# EVOLUTION CAPITAL

**LAT | INITIATION REPORT | RESOURCES**

Published on 10th April 2026

# FIRST-QUARTILE GOLD-COBALT IN THE EU'S #1 MINING JURISDICTION

## Latitude 66 Limited

We initiate coverage on **Latitude 66 (ASX: LAT)** with a **Speculative Buy** rating and **A$0.78/sh Fair Value (post-funding FD) and a 12-month target of A$0.47/sh at base case Au US$3,850/oz (A$1.1/sh at spot).** LAT66 offers leveraged exposure to a high-grade, first-quartile-cost gold-cobalt development in the EU's #1 ranked mining jurisdiction, with significant resource growth optionality and strategic cobalt positioning under the EU Critical Raw Materials Act.

LAT66 holds 100% of the KSB Gold-Cobalt Project in northern Finland through its subsidiary Latitude 66 Cobalt Oy, with ~1,000 km² of exploration tenure across the Kuusamo Schist Belt.

**Investment Thesis**

**Tier 1 jurisdiction, de-risked land position**: LAT66 is the majority landowner over K1/K2 deposits and sole applicant with landowner consent in the Juomasuo and Pohjasvaara mining zones. Finland's transparent, rule-based permitting framework and established mining infrastructure reduce execution risk.

**Scoping Study confirms robust economics:** KSB Scoping Study (March 2025) confirms a 7.2-year, 750 ktpa open-pit operation producing ~65Koz Au and ~465t Co per annum at AISC of US$1,038/oz. Near-mine targets at K1NE, K6E/K6W and K-South offer material resource growth potential beyond the current 650Koz base.

**KSB – First-quartile cost position:** Scoping Study targets 5.41Mt @ 3.2g/t AuEq over 7.2 years (2031–2038), with Post-Tax $NPV_8$ of US$310m (74% IRR) and a 16-month payback at their base case of US$2,500/oz Au. On our Evolution price deck (US$3,850/oz Au), $NPV_8$ is A$781m, and A$1.08bn at spot.

**EU Critical Minerals – Strategic cobalt optionality:** KSB hosts the third-largest undeveloped cobalt resource in the EU (~5,840t contained Co), directly supporting CRMA domestic extraction targets. Cobalt by-product credits reduce AISC to ~A$1,212/oz (US$819/oz), positioning KSB firmly in the first quartile of the global gold cost curve. The cobalt concentrate also creates a pathway for downstream value capture via the Iondrive DES technology partnership.

**Funding pathway:** Pre-production capex of US$101m (A$141.6m) is modest for a 750 ktpa operation. We model three sequential equity raises plus project debt to fund PFS, DFS and construction.

**Valuation:** Our DCF yields a post-funding fair value NAV of A$372m (A$0.78/sh FD). At spot gold (US$4,644/oz), unrisked KSB NPV increases to ~A$1.08bn. We model three sequential raises totalling ~A$92m equity plus A$85m debt.

**Resource growth optionality:** Near-mine extensional targets at K1NE, K6E/K6W and K-South offer material upside beyond the current 650 Koz resource. Finnish gold comparables (Kittilä: 2 Moz → 7.9 Moz premining endowment; Ikkari: 3.95 → 4.23 Moz) demonstrate the scale of resource growth achievable in the Fennoscandian Shield. We estimate +25–40% growth potential to ~850 Koz in the base case.

**Evolution Capital's Internal Latitude 66 Model**

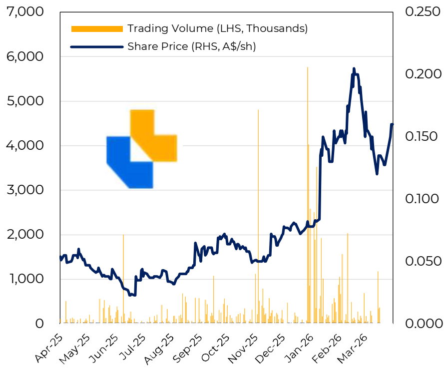
| Parameter | KSB Project |
|---|---|
| **Resource Base AuEq** | 7.3 Mt @ 2.7 g/t Au, 0.08% Co |
| **Processing Capacity** | 750 ktpa |
| **Construction Start Date** | Mid-2029 (Est.) |
| **First Pour; LOM** | Q4 2030; 7.2 Yrs |
| **Steady State EBITDA** | ~A$334m |
| **Pre-Production CAPEX** | A$141.6m (US$100.4m) |
| **LOM AISC** | A$1,212/oz (US$819/oz) |
| **Post Tax $NPV_8$ (Au @ US$3,850/oz)** | **A$781m (Evo deck)** |
| **IRR** | 87% (Evo base case) |
| **Payback** | 24 months (Evo) |

| | |
|---|---|
| **Recommendation** | **Spec. Buy** |
| **Share Price** | **A$0.16/sh** |
| **Fair Value** | **A$0.78/sh** |
| **12m Target Price** | **A$0.47/sh** |
| **TSR** | **193%** |

