
SunMirror AG

Interim condensed group financial statements
for the six months ended 31 December 2021

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Interim condensed consolidated statement of profit and loss and comprehensive income

For the six months ended 31 December 2021 and the six months ended 31 December 2020

<i>In USD</i>	Note	Jul - Dec 2021	Jul - Dec 2020
Personnel expense	4.1	-418'016	-169'262
General and administrative expense	4.2	-1'792'354	-1'138'959
Other operating expenses	4.7	-3'012'183	0
Net impairment losses on financial assets	4.8	-1'520'638	0
Depreciation expense		-2'601	0
Operating loss		-6'745'792	-1'308'221
Finance income		954'469	0
Finance expense		-4'568'398	-1'963
Financial result	4.3	-3'613'929	-1'963
Loss for the period		-10'359'721	-1'310'184
Other comprehensive income	4.4		
<i>Items that may be reclassified into to profit or loss:</i>			
Exchange differences on translation of foreign operations		-1'068'440	2'630'909
Total comprehensive loss for the period		-11'428'161	1'320'725
Loss per share	4.5	-5.18	-0.96

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position

As at 31 December 2021 and 30 June 2021

<i>In USD</i>			
ASSETS	Note	Dec 31 2021	Jun 30 2021
Non-current assets			
Intangible assets	4.6	27'709'543	28'612'437
Exploration and evaluation assets	4.6	3'889'406	3'835'160
Other assets	4.7	0	2'970'914
Total non-current assets		31'598'949	35'418'511
Current assets			
Financial assets	4.8	487'553	4'758'626
Other receivables		435'541	129'171
Cash and cash equivalents		2'750'730	445'443
Total current assets		3'673'824	5'333'240
Total assets		35'272'773	40'751'751
EQUITY AND LIABILITIES			
Equity			
Share capital		2'161'816	2'161'816
Capital reserves		20'413'362	30'888'085
Accumulated losses		-15'355'352	-4'995'631
Foreign currency translation reserve		686'106	1'754'546
Total shareholders' equity		7'905'932	29'808'816
Current liabilities			
Financial liabilities	4.8	25'633'277	9'635'799
Trade and other payables		1'713'880	1'300'030
Other non-financial liabilities		19'684	7'106
Total current liabilities		27'366'841	10'942'935
Total liabilities		27'366'841	10'942'935
Total equity and liabilities		35'272'773	40'751'751

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated Statement of changes in equity

For the six months ended 31 December 2021 and 31 December 2020

	Share capital (restated)	Capital reserves (restated)	Accumul. Loss (restated)	Foreign currency translation reserve (restated)	Total share- holders' equity (restated)
<i>In USD</i>					
Balance as at 01 July 2020	327'030	4'244'116	-1'586'760	-15'994	2'968'392
Loss for the period			-1'310'184		-1'310'184
Other comprehensive income/loss				2'630'909	2'630'909
Total comprehensive loss/income			-1'310'184	2'630'909	1'320'725
Contribution of Pharlap		27'179'239			27'179'239
Contribution in cash	540'522				540'522
Reverse acquisition in way of contribution in kind	1'294'264	-704'077			590'187
Balance as at 31 December 2020 (restated)	2'161'816	30'719'278	-2'896'944	2'614'915	32'599'065

	Share capital	Capital reserves	Accumul. Loss	Foreign currency translation reserve	Total share- holders' equity
<i>In USD</i>					
Balance as at 01 July 2021	2'161'816	30'888'085	-4'995'631	1'754'546	29'808'816
Loss for the period			-10'359'721		-10'359'721
Other comprehensive income/loss				-1'068'440	-1'068'440
Total comprehensive loss/income			-10'359'721	-1'068'440	-11'428'161
Equity reserve for convertible note		-10'474'723			-10'474'723
Balance as at 31 December 2021	2'161'816	20'413'362	-15'355'352	686'106	7'905'932

