies base metal targets at Prairie Downs
4 October 2023	Australian Financial Review Clarification
4 October 2023	Pause in Trading
27 September 2023	Appendix 4G
27 September 2023	Corporate Governance Statement

Further information about DCX can be found at ([www.discoverresources.com.au](http://www.discoverresources.com.au)).

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## 4. PROFILE OF LATITUDE 66

### 4.1 Disclaimer

This overview of Latitude 66 and all financial information concerning Latitude 66 contained in this Bidder's Statement has been prepared by DCX using publicly available information and documents provided by Latitude 66.

The information in this Bidder's Statement concerning Latitude 66 has not been independently verified by DCX. Accordingly, DCX does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Latitude 66 set out in this Bidder's Statement is not considered to be comprehensive.

Latitude 66 Shareholders **should not** rely on the information contained in the Bidder's Statement as a true and correct summary of the Latitude 66 Group or any of the Latitude 66 Group's business activities. The DCX Board recommends that Latitude 66 Shareholders refer to the Target's Statement for information on the Latitude 66 Group and its business operations.

### 4.2 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 Juomasuo project located in the Kuusamo area of Finland, approximately 700km north of Helsinki (**Juomasuo 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 acquired the Juomasuo Project from Dragon Mining Limited through the acquisition of Dragon Mining Oy on 8 November 2016. Latitude 66 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 resource in Europe.

Latitude 66 has unlocked the potential of the Kuusamo Schist Belt (**KSB**) with new discoveries and significant increases in the cobalt and gold 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 (**Kainuu**) and Central Lapland Greenstone Belt (**Kola and Kolari**). Refer to Figure 1 below.



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

#### 4.2.1 KSB Project

Latitude 66's mineral assets in the KSB consist of one valid mining concession covering 54.2 ha, six valid exploration permits covering an area of 38.3 km<sup>2</sup>, twenty-seven exploration permit applications covering an area of 123.3 km<sup>2</sup>. Refer to Figure 2, below.

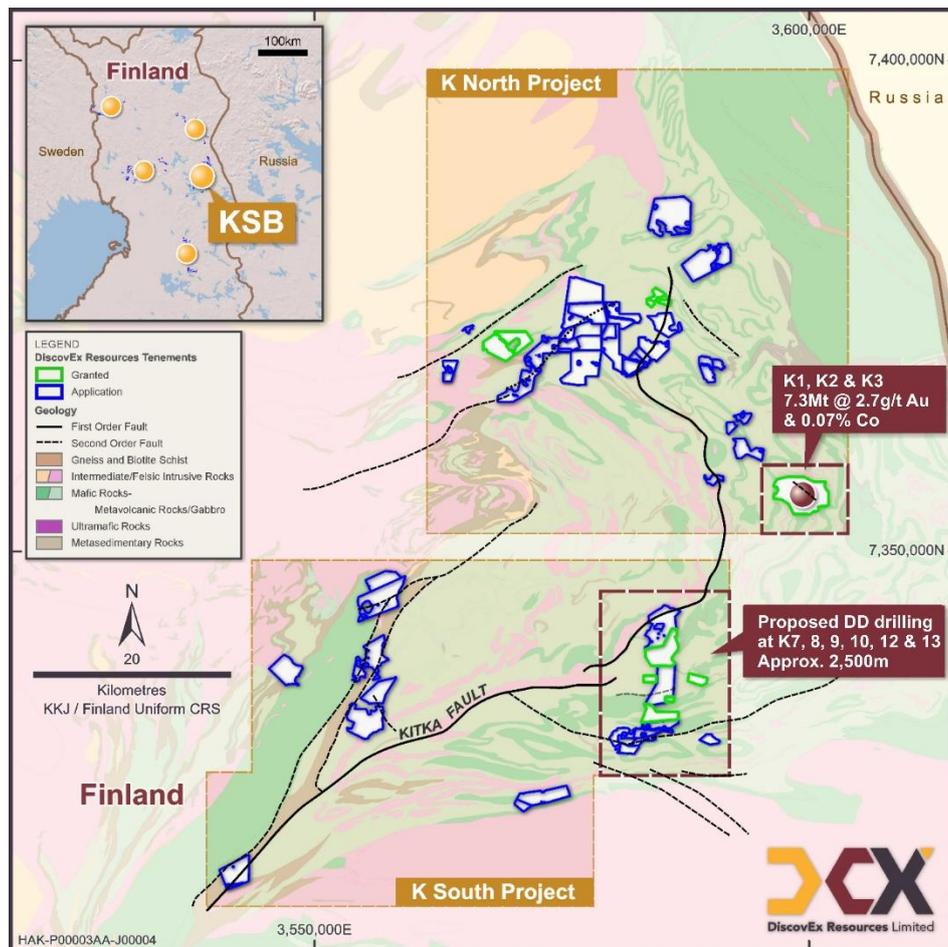
K North (K1, K2 and K3) contains a JORC compliant resource of 650,000oz Au (7.3Mt @ 2.7g/t) and 5,840t Co (@ 0.08%) with the following resource category:

- (a) Indicated - 554,000oz Au (5.9Mt @ 2.9g/t) and 5,150t Co @ 0.08%
- (b) Inferred – 93,000oz Au (1.4Mt @ 2.0g/t) and 690t Co @ 0.08%

Extensive exploration work has been undertaken across the K South targets, with Latitude 66 completing geophysical and geochemistry work programmes in 2020 and 2021 with follow up drilling in 2021 resulting in the discovery of K9 (refer to Figure 2).

The 2022 programme resulted in a discovery of a previously untested area of mineralisation (K10) and further mineralisation discoveries in K8 and K9.

At H Camp (located within K-North), Latitude 66 commenced exploration in 2017 by reviewing the existing data and by re-assaying old diamond drill cores. This was followed by field work, geophysics and geochemistry programmes and targeted drillholes in 2019 and in 2021. A successful 2022 drill programme defined significant mineralisation in H1 providing a platform for further follow up drilling in the region.



**Figure 2: KSB Project**

Latitude 66 holds a 100% interest in early-stage exploration assets located across mineral belts in Northern Finland. The mineral belts are Paleoproterozoic in age and are similar to many such geological belts recognised globally, many of which contain abundant mineral deposits.

#### 4.2.2 PSB Project

The Peräpohja Schist Belt is a geological formation located in northern Finland.

The belt exhibits a 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 Peräpohja Schist Belt formed in a convergent plate boundary setting, where two tectonic plates collided, causing the rocks to fold, fault, and undergo regional metamorphism.

The Peräpohja Schist Belt contains major faults, with strong evidence of multiply-reactivated deep crustal structures controlling basin architecture.

One of the notable features of the Peräpohja Schist Belt is its extensive gold mineralization. Gold-bearing quartz veins and associated sulphide minerals can be found within the green schists 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 the volcanic rocks within the belt and have attracted exploration and mining activities in the past.

Latitude 66 has the dominate land position in the eastern basin of the PSB region. Latitude 66 has undertaken early-stage exploration activities on the PSB Project

including reconnaissance mapping in 2020 which returns boulder samples of up to 3.5% Cu (Figure 3) with ~300 alteration/sulfide samples mapped.

The Geological Survey of Finland (**GTK**) has historically undertaken significant exploration work across the PSB Project area.

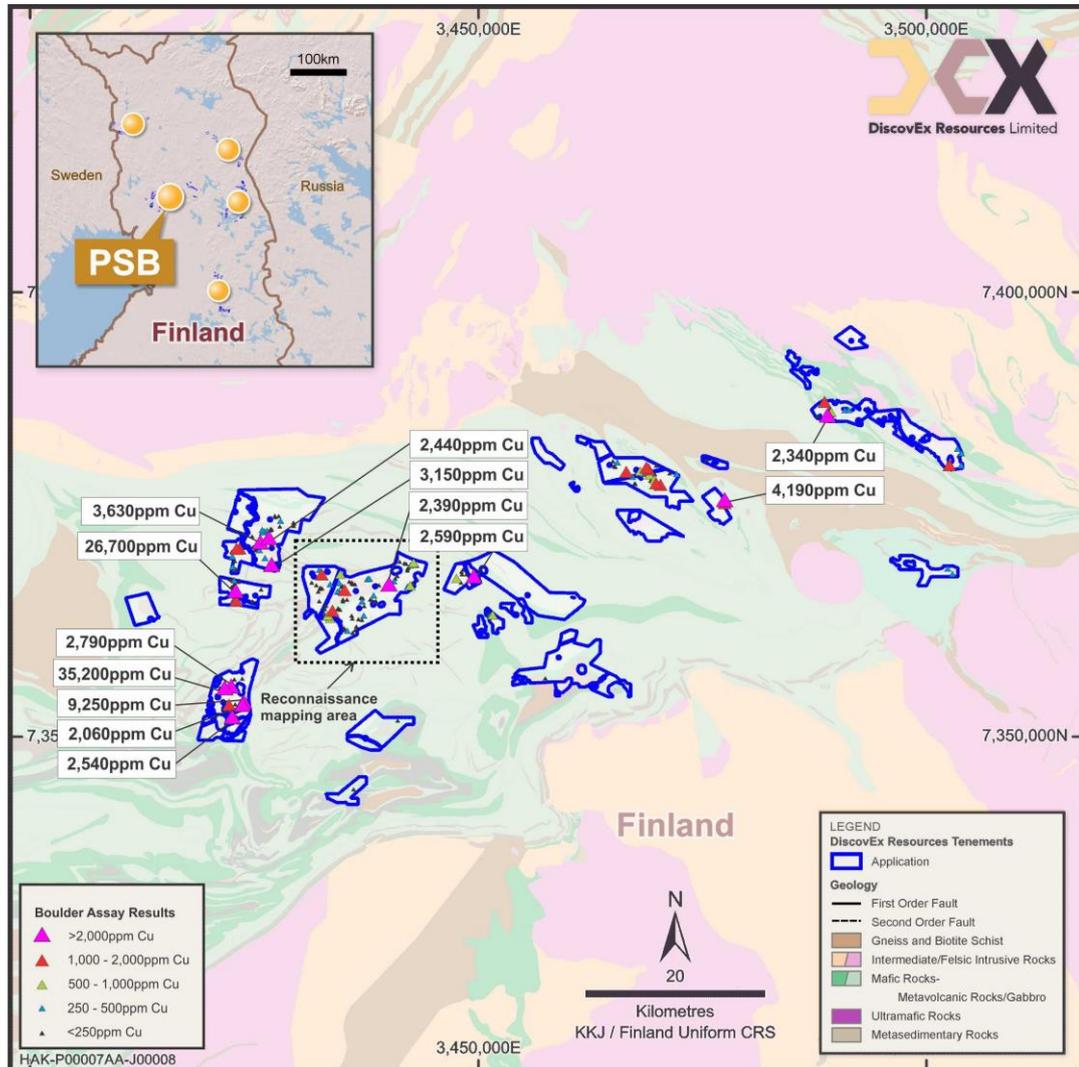


Figure 3: PSB Project

#### 4.2.3 Kainuu Project

The Kainuu Schist Belts are located in the Kainuu region of northeastern Finland. 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. The Kainuu Schist Belts contain a diverse range of rock types, including quartzite, amphibolite, mica schist, and garnet-rich schist. The region contains valuable mineral deposits, including gold, copper, and cobalt.

Exploration works to date include desktop structural interpretation delineating major regional shear zones and deformation trends. More than 25 KSB style AU-Co targets have been identified for follow up exploration.

#### 4.2.4 CLGB Project

The Central Lapland Greenstone Belt is located in Northern Finland and is one of

the largest Paleoproterozoic greenstone belts, hosting numerous orogenic gold deposits and is composed of variable metamorphosed volcanic and sedimentary rocks.

Latitude 66 has tenure spread across the Central Lapland Greenstone Belt cover major areas including Kolari and Kola. All regions are prospective for Cu, Co and Au with major mine deposits within the region including:

- (a) Kittila: Au (8m oz resource)
- (b) Sakatti: Cu-Ni-PGS (1.8Mt Cu eq)
- (c) Kevitsa: Ni-Cu (+500kt Ni)

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

#### 4.3 Latitude 66 Board of Directors

According to documents provided by Latitude 66 and searches of statutory registers, at the date of this Bidder's Statement, the directors of Latitude 66 are:

- (a) Thomas Hoyer – Executive Chairman;
- (b) Grant Coyle – Managing Director;
- (c) Steffen Hagemann – Non-Executive Director;
- (d) Russell Delroy – Non-Executive Director; and
- (e) Joshua Welch – Non-Executive Director.

Mr Hoyer, Mr Coyle and Professor Hagemann will each become directors of the DCX on successful completion of the Offer. Further details in respect of the Proposed Directors are set out in Section 3.4.

#### 4.4 Information about Latitude 66 Securities

According to documents provided by Latitude 66, at the date of this Bidder's Statement, Latitude 66's issued securities consist of the securities set out in the following table:

Fully paid ordinary shares	141,833,334

#### 4.5 Substantial Shareholders of Latitude 66

As at the date of this Bidder's Statement, so far as is known to DCX, the following persons are substantial shareholders of Latitude 66 Shares:

Latitude 66 Shareholder	Number of Latitude 66 Shares	% of Latitude 66 issued Share Capital
-------------------------	------------------------------	---------------------------------------

Third Reef Pty Ltd	16,866,667	11.89%
Francesca Gnagnarella ATF Colour Trust	16,866,667	11.89%

**Notes:**

1. Calculated using the number of Latitude 66 Shares on issue as at the date of this Bidder's Statement, being 141,833,334 Latitude 66 Shares.

#### 4.6 Latitude 66 Historical Financial Information

The summary historical financial information for the Latitude 66 Group is extracted from the financial reports of Latitude 66 and its controlled entities for the half year ended 31 December 2023 and the full years ended 30 June 2022 and 30 June 2023, being the last two audited financial statements prior to the date of this Bidder's Statement, and does not take into account the effect of the Offer.

Copies of Latitude 66's annual reports from which the financial information was extracted can be obtained by contacting the DCX/Latitude 66 Takeover Query Line on 1300 441 607 (within Australia) or +61 2 7250 6677 (from outside Australia).