**Company Profile**

| | |
|---|---|
| Market Cap | ~A$29M |
| Shares on Issue | ~182M |
| Enterprise Value | ~A$26M |
| Cash (Est.) | ~A$3M |
| 52-Week Range | $0.021-$0.225 |

**Price Performance**




**Company Overview**

**Latitude 66 Limited (ASX:LAT)** is a Finland and Australia focused gold and critical minerals development company. The flagship KSB Gold-Cobalt Project in northern Finland hosts 650Koz Au and 5,840t Co, with a completed Scoping Study confirming robust standalone economics ($NPV_8$ US$310m, 74% IRR at US$2,500/oz Au).

LAT66 is advancing the KSB Project toward Pre-Feasibility Study, with near-mine extensional drilling underway at K1NE, K6E/K6W and K-South. Finland ranks #1 globally in the Fraser Institute's Investment Attractiveness Index (2024). The project's cobalt output would represent ~25% of EU extracted cobalt, directly supporting CRMA compliance.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**Majority Shareholders**

| | |
|---|---|
| Russel Delroy | 9.82% |
| Third Reef Pty Ltd | 8.28% |
| Precision Funds | 8.21% |
| Havannah Investments | 3.13% |
| Citicorp Nominees | 3.08% |

**Upcoming Catalysts**

| | |
|---|---|
| Laverton RC Drilling | H1-CY26 |
| Iondrive DES Testwork | H2-CY26 |
| Laverton RC Drilling | H2-CY26 |

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# 1. Valuation Summary

## 1.1 Valuation Target Summary

We value LAT66 using a project-level DCF (FCFF, 8% WACC) with 60/40 debt/equity construction financing modelled as a dilution overlay. The KSB Project generates an $NPV_8$ of A$781m (100% basis, IRR 87%) on our Evolution price deck (US$3,850/oz Au, US$49,000/t Co, USD/AUD 1.41), rising to A$1.08bn (IRR 101%) at spot gold prices.

Applying a 50% risk factor to the KSB Project NPV reflecting the project's current scoping study stage, the absence of a committed PFS timeline, and the significant development pathway remaining (PFS, DFS, EIA, permitting, financing and construction), results in a risked project value of A$391m. We ascribe nominal values to the early-stage PSB and Laverton projects (A$0.26m combined), which are not yet at a stage to support standalone DCF valuation. We value the current resource base at Red Dog Laverton prospect through peer comps analysis at A$17.28m. We adjust for net cash (A$1m) and corporate adjustments to derive a fair value equity NAV of A$372m, equivalent to A$0.78/sh on an estimated fully diluted post-funding share count of ~475m shares (A$1.11/sh at spot gold prices).

Our 12-month target of A$0.47/sh assumes LAT66 commences or completes a PFS within 12 months, transitioning from scoping-study to PFS-stage risking (85% vs 95% risking). After one equity raise of A$12m for PFS funding (~310m FD shares), this implies ~193% TSR from the current A$0.16/sh, underpinning our Speculative Buy.

Corporate adjustments are derived from the Company's annualised cost base as last reported by the company.

| Sum-of-Parts Valuation | Method | Risking | Value (A$m) | NAV (A$m) | NAV/sh (A$/sh) |
|---|---|---|---|---|---|
| **KSB** | DCF | 50% | 391 | 391 | 0.82 |
| **Laverton Project – Red Dog (80% own)** | Comp | - | 21.6 | 17.28 | 0.04 |
| **+ Net Cash (PF)** | TTM | - | 3 | 3 | 0.01 |
| **- PV Corporate G&A** | TTM | - | -32 | -32 | -0.07 |
| **- PV Exploration** | TTM | - | -7 | -7 | -0.01 |
| **Fair Value NAV (Post-Funding, Fully Diluted, Geared)** | | | 374 | 372 | 0.78 |
| **P/NAV** | | | | | 0.20 |
| **12-Month Target Price** | | | | | 0.47 |
| **Upside** | | | | | 193% |

**Table 1.1** – LAT Sum of Parts Valuation

The A$0.78/sh fair value is post-all-funding. We model three sequential raises. Cumulative dilution from 213m to 475m shares (~125%), each raise is modelled at progressively higher issue prices (A$0.128, A$0.375, A$0.524) as the project de-risks.

| Raise | Equity A$m | Debt A$m | Issue Price | New Shares (m) | Cum. FD Shares (m) |
|---|---|---|---|---|---|
| **Pre-Raise** | — | — | — | — | 213 |
| **Raise 1 (PFS)** | 12 | — | 0.128 | 94 | 308 |
| **Raise 2 (DFS)** | 20 | — | 0.375 | 54 | 361 |
| **Raise 3 (Construction)** | 60 | 85 | 0.524 | 114 | 475 |

**Table 1.2** – LAT Expected Dilution

## 1.2 Project and funding strategy

We cross-check our DCF valuation against EV/Resource multiples for ASX-listed gold development peers and Finnish gold projects. LAT is significantly undervalued at A$37/oz EV/resource given its grade and resource size. Rerating to a US$150/oz EV/Resource leading to A$0.24/sh is expected in the short term as the project develops and de-risks. Even the peer minimum implies ~A$0.21/sh.