Interim condensed consolidated Statement of cash flows

For the six months ended 31 December 2021 and 31 December 2020

<i>In USD</i>	Jul - Dec 2021	Jul - Dec 2020
Cash flows from operating activities		
Loss of the period	-10'359'721	-1'310'184
Adjustments to reconcile profit before tax to net cash flows:		
Listing expense (non-cash)	0	531'064
Depreciation	2'601	0
Other non-cash income/expense	4'628'609	0
Financial result	3'613'929	0
Working capital changes:		
Increase/decrease in other receivables	-300'926	-101'189
Increase/decrease in trade and other payables	-41'285	423'040
Interest paid	-26'827	0
Net cash flow from operating activities	-2'483'620	-457'269
Cash flows from investing activities		
Payments for exploration expenditure	-176'367	-5'628
Payments in relation to acquisition of Latitude 66 Cobalt Oy	-1'509'889	
Proceeds from sale of securities	2'429'179	0
Net cash flow from investing activities	742'923	-5'628
Cash flows from financing activities		
Proceeds from issuance of shares	0	540'522
Proceeds from convertible loan	4'156'857	0
Proceeds from shareholder loan	11'627	0
Payments for brokerage commission	-140'308	0
Net cash flow from financing activities	4'028'176	540'522
Net foreign exchange differences	17'808	-4'743
Net change in cash and cash equivalents	2'305'287	72'882
Cash and cash equivalent at beginning of year/period	445'443	7
Cash and cash equivalent at end of year/period	2'750'730	72'889

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

1 Corporate information

The interim condensed consolidated financial statements of SunMirror AG (“SunMirror”, “the Company” or “the Group”) and its subsidiaries for the six months ended 31 December 2021 were authorized for issue in accordance with a resolution of the directors on 31 March 2022.

SunMirror AG (the Company or the parent) is incorporated and domiciled in Switzerland. The shares are listed under ISIN CH0396131929 on the Official Market of Vienna Stock Exchange, Austria as well as on the Regulated Unofficial Market in Frankfurt, Düsseldorf and Berlin, Germany.

SunMirror Group prepares and publishes its financial statements in US Dollar (USD). Unless otherwise stated, the numbers are rounded to whole USD units.

2 Basis of preparation and changes to the Group’s accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 31 December 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting. In preparation of these financial statements the same accounting policies and recognition and measurement principles were applied as in the Group’s annual consolidated financial statements as at 30 June 2021.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 30 June 2021.

2.2 Going concern

When preparing the interim financial statements of SunMirror Group on a going concern, management has identified material uncertainties that may cast significant doubt upon SunMirror’s ability to continue as a going concern.

During the six months ended 31 December 2021, the Group incurred a net loss for the period of USD 10.4 million (Jul - Dec 2020: loss USD 1.3 million) and net cash outflow from operating and investing activities of USD 1.7 million (Jul - Dec 2020: USD 0.5 million).

As at 31 December 2021, the Group had net assets of USD 7.9 million (30 June 2021: USD 29.8 million) including cash of USD 2.8 million (30 June 2021: USD 0.4 million) and readily marketable securities of a publicly listed company of USD 0.1 million (30 June 2021: USD 4.3 million). Net current liabilities as at 31 December 2021 are USD 23.7 million (30 June 2021: USD 5.6 million).

In order to continue as a going concern and to complete the acquisition of Latitude 66 (refer to Note 3 *Significant transactions and events*), the Company has taken steps to raise additional capital in the amount of EUR 70 million for which an investor already expressed interest for the entire amount (refer to Note 3 *Significant transactions and events* and to Note 5 *Events after the end of the reporting period*).

An alternative scenario involves continuing without the capital increase, or with a limited capital increase, from a single or multiple investors. In this case the acquisition of Latitude 66 would likely not be finalized, or the completion of the deal would be postponed.

Successful listing on the Official Market of Vienna Stock Exchange (refer to Note 3 *Significant transactions and events*) provides the Company improved public perception and transparency of the trading of its shares which should contribute to investors' trust in the Company and enhance its access to capital.

Should the Group be unable to raise the required capital it may not be able to continue as a going concern and therefore unable to realize its assets and discharge its liabilities in the normal course of business and at amounts stated in the financial statements.

2.3 Basis of consolidation

The following table displays the entities that are part of the consolidation scope of SunMirror.