#### Consolidated Statement of Financial Position of the Latitude 66 Group

	31 December 2023	30 June 2023	30 June 2022
	Audit Reviewed	Audited	Audited
	\$'s	\$'s	\$'s
<b>Current assets</b>			
Cash and cash equivalents	4,713,792	3,051,601	8,958,193
Trade and other receivables	531,790	72,239	192,697
Prepayments	48,082	84,380	16,961
Other current assets	-	-	-
Total current assets	5,293,664	3,208,220	9,167,851
<b>Non-current assets</b>			
Property, plant and equipment	541,531	517,105	329,355
Right-of-use assets	60,116	90,172	150,287
Exploration and evaluation expenditure	13,060,753	12,748,805	8,155,935
Total non-current assets	13,662,400	13,356,082	8,635,577
Total assets	18,956,064	16,564,302	17,803,428

	31 December 2023	30 June 2023	30 June 2022
	Audit Reviewed	Audited	Audited
	\$'s	\$'s	\$'s
<b>Current liabilities</b>			
Trade and other payables	604,997	744,496	4,421,249
Loan Payable	-	-	8,726,665
Lease liabilities	64,218	68,341	61,058
Provisions	311,904	312,636	213,251
Other current liabilities	-	-	-
Total current liabilities	981,119	1,125,473	13,422,223
<b>Non-current liabilities</b>			
Lease liabilities	2,459	29,644	97,986
Long term advances	136,776	138,615	-
Total non-current liabilities	139,235	168,259	97,986
Total liabilities	1,120,354	1,293,732	13,520,209
Net assets	17,835,710	15,270,570	4,283,219
<b>Equity</b>			
Share capital	16,067,348	11,250,055	11,250,055
Foreign currency translation reserves	(226,824)	(56,135)	(581,253)
Retained earnings/(Accumulated losses)	1,995,186	4,076,650	(6,385,583)
Total equity	17,835,710	15,270,570	4,283,219

**Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Latitude 66 Group**

	31 December 2023	30 June 2023	30 June 2022
	Audit Reviewed	Audited	Audited
	\$'s	\$'s	\$'s
Revenue from continuing operations			
Interest revenue	1,033	2,707	476
Other income		-	311
Waiver of loan payables		12,620,889	2,027,250
Reversal of share-based payments expense		-	6,620,068
Personnel expenses	(923,667)	(367,249)	(323,647)
Corporate, administrative and general expenses	(1,085,757)	(2,245,934)	(2,142,295)
Foreign exchange gain/(loss)	32,940	669,524	(37,939)
Motor vehicle expenses	(56,203)	(106,281)	(117,686)
Depreciation and amortisation expenses	(44,380)	(97,104)	(95,381)
Operating profit/(loss)	(2,076,034)	10,476,552	5,931,157
Finance costs	(5,430)	(14,319)	(12,407)
(Loss)/Profit before income tax	(2,081,464)	10,462,233	5,918,750
Income tax benefit/(expense)	-	-	-
(Loss)/Profit for the year	(2,081,464)	10,462,233	5,918,750
<i>Items that may subsequently be reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations	(170,689)	525,118	(304,270)
Other comprehensive (loss)/income	(170,689)	525,118	(304,270)

	31 December 2023	30 June 2023	30 June 2022
	Audit Reviewed	Audited	Audited
	\$'s	\$'s	\$'s
Total comprehensive (loss)/profit attributable to members of the parent	(2,252,153)	10,987,351	5,614,480

#### 4.7 Further information on Latitude 66

Latitude 66 maintains a website, ([www.lat66.com](http://www.lat66.com)), which contains further information about Latitude 66 and its operations.

Latitude 66 is an unlisted public company and, as such, is subject to regular financial reporting obligations under the Corporations Act. Latitude 66 is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Latitude 66 may be obtained by request from ASIC or by contacting Latitude 66.

Further information about Latitude 66 will be contained in its Target's Statement.

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## **5. COMBINED GROUP**

### **5.1 Approach**

This Section 5 provides an overview of DCX and its subsidiaries following the acquisition by DCX of all of the Latitude 66 Shares on issue and the effect of the Offer on DCX and Latitude 66.

### **5.2 Disclaimer Regarding the Latitude 66 Group and the Combined Group Information**

In preparing the information relating to the Latitude 66 Group and the Combined Group contained in this Bidder's Statement, DCX has relied on publicly available information relating to the Latitude 66 Group which has not been independently verified by DCX or the DCX Directors. Risks may exist in relation to the Latitude 66 Group (which may affect the Combined Group) of which DCX and the DCX Directors are unaware.

Accordingly, subject to any applicable laws, DCX makes no representations or warranties (express or implied) as to the accuracy and completeness of such information.

Latitude 66 Shareholders **should not** rely on the information contained in the Bidder's Statement as a true and correct summary of the Latitude 66 Group or any of the Latitude 66 Group's operations. The DCX Board recommends that Latitude 66 Shareholders refer to the Target's Statement for information on the Latitude 66 Group and its operations.

### **5.3 Profile of the Combined Group**

If the Offer becomes unconditional or is declared by DCX to be free of all Conditions, Latitude 66 Shareholders who have accepted the Offer will each receive 0.8813161 new DCX Shares for every 1 Latitude 66 Share and thereupon, become shareholders of DCX.

If DCX becomes entitled to compulsorily acquire Latitude 66 Shares in accordance with Part 6A.1 of the Corporations Act, it will proceed with compulsory acquisition of those Latitude 66 Shares and all Latitude 66 Shareholders will become shareholders in DCX, along with existing DCX Shareholders.

### **5.4 Consideration**

Under the Offer, Latitude 66 Shareholders will be issued 0.8813161 DCX Shares for every 1 Latitude 66 Share, which values each Latitude 66 Share at \$0.176 per share, based on a value of \$0.20 per DCX Share (on a post-Consolidation basis), being the price at which DCX Shares are being offered to investors under the Public Offer.

Based on the number of Latitude 66 Shares on issue on the day immediately prior to the date of this Bidder's Statement, up to 125,000,000 DCX Shares (on a post-Consolidation basis) could be issued as consideration under the Offer.

### **5.5 Effect of completion of the Offer**

There are a range of factors that may impact the number of DCX Shares that will be on issue following completion of the Offer, including the number of

acceptances of the Offer, the number of unlisted securities exercised during the Offer Period (if any), and the number of DCX Shares otherwise issued by DCX during the Offer Period (if any).

The effect of the Offer, the Public Offer and the issues of DCX Securities in respect of which DCX Shareholder approval will be sought at the DCX Shareholder Meeting is set out below.

	DCX Shares		DCX Options		Performance Rights
	Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription	
Existing DCX Shareholders <sup>2</sup>	33,025,681	33,025,681	513,750 <sup>3</sup>	513,750 <sup>3</sup>	-
Securities offered to Latitude 66 Shareholders under the Offer	125,000,000	125,000,000	-	-	-
Public Offer	10,000,000	20,000,000	-	-	-
Options to be issued to the Lead Manager	-	-	1,000,000	2,000,000	-
Performance Rights to be issued to Directors, employees and consultants	-	-	-	-	16,550,000
<b>TOTAL</b>	<b>168,025,681</b>	<b>178,025,681</b>	<b>1,513,750</b>	<b>2,513,750</b>	<b>16,550,000</b>

**Notes:**

- Figures are stated on a post-Consolidation basis.
- As noted in Section 9.4, DCX may elect to issue DCX Shares to Longreach Capital pursuant to the Longreach Mandate, however these Shares have not been included in the post-Consolidation Shares on issue. As at the date of this Bidder's Statement DCX has not elected to issue Shares to Longreach Capital.
- 513,750 Options comprising of (post-Consolidation);
  - 257,500 Options exercisable at \$0.725 each on or before 14 October 2025;
  - 246,250 Options exercisable at \$0.95 each on or before 14 October 2025; and
  - 10,000 Options exercisable at \$1.30 each on or before 20 August 2024
- Certain Shares on issue post-listing will be subject to ASX-imposed escrow. Refer to Section 9.15 for a disclaimer with respect to the likely escrow position.

The above scenario is an example only and is not the only scenario that may eventuate.

## 5.6 Substantial Shareholders

Following completion of the Offer (assuming that DCX acquire 100% of the Shares under the Offer), and assuming Minimum Subscription attained in the Public Offer it is expected that the following persons and their Associates will be substantial shareholders of DCX:

Holder	Shares	Percentage
Third Reef Pty Ltd	14,864,865	8.85%
Francesca Gnagnarella ATF Colour Trust	14,864,865	8.85%

**Note:** The above table is based on publicly available information as at the date of this Bidder's Statement. Pursuant to section 671B of the Corporations Act, a person must notify DCX if it begins or ceases to have a substantial holding or if it has a substantial holding and there is a movement of at least 1% of its holding.

## 5.7 Waiver from Listing Rule 9.1(b)

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

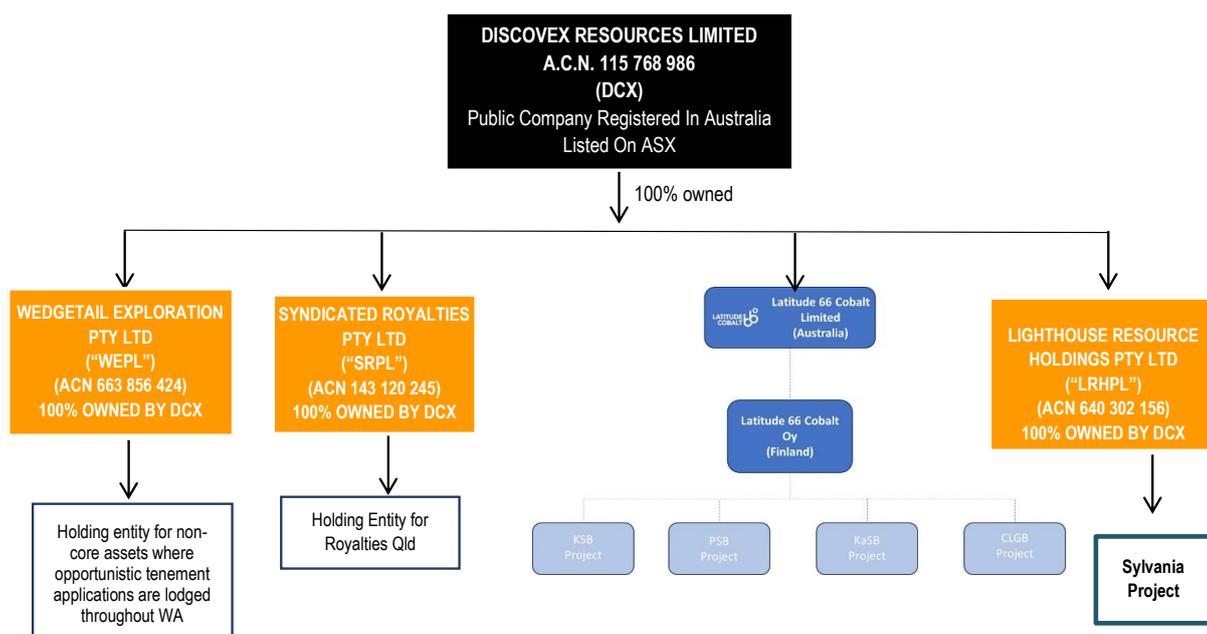
- (a) the Shares issued to the Latitude Shareholders who subscribed with cash for their shares are treated as being held by a related party, promotor or unrelated party seed capitalists;
- (b) cash formula relief is applicable to those Latitude Shares that are issued to persons who subscribed in cash consideration. For the purpose 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 the Latitude Shares was made; and
- (c) for the purpose of determining the length of the escrow period for Latitude Shares issued to related party or promotor 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 DCX's securities.

This waiver is conditional upon the following conditions:

- (a) DCX acquiring at least 90% of the issued Shares of Latitude 66;
- (b) DCX lodging a compulsory acquisition notice with ASIC in respect of the Latitude Shares that it does not acquire; and
- (c) DCX providing compulsory acquisition notices to all persons required under section 661B of the Corporations Act.

## 5.8 Effect of Offer on corporate structure

At Completion, DCX's corporate structure will be as follows:



**Notes:**

1. This corporate structure does not include four dormant subsidiaries of Latitude 66.

## 5.9 Basis for preparation of the unaudited pro forma consolidated statement of financial position

The pro forma balance sheet as at 31 December 2023 set out below (**Pro Forma Balance Sheet**) has been prepared for illustrative purposes only and on the assumption that the acquisition of the ownership interest in Latitude 66 occurred on one day, that is, there are no staged acquisitions.

The Pro Forma Balance Sheet has been prepared assuming two scenarios. The first scenario assumes that DCX acquires 100% of Latitude 66 and raises the minimum subscription of \$2,000,000 (before costs) under the Public Offer. The second scenario assumes that DCX acquires 100% of Latitude 66 and raises the maximum subscription of \$4,000,000 (before costs) under the Public Offer.

The Pro Forma Balance Sheet has been prepared in accordance with the measurement and recognition principles of International Financial Reporting Standards.

The Pro Forma Balance Sheet has not been audited and may be subject to changes arising from an audit process if an audit was performed on them. The audit reviewed balance sheet of Latitude 66 as at 31 December 2023 and audit reviewed consolidated balance sheet of DCX as at 31 December 2023 are also presented below.

The Pro Forma Balance Sheet is indicative only. DCX has drawn its own conclusions based on the known facts and other publicly available information.

This Section should be read in conjunction with the underlying financial information from which it was extracted, and the accounting policies of DCX and Latitude 66 as disclosed in their most recent financial reports.