Among Finnish gold peers, the valuation gap is even more pronounced. Ikkari (Rupert Resources) trades at A$401/oz on a 4.216 Moz resource at PFS stage with Agnico Eagle as a 14.0% strategic holder. Rajapalot trades at A$654/oz within the merged GoldSky/NordCo Gold portfolio, though this overstates the standalone valuation as the EV captures Barsele and other Swedish/Finnish assets. KSB at A$37/oz represents a ~90% discount to Ikkari, reflecting the study-stage gap (Scoping vs PFS) and funding risk, but also the re-rating opportunity as KSB advances. KSB's AISC of US$819/oz is below Ikkari's LOM AISC of US$918/oz and Kittilä (US$1,087/oz 2025A, guided US$1,267/oz 2026), though above Ikkari's first-decade AISC of US$717/oz. The cost advantage is driven by the cobalt by-product credit.

The comparables analysis supports our DCF-derived fair value. On our risked NAV of A$372m (A$0.78/sh), LAT66 would trade at an implied EV/Resource of ~A$250/oz consistent with high grade, low AISC and a Tier 1 jurisdiction premium. Our 12-month target of A$0.47/sh implies an EV/Resource of ~A$151/oz on the post-PFS-raise share count, broadly in line with the ASX peer average of ~A$150/oz, and remains well below Ikkari's current multiple.