Name	Country of incorporation	Currency	Share capital	Equity portion
SunMirror AG	Switzerland	CHF	2'000'000	Holding
SunMirror Luxembourg S.A.	Luxembourg	EUR	1'111'000	100%
Lithium 1 Pty Ltd	Australia	AUD	10	100%
Pharlap Holdings Pte Ltd	Singapore	SGD	4'172'242	100%

2.4 New standards, interpretations and amendments adopted by the Group

The Group analyzed new and amended standards and interpretations issued by the IASB that were required to be applied for the first time for the interim reporting periods ending on 31 December 2021. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The only new amendment to the IFRS standards, which must mandatorily be applied in the reporting period is Amendments to IFRS 16 – Covid-19-related Rent Concessions. The management has determined that this

amendment does not have any impact on the Group's financial statements. Furthermore, the management does not expect that the new and amended standards and interpretations which will become effective after 31 December 2021 would have a significant impact on the Group's financial statements.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Major areas of judgment include the accounting of the Reverse Take Over of SunMirror Luxembourg on 31 August 2020, the determination of the functional currency and the assessment of the Group's ability to continue as a going concern. Please refer to the annual financial statement for further details.

Furthermore, the planned acquisition of Latitude 66 Ltd. requires judgment in assessing whether the planned acquisition represents a business combination in scope of IFRS 3 Business combinations, or an asset acquisition. Given that Latitude 66 Ltd does not have an integrated set of revenue-generating activities, it was assessed that Latitude 66 Ltd does not represent a business and the planned acquisition should be accounted for as an asset acquisition. For the details on the planned acquisition refer to the Note 3 *Significant transactions and events*.

3 Significant transactions and events

Acquisition of Latitude 66 Cobalt Oy

On 27 August 2021 SunMirror Luxembourg (SM S.A.) entered into a share purchase agreement with Latitude 66 Cobalt Limited, Australia (Latitude 66 Ltd) to acquire all the issued and outstanding shares of its only subsidiary Latitude 66 Cobalt Oy (Latitude 66 Oy), a company organized under the laws of Finland. Latitude 66 Oy is primarily engaged in mineral exploration and the potential development of polymetallic mining operations across Northern Finland.

The expected purchase consideration will be EUR 45 million (USD 51.0 million) plus reimbursement costs minus net debt, payable in cash on closing. Furthermore, SM S.A. has agreed to a 2% net smelter royalty on future production payable to Finroy Ltd, Australia (Finroy). In accordance with the agreement, SM S.A. has a buyback option, exercisable within 3 years from the date of the agreement, to decrease the net smelter royalty percentage to 1% by paying EUR 7.5 million (USD 8.5 million). Finroy is fully owned by the same shareholders as Latitude 66 Ltd.

An exclusivity fee of EUR 2.5 million (USD 2.8 million), which is part of the consideration, was paid by the Group to Latitude 66 Ltd on 18 December 2020. The exclusivity fees had been capitalised. Whilst the directors remain confident that the transaction will be able to be completed, the company has decided it is prudent to impair these capitalised costs in the current period due to delays in receipt of funding to finalise the transaction which is outside the control of the company.

Furthermore, on 26 August 2021 SM S.A. (lender) entered into loan agreement with Latitude 66 Ltd (borrower) to grant the borrower an unsecured limited recourse Euro term loan facility of total principal amount of EUR 1.3 million (USD 1.5 million). The borrower shall use the loan for working capital and development of the Latitude 66 mining projects in Finland and ancillary purposes. The loan becomes repayable on completion of the acquisition or in case of a breach of clauses in the acquisition agreement or on default of the borrower. If the acquisition is not completed by 31 December 2021, the loan will not be repayable. As the transaction was not finalized on or before 31 December 2021 the right to repayment forfeited and the loan was expensed.

The share purchase agreement with Latitude 66 Ltd contains also an alternative completion structure which, subject to satisfaction of certain conditions, provides SM S.A. with the ability to propose a takeover offer of Latitude 66 Ltd in accordance with applicable Australian corporations law.

On 23 December 2021, SM S.A. issued an offer to the shareholders of Latitude 66 Ltd to acquire all of their shares at a price of AUD 0.467 per Latitude 66 Ltd share (i.e. alternative completion structure). The total purchase price, which would become payable for 108 million (100%) of issued shares and 40 million performance shares amounts to AUD 69.1 million (USD 51.8 million). The initial takeover offer ends on 4 February 2022, unless withdrawn or extended by SM S.A. or extended automatically in accordance with the Australian Corporations Act. The condition for completion of the acquisition of shares under this takeover offer is that at the end of the offer period SM S.A. has relevant interest in at least 90% of Latitude 66 Ltd shares. If this condition is met, SM S.A. intends to give notice to Latitude 66 Ltd shareholders to compulsorily acquire any outstanding shares in accordance with the Australian Corporations Act.