### Scenario 1: Minimum Subscription under the Public Offer

	Discover Resources Limited	Latitude 66 Cobalt Limited		Merged Group
	31 December 2023 (Audit Reviewed)	31 December 2023 (Audit Reviewed)	Merger and Key Subsequent Event Adjustments	Pro-forma
	Audit Reviewed	Audit Reviewed	Adjustments	Balance Sheet
	\$'s	\$'s	\$'s	\$'s
<b>Current assets</b>				
Cash and cash equivalents	1,011,177	4,713,792	830,000	6,554,969
Trade and other receivables	137,156	531,790	-	668,946
Prepayments	-	48,082	-	48,082
Financial assets at fair value through profit or loss	535,519	-	157,124	692,643
Total current assets	1,683,852	5,293,664	987,124	7,964,640
<b>Non-current assets</b>				
Property, plant and equipment	62,640	541,531	-	604,171
Exploration and evaluation expenditure	7,380,258	13,060,753	(1,649,159)	18,791,852
Right-of-use assets	158,552	60,116	-	218,668
Total non-current assets	7,601,450	13,662,400	(1,649,159)	19,614,691
Total assets	9,285,302	18,956,064	(662,035)	27,579,331
<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

	Discover Resources Limited	Latitude 66 Cobalt Limited		Merged Group
	31 December 2023 (Audit Reviewed)	31 December 2023 (Audit Reviewed)	Merger and Key Subsequent Event Adjustments	Pro-forma
	Audit Reviewed	Audit Reviewed	Adjustments	Balance Sheet
	\$'s	\$'s	\$'s	\$'s
Total current liabilities	364,426	981,119	-	1,345,545
<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
Total non-current liabilities	96,790	139,235	-	236,025
Total liabilities	461,216	1,120,354	-	1,581,570
Net assets	8,824,086	17,835,710	(662,035)	25,997,761
<b>Equity</b>				
Share capital	38,386,126	16,067,348	(30,464,062)	23,989,412
Reserves	233,213	(226,824)	(122,141)	(115,752)
Accumulated (losses)/profits	(29,795,253)	1,995,186	29,924,168	2,124,101
Total equity	8,824,086	17,835,710	(662,035)	25,997,761

## Scenario 2: Maximum Subscription under the Public Offer

	Discover Resources Limited	Latitude 66 Cobalt Limited		Merged Group
	31 December 2023 (Audit Reviewed)	31 December 2023 (Audit Reviewed)	Merger and Key Subsequent Event Adjustments	Pro-forma
	Audited	Audited	Adjustments	Balance Sheet
	\$'s	\$'s	\$'s	\$'s
<b>Current assets</b>				
Cash and cash equivalents	1,011,177	4,713,792	2,704,000	8,428,969
Trade and other receivables	137,156	531,790	-	668,946
Prepayments	-	48,082	-	48,082
Financial assets at fair value through profit or loss	535,519	-	157,124	692,643
Total current assets	1,683,852	5,293,664	2,861,124	9,838,640
<b>Non-current assets</b>				
Property, plant and equipment	62,640	541,531	-	604,171
Exploration and evaluation expenditure	7,380,258	13,060,753	(1,649,159)	18,791,852
Right-of-use assets	158,552	60,116	-	218,668
Total non-current assets	7,601,450	13,662,400	(1,649,159)	19,614,691
Total assets	9,285,302	18,956,064	1,211,965	29,453,331
<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
Total current liabilities	364,426	981,119	-	1,345,545
<b>Non-current liabilities</b>				
Lease liabilities	88,477	2,459	-	90,936

	Discover Resources Limited	Latitude 66 Cobalt Limited		Merged Group
	31 December 2023 (Audit Reviewed)	31 December 2023 (Audit Reviewed)	Merger and Key Subsequent Event Adjustments	Pro-forma
	Audited	Audited	Adjustments	Balance Sheet
	\$'s	\$'s	\$'s	\$'s
Long term advances	-	136,776	-	136,776
Provisions	8,313	-	-	8,313
Total non-current liabilities	96,790	139,235	-	236,025
Total liabilities	461,216	1,120,354	-	1,581,570
Net assets	8,824,086	17,835,710	1,211,965	27,871,761
<b>Equity</b>				
Share capital	38,386,126	16,067,348	(28,701,135)	25,752,339
Reserves	233,213	(226,824)	(11,068)	(4,679)
Accumulated (losses)/profits	(29,795,253)	1,995,186	29,924,168	2,124,101
Total equity	8,824,086	17,835,710	1,211,965	27,871,761

## 5.10 Outlook for the Combined Group

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to DCX, Latitude 66 or the Combined Group.

DCX has given careful consideration as to whether there is a reasonable basis to produce reliable and meaningful forecast financial information for the Combined Group. The DCX Directors have concluded that as at the date of this Bidder's Statement, it would be misleading to provide forecast financial information for the Combined Group.

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## 6. INTENTIONS OF DCX

### 6.1 Disclosure Regarding Forward-Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on DCX's current expectations and predictions about future events including DCX's intentions (which include those set out in this Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of DCX, Latitude 66 and the Combined Group to differ materially from the expectations and predictions, express or implied, in such forward-looking statements. These factors include, among other things, those risks identified in this Bidder's Statement (including those set out in Section 8).

None of DCX, its officers, the persons named in this Bidder's Statement with their consent or the persons involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward-looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and reasonable opinions as at the date of this Bidder's Statement.

### 6.2 Intentions upon acquisition of 90% or more of Latitude 66 Shares

This Section 6.2 describes DCX's intentions if DCX acquires a Relevant Interest in 90% or more of the Latitude 66 Shares so as to become entitled to proceed to compulsory acquisition of the outstanding Latitude 66 Shares in accordance with Part 6A.1 of the Corporations Act. DCX intends (based on the information currently available to it) to implement its strategy for the Combined Group as set out below.

#### (a) Strategy post-completion of Public Offer and Proposed Acquisition

The proposed activities and strategy of DCX on completion of the Transaction are to undertake a diversified growth strategy setting the following objectives:

- (i) **Advanced Exploration and Development:** Primary grow the resource at K Camp and continue to advance the study work on the pathway to development of the strategic gold and cobalt project;
- (ii) **Strategic Management of Joint Venture:** Valuation growth through activity management of the strategic "free carry" joint venture interest in the Greater Duchess Copper Gold Joint Venture; and
- (iii) **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.

(b) **Board of Directors**

On completion of the Offer, the DCX Board will be reconstituted so that it comprises:

- (i) Thomas Hoyer - Non-Executive Chairman
- (ii) Grant Coyle - Managing Director
- (iii) Toby Wellman - Technical Director
- (iv) Heath Hellewell - Non-Executive Director
- (v) Professor Steffen Hagemann - Non-Executive Director

(c) **Future employment of Latitude 66 current employees**

There may be a need for the roles of some Latitude 66 employees to change. DCX currently intends to offer employment to all existing Latitude 66 employees. Should DCX need fewer Latitude 66 employees, DCX will seek to redeploy those Latitude 66 employees into other parts of the DCX business, where practicable. Any Latitude 66 employees impacted by the actions implemented by DCX will be treated in accordance with their contractual and other legal rights.

(d) **Dividend Policy**

Any future determination as to the payment of dividends by DCX will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of DCX, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by DCX.

(e) **Corporate matters**

DCX intends to:

- (i) if entitled to do so, proceed with the compulsory acquisition of any Latitude 66 Shares not acquired under the Offer in accordance with Part 6A.1 of the Corporations Act; and
- (ii) amend Latitude 66's constitution to reflect Latitude 66's status as a wholly owned subsidiary of DCX and seek to convert Latitude 66 from a public company to a proprietary company.

(f) **Accounting policy**

DCX intends to conduct a review of Latitude 66's accounting policies. It is expected that this review will result in the adoption of Latitude 66's accounting policies.

### **6.3 No intentions to acquire less than 90% of Latitude 66 Shares**

DCX will not declare the Offer free from the Minimum Acceptance Condition.

#### **6.4 Other Intentions**

Other than as set out in this Section 6, it is the present intention of DCX:

- (a) to continue the businesses of Latitude 66;
- (b) to not make any major changes to the businesses of Latitude 66 and not to redeploy any of the fixed assets of Latitude 66; and
- (c) to maintain employment of Latitude 66's existing employees.

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## **7. AUSTRALIAN TAX CONSIDERATIONS**

### **7.1 Overview**

The following is a general summary of the Australian income tax, GST and duty considerations for Latitude 66 Shareholders who accept the Offer.

This summary does not provide an exhaustive consideration of all possible Australian income tax, GST and duty implications that could apply to Latitude 66 Shareholders who accept the Offer. Furthermore, this summary does not consider any tax implications in jurisdictions outside of Australia.

Only Latitude 66 Shareholders who are individuals, complying superannuation funds and corporate shareholders that hold their Latitude 66 Shares on capital account have been considered in this summary. This summary is not intended to cover Latitude 66 Shareholders who:

- (a) are exempt from Australian income tax;
- (b) hold their Latitude 66 Shares on revenue account or as trading stock;
- (c) acquired their Latitude 66 Shares for the purpose of resale at a profit;
- (d) are partnerships or persons that are partners of such partnerships;
- (e) acquired their Latitude 66 Shares under an employee share scheme or similar employee incentive plan;
- (f) are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act 1997 in relation to gains and losses on their Latitude 66 Shares; or
- (g) are subject to the 'Investment Manager Regime' under Subdivision 842-I of the Income Tax Assessment Act 1997 in respect of their Latitude 66 Shares.

This summary does not constitute tax advice and is intended only as a general guide to the Australian tax implications of accepting the Offer based upon Australian taxation law and administrative practice in effect as at the date of this Bidder's Statement. It does not consider any specific facts or circumstances that may apply to Latitude 66 Shareholders. As the tax consequences of accepting the Offer depend on each Latitude 66 Shareholder's individual circumstances, all Latitude 66 Shareholders are advised to seek independent professional advice regarding the Australian and foreign tax consequences of accepting the Offer according to their own particular circumstances.

### **7.2 Australian Tax Resident Shareholders**

This Section 7 applies to Latitude 66 Shareholders who accept the Offer and are residents of Australia for Australian income tax purposes that hold their Latitude 66 Shares on capital account.

#### **(a) Capital Gains Tax Event**

By accepting the Offer, Latitude 66 Shareholders will dispose of their Latitude 66 Shares to DCX in exchange for the Consideration Shares,

comprising DCX Shares. The disposal of the Latitude 66 Shares to DCX will give rise to a CGT event. The time of the CGT event should be the date the Latitude 66 Shares are disposed of, which will be the date that Latitude 66 Shareholders enter into a contract with DCX.

If a Latitude 66 Shareholder does not accept the Offer and their Latitude 66 Shares are compulsorily acquired in accordance with Part 7A.1 of the Corporations Act, the date of disposal for CGT purposes will be the date when DCX becomes the owner of the Latitude 66 Shares.

In the absence of CGT roll-over relief, the following tax consequences are expected to arise for Latitude 66 Shareholders accepting the Offer:

- (i) a capital gain will be made to the extent the capital proceeds received by Latitude 66 Shareholders from the disposal of their Latitude 66 Shares (being the market value of the DCX Shares) exceed the cost base of those Latitude 66 Shares; or
- (ii) a capital loss will be made to the extent the capital proceeds received by Latitude 66 Shareholders from the disposal of their Latitude 66 Shares are less than the reduced cost base of those shares.

(b) **CGT Scrip for Scrip Roll-over Relief**

Latitude 66 Shareholders who make a capital gain from the disposal of their Latitude 66 Shares may be eligible to choose CGT scrip for scrip roll-over relief (provided certain conditions are met). CGT scrip for scrip roll-over relief enables Latitude 66 Shareholders to disregard the capital gain they make from the disposal of their Latitude 66 Shares under the Offer.

Broadly, for roll-over relief to be available, DCX must become the owner of 80% or more of the Latitude 66 Shares under the Offer and Latitude 66 Shareholders must make a capital gain on the disposal of their Latitude 66 Shares. If a capital loss arises, no CGT scrip for scrip roll-over relief is available.

Latitude 66 Shareholders do not need to inform the ATO, or document their choice to claim CGT scrip for scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

(c) **Consequences of Choosing CGT Scrip for Scrip Roll-over Relief**

If a Latitude 66 Shareholder chooses to obtain CGT scrip for scrip roll-over relief, the capital gain arising on the disposal of their Latitude 66 Shares under the Offer should be disregarded.

Further, the first element of the cost base for the DCX Shares received is determined by attributing to them, on a reasonable basis, the existing cost base of the Latitude 66 Shares exchanged under the Offer. The first element of the reduced cost base is determined similarly.

Finally, for the purposes of determining future eligibility for the CGT Discount, the acquisition date of the DCX Shares is taken to be the date

when the Latitude 66 Shareholder originally acquired their Latitude 66 Shares.

(d) **Consequences if CGT Scrip for Scrip Roll-over Relief is not available or is not chosen**

If a Latitude 66 Shareholder does not qualify for CGT scrip for scrip roll-over relief or does not choose to obtain CGT scrip for scrip roll-over relief, the general CGT treatment outlined above at Section 7.2(a) will apply.

(e) **Capital Proceeds**

The capital proceeds on the disposal of the Latitude 66 Shares should be equal to the market value of the Consideration Shares received by Latitude 66 Shareholders, at the time of the disposal (or change of ownership where there is no disposal contract).

(f) **Cost Base and Reduced Cost Base of a Latitude 66 Share**

The cost base of a Latitude 66 Share will generally be equal to the cost of acquiring the Latitude 66 Share, plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs). The reduced cost base of a Latitude 66 Share is determined in a manner similar to the cost base although some differences in the calculation of the reduced cost base may exist depending on the Latitude 66 Shareholder's particular individual circumstances. The cost base and reduced cost base of each Latitude 66 Share will depend on the individual circumstances of each Latitude 66 Shareholder.

(g) **CGT Discount**

The CGT Discount may apply to Latitude 66 Shareholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their Latitude 66 Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their Latitude 66 Shares.

The CGT Discount is:

- (i) one-half if the Latitude 66 Shareholder is an individual or trustee; meaning only 50% of the capital gain will be included in assessable income; and
- (ii) one-third if the Latitude 66 Shareholder is a trustee of a complying superannuation entity; meaning only two-thirds of the capital gain will be included in assessable income.

The CGT Discount is not available to Latitude 66 Shareholders that are companies.

If a Latitude 66 Shareholder makes a discount capital gain, any carried forward capital losses will be applied to reduce the undiscounted capital gain before either the one-half or one-third discount is applied. The resulting amount is then included in the Latitude 66 Shareholder's net capital gain for the income year and included in assessable income.

The CGT Discount rules relating to trusts are complex. Accordingly, we recommend trustees seek their own independent advice on how the CGT Discount applies to them and the trust's beneficiaries.

### **7.3 Foreign resident capital gains withholding ('FRCGW')**

The FRCGW provisions place obligations on the purchaser of *inter alia*, non-portfolio (10% or greater) shareholdings in a company whose principal assets are taxable Australian property (which includes Australian mining assets) but only where the market value of that shareholding is \$750,000 or more. Whilst referred to as applying to acquisitions from 'foreign residents' the obligations need to be considered for both resident and foreign resident shareholders in Latitude 66.

The obligation to withhold 12.5% of the purchase price and remit that amount to the ATO is obviated where the shareholder provides either a Clearance Certificate from the Commissioner of Taxation (which attests to their Australian tax residency) or a Vendor Declaration.

Where DCX considers it may have obligations under the FRCGW regime it will contact the Latitude 66 shareholder to provide them with an opportunity to seek a Clearance Certificate or make a Vendor Declaration if they are entitled to do so.

### **7.4 GST**

No GST will be payable by Latitude 66 Shareholders on the acquisition of their Latitude 66 Shares by DCX under the Offer, or on the receipt of DCX Shares as consideration for acceptance of the Offer. Latitude 66 Shareholders who are registered for GST may not be entitled to input taxed credits (or only entitled to reduced input taxed credits) for any GST incurred on costs associated with the disposal of their Latitude 66 Shares.