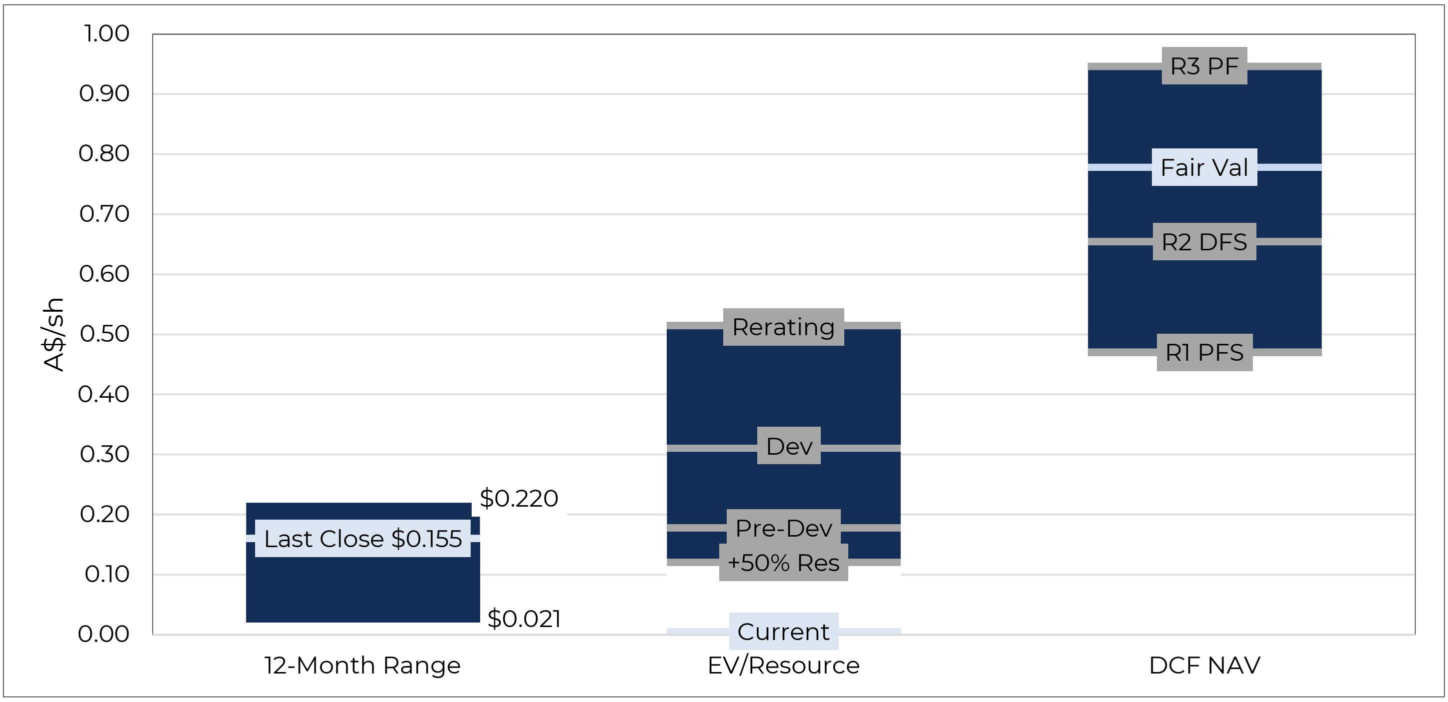



**Figure 1.1** – LAT Valuation Summary

## 1.3 KSB Project Valuation framework

The Scoping Study (March 2025) returned $NPV_8$ US$310m and 74% IRR at US$2,500/oz Au. We assume resource extension drilling results by H1 2027, PFS by mid-2027, DFS by mid-to-end 2028, EIA in parallel (2027–2029), and an 18-month construction period commencing mid-2029. For conservatism, we assume no resource growth from extensional drilling. Our base case commissioning date is Q4 2030 / Q1 2031.

| Milestone | Estimated Timing |
|---|---|
| **Scoping Study Published** | March 2025 |
| **Resource Extension Drilling Results** | H1 2027 |
| **Pre-Feasibility Study (PFS)** | Mid-2027 |
| **Definitive Feasibility Study (DFS)** | Mid–End 2028 |
| **EIA and Permitting** | 2027–2029 |
| **FID and Financing** | H1 2029 |
| **Construction Commences** | Mid-2029 |
| **Commissioning and First Gold Pour** | Q4 2030 / Q1 2031 |
| **Steady-State Production** | 2031 onwards |

**Table 1.3 –** KSB Estimated Timelines

We model ~564 Koz AuEq (5.41 Mt at 3.24 g/t AuEq) over 7.2 years from K1/K2/K3 at 750 ktpa, yielding ~467 Koz payable gold and 3,234t payable cobalt (gold recovery 89.2%, cobalt 70%).

| Scenario | SS Prod. (Kozpa AuEq) | SS EBITDA | LOM (Years) | Pre Prod Capex (A$M) | AISC (A$/oz) | $NPV_8$ (A$M) | IRR | Payback | Cap eff. |
|---|---|---|---|---|---|---|---|---|---|
| **Base Case** | ~79 | ~334 | 7.2 | 141.6 | 1,212 | 781 | 87% | 2.2 yrs | 7.5x |
| **Spot Case** | ~79 | ~364 | 7.2 | 141.6 | 1,233 | 1,008 | 101% | 2 yrs | 10x |

**Table 1.4 –** Evolution Model Summary for KSB

Pre-production capital expenditure is estimated at US$100.4 million (A$141.6m), comprising conventional open-pit mine development, a gravity/CIL/flotation processing plant, and supporting infrastructure. The capex is split equally across two years of construction (2029–2030). The processing plant (US$90.6m) represents approximately 90% of total pre-production capex, reflecting the relatively simple open-pit mine development requirements. No underground development capital is assumed in the base case; this will be evaluated in the PFS.

| Capex Parameter | Unit | Assumption |
|---|---|---|
| **Pre-Stripping** | US$m | 1.9 |
| **Processing Plant and Tailings** | US$m | 90.6 |
| **Stacker and Roads** | US$m | 3.8 |
| **Mining Infrastructure** | US$m | 4.1 |
| **Total Pre-Production Capex** | **US$m** | **100.4** |
| **Total Pre-Production Capex** | **A$m** | **141.6** |

| Sustaining Capex | Unit | Assumption |
|---|---|---|
| **Annual Sustaining Capex** | US$m/yr | 17.8 |

**Table 1.5 –** Evolution Model Capex Summary for KSB

Operating costs are driven by processing (US$24.95/t) with low mining costs (US$3.75/t mined). Gold payability of 92.5% per standard doré terms.

| Unit Costs | Units | Value |
|---|---|---|
| **Mining Cost** | US$/t mined | 3.75 |
| **Processing Cost** | US$/t processed | 24.95 |
| **Transportation Cost** | US$/t concentrate | 7.18 |
| **Site G&A** | US$/t ore | 5.45 |
| **Gold Payability** | % | 92.5% |
| **Mining Mineral Tax (Royalty)** | % of revenue | 2.5% |
| **Corporate Tax Rate (Finland)** | % | 20.0% |

**Table 1.6 –** Evolution Model Opex Summary for KSB

LOM revenue of US$1,954m (92% gold, 8% cobalt) on our flat price deck, with steady-state annual revenue of ~US$270m (2032–2037). Revenue is front-loaded as higher-grade K1 ore feeds the plant early. LOM EBITDA of US$1,682m (~86% margin) is expected given the low LOM AISC of ~A$1,212/oz (US$819/oz), inclusive of C1 costs net of cobalt credits, refining, G&A, sustaining capex and royalties, positioning KSB firmly in the first quartile of the global cost curve. Cobalt by-product credits are a key AISC driver: a ±20% cobalt price move shifts AISC by ~A$50–70/oz.