Notification of the early partial conversion of the convertible note

On 8 October 2021 a holder of a convertible loan with a maturity date of 30 May 2022 has exercised its right and committed to convert an amount of EUR 6.0 million (USD 7.1 million) into shares of SunMirror AG by April 2022 in accordance with the contractual conditions. Based on the conversion price of CHF 70 per share, this equates to the issue of 95'100 new bearer shares.

Admission to Vienna and Frankfurt Stock Exchanges

On 26 November 2021 the Vienna Stock Exchange (Wiener Börse) admitted the shares of SunMirror AG to trading on the Regulated Official Market (Amtlicher Handel), segment Standard Market Continuous. The first day of trading was on 30 November 2021.

On 30 November 2021 the shares of SunMirror AG were included in the Frankfurt Stock Exchange. In addition, SunMirror's shares became also tradable on the electronic trading system XETRA of Deutsche Börse in Frankfurt on 1 December 2021.

Increase of the authorized capital

On 30 November 2021 the Company received subscription for one million new bearer shares to be issued from authorized capital. The new shares are to be issued at an issue price of EUR 70 per new share, thus resulting in gross proceeds to SunMirror of EUR 70 million (USD 80.0 million). The funds from the capital increase are to be used in part to pay the consideration which will fall due on a successful bid to acquire Latitude 66 Ltd.

The capital increase has been resolved to take place under exclusion of the statutory subscription rights of the existing shareholders and the sole subscriber to this capital increase is Mirador FZE ("Mirador"), a single-family office registered in Fujairah, United Arab Emirates. Mirador has agreed with SunMirror that it is willing to offer in Q1 2022 to all shareholders who have purchased shares on the open market and are holding these shares on the day before Mirador's subscription in SunMirror and representing less than 4% of the total share capital in SunMirror, shares at the same terms in order to put such shareholders commercially essentially in a position as if they had been granted a pro rata subscription right.

As of 31 December 2021, the capital increase has not yet been completed. For details on capital increase after the reporting date refer to Note 5 *Events after the end of the reporting period*.

Placement of a compulsory convertible note with institutional investors

On 20 December 2021 SunMirror AG has placed a compulsory convertible note within the framework of a private placement with institutional investors. As of 31 December 2021, 52'534 notes were issued at EUR 68.18 each for total proceeds of EUR 3.6 million (USD 4.1 million). The framework of the private placement allows for additional convertible notes up to an amount of 866'695 notes for a total consideration of EUR 59.1 million (USD 65.3 million) to be issued. Issued notes are convertible into bearer shares of the Company at a conversion price of EUR 75 each. The conversion date is 20 December 2022.

4 Details on performance and balance sheet items

4.1 Personnel expense

Personnel expense includes salaries and directors' fees. The increase in personnel expense compared to the prior period arises primarily from the increase in the number of full-time equivalents (FTE) from an average of 1.40 FTE in the period July - December 2020 to 2.85 FTE in the period July - December 2021.

4.2 General and administrative expense

<i>In USD</i>	Jul - Dec 2021	Jul - Dec 2020
Consulting fees and valuation reports	-154'586	0
Listing expense	0	-531'064
Stock exchange fees	-371'756	-228'598
Legal fees and expenses	-416'671	-85'568
Accounting, tax and auditing fees	-271'757	-104'863
Professional fees (related parties)	-238'881	-93'276
Communication/PR costs	-316'732	-85'019
Capital tax	-1'619	-2'983
Other fees	-20'352	-7'588
Total general and administrative expense	-1'792'354	-1'138'959

4.3 Financial result

<i>In USD</i>	Jul - Dec 2021	Jul - Dec 2020
Gains on marketable securities	25'383	0
Foreign currency exchange gain	918'339	0
Interest income	10'748	0
Finance income	954'469	0
Interest expense	-868'585	0
Brokerage commission	-6'432	0
Foreign currency exchange loss	0	-1'963
Losses on marketable securities	-1'862'682	0
Fair value loss on embedded derivative	-1'830'700	0
Finance expense	-4'568'398	-1'963
Financial result	-3'613'929	-1'963

Finance income arises primarily from net unrealized foreign exchange gains on currency conversion of convertible loans denominated in EUR.

Finance expense arises from the expense of the the loss on investments in securities of Cadiz Inc., a US listed company (realized and unrealized) and from interest expense on convertible loans.