### **7.5 Duty**

No Australian duty should be payable by Latitude 66 Shareholders on the acquisition of their Latitude 66 Shares by DCX under the Offer, or on the receipt of DCX Shares as consideration for acceptance of the Offer.

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## 8. RISK FACTORS

### 8.1 Overview

The business activities of DCX and the Combined Group are subject to various risks that may impact the future performance of DCX and the Combined Group. Some of these risks can be mitigated using safeguards and appropriate systems and controls, but some are outside the control of DCX and the Combined Group and cannot be mitigated.

If the Offer becomes unconditional, Latitude 66 Shareholders who accept the Offer will become DCX Shareholders. In those circumstances, Latitude 66 Shareholders will:

- (a) continue to be exposed to the risks associated to the investment in Latitude 66 as a result of their indirect interest in Latitude 66 through DCX;
- (b) be exposed to the risks which are specific to an investment in DCX; and
- (c) be exposed to additional risks relating to the Offer and the Combined Group.

The principal risk factors are explained below. These risks are not intended to be an exhaustive list of the risk factors to which DCX and the Combined Group are exposed.

Latitude 66 Shareholders should read the Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Offer. This Section 8 has been prepared without taking into account the individual financial objectives, financial situation and particular needs of Latitude 66 Shareholders.

An investment in the Combined Group carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative.

By accepting the Offer, Latitude 66 Shareholders will be investing in DCX.

### 8.2 Risks Relating to the Offer

Risk Category	Risk
<b>Transaction Completion risk</b>	<p>DCX seeks to acquire 100% of the issued capital of Latitude 66 by way of the Offer. The Offer is subject to Conditions including a 90% Minimum Acceptance Condition which will not be waived by DCX. If any of the Conditions are not satisfied or waived, or any of the counterparties do not comply with their obligations, Completion may be deferred or not occur.</p> <p>The Transaction constitutes a significant change in the nature and scale of DCX's activities and DCX needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List of ASX. Trading in DCX's Shares is currently suspended and will remain suspended until DCX re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Transaction.</p>

Risk Category	Risk
	<p>There is a risk that the conditions for settlement of the Transaction cannot be fulfilled, including where DCX is unable to meet the requirements of the ASX for re-quotations of its Securities on the ASX, or fails to meet the 90% Minimum Acceptance Condition which will not be waived by DCX. If the Transaction is not completed, DCX will incur costs relating to advisers and other costs without any material benefit being achieved.</p>
<p><b>Issue of DCX Shares as consideration</b></p>	<p>Latitude 66 Shareholders are being offered DCX Shares as consideration under the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of DCX Shares at any given time. Accordingly, the market value of the DCX Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer.</p>
<p><b>Rollover Relief</b></p>	<p>Broadly, for capital gains tax rollover relief to be available, DCX must become the owner of 80% or more of the Latitude 66 Shares under the Offer and Latitude 66 Shareholders must make a capital gain on the disposal of their Latitude 66 Shares. If a capital loss arises, no CGT scrip for scrip roll-over relief is available.</p> <p>A condition of the Offer is that the level of acceptance must result in DCX obtaining a Relevant Interest in more than 90% of all Latitude 66 Shares, so as to entitle DCX to proceed to compulsory acquisition of any minority holdings of Latitude 66 Shares.</p> <p>If DCX acquires a Relevant Interest in at least 90% of Latitude 66 Shares, then it is expected that Latitude 66 Shareholders will be eligible for capital gains tax rollover relief. In this regard, DCX has undertaken in favour of Latitude 66 to do all things reasonably necessary or desirable to ensure that capital gains tax roll-over relief is available to Latitude 66 Shareholders who accept the Offer made to them.</p> <p>If DCX does not acquire a Relevant Interest in at least 90% of Latitude 66 Shares, then the Offer will not be successful and Latitude 66 Shareholders will not dispose of their Latitude 66 Shares under the Offer.</p> <p>Latitude 66 Shareholders should refer to Section 7 for further details regarding the availability of scrip-for-scrip CGT rollover relief.</p>
<p><b>Sale of DCX Shares</b></p>	<p>Under the Offer, DCX will issue a significant number of new DCX Shares. Some holders of DCX Shares may not intend to continue to hold their DCX Shares and may wish to sell them. There is a risk that this may adversely impact on the price of and demand for DCX Shares.</p>

Risk Category	Risk
<b>Merger Integration</b>	The integration of DCX and Latitude 66 may take longer than expected and the anticipated efficiencies and cost savings may be less than estimated.

### 8.3 Latitude 66 specific risks

Risk Category	Risk
<b>Sovereign risk</b>	<p>Latitude 66's projects are located in northern Finland and Latitude 66 will be subject to risks of operating in this jurisdiction. There is no assurance that future political and economic conditions in that country will not result in Finland's Government adopting policies precluding foreign investment and / or control in, development and ownership of mineral resources in Finland (directly or indirectly).</p> <p>Any changes in policy by Finland's Government may result in changes in the laws relating to, without limitation, ownership and control of assets and shares in Finland companies, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect Latitude 66's ability to carry out its state objectives.</p> <p>It is possible that a future government in Finland may adopt substantially different policies, which might extend to limitation of foreign control of shares or assets, or expropriation of assets.</p> <p>There can be no assurance that the Finland Government from time to time will not impose measures that could have a material adverse effect on Latitude 66's future operations.</p>
<b>Enforcing judgements in foreign jurisdictions</b>	Latitude 66's projects are located in Finland. As a result, it may be difficult to enforce judgments obtained in Australian courts against those assets. In addition, there is uncertainty as to whether the courts of Finland or any other jurisdictions in which Latitude 66 operates would recognise or enforce judgments of Australian courts obtained against Latitude 66 based on provisions of the laws of Australia. As a result of all of the above, shareholders may have more difficulty in protecting their interests in the face of actions taken by management, the Board or controlling shareholders than they would as shareholders of a company with assets in Australia.
<b>Natura 2000 and Nature Conservation Areas</b>	<p>Finland is host to a network of core breeding and resting sites for rare and threatened species, known as the 'Natura 2000'. Areas of land classified as Natura 2000 or Nature Conservation Areas may impose restrictions on mining and exploration activity.</p> <p>The mineral exploration licences comprising the Latitude 66 projects are not located in any Natura 2000 or Nature</p>

Risk Category	Risk
	<p>Conservation Areas and Latitude 66 has a policy that prohibits it from acquiring any tenure located within Natura 2000 areas.</p> <p>If in the future, Latitude 66's exploration or mining activities were to result in a geological discovery that extended onto land the subject of a Natura 2000 or Nature Conservation Area, there is a risk that Latitude 66 may be limited in its ability to access, explore or mine these areas, which in any case lie outside its current tenement boundaries.</p>
<b>Rehabilitation land comprising the licences</b>	<p>In relation to Latitude 66's proposed operations, issues could arise from time to time with respect to abandonment costs, consequential clean-up costs, environmental concerns, and other liabilities. In these instances, Latitude 66 could become subject to liability if, for example, there is environmental pollution or damage from Latitude 66's exploration activities and there are consequential clean-up costs at a later point in time.</p>
<b>Remote locations</b>	<p>Latitude 66's projects are located in remote locations. This may involve logistical difficulties for plant, equipment and materials, as well as skilled personnel and general labour. Further, some locations may involve an inherent risk to personnel.</p>
<b>Potential expiry of the mining concession/right in the Juomasuo area</b>	<p>Latitude 66's Juomasuo mining concession/right mining register number 3965 (including both the Juomasuo mining concession, original mining register number 3965/1a and the Pohjasvaara mining concession, original mining register number 3965/2a, by which the original Juomasuo mining concession was later enlarged) is in force until further notice subject to commencement of mining activity as regulated in the Finnish Mining Act.</p> <p>Under Finnish law, a mining permit will expire if the permit holder has not, within the applicable time limit, initiated mining activity or such preparatory work as indicates that the permit holder is seriously aiming at actual mining activity; if mining activities have been interrupted because of a factor dependent on the mining permit holder continuously for a minimum of five years; or if mining activities can be considered to have actually ended. The permit holder can apply for postponement of expiry of the permit in case the mining activity or preparatory work has not been commenced within the set time. The permit authority may postpone the expiry of the mining permit (twice at the most and for a maximum of ten years in all) and specify a new deadline for commencing mining activity, or for continuing operations. Latitude 66 has applied for such an extension and on 28 April 2022 a decision was issued by the Finnish mining authority that</p>

Risk Category	Risk
	<p>mining activity must be commenced in five years after the decision has gained legal force. This decision has not gained legal force since it has been appealed to the competent Finnish Administrative Court where the matter is pending.</p> <p>If the appeals are rejected and the abovementioned decision is upheld, according to the decision of the mining authority, Latitude 66 shall commence mining activity in five years after the decision has gained legal force. Latitude 66's plan is to obtain the necessary permits required for commencement of mining activity during Q2/2024-Q2/2027, carry out the necessary construction works during Q1/2027-Q1/2028 and commence mining activity in 2028. Possible appeals against the permits may cause a delay to the planned timetable. The expiry of the Juomasuo mining right (the original Juomasuo mining concession and Pohjasvaara mining concession) has already been postponed once earlier. Thus, in accordance with the Finnish Mining Act, it would not be possible to postpone the expiry of the Juomasuo mining right further unless the conditions for deviating from the maximum postponement limitation can be fulfilled.</p> <p>If the Administrative Court considers that the prerequisites for postponing expiry of the Juomasuo mining right are not fulfilled and, respectively, the prerequisites for ordering the mining permit to expire are considered met, according to the Finnish Mining Act the mining authority shall decide that the mining permit expires. When a mining permit expires, the permit holder will lose the right to carry out mining activities and exploration in the area as well as the privilege for exploiting the minerals. The right and privilege to the deposit could be acquired again by being the first party to submit a new mining permit application or an exploration permit application in accordance with the Finnish Mining Act after the Juomasuo mining right has expired. A new mining permit or an exploration permit application can be submitted only after a qualifying period unless the conditions for deviating from this requirement can be fulfilled. By submitting a reservation notification, that party may reserve an area for himself for the purpose of preparing an application for an exploration permit. With respect to a reservation notification, the qualifying period applies if the reservation is applied for an area that has previously been a reservation area.</p>
<p><b>Environmental impacts of activities carried out in Juomasuo area</b></p>	<p>An administrative constraint procedure is ongoing in relation to Latitude 66's Juomasuo mining concession area and the waste rock areas located therein. The local authority considers ordering Latitude 66 to conduct investigation of the environmental impacts of the activities carried out in the mining concession area in the Hangaspuro stream. If the authority were to issue the</p>

Risk Category	Risk
	<p>contemplated order, Latitude 66 would be obligated to conduct the required investigations imposing some additional costs. Latitude 66 is of the opinion that the contemplated administrative constraint order is not necessary since Latitude 66 has already ordered investigation of the potential environmental impacts in the Hangaspuro stream.</p> <p>If pollution would be discovered in the Hangaspuro stream, Latitude 66 shall in addition to the results of the investigation, provide a report on the need for restoration and a proposal for possible restoration measures to the supervision authority. In that case, the authority might issue new orders obligating Latitude 66 to conduct the necessary measures to restore the environment to a previous state or to reduce or eliminate the harm that has arisen, and possibly to avoid further harm or damage which actions would impose further costs. If the pollution detected in the Hangaspuro stream would be found to result from the Juomasuo mining concession area (such as the waste rock areas) further investigation concerning possible contamination of soil, as well as measures to treat the possible contamination and to avoid further pollution could be required. In addition to the above investigation and restoration obligations, a third party could claim compensation for environmental damages.</p> <p>Test mining has been conducted at the Juomasuo mining concession area as evidenced by an old quarry, settling basins and waste rock areas that are currently located in the area. However, Latitude 66 has stated that activities conducted by Latitude 66 only include fencing, landscaping, drilling, sampling and other similar actions and therefore, no activities imposing potential harmful environmental impacts and/or pollution. Thus, it seems that the activities which could cause potential pollution, have not originally been conducted by Latitude 66 but a former operator in the Juomasuo area.</p> <p>The Finnish legislation provides mechanisms for presenting claims against a former operator in a certain area. However, the authority may primarily try to issue the restoration order(s) to Latitude 66 as the current operator and holder of the Juomasuo mining concession area. In addition, limitations and/or division of liability included the contracts and/or transaction documents concerning or involving the Juomasuo mining concession area may impact the possibility to address the environmental liabilities to the former operators.</p>

## 8.4 DCX specific risks

Risk Category	Risk
<b>Suspension</b>	<p>As DCX's Shares have been suspended from trading since 11 March 2024, there is currently no public market for Shares. There is no guarantee that an active trading market in DCX's Shares will develop or that that prices at which Shares trade will increase following completion of the Transaction. The prices at which Shares trade may be above or below the price of the Public Offer and may fluctuate in response to several factors.</p>
<b>Exploration and operations</b>	<p>The mineral exploration licences comprising the DCX projects are at various stages of exploration, and prospective investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration of these exploration licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of DCX may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process and Aboriginal heritage factors, changing government regulations and many other factors beyond the control of DCX.</p> <p>The success of DCX will also depend upon DCX being able to maintain title to the mineral exploration licences forming the DCX projects and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the DCX projects, a reduction in the cash reserves of DCX and possible relinquishment of one or more of the mineral exploration licences forming the DCX projects.</p>
<b>Mine development</b>	<p>Possible future development of mining operations at the DCX projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns,</p>

Risk Category	Risk
	<p>unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If DCX commences production on one of the DCX projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of DCX. No assurance can be given that DCX will achieve commercial viability through the development of the DCX projects.</p> <p>The risks associated with the development of a mine will be considered in full should the DCX projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
<b>Control</b>	<p>Following completion of the Transaction, each of Third Reef Pty Ltd and Francesca Gnagnarella ATF Colour Trust's voting power in DCX could be as high as 8.85%. Accordingly, Third Reef Pty Ltd and Francesca Gnagnarella ATF Colour Trust's significant interest in the capital of DCX means that either will be in a position to potentially influence the election of directors and the financial decisions of DCX, and its interests may not align with those of all other DCX Shareholders. Further details in respect of Third Reef Pty Ltd and Francesca Gnagnarella ATF Colour Trust's interest are set out in Section 5.6.</p>