After Finnish corporate tax (20%), LOM post-tax FCF totals ~A$1,696m. The project achieves payback within approximately two years of first production, consistent with the Scoping Study's 16-month payback estimate and reflects the combination of low capex intensity and high operating margins.

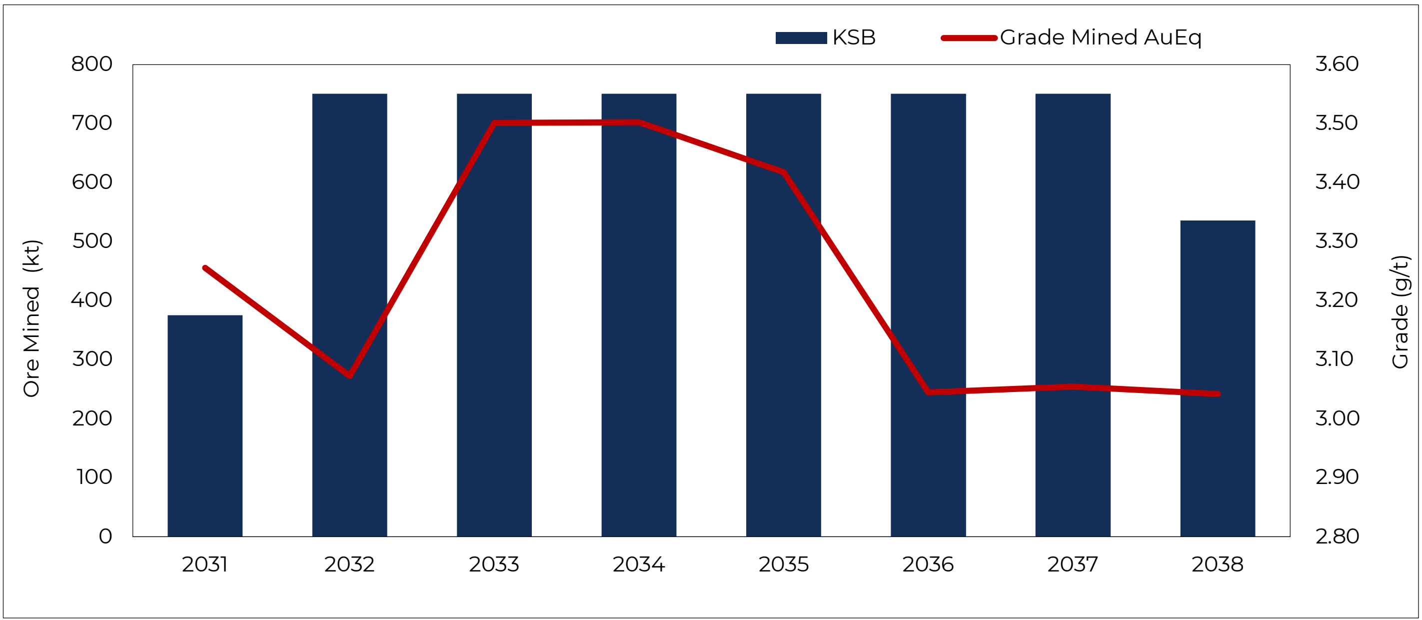



**Figure 1.2** – KSB Production Profile

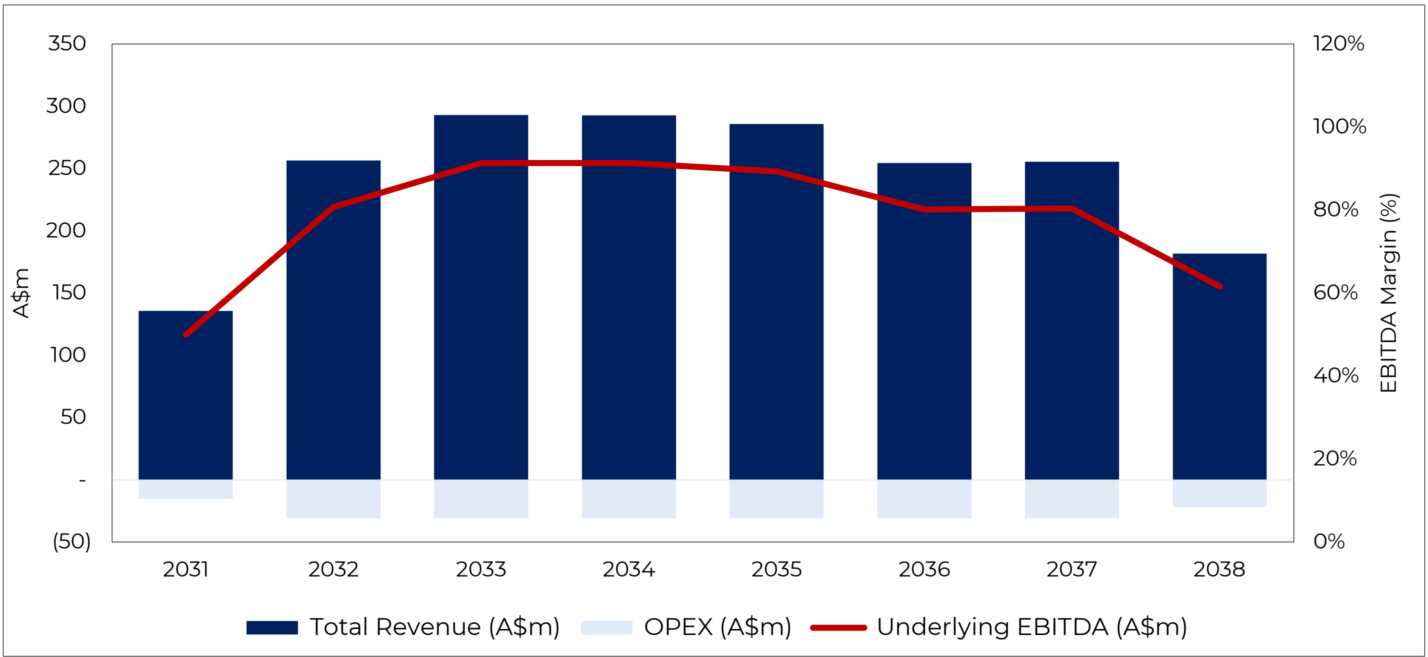