4.4 Other comprehensive income/loss

Other comprehensive income/loss contains gains and losses from currency translation of entities with functional currency different from the Group's presentation currency. Currency translation loss arises primarily from the translation of assets held by Lithium 1 and Pharlap Holdings.

4.5 Loss per share

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. There was no change in the number of shares outstanding during the six months ended 31 December 2021. As of 31 December 2021, the Company had 2'000'000 shares in issue (for the six months ended 31 December 2020 weighted average number of shares was 1'371'875 due to a capital increase). Diluted earnings per share is not presented as the dilutive potential would decrease loss per share.

4.6 Intangible assets and exploration & evaluation assets

Intangible assets

Intangible assets include primarily the Royalty Agreement relation on the Cape Lambert Magnetite Project (Australia). The decrease during the six months ended 31 December 2021 arises solely from currency translation effects.

Exploration & evaluation assets

<i>in USD</i>	Exploration & evaluation assets
Cost at 1 July 2020	3'358'399
Additions	
Moolyella E45/5573	4'439
Kingston Keith E53/1953	1'189
Currency translation	425'524
Cost at 31 December 2020	3'789'551
Cost at 1 July 2021	3'835'160
Additions	
Moolyella E45/5573	17'236
Kingston Keith E53/1953	159'131
Currency translation	-122'121
Cost at 31 December 2021	3'889'406

4.7 Other assets

Other assets contained the exclusivity fee paid in connection with the planned acquisition of Latitude 66 Ltd. Due to delays in receipt of funding to finalise the transaction the exclusivity fee paid was impaired and recorded as other operating expense. For details on the planned acquisition of Latitude 66 Ltd. refer to Note 3 *Significant transactions and events*.

4.8 Financial assets and financial liabilities

The Group's financial assets comprise of cash at banks, loans given, investments in securities of a listed company and receivables from cash-pooling. Due to the short-term maturities, fair values of these financial instruments approximate their carrying amounts.

Loan given to Latitude 66 Ltd. amounting to EUR 1.3 million (USD 1.5 million) was fully written off on 31 December 2021 as it became non-repayable in accordance with the loan agreement. The write off was recorded as a loss on financial assets. For details on the planned acquisition of Latitude 66 Ltd. refer to Note 3 *Significant transactions and events*.

Investments in securities are classified as measured at fair value through profit or loss as they are held for trading. Their fair value is determined with reference to quoted market prices (Level 1 of fair value hierarchy). Changes in the fair value are included in finance income in the profit or loss statement. Investments in securities decreased during the six months ended 31 December 2021 due to the disposal of shares and a decrease in market values of remaining shares in Cadiz Inc.

All other financial assets are measured at amortized cost.

Group's financial liabilities contain trade and other payables and loans received. All financial liabilities are short-term. Loans received relate to three convertible loan facilities in issue as of 31 December 2021 and to a shareholder loan. Two convertible loan facilities were entered into in April 2021 with the term until 30 May 2022 or until conversion.

Third convertible loan facility was entered into on 20 December 2021 with the maturity and compulsory conversion on 20 December 2022. For details refer to Note 3 *Significant transactions and events*. Due to the early redemption conditions, this loan facility represents a financial liability with an embedded derivative (forward). The financial liability is measured at amortized cost by application of the effective interest rate method using the discount rate of 5.65%. The fair value of the embedded derivative represents the difference between the fair value of the shares at initial recognition and the reporting date. Despite the recognition of a financial liability in relation to the embedded derivative separated from the host contract, there is no liquidity outflow in the course of the conversion of the note into equity instruments.

The table summarizes classification of financial instruments depending of their subsequent measurement.

<i>In USD</i>	Dec 31 2021	Jun 30 2021
Financial assets	3'238'283	5'204'069
Measured at fair value through profit or loss	107'671	4'343'632
Securities at fair value through profit or loss	107'671	4'343'632
Measured at amortized cost	3'130'612	860'437
Cash at banks	2'750'730	445'443
Loans to shareholders at amortised cost	363'000	392'166
Receivables from cash-pooling (related parties)	16'882	22'828
Financial liabilities	27'347'157	10'935'829
Measured at fair value through profit or loss	1'780'217	0
Derivative	1'780'217	0
Measured at amortized cost	25'566'940	10'935'829
Liability component of convertible bonds	9'890'205	9'568'127
Compulsory convertible loan	13'885'546	0
Shareholder loan	77'309	67'672
Trade payables	1'413'917	1'066'184
Other payables and accrued charges	299'963	233'846

4.9 Segment reporting

The Group did not start its operating activities yet, therefore only one operating segment has been identified.