## 8.5 Industry specific risks

Risk Category	Risk
<b>Land rights of indigenous peoples</b>	<p>Although there is currently no specific legislation concerning land rights of indigenous peoples in Finland, such legislation may be introduced in the future.</p> <p>If such legislation is introduced, and the Combined Group's projects are impacted, the Combined Group's ability to gain access to licences (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p>
<b>Dependence on licences, permits and approvals</b>	<p>Each of the projects require governmental licences, permits, authorisations, concessions and other approvals in connection with their activities in relevant jurisdictions, including Finland and Western Australia, including in relation to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, surface rights, environmental</p>

Risk Category	Risk
	<p>protection, safety and other matters (<b>Operating Authorisations</b>).</p> <p>Obtaining and complying with the necessary Operating Authorisations or governmental regulations can be complex, costly and time consuming and is not assured. The duration, cost and success of applications for Operating Authorisations are contingent on many factors, including those outside the control of the Combined Group. Delay in obtaining or renewing, or failure to obtain or renew, a material and necessary permit could mean that the Combined Group may be delayed or, in a worst case scenario, unable to proceed with the development or continued operation of a mine or project.</p> <p>The Operating Authorisations that the Combined Group need may not be issued, maintained or renewed either in a timely fashion or at all, which may constrain the ability of the Combined Group to conduct its mining operations, which in turn may impact the Combined Group's operations, financial performance and financial position.</p> <p>No assurance can be given that new laws or regulations will not be enacted or that existing laws and regulations will not be applied in a manner which could limit or curtail the Combined Group's activities and ultimate development or operation of the Combined Group's assets. Any inability to conduct the Combined Group's mining operations pursuant to applicable Operating Authorisations would materially reduce the Combined Group's production and cash flow.</p>
<b>Environmental</b>	<p>The operations and activities on the projects are subject to the environmental laws and regulations of Finland and/or Australia. As with all mining operations and exploration projects, DCX and Latitude 66 operations and activities are expected to have an impact on the environment.</p> <p>The Combined Group intends to conduct its operations and activities to high standards of environmental performance, including compliance with all environmental laws and regulations. Nevertheless, such operations may give rise to potentially substantial costs for environmental rehabilitation, damage control and losses that exceed estimates, and possible regulatory intervention, potentially adversely impacting the Combined Group's operations, financial performance and financial position.</p> <p>Additionally, environmental laws and regulations are increasingly evolving to require stricter standards and enforcement behaviours, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility (and liability) for companies and their officers, directors and employees. Changes in environmental laws and regulations deal with air quality,</p>

Risk Category	Risk
	<p>water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of mining properties, greenhouse gas emissions, the storage, treatment and disposal of wastes, the effects of mining on the water table and groundwater quality.</p> <p>Changes in environmental legislation could increase the cost of exploration, development and mining activities or delay or preclude those activities altogether. The Combined Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Combined Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not require the Combined Group to incur significant expenses and undertake significant investments which could have material adverse effect on the Combined Group's business, financial condition and performance.</p>
<b>Climate</b>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Combined Group. The climate change risks particularly attributable to the Combined Group include:</p> <p>(a) .the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Combined Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Combined Group and its business viability. While the Combined Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Combined Group will not be impacted by these occurrences; and</p> <p>(b) .climate change may cause certain physical and environmental risks that cannot be predicted by the Combined Group, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Combined Group operates.</p>

## 8.6 General risks

Risk Category	Risk
<p><b>Future funding requirements</b></p>	<p>The funds raised under the Public Offer are considered sufficient to meet the objectives of the Combined Group. Additional funding may be required in the event exploration costs exceed the Combined Group's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Combined Group may incur, additional financing will be required.</p> <p>In addition, should the Combined Group consider that its exploration results justify commencement of production on any of its projects, additional funding will be required to implement the Combined Group's development plans, the quantum of which remain unknown at the date of this Bidder's Statement.</p> <p>the Combined Group may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means.</p> <p>Failure to obtain sufficient financing for the Combined Group's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Combined Group's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Combined Group and might involve substantial dilution to Combined Group shareholders.</p>
<p><b>Key personnel</b></p>	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Combined Group will depend substantially on its senior management and its key personnel. The loss of any of the key personnel, the inability to recruit necessary staff as needed or the increased cost to recruit or retain the necessary staff, may cause disruption and adversely impact the Combined Group's operations in Finland and Australia, financial performance and financial position.</p>
<p><b>Economic risks</b></p>	<p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Combined Group's activities, as well as on its ability to fund those activities.</p> <p>Further, share market conditions may affect the value of the Shares regardless of the Combined Group's operating performance. Share market conditions are affected by many factors such as:</p> <p>(a) general economic outlook;</p>

Risk Category	Risk
	<p>(b) interest rates and inflation rates;</p> <p>(c) currency fluctuations;</p> <p>(d) changes in investor sentiment toward particular market sectors;</p> <p>(e) the demand for, and supply of, capital; and</p> <p>(f) terrorism or other hostilities.</p> <p>Neither the Combined Group, the Directors, nor the Proposed Directors warrant the future performance of the Combined Group or any return on an investment in DCX.</p>
<b>Metallurgy Risk</b>	<p>When compared with many industrial and commercial operations, mining exploration projects are high risk. Each ore body is unique and the nature of the mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining can never be wholly predicted. Estimations of a mineral deposit are not precise calculations but are based on interpretation and on samples from drilling, which represent a very small sample of the entire ore body. Reconciliation of past production and reserves, where available, can confirm the reasonableness of past estimates, but cannot categorically confirm accuracy of future projections.</p> <p>The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput depend on the accuracy of the test work and an assumption that the sample tests are representative of the ore body as a whole. There is a risk associated with the scale-up of laboratory and pilot plant results to a commercial scale and with the subsequent design and construction of any plant.</p>
<b>Commodity price volatility and exchange rate</b>	<p>If the Combined Group achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Combined Group to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Combined Group. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Combined Group will be taken into account in Australian currency, exposing the Combined Group to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p>
<b>Dividends</b>	<p>Any future as to the payment of dividends by DCX will be at the discretion of the directors of the Combined Group and will depend on the financial condition of DCX, future</p>

Risk Category	Risk
	capital requirements and general business and other factors considered relevant by the Directors and Proposed Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by DCX.
<b>Taxation</b>	<p>The acquisition and disposal of Latitude 66 and DCX shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in DCX are urged to obtain independent financial advice about the consequences of acquiring shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, DCX, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of the Offer.</p>
<b>Litigation</b>	<p>The Combined Group is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Combined Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Combined Group's operations, reputation, financial performance and financial position. Neither DCX or Latitude 66 are currently engaged in any litigation.</p>
<b>Force Majeure</b>	<p>The Combined Group's projects now or in the future may be adversely affected by risks outside the control of the Combined Group including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.</p>

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## 9. ADDITIONAL INFORMATION

### 9.1 Latitude 66 Board Recommendation

The Latitude 66 Board have unanimously recommended that Latitude 66 Shareholders accept the Offer subject to there being no Superior Proposal. The directors of Latitude 66 have indicated that they will accept the Offer in respect of all Latitude 66 Shares they own or control, subject to there being no Superior Proposal.

### 9.2 Bid Implementation Agreement

On 3 April 2024, DCX and Latitude 66 entered into the Bid Implementation Agreement pursuant to which DCX made a conditional off-market offer for all the Latitude 66 Shares on issue. The Conditions are set out in Section 10.7.

Otherwise, a summary of the additional material terms of the Bid Implementation Agreement is set out below.

<b>Appointment of Proposed Directors</b>	<p>As soon as practicable after DCX has a Relevant Interest in at least 90% of the Latitude 66 Shares and the Offer has become unconditional or is declared by DCX to be free of all Conditions (as summarised below), DCX must procure:</p> <p>(a) the appointment of Mr Thomas Hoyer, Mr Grant Coyle and Professor Steffen Hagemann as DCX Directors; and</p> <p>(b) the resignation of Mr David Morgan as DCX Director.</p>
<b>Recommendation of Latitude 66 Directors</b>	<p>Latitude 66 represents and warrants to DCX that each Latitude 66 Director has informed Latitude 66 that they will:</p> <p>(a) publicly recommend that Latitude 66 Shareholders accept the Offer to be made to them; and</p> <p>(b) accept, or procure the acceptance of, the Offer in respect of any Latitude 66 Shares that they own or control, no earlier than 21 days after the Offer opens,</p> <p>in each case in the absence of a Superior Proposal.</p>
<b>Recommendation of DCX Directors</b>	<p>DCX represents and warrants to Latitude 66 that each DCX Director has informed DCX that they will:</p> <p>(a) publicly recommend that DCX Shareholders vote in favour of the Essential Resolutions; and</p> <p>(b) vote, or cause to vote, all DCX Shares that they own or control in favour of the Essential Resolutions,</p> <p>in each case in the absence of a Superior Proposal.</p>
<b>Termination</b>	<p><b>Termination by either party</b></p> <p>The Bid Implementation Agreement may be terminated by a party by giving notice in writing to the other party if during the Offer Period:</p> <p>(a) a court or Government 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;</p> <p>(b) the Offer Period ends without the Conditions being satisfied or waived;</p>

- (c) .the Long Stop Date is reached and the Offer Period has not concluded; or
- (d) .DCX is removed from Official Quotation on ASX.

#### **Termination by DCX**

The Bid Implementation Agreement may be terminated by DCX by notice in writing to Latitude 66 if:

- (e) .Latitude 66 is in material breach of a Latitude 66 warranty under the Bid Implementation Agreement or any other material obligation under the Bid Implementation Agreement provided that DCX has given notice to Latitude 66 setting out the relevant circumstances and stating an intention to terminate the Bid Implementation Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given;
- (f) .the Latitude 66 Board (or any one or more members of the Latitude 66 Board) changes or withdraws its (or their) recommendation that Latitude 66 Shareholders accept the Offer in respect of all their Latitude 66 Shares or their intention to accept the Offer in respect of all of their Latitude 66 Shares or make a public statement indicating that it no longer supports the Offer or that it support a Competing Proposal in respect of Latitude 66;
- (g) .the DCX Board changes or withdraws its recommendation that DCX Shareholders vote in favour of the Essential Resolutions following a determination pursuant to its matching right and DCX is not in breach of its exclusivity obligations;
- (h) .a Latitude 66 Material Adverse Change occurs, provided that DCX has given notice to Latitude 66 setting out the relevant circumstances and stating an intention to terminate the Bid Implementation Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given;
- (i) .a Latitude 66 Regulated Event occurs, provided that DCX has given notice to Latitude 66 setting out the relevant circumstances and stating an intention to terminate the Bid Implementation Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given; or
- (j) .a Latitude 66 Prescribed Occurrence occurs, provided that DCX has given notice to Latitude 66 setting out the relevant circumstances and stating an intention to terminate the Bid Implementation Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given.

#### **Termination by Latitude 66**

The Bid Implementation Agreement may be terminated by Latitude 66 by notice in writing to DCX if:

- (k) .DCX is in material breach of a DCX warranty under the Bid Implementation Agreement or any other material obligation under the Bid Implementation Agreement provided that Latitude 66 has given notice to DCX setting out the relevant circumstances and stating an intention to terminate the Bid Implementation Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given;
- (l) .the DCX Board (or any one or more members of the DCX Board) withdraws its (or their) recommendation or makes

	<p>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 DCX;</p> <p>(m) the Latitude 66 Board changes or withdraws its recommendation that Latitude 66 Shareholders accept the Offer in respect of all their Latitude 66 Shares following a determination pursuant to its matching right and Latitude 66 is not in breach of its exclusivity obligations;</p> <p>(n) a DCX Material Adverse Change occurs, provided that Latitude 66 has given notice to DCX setting out the relevant circumstances and stating an intention to terminate the Bid Implementation Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given;</p> <p>(o) a DCX Regulated Event occurs, provided that Latitude 66 has given notice to DCX setting out the relevant circumstances and stating an intention to terminate the Bid Implementation Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given; or</p> <p>(p) a DCX Prescribed Occurrence occurs, provided that Latitude 66 has given notice to DCX setting out the relevant circumstances and stating an intention to terminate the Bid Implementation Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given.</p>
<p><b>Reimbursement Fee</b></p>	<p>In accordance with Australian market practice, Latitude 66 has agreed to pay DCX a cash reimbursement fee of \$500,000 (exclusive of GST) in certain circumstances. Those circumstances are where the Bid Implementation Agreement is validly terminated based on:</p> <p>(a) Latitude 66 is in material breach of a Latitude 66 warranty or any other material obligation under the Bid Implementation Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given;</p> <p>(b) a Latitude 66 Prescribed Occurrence or Latitude 66 Regulated Event occurs;</p> <p>(c) Latitude 66 is in breach of its exclusivity obligations;</p> <p>(d) a Competing Proposal in respect of Latitude 66 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</p> <p>(e) at any time before the end of the Exclusivity Period, the Latitude 66 Board (or any one or more members of the Latitude 66 Board):</p> <p>(i) changes or withdraws its (or their) recommendation that Latitude 66 Shareholders accept the Offer in respect of all their Latitude 66 Shares or makes a public statement indicating that it no longer supports the Offer; or</p> <p>(ii) no longer intend to accept the Offer in respect of all of their Latitude 66 Shares,</p> <p>other than due to:</p> <p>(iii) a material breach of the Bid Implementation Agreement by DCX and the relevant breach</p>

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

- (iv) a Condition being breached or being incapable of satisfaction and DCX stating that it will not waive that breach or free the Offer from that Condition,

In accordance with Australian market practice, DCX has agreed to pay Latitude 66 a cash reimbursement fee of \$250,000 (exclusive of GST) in certain circumstances. Those circumstances are where the Bid Implementation Agreement is validly terminated based on:

- (a) DCX is in material breach of a DCX warranty or any other material obligation under the Bid Implementation Agreement and the relevant breach continues to exist 5 Business Days after the date on which the notice is given;
- (b) a DCX Prescribed Occurrence or DCX Regulated Event occurs;
- (c) DCX is in breach of its exclusivity obligations;
- (d) a Competing Proposal in respect of DCX 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
- (e) at any time before the end of the Exclusivity Period, the DCX Board (or any one or more members of the DCX Board):
  - (i) 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
  - (ii) no longer recommends that DCX Shareholders vote in favour of the Essential Resolution,other than due to a material breach of the Bid Implementation Agreement by Latitude 66 and the relevant breach continues to exist for 5 Business Days after the date on which the notice is given.

A full copy of the Bid Implementation Agreement was lodged with the ASX on 4 April 2024 and can be obtained from DCX's website ([www.discoverresources.com.au](http://www.discoverresources.com.au)) or on DCX's profile on the ASX's website at ([www.asx.com.au](http://www.asx.com.au)).

### 9.3 Loan Agreement

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

As of the date of this Bidder's Statement DCX has not drawn down on the Facility.