**Figure 1.3** – KSB Annual Revenue and EBITDA Profile

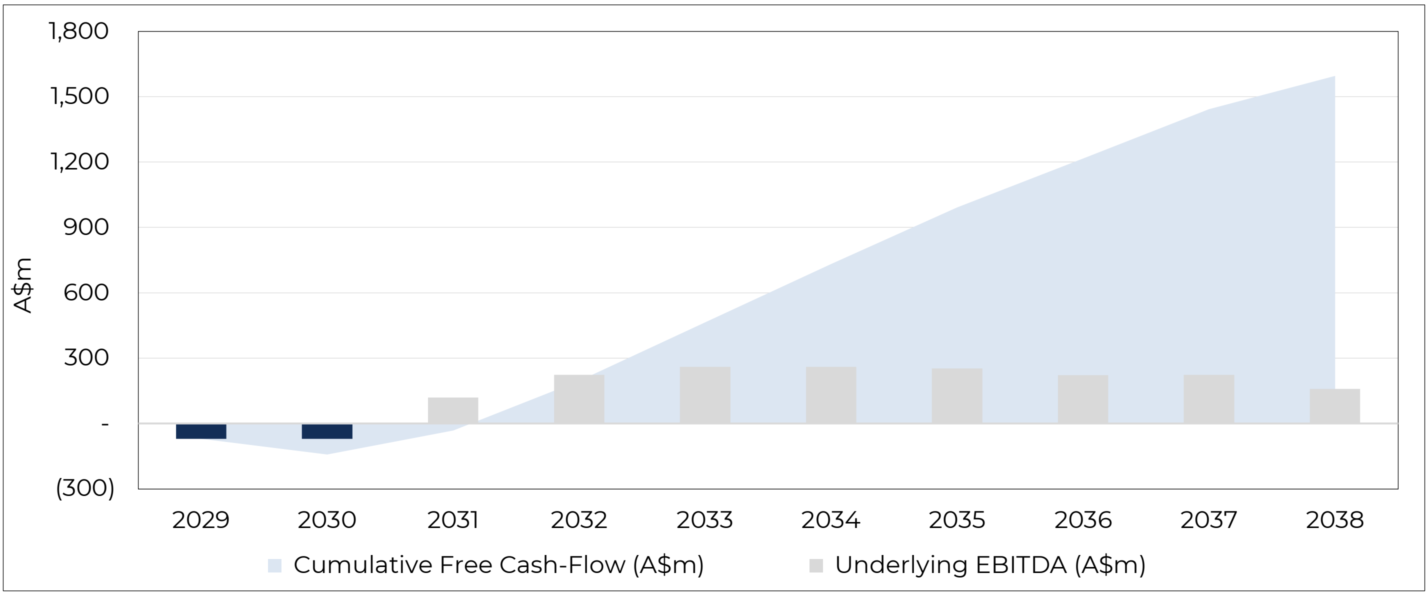



**Figure 1.4** – KSB Cumulative Free Cash-Flow Profile

## 1.4 Project Sensitivity

In order of materiality to the valuation:

**Gold price:** Dominates the NPV. A US$100/oz move shifts the NPV by ~A$35m (~4%). The project breaks even at approximately US$800/oz gold (zero cobalt) or ~US$600/oz (at base case cobalt), providing a substantial margin of safety.