4.10 Related party transactions

The Group's related parties include its key management personnel as entered in the commercial register of SunMirror AG as well as the Group's former parent entity. In addition, several shareholders and board members are regarded as related parties.

4.10.1 Transactions with key management personnel

Transactions with key management personnel during the period from 1 July 2021 to 31 December 2021 include short-term employee benefits of USD 177'848 (prior period: USD 169'262) and post-employment benefits of USD 6'311 (prior period: USD 0).

Current payables to key management personnel amount to USD 15'072 (30 June 2020: USD 60'143).

4.10.2 Transactions with shareholders

The acquisition of Pharlap on 12 August 2020 has been performed as a contribution in kind and an amount of USD 27'179'239 has been contributed into the capital reserves by the Group's former parent entity.

4.10.3 Transactions with other related parties

Services received from other related parties amount to USD 238'881 (prior period: 122'362). As of 30 June 2021, current receivables to related parties amount to USD 24'930 (30 June 2020: USD 22'828). A loan granted to other related parties amounts to USD 363'000 (30 June 2020: 392'166).

5 Events after the end of the reporting period

On 26 January 2022 SM S.A. (lender) entered into a further loan agreement with Latitude 66 Ltd. (borrower) to grant the borrower an unsecured limited recourse Euro term loan facility of total principal amount of an additional EUR 1.0 million (USD 1.1 million). The borrower shall use the loan for working capital and development of the Latitude 66 mining projects in Finland and ancillary purposes.

On 31 January 2022 the Company has decided to offer the compulsory convertible note to further institutional investors. For details refer to Note 3 *Significant transactions and events*.

On 2 Februar 2022 SunMirror S.A. (SM S.A.) extended the offer period for acquisition of all shares in Latitude 66 Ltd until 4 March 2022. To date, more than 90% of the issued shares have been offered by the shareholders of Latitude 66 Ltd. Therefore, the Board of Directors assumes that the alternative acquisition structure can be implemented as mentioned in the

share purchase agreement as soon as the increase of the authorized capital is completed. For details refer to Note 3 *Significant transactions and events*.

On 25 February 2022 SM S.A. extended the offer period for acquisition of all shares in Latitude 66 Ltd. until 29 March 2022. As a result of the extension, Latitude 66 Ltd. shareholders, who have already accepted the offer, are entitled to withdraw their acceptances. Nevertheless, the Board of Directors assumes that, should any withdrawals occur, the percentage of shares offered by Latitude 66 Ltd. shareholders would not decrease below 90%.

On 25 February 2022 SM S.A. provided an additional limited recourse Euro term loan facility amounting to EUR 0.75 million (USD 0.84 million) to Latitude 66 Ltd. The loan will only become repayable if the acquisition of Latitude 66 Ltd. is completed or the borrower fails to transfer the shares in accordance with the share purchase agreement or defaults on its obligations. If the acquisition of Latitude 66 Ltd. is not completed by 25 April 2022, the Loan will not be repayable in any circumstances.

On 3 March 2022, 248,121 shares from the capital increase authorized on 30 November 2021 were paid in resulting in proceeds of EUR 17.4 million (USD 19.3 million). For details refer to Note 3 *Significant transactions and events*.

On 22 March 2022 SM S.A. extended the offer period for acquisition of all shares in Latitude 66 Ltd. until 17 May 2022. As a result of the extension, Latitude 66 Ltd. shareholders, who have already accepted the offer, are entitled to withdraw their acceptances. As of 29 March 2022, Latitude 66 Ltd. shareholders holding more than 98% of total shares have accepted the offer.

On 24 February 2022, Russian troops invaded Ukraine. Whilst the Group has no operations or assets neither in Ukraine nor in Russian Federation, the invasion and consequent economic uncertainties and potential slowdown of global economy may have an impact on the Group, especially regarding the availability of funding and investor sentiment. In days immediately after the start of the invasion, the share price decreased as the whole stock market also recorded losses. However, shortly after the stock price more than recovered potentially indicating higher investors' interest for investing into commodities in times of uncertainty.



Zug, 31 March 2022

Dr. Heinz Kubli, CEO