## 9.4 Longreach Mandate

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**). In consideration for these services DCX has agreed to pay Longreach Capital \$150,000, with DCX able to elect to satisfy 75% of this payment obligation via the issue of DCX Shares (being \$112,500 or 562,500 DCX Shares at a deemed issue price of \$0.20 (on a post-Consolidation basis)). It is expected that this payment and/or share issue will be made on Completion of the Offer. As at the date of this Bidder's Statement DCX has not elected to issue Shares to Longreach Capital.

### 9.4.1 Grant Coyle – Managing Director

DCX has entered into an executive services agreement with Mr Grant Coyle on the following material terms:

<b>Term</b>	Mr Coyle's term as managing director will commence on the date that the Offer has become unconditional or is declared by DCX to be free of all conditions and will continue until validly terminated.
<b>Remuneration</b>	Mr Coyle will receive a salary of \$300,000 (exclusive of superannuation) for the services provided to DCX by Mr Coyle.
<b>Incentive</b>	Subject to DCX Shareholder approval, Mr Coyle (or his nominee) will receive 5,500,000 Performance Rights (on a post-Consolidation basis).
<b>Notice Period</b>	Each party must give six months' written notice to terminate the agreement other than for cause.
<b>Good leaver</b>	Mr Coyle may terminate the agreement giving one month's written notice at any time within one month of the occurrence of a good reason event.

The agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

### 9.4.2 Toby Wellman – Technical Director

DCX has entered into an executive services agreement with Mr Toby Wellman on the following material terms:

<b>Term</b>	Mr Wellman's term as technical director will commence on the date that the Offer has become unconditional or is declared by DCX to be free of all conditions and will continue until validly terminated.
<b>Remuneration</b>	Mr Wellman will receive a salary of \$220,000 (exclusive of superannuation) for the services provided to DCX by Mr Wellman.
<b>Incentive</b>	Subject to DCX Shareholder approval, Mr Wellman (or his nominee) will receive 2,750,000 Performance Rights (on a post-Consolidation basis).
<b>Notice Period</b>	Each party must give six months' written notice to terminate the agreement other than for cause.
<b>Good leaver</b>	Mr Wellman may terminate the agreement giving one month's written notice at any time within one month of the occurrence of a Good Reason event.

The agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

### 9.4.3 Non-executive Director appointments

Mr Thomas Hoyer (Non-Executive Chairman), Mr Heath Hellewell (Non-Executive Director) and Professor Steffen Hagemann (Non-Executive Director) have entered into appointment letters with DCX to act in each of their respective capacities. These Directors will receive the remuneration and interests set out in Section 9.14.

### 9.4.4 Deeds of indemnity, insurance and access

DCX has entered into a deed of indemnity, insurance and access with each of its officers and Proposed Directors. Pursuant to each of these deeds, DCX has agreed to indemnify each officer and Proposed Director, to the extent permitted by the Corporations Act against certain liabilities arising as a result of the officer and Proposed Director acting as an officer of DCX. DCX will also be required to maintain insurance policies for the benefit of the relevant officer and Proposed Director and allow the officers to inspect board papers in certain circumstances.

### 9.5 Status of Conditions

The conditions of the Offer are set out in 10.7 (**Conditions**). DCX will use all reasonable endeavours to ensure the Conditions are satisfied as soon as possible after the date of this Bidder's Statement.

As at the date of this Bidder's Statement, DCX is not aware of any events which have occurred which would result in a breach or inability to satisfy the Conditions.

DCX will give a notice of the status of the Conditions in accordance with the Corporations Act on 24 May 2024 (subject to extension if the Offer Period is extended).

### 9.6 Official Quotation

DCX will lodge an application for admission to Official Quotation of all DCX Shares issued as the Consideration. Quotation of the new DCX Shares depends on ASX exercising its discretion to re-admit the DCX Shares to quotation on ASX.

As DCX is listed on ASX, DCX's actions and activities are subject to the ASX Listing Rules.

### 9.7 Expenses of the Offer

DCX estimates it will incur fees for services provided in connection with the Offer, the Public Offer and the Transaction, including for legal, corporate, taxation, share register, ASX and other professional fees, in the amount of approximately \$1,170,000 (excluding GST).

Estimated expenses of the Offer	(\$)
ASIC lodgement fees	8,470
Legal expenses	529,000

Corporate and other advisory fees	388,000
Printing, mailing and other expenses	88,530
ASX listing fees <sup>1</sup>	156,000
<b>TOTAL</b>	<b>1,170,000</b>

**Notes:**

1. This figure assumes 135,000,000 new DCX Shares are to be quoted, being Consideration Shares and new DCX Shares to be issued under the under the Public Offer (assuming Minimum Subscription).

## 9.8 Interests and Benefits Relating to the Offer

### (a) Interests

Other than as set out elsewhere in this Bidder's Statement, no:

- Director or Proposed Director of DCX;
- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- promoter of DCX; or
- broker or underwriter in relation to the issue of DCX Shares pursuant to the Offer or financial services licensee named in this Bidder's Statement as being involved in the issue of DCX Shares,

has, or had within 2 years before the date of this Bidder's Statement, any interest in:

- the formation or promotion of DCX;
- any property acquired or proposed to be acquired by DCX in connection with its formation or promotion or in connection with the offer of DCX Shares under the Offer; or
- the offer of DCX Shares under the Offer.

### (b) Disclosure of Fees and Benefits Received by Certain Persons

Other than as set out elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- to a Director or Proposed Director of DCX to induce them to become, or to qualify as, a Director of DCX; or
- for services provided by a Director or Proposed Director of DCX in connection with the formation or promotion of DCX or the offer of DCX Shares under the Offer.

## 9.9 DCX's Interest in Latitude 66 Shares

As at the date of this Bidder's Statement, DCX does not hold any Shares in the capital of Latitude 66.

## 9.10 Acquisitions of Latitude 66 Shares by DCX and its Associates

### (a) Previous 4 months

Neither DCX nor any Associate of DCX has provided, or agreed to provide, consideration for Latitude 66 Shares under any purchase or agreement during the four months before the date of this Bidder's Statement and the period from the date of this Bidder's Statement to the date before the date of the Offer.

### (b) Period before Offer

Neither DCX nor any Associate of DCX will provide, or agree to provide, consideration for Latitude 66 Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer.

## 9.11 No Escalation Agreements

Neither DCX nor any Associate of DCX has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

## 9.12 Collateral Benefits

During the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither DCX nor any Associate of DCX gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (a) accept the Offer; or
- (b) dispose of their Latitude 66 Shares,

and which is not offered to all holders of Latitude 66 Shares under the Offer.

## 9.13 Disclosure of Interests of DCX Directors and Proposed Directors

### Interest in DCX Securities

The DCX Directors have the following interests in DCX Securities (either held directly, held by entities controlled by them or held by entities of which they are directors) as at the date of this Bidder's Statement.

Director	DCX Shares	DCX Options
Heath Hellewell	1,735,185	90,000
Toby Wellman	365,714	150,000
David Morgan	359,667	70,000

Notes:

1. Stated on a post-Consolidation basis.
2. Refer to the respective Appendices 3Y/3X (as applicable) for each Director for further information.

As at the date of this Bidder's Statement, the Proposed Directors do not have any interest in DCX Securities. Current Latitude 66 director Josh Welch is deemed to control Strickland Consulting ATF LAW Family A/C which owns 18,000 shares in DCX (on a post-Consolidation basis).

Following completion of the Offer and the Public Offer, the Directors and Proposed Directors will hold the following DCX Securities.

	Shares <sup>1</sup>	Options <sup>1</sup>	Performance Rights <sup>4</sup>
<b>Directors</b>			
Heath Hellewell	2,610,185 <sup>2</sup>	90,000 <sup>3</sup>	750,000
Toby Wellman	540,714 <sup>2</sup>	150,000 <sup>4</sup>	2,750,000
David Morgan	409,667 <sup>2</sup>	70,000 <sup>5</sup>	Nil
<b>Proposed Directors</b>			
Grant Coyle	146,886 <sup>3</sup>	Nil	5,500,000
Thomas Hoyer	5,122,908 <sup>3</sup>	Nil	4,000,000
Steffen Hagemann	1,101,645 <sup>3</sup>	Nil	750,000

**Notes:**

1. Stated on a post-Consolidation basis.
2. Subject to Shareholder approval at the General Meeting, the Directors will participate in the Offer and the Company will issue up to:
  - (a) 175,000 Shares to Mr Wellman;
  - (b) 875,000 Shares to Mr Hellewell; and
  - (c) 50,000 Shares to Mr Morgan.
3. These Shares will be issued under the Offer.
4. The Company has agreed, subject to Shareholder approval at the General Meeting, to issue Performance Rights to the Directors and Proposed Directors.

Interest in Latitude 66 Shares

As at the date of this Bidder's Statement, the DCX Directors do not have any interest in Latitude 66 Securities.

The Proposed Directors have the following interests in Latitude 66 Shares (either held directly, held by entities controlled by them or held by entities of which they are directors) as at the date of this Bidder's Statement.

Director	Latitude 66 Shares	Latitude 66 Options
Thomas Hoyer	5,812,792	nil
Grant Coyle	166,667	nil
Steffen Hagemann	1,250,000	nil

## 9.14 Fees and Benefits of Directors

No Director fees are paid to Executive Directors. The new Constitution of DCX which is proposed to be adopted at the DCX Shareholder Meeting provides that the non-executive Directors may be paid for their services as Directors a sum not exceeding \$300,000, which can only be increased by approval of shareholders at a general meeting.

The annual remuneration (inclusive of superannuation) of the DCX Directors for the financial years ended 30 June 2022 and 30 June 2023, and proposed remuneration for the year ended 30 June 2024:

Director	Proposed Remuneration for the year ended 30 June 2024	Remuneration for the year ended 30 June 2023	Remuneration for year ending 30 June 2022
<b>Directors</b>			
Heath Hellewell <sup>3</sup>	\$66,600	\$66,300	\$66,000
Toby Wellman <sup>3</sup>	\$244,200	\$243,100	\$242,000
David Morgan <sup>1</sup>	\$34,410	\$34,255	\$34,100
<b>Proposed Directors</b>			
Grant Coyle <sup>2,3</sup>	Nil	Nil	Nil
Thomas Hoyer <sup>2,3</sup>	Nil	Nil	Nil
Steffen Hagemann <sup>2,3</sup>	Nil	Nil	Nil

### Notes:

- It is proposed that Mr Morgan will resign from the DCX Board as soon as practicable after DCX has a Relevant Interest in more than 90% of the aggregate number of Latitude 66 Shares on issue and the Offer has become unconditional or is declared by DCX to be free of all Conditions.
- Upon the appointment of the Proposed Directors, the proposed remuneration for the year ended 30 June 2025 will be:
  - Mr Coyle – \$300,000;
  - Mr Hoyer – \$70,000 in addition to EUR\$70,000 as chairman of Latitude 66's wholly owned subsidiary Latitude 66 Cobalt Oy; and
  - Mr Hagemann – \$50,000.
- As noted in Section 3.13, the Company will seek Shareholder approval at the General Meeting for the issue of Performance Rights (on a post-Consolidation basis) to Messrs Hellewell, Wellman, Coyle, Hoyer and Hagemann.

Directors are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of DCX and other miscellaneous expenses.

The remuneration of Directors is reviewed annually by DCX.

### **9.15 Restricted Securities**

Subject to DCX being re-admitted to the Official List and completing the Offer and Public Offer, certain Shares may be classified by ASX as restricted securities and be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a shareholder to dispose of Shares in a timely manner.

In addition, as the Shares issued to accepting Latitude 66 Shareholders under the Offer will be issued in consideration for the acquisition of classified asset, certain Shares issued under the Offer may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.

DCX has received conditional waiver from the requirements of Listing Rule 9.1(b) to allow DCX to apply the restrictions in paragraphs 1 and 2 of Appendix 9B (as applicable) to the existing shareholders of DCX. A summary of this waiver is set out in Section 5.7.

The number of Shares that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. DCX will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX (which re-admission is subject to ASX's discretion and approval).

### **9.16 Material Litigation**

DCX is not aware of any instituted or threatened litigation, or other legal proceedings in relation to DCX.

### **9.17 Foreign Securityholders**

The Offer is being extended to Australia or its external territories, European Union (Finland and Germany) and Hong Kong which represents all the jurisdictions of addresses as shown in the register of members of Latitude 66. As such no Latitude 66 Shareholder will be ineligible to accept the Offer.

### **9.18 Expiry Date**

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

### **9.19 Date for Determining Holders**

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is the Record Date.

### **9.20 Other Material Information**

There is no other information material to the making of a decision by a holder of Latitude 66 Shares whether or not to accept the Offer being information that is known to DCX, and which has not previously been disclosed to Latitude 66 Shareholders other than as is contained elsewhere in this Bidder's Statement.

## 9.21 Consents

Each of the parties referred to in this Section 9.21:

- (a) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than a reference to its name and a statement included in this Bidder's Statement with the consent of that party as specified in this Section 9.21; and
- (b) has not caused or authorised the issue of this Bidder's Statement.

Steinepreis Paganin has given its consent to be named in the Bidder's Statement as Australian legal advisers to DCX in relation to the Offer. Steinepreis Paganin has not made any statement that is included in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based.

PKF Perth has given its consent to be named in the Bidder's Statement as the auditors of DCX and to the inclusion of the reviewed consolidated statements of financial position and the consolidated statements of profit or loss and other comprehensive income of DCX for the half year ended 31 December 2023 and the audited consolidated statements of financial position and the consolidated statements of profit or loss and other comprehensive income of DCX for the financial years ended 30 June 2022 and 30 June 2023 in Sections 3.7 and 3.8 of this Bidder's Statement. Other than as set out above, PKF Perth has not made any statement that is included in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based.

Each person named in this Section 9.21 has given, and before the time of lodgement of this Bidder's Statement with ASIC, has not withdrawn, their consent to being named in this Bidder's Statement in the capacity indicated next to their name.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on DCX's ASX announcement platform. Under ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these reports or statements free of charge, please contact the DCX Company Secretary on +61 8 9380 9440.

As permitted by ASIC Corporations (Consent to Statements) Instrument 2016/72, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Corporations (Consent to Statements) Instrument 2016/72, this Bidder's Statement contains ASX share price trading information sourced from ASX and IRESS without its consent.

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## 10. TERMS OF THE OFFER

### 10.1 Offer

- (a) DCX offers to acquire all of your Latitude 66 Shares, together with all Rights attached to them, on and subject to the terms and conditions set out in this Section 10.