**Grade risk:** The production schedule is derived from a Scoping Study mine plan on a 7.3 Mt resource (85% Indicated). Actual head grades during operations may differ from scheduled grades. Underground potential at K1 (to be evaluated in PFS) could add higher-grade feed but also introduces execution complexity.

**Time-to-production:** Our base case assumes first production in Q4 2030/Q1 2031. Each year of delay beyond this reduces the NPV by approximately 7–8% through discounting alone, compounding if gold prices are not sustained at current levels.

**Permitting:** No EIA has been formally initiated. While Finland ranks #1 globally in the Fraser Institute's Investment Attractiveness Index (2024), the Kuusamo region has experienced community opposition to mining in the past. The three-year landowner consent restriction period provides LAT66 with a de facto exclusive position but also signals historical regulatory friction.

**Funding:** US$100.4m pre-production capex against a current market cap of A$28m. Multiple dilutive equity raises will be required. Our model incorporates three raises (A$12m for PFS, A$20m for DFS, and A$60m for construction alongside A$85m debt).

**Finnish mining mineral tax:** Our model applies the updated 2.5% mining mineral tax rate (Act 1361/2025, effective 1 January 2026).

| Δ (%) | -15% | -10% | -5% | 0% | 5% | 10% | 15% | Swing (A$M) |
|---|---|---|---|---|---|---|---|---|
| Gold Price (US$/oz) | 626 | 677 | 729 | 781 | 833 | 885 | 937 | 311 |
| Open Pit Grade (g/t) | 710 | 734 | 757 | 781 | 805 | 828 | 852 | 142 |
| Discount Rate (%) ( ±2 pp) | 922 | 872 | 825 | 781 | 739 | 700 | 664 | 259 |
| Recovery % | 720 | 741 | 761 | 782 | 802 | 823 | 844 | 124 |
| Mining Cost (US$/t milled) | 783 | 782 | 782 | 781 | 780 | 780 | 779 | 4 |
| Process Cost (A$/t milled) | 793 | 789 | 785 | 781 | 777 | 773 | 769 | 24 |

**Table 1.7 –** KSB Spider Sensitivity Table

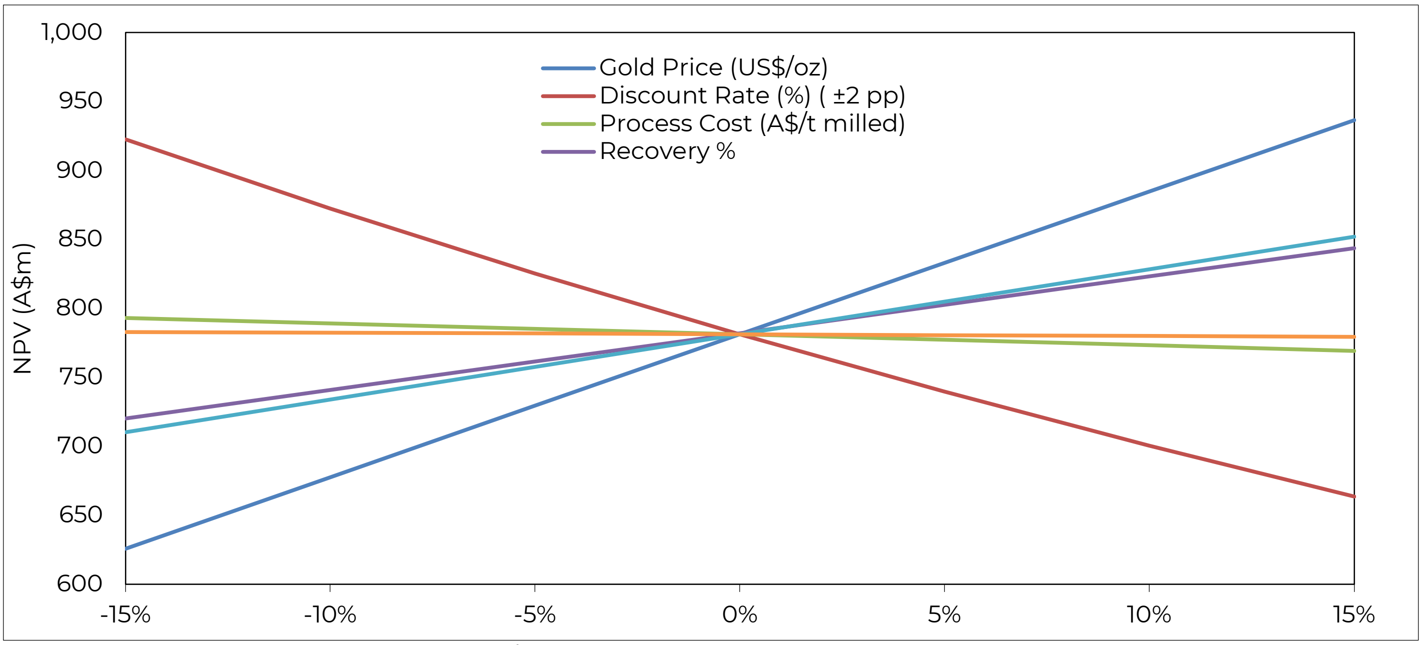



**Figure 1.5** – KSB Spider Sensitivity Graph

| Δ NAV (A$m) in Base Case | | | | | | | |
|---|---|---|---|---|---|---|---|
| Gold Price - (A$/oz) vs Discount Rate | | | | | | | |
| | 3,273 | 3,465 | 3,658 | 3,850 | 4,043 | 4,235 | 4,428 |
| 6.0% | 741 | 802 | 862 | 922 | 983 | 1,043 | 1,104 |
| 6.7% | 700 | 757 | 815 | 872 | 930 | 987 | 1,045 |
| 7.3% | 662 | 716 | 771 | 825 | 880 | 934 | 989 |
| 8.0% | 626 | 677 | 729 | **781** | 833 | 885 | 937 |
| 8.7% | 592 | 641 | 690 | 739 | 789 | 838 | 887 |
| 9.3% | 560 | 607 | 653 | 700 | 747 | 793 | 840 |
| 10.0% | 530 | 592 | 619 | 664 | 709 | 753 | 798 |

**Table 1.8 –** KSB Spider Sensitivity Callout Table

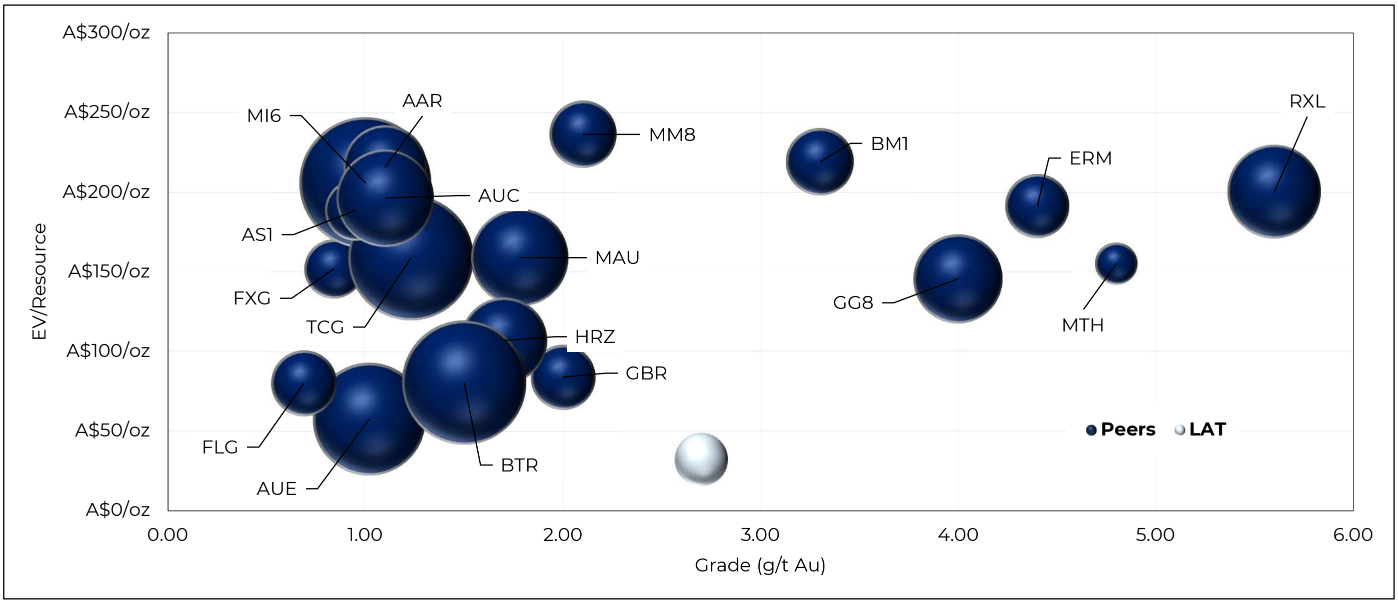
## 1.5 ASX Listed Comparables