- (b) The consideration being offered by DCX for the acquisition of all of your Latitude 66 Shares is 0.8813161 new DCX Shares for every 1 of your Latitude 66 Shares. If this calculation results in an entitlement to a fraction of an DCX Share, that fraction will be rounded down to the nearest whole number of DCX Shares.
- (c) The DCX Shares to be issued pursuant to the Offer will be fully paid and, from their date of issue, rank equally in all respects with existing DCX Shares currently on issue and have the rights summarised in Section 3.15.
- (d) By accepting this Offer, you undertake to transfer to DCX not only the Latitude 66 Shares to which the Offer relates, but also all Rights attached to those Latitude 66 Shares.
- (e) The Offer is being made to each person registered as a holder of Latitude 66 Shares on Latitude 66's register of members as at the Record Date. It also extends to any person who becomes registered as the holder of your Latitude 66 Shares during the Offer Period.
- (f) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of your Latitude 66 Shares, then:
  - (i) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Latitude 66 Shares; and
  - (ii) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Latitude 66 Shares you hold to which the Offer relates; and
  - (iii) this Offer will be deemed to have been withdrawn immediately at that time.
- (g) If at any time during the Offer Period you are registered as the holder of one or more parcels of Latitude 66 Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Company Secretary on +61 8 9380 9440.
- (h) If your Latitude 66 Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.
- (i) The Offer is dated 26 April 2024.

## 10.2 Offer Period

- (a) Unless extended or withdrawn, the Offer will remain open for acceptance during the period commencing on the date of the Offer (being 26 April 2024) and ending at 5:00 pm (Perth Time) on the later of:
  - (i) 31 May 2024; or
  - (ii) any date to which the Offer Period is extended.
- (b) DCX reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last seven (7) days of the Offer Period, either of the following events occurs:
  - (i) the Offer is varied to improve the consideration offered; or
  - (ii) the voting power of DCX in Latitude 66 increases to more than 50%,

then the Offer Period will automatically be extended so that it ends 14 days after the relevant events in accordance with section 624(2) of the Corporations Act.

## 10.3 How to Accept the Offer

- (a) **General**
  - (i) You may only accept the Offer in respect of all (and not a lesser number) of your Latitude 66 Shares.
  - (ii) You may accept the Offer at any time during the Offer Period.
  - (iii) To accept the Offer for Latitude 66 Shares held in your name, you must:
    - (A) complete the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
    - (B) ensure that the Acceptance Form is received before the end of the Offer Period, in accordance with the directions on the Acceptance Form.
- (b) **Acceptance Form**
  - (i) The Acceptance Form forms part of this Offer. The requirements on the Acceptance Form must be observed in accepting the Offer.
  - (ii) For your acceptance to be valid you must ensure that your Acceptance Form is posted or delivered in sufficient time for it to be received by DCX in accordance with the directions on the Acceptance Form before the end of the Offer Period. You may only return your Acceptance Form by email in exceptional circumstances and with the approval of DCX.

#### **10.4 Validity of Acceptances**

- (a) Subject to this Section 10.4, your acceptance of this Offer will not be valid unless it is made in accordance with the procedures set out in Section 10.3.
- (b) DCX will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept this Offer and time of receipt of an acceptance of this Offer. DCX is not required to communicate with you prior to making this determination. The determination of DCX will be final and binding on all parties.
- (c) Notwithstanding Section 10.3, DCX may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of your DCX Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with this Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration into DCX's name have been received by DCX.
- (d) Where you have satisfied the requirements for acceptance in respect of only some of your Latitude 66 Shares, DCX may, in its sole discretion, regard this Offer to be accepted in respect of those Latitude 66 Shares but not the remainder.
- (e) DCX will provide the consideration to you in accordance with Section 10.6, in respect of any part of an acceptance determined by DCX to be valid.

#### **10.5 The Effect of Acceptance**

- (a) Once you have accepted this Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw that acceptance or otherwise dispose of your Latitude 66 Shares to which this Offer relates, except as follows:
  - (i) if the Conditions in Section 10.7 have not been fulfilled or freed by the end of the Offer Period:
    - (A) this Offer will automatically terminate and your Latitude 66 Shares the subject of your acceptance will be returned to you; or
    - (B) if the Offer Period is varied in a way that postpones the obligations of DCX to deliver the consideration for more than one month and, at the time, this Offer remains subject to one or more of the Conditions contained in Section 10.7, you may be able to withdraw your acceptance in relation to your Latitude 66 Shares in accordance with section 650E of the Corporations Act. Should such rights arise, a notice will be sent to you at the relevant time explaining your rights and instructions in this regard.

- (b) By following the procedure described in Section 10.3 to accept this Offer, you will be deemed to have:
- (i) accepted this Offer (and any variation to it, subject to section 650E of the Corporations Act) in respect of the Latitude 66 Shares registered in your name to which this Offer relates, regardless of the number of Latitude 66 Shares specified in the Acceptance Form, subject to Sections 10.1 (e) and 10.1 (f);
  - (ii) agreed to accept the DCX Shares to which you become entitled by accepting this Offer, subject to DCX's Constitution and the terms of issue of the DCX Shares and to have authorised DCX to place your name on its register of shareholders as the holder of the DCX Shares issued to you under the Offer;
  - (iii) irrevocably authorised DCX (and any Director, secretary, nominee or agent of DCX) to alter the Acceptance Form on your behalf by inserting correct details of your Latitude 66 Shares, filling in any blanks and correcting any errors in or omissions from the Acceptance Form as may be considered necessary by DCX to make the Acceptance Form an effective acceptance of this Offer or to enable registration of the transfer to DCX of your Latitude 66 Shares;
  - (iv) irrevocably authorised and directed Latitude 66 to pay to DCX or to account to DCX for all Rights which are declared, paid or which arise or accrue after the Announcement Date in respect of your Latitude 66 Shares (subject to DCX accounting to you for any Rights received by it if your acceptance of this Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
  - (v) irrevocably authorised DCX to notify Latitude 66 on your behalf that your place of address for the purpose of serving notices upon you in respect of your Latitude 66 Shares is the address specified by DCX in the notification;
  - (vi) in the event that the ASX requires that Latitude 66 Shareholders who receive DCX Shares as Consideration enter into restriction agreements on the terms set out in the ASX Listing Rules, irrevocably appointed DCX and its Directors as your attorney for the purpose of executing such a restriction agreement;
  - (vii) represented and warranted to DCX that, unless you have notified DCX in accordance with Section 10.1 (g), your Latitude 66 Shares do not consist of separate parcels of Latitude 66 Shares;
  - (viii) represented and warranted to DCX that as a fundamental condition going to the root of the contract resulting from your acceptance that, at the time of acceptance, and the time the transfer of your Latitude 66 Shares (including any Rights) to DCX is registered:
    - (A) DCX will acquire good title to and beneficial ownership of all of your Latitude 66 Shares free from all mortgages, charges, liens, encumbrances and adverse interests of

- any nature (whether legal or equitable) and free from restrictions on transfer of any nature (whether legal or otherwise) and other third-party interests of any kind;
- (B) you have paid Latitude 66 all amounts which are due in respect of your Latitude 66 Shares;
  - (C) all of your Latitude 66 Shares are fully paid; and
  - (D) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your Latitude 66 Shares (including all Rights attached to them) to DCX;
- (ix) if you reside outside of Australia, represented and warranted to DCX that the making by DCX to you, and your acceptance, of this Offer is lawful under any law of a country other than Australia which apply to you to the making of this Offer and to your acceptance of this Offer;
  - (x) with effect from the time and date on which all the Conditions to this Offer in Section 10.7 have been fulfilled or freed, to have irrevocably appointed DCX (and each of DCX's Directors, secretaries and other officers) severally from time to time as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Latitude 66 Shares or in exercise of any right or power derived from the holding of your Latitude 66 Shares including, (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings and all court-convened meetings of Latitude 66 and to request Latitude 66 to register, in the name of DCX or its nominee, your Latitude 66 Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
  - (xi) agreed that in exercising the powers conferred by the power of attorney under Section 10.5(b)(x), the attorney shall be entitled to act in the interests of DCX as the beneficial owner and intended registered holder of your Latitude 66 Shares;
  - (xii) with effect from the time and date on which all the Conditions to this Offer in Section 10.7 have been fulfilled or freed, agreed not to vote in person, by proxy or otherwise at any general meeting of Latitude 66 or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on DCX and the DCX Directors, secretaries and other officers of DCX by Section 10.5(b)(x);
  - (xiii) agreed to do all such acts, matters and things that DCX may require to give effect to the matters the subject of this Section (including the execution of a written form of proxy to the same effect as this Section which complies in all respects with the requirements of the constitution of Latitude 66) if requested by DCX;

- (xiv) agreed, subject to the Conditions of this Offer in Section 10.7 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that DCX may consider necessary or desirable to convey your Latitude 66 Shares registered in your name and Rights to DCX; and
  - (xv) recognised that DCX will register the transfer to DCX of your Latitude 66 Shares into DCX's name before issuing you the offer consideration.
- (c) The representations, warranties, undertakings and authorities referred to in this Section 10.5 will (unless otherwise stated) remain in force after you receive the Consideration for your Latitude 66 Shares and after DCX becomes registered as the holder of your Latitude 66 Shares.

## **10.6 Consideration**

- (a) Subject to the terms of this Offer and the Corporations Act, DCX will provide the consideration for your Latitude 66 Shares on or before the earlier of:
- (i) one month after the date of your acceptance, or if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
- (i) if that document is given with your Acceptance Form, DCX will provide the Consideration in accordance with Section 10.6(a);
  - (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, DCX will provide the Consideration on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
  - (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, DCX will provide the Consideration on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period; and
  - (iv) if that document is given after the end of the Offer Period and the Offer is not subject to a defeating condition, DCX will provide the Consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, DCX will provide the Consideration due to you within 21 days after the Offer becomes unconditional.

- (c) If you accept this Offer, DCX is entitled to all Rights in respect of your Latitude 66 Shares. DCX may require you to provide all documents necessary to vest title to those Rights in DCX, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to DCX, or if you have received the benefit of those Rights, DCX will deduct from the Consideration otherwise due to you the amount (or value, as reasonably assessed by DCX) of those Rights.
- (d) The obligations of DCX to allot and issue any DCX Shares to which you are entitled under the Offer will be satisfied:
  - (i) by entering your name on the register of members of DCX;
  - (ii) dispatching or procuring the dispatch to you by prepaid post to your address specified in your Acceptance Form, an uncertificated holding statement in your name. If your Latitude 66 Shares to which the Offer relates are held in a joint name, an uncertificated holding statement will be forwarded to the holder whose name appears first in your Acceptance Form.
- (e) Under no circumstances will interest be paid on the Consideration to which you are entitled to under the Offer, regardless of any delay in providing the Consideration or any extension of the Offer.
- (f) If, at the time you accept this Offer, any of the following:
  - (i) *Banking (Foreign Exchange) Regulations 1959 (Cth)*;
  - (ii) *Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth)*;
  - (iii) *Autonomous Sanctions Act 2011 (Cth)*; or
  - (iv) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Department of Foreign Affairs and Trade, the ATO or any other Government Authority be obtained before you received any considered for your Latitude 66 Shares, or would make it unlawful for DCX to provide any consideration to you for your Latitude 66 Shares, then you will not be entitled to receive any consideration for your Latitude 66 Shares until all requisite authorities, clearances or approvals have been received by DCX.

## 10.7 Conditions of the Offer

Subject to Section 10.10, the Offer and any contract that results from an acceptance of the Offer are subject to the fulfilment of the following Conditions:

### (a) **Minimum Acceptance**

At or before the end of the Offer Period, DCX has a Relevant Interest in such number of Latitude 66 Shares which represents at least 90% of all Latitude 66 Shares.

### (b) **Listing Condition**

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

(c) **Escrow Condition**

To the extent the ASX Reinstatement Letter imposes escrow restrictions requiring certain DCX Shareholders or Latitude 66 Shareholders who receive Consideration under the Offer to enter into escrow agreements, such persons have entered into the relevant escrow agreements.

(d) **No Latitude 66 Material Adverse Change**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Latitude 66 Material Adverse Change occurs.

(e) **No Latitude 66 Prescribed Occurrence**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Latitude 66 Prescribed Occurrence occurs.

(f) **Prospectus Offer Condition**

The Public Offer closes and, as at the close of the Public Offer, DCX 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.

(g) **DCX Shareholder Approval Condition**

The DCX Shareholders' approve the Essential Resolutions.

(h) **DCX Consolidation**

DCX completing the implementation of the DCX Consolidation.

(i) **No Latitude 66 Regulated Event**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Latitude 66 Regulated Event occurs.

(j) **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 a Government Authority is in effect; and
- (B) no action or investigation is commenced by any Government 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 Latitude 66 Shares under the Offer, the completion of any of the transactions contemplated by the Offer or the rights of DCX in respect of Latitude 66 or any Latitude 66 Shares.

(k) **FDI Approval**

DCX 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 DCX through the acquisition of the Latitude 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 DCX through the acquisition of the Latitude 66 Shares.

**10.8 Status of FDI Approval Condition**

DCX confirms that the FDI Approval Condition in Section 10.7(k) has been satisfied as DCX has received from the Ministry for Economic Affairs and Employment of Finland confirmation that the Finnish Screening Act does not apply for the acquisition of control over Latitude 66 Cobalt Oy by DCX through the acquisition of the Latitude 66 Shares. DCX confirms that nothing further is required in relation to this Condition.

**10.9 Nature and benefit of Conditions**

- (a) The Conditions in Section 10.7 are conditions subsequent. The nonfulfillment of any condition subsequent does not, until the end of the Offer Period, prevent a contract to sell your DCX Shares from arising, but non-fulfilment of any of those Conditions will have the consequences set out in Section 10.10(b) .
- (b) Subject to the Corporations Act, DCX alone is entitled to the benefit of the conditions in Section 10.7, or to rely on any non fulfilment of any of them.
- (c) Each Condition in Section 10.7 is a separate, several and distinct condition. No Condition will be taken to limit the meaning or effect of any other Condition.

**10.10 Freeing the Offer of Conditions**

- (a) DCX may free the Offer, and any contract resulting from its acceptance, from all or any of the Conditions in Section 10.7 (other than the Minimum Acceptance Condition, Prospectus Offer Condition and the Listing Condition which DCX will not waive), either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Latitude 66 and to ASIC declaring this Offer to be free from the relevant Condition or Conditions specified, in accordance with

section 650F of the Corporations Act. This notice may be given not less than seven (7) days before the end of the Offer Period.

- (b) If, at the end of the Offer Period, the Conditions in Section 10.7 have not been fulfilled and DCX has not declared the Offer (or it has not become) free from those Conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

#### **10.11 Notice of Status of Conditions**

The date for giving the notice required by section 630(1) of the Corporations Act is 24 May 2024, subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended.

#### **10.12 Official Quotation**

- (a) DCX has already been admitted to the Official List of ASX and the DCX Shares issued under the Offer are of the same class as DCX Shares already quoted on the ASX.
- (b) An application will be made within 7 days after the start of the bid period to ASX for the granting of official quotation of the DCX Shares to be issued in accordance with the Offer. However, DCX cannot guarantee, and does not represent or imply that DCX Shares will be listed on ASX following their issue.
- (c) Pursuant to the Corporations Act, the Offer and any contract that results from your acceptance of it is subject to a condition that permission for quotation by ASX of the DCX Shares to be issued pursuant to the Offer being granted no later than 7 days after the end of the Bid Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offer will be automatically void.

#### **10.13 Withdrawal of Offer**

- (a) DCX may withdraw this Offer with the consent in writing of ASIC, which may be given subject to such conditions. If ASIC gives such consent, DCX will give notice of the withdrawal to ASX and to Latitude 66 and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Offer is withdrawn, the Offer has been freed of all the Conditions contained in Section 10.7, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) If at the time this Offer is withdrawn, the Offer remains subject to one or more of the Conditions in Section 10.7, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant Conditions have occurred).
- (d) A withdrawal under Section 10.13(a) will be deemed to take effect:
  - (i) if the withdrawal is not subject to conditions imposed by ASIC, on the date after the date on which that consent in writing is given by ASIC; or

- (ii) if the withdrawal is subject to conditions imposed by ASIC, on the date after the date on which those conditions are satisfied.

#### **10.14 Variation**

DCX may vary this Offer in accordance the Corporations Act.

#### **10.15 Costs**

- (a) DCX will pay any stamp duty payable on the Offer.
- (b) If your Latitude 66 Shares are registered in your name and you deliver them directly to DCX, you will not incur any brokerage charges in connection with your acceptance of this Offer.

#### **10.16 Governing Law**

This Offer and any contract that results from your acceptance of it is governed by the laws in force in Western Australia.

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**11. DIRECTORS AUTHORISATION**

The Bidder's Statement is issued by DCX and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Bidder's Statement with ASIC and has not withdrawn that consent.

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## 12. GLOSSARY OF TERMS

### 12.1 Definitions

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

**\$** or **Dollar** means Australian dollars.

**Acceptance Form** means the forms of acceptance for the Offer accompanying this Bidder's Statement or alternatively any acceptance form sent to a Latitude 66 Shareholder by DCX's share registry in relation to the Offer, as the context requires.

**Announcement Date** means 4 April 2024, being the date the Offer was announced on ASX.

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

**Associate** has the meaning given in Chapter 6 of the Corporations Act.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange (as the context requires).

**ASX Listing Rules** means the official listing rules of ASX, as amended from time to time.

**ASX Settlement Operating Rules** means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

**Bid Implementation Agreement** means the agreement between DCX and Latitude 66 pursuant to which DCX agreed to make the Offer, a copy of which was announced by DCX on 4 April 2024.

**Bidder's Statement** means this document.

**Board** or **DCX Board** means the board of directors of DCX.

**Business Day** means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.

**CGT** means capital gains tax as defined in the Income Tax Assessment Act 1997 (Cth).

**CGT Discount** has the meaning given in Section 7.2(g).

**CHESS** means Clearing House Electronic Subregister System as defined in Rule 2.3.1 of the ASX Settlement Operating Rules.

**Combined Group** means DCX and its subsidiaries, including Latitude 66, after successful completion of the Offer.

**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.

**Completion** means the close of the Offer in circumstances where the Conditions have been satisfied or waived.

**Conditions** means the conditions of the Offer set out in Section 10.7.

**Consideration** means DCX Shares offered to Latitude 66 Shareholders in consideration for the acquisition of the Latitude 66 Shares under the Offer.

**Consideration Shares** means DCX Shares offered to Latitude 66 Shareholders as Consideration.

**Constitution** means the constitution of DCX.

**Control**, in respect of an entity, has the meaning given in section 50AA of the Corporations Act.

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

**Director** or **DCX Director** means a director of DCX as at the date of this Bidder's Statement.

**DCX** or **Bidder** means Discoverex Resources Limited (ACN 115 768 986).

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

**DCX Group** means DCX and its Subsidiaries.

**DCX 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 DCX Group by at least \$500,000,

other than a change, event, fact, circumstance, occurrence or matter:

- (b) required or permitted to be done by the Bid Implementation Agreement, the Offer, the Facility or the transactions contemplated by them;
- (c) Fairly Disclosed in the DCX disclosure materials;
- (d) Fairly Disclosed in public announcements of DCX 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 DCX operates, but excluding any changes that disproportionately impacts DCX;
- (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 Government Authority;
- (i) relating to foreign currency exchange rates; or
- (j) relating to any generally applicable change in applicable Accounting Standards or the JORC Code.

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

- (a) except in relation to the Consolidation, DCX converts all or any of the DCX Shares into a larger or smaller number of DCX Shares;
- (b) DCX or a Subsidiary resolves to reduce its share capital in any way;
- (c) DCX 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 Longreach offer, Public Offer, Performance Rights offer, and broker Options offer, DCX 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) DCX or a Subsidiary issues, or agrees to issue, convertible notes;
- (f) DCX or a Subsidiary disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) DCX or a Subsidiary charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) DCX or a Subsidiary resolves to be wound up;
- (i) a liquidator or provisional liquidator of DCX or of a Subsidiary is appointed;
- (j) a court makes an order for the winding up of DCX or of a Subsidiary;
- (k) an administrator of DCX, or of a Subsidiary, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) DCX 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 DCX or of a Subsidiary.

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

- (a) a member of the DCX 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 DCX 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 DCX'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 DCX 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 DCX 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 DCX's business or lead to a DCX Material Adverse Change;
- (d) DCX making any change to its constitution or convening a meeting to consider a resolution to change a constitution of any member of the DCX Group or passing any special resolution;
- (e) DCX implementing or agreeing to implement any scheme of arrangement or compromise (including one for a reconstruction or amalgamation of any members of the DCX Group), or any analogous procedure, scheme or arrangement in any jurisdiction; or
- (f) a Third Party commencing litigation against DCX or any member of the DCX Group:
- (i) which may reasonably result in:
    - (A) a judgement against any member of the DCX Group of more than \$100,000 (individually or in aggregate);
    - (B) the termination or loss of, or reduction of interest in, any of the DCX tenements; or
  - (ii) which relates to the DCX Group's interest in the Greater Duchess Copper Gold Joint Venture,

other than to the extent:

- (a) required or permitted to be done by the Bid Implementation Agreement, the Offer, the Facility or the transactions contemplated by them;
- (b) Fairly Disclosed in the DCX disclosure materials;
- (c) Fairly Disclosed in public announcements of DCX in the 12 months before the Execution Date;
- (d) 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 DCX operates;
- (e) 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);
- (f) 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;

- (g) arising from any change in any laws or the interpretation, application or non-application of any laws by any Government Authority;
- (h) relating to foreign currency exchange rates;
- (i) relating to any generally applicable change in applicable Accounting Standards or the JORC Code; or
- (j) with the prior written consent of Latitude 66.

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

**DCX Share** or **Share** means a fully paid ordinary share in the capital of DCX.

**DCX Shareholder** or **Shareholder** means a holder of an DCX Share.

**Encumbrance** means any mortgage, fixed or floating charge, pledge, lien, option, right to acquire a security or to restrain someone from acquiring a security (including under a right of pre-emption or right of first refusal), assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind (including a "security interest" as defined under the *Personal Property Securities Act 2009* (Cth)), and any agreement to create any of the foregoing or allow any of the foregoing to exist.

**Exclusivity Period** means the period starting on 3 April 2024 (being the execution date of the Bid Implementation Agreement) and ending on the earlier of:

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

**Execution Date** means the date of the Bid Implementation Agreement being 3 April 2024.

**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 the Bid Implementation Agreement.

**Government 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 states and territories; or

- (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 states and territories or the ASX Listing Rules, including ASIC, ASX and the Takeovers Panel.

**Greater Duchess Copper Gold Joint Venture** has the meaning given in Section 3.1.3.

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

**Juomasuo Project** has the meaning given in section 4.2.

**KSB Project** means the Kuusamo Schist Belt project.

**Latitude 66** means Latitude 66 Cobalt Limited (ACN 623 040 773).

**Latitude 66 Board** or means the board of directors of Latitude 66 as at the date of this Bidder's Statement.

**Latitude 66 Group** means Latitude 66 and its Related Bodies Corporate.

**Latitude 66 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 Latitude 66 Group by at least \$500,000,

other than a change, event, fact, circumstance, occurrence or matter:

- (b) required or permitted to be done by the Bid Implementation Agreement, the Offer, the Facility or the transactions contemplated by them;
- (c) Fairly Disclosed in the Latitude 66 disclosure materials;
- (d) Fairly Disclosed in public announcements of Latitude 66 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 Latitude 66 operates, but excluding any changes that disproportionately impacts Latitude 66;
- (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 Government Authority;
- (i) relating to foreign currency exchange rates; or

- (j) relating to any generally applicable change in applicable Accounting Standards or the JORC Code.

**Latitude 66 Prescribed Occurrence** means any of the following:

- (a) Latitude 66 converts all or any of the Latitude 66 Shares into a larger or smaller number of Latitude 66 Shares;
- (b) Latitude 66 or a Subsidiary resolves to reduce its share capital in any way;
- (c) Latitude 66 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) Latitude 66 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) Latitude 66 or a Subsidiary issues, or agrees to issue, convertible notes;
- (f) Latitude 66 or a Subsidiary disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Latitude 66 or a Subsidiary charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Latitude 66 or a Subsidiary resolves to be wound up;
- (i) a liquidator or provisional liquidator of Latitude 66 or of a Subsidiary is appointed;
- (j) a court makes an order for the winding up of Latitude 66 or of a Subsidiary;
- (k) an administrator of Latitude 66, or of a Subsidiary, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Latitude 66 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 Latitude 66 or of a Subsidiary.

**Latitude 66 Regulated Event** means the occurrence of any of the following events:

- (a) the Latitude 66 Group's consolidated cash reduces to below \$2,500,000;
- (b) a member of the Latitude 66 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 Latitude 66 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 Latitude 66'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 Latitude 66 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 Latitude 66 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 Latitude 66's business or lead to a Latitude 66 Material Adverse Change;
- (e) Latitude 66 making any change to its constitution or convening a meeting to consider a resolution to change a constitution of any member of the Latitude 66 Group or passing any special resolution;
- (f) Latitude 66 implementing or agreeing to implement any scheme of arrangement or compromise (including one for a reconstruction or amalgamation of any members of the Latitude 66 Group), or any analogous procedure, scheme or arrangement in any jurisdiction; or
- (g) a Third Party commencing litigation against Latitude 66 or any member of the Latitude 66 Group which may reasonably result in:
  - (i) a judgement against any member of the Latitude 66 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 Latitude 66 Mining Rights.

other than to the extent:

- (h) required or permitted to be done by the Bid Implementation Agreement, the Offer, the Facility or the transactions contemplated by them;
- (i) Fairly Disclosed in the Latitude 66 disclosure materials;

- (j) Fairly Disclosed in public announcements of Latitude 66 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 Latitude 66 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 Government 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.

**Latitude 66 Shares** means fully paid ordinary shares in the capital of Latitude 66.

**Latitude 66 Shareholders** means all persons who hold Latitude 66 Shares.

**Listing Condition** means the condition of the Offer set out in Section 10.7(b).

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

- (a) the date on which the Offer Period in respect of the Offer ends; and
- (b) 3 October 2024 (being 6 months after the execution of the Bid Implementation Agreement), or such other date as DCX and Latitude 66 agree in writing.

**Maximum Subscription** means \$4,000,000.

**Minimum Subscription** means \$2,000,000.

**Minimum Acceptance Condition** means the condition of the Offer set out in Section 10.7(a).

**Offer** means the off-market offer by DCX to acquire all Latitude 66 Shares on the terms and conditions set out in this Bidder's Statement.

**Offer Period** means the period during which the Offer is open for acceptance.

**Official Quotation** means official quotation on ASX.

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

**Party** means a party to the Bid Implementation Agreement and **Parties** means both of them (DCX and Latitude 66).

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

**Prospectus Offer Condition** means the condition of the Offer set out in Section 10.7(f).

**Public Offer** means DCX raising at least \$2,000,000 and up to \$4,000,000 through the issue of a minimum of 10,000,000 DCX Shares and a maximum of 20,000,000 DCX Shares at an issue price of \$0.20 per DCX Share (on a post-Consolidation basis) under the Prospectus.

**Record Date** means the date set by DCX under section 633(2) of the Corporations Act, being 24 April 2024.

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

**Representative** means:

- (a) in relation to Latitude 66, a member of the Latitude 66 Group, any director, officer or employee of any member of the Latitude 66 Group, and any financier, financial adviser, accounting adviser, auditor, legal adviser or technical or other expert adviser or consultant to any member of the Latitude 66 Group in relation to the Offer; and
- (b) in relation to DCX, a member of the DCX Group, any director, officer or employee of any member of the DCX Group, and any financier, financial adviser, accounting adviser, auditor, legal adviser, or technical or other expert adviser or consultant to any member of the DCX Group in relation to the Offer.

**Rights** means all accreditations, benefits and rights attaching to or arising from the Latitude 66 Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by Latitude 66).

**Section** means a section of this Bidder's Statement.

**DCX Securities** or **Security** means DCX's issued securities.

**Subsidiary** means a subsidiary within the meaning given to that term in section 9 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 advisers, 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 Offer 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%'.

**Takeovers Panel** means the body called the Takeovers Panel continuing in existence under section 261 of the *Australian Securities and Investments Commission Act 2001* (Cth) and given various powers under Part 6.10 of the Corporations Act.

**Target's Statement** means the target's statement prepared by Latitude 66 in respect of the Offer.

**Third Party** means a party other than Latitude 66, DCX or any of their Subsidiaries.

**Transaction** means all matters relating to the Offer, the Prospectus, the DCX Shareholder Meeting and DCX's re-compliance with Chapters 1 and 2 of the Listing Rules.

**VWAP** means volume weighted average price.

**WST** means Australian western standard time.

## 12.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Perth (Western Australian) time, unless otherwise stated;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a Section is to a section of this Bidder's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision

substituted for it and all regulations and statutory instruments issued under it;

- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (n) a reference to you is to a person to whom the Offer is made; and

the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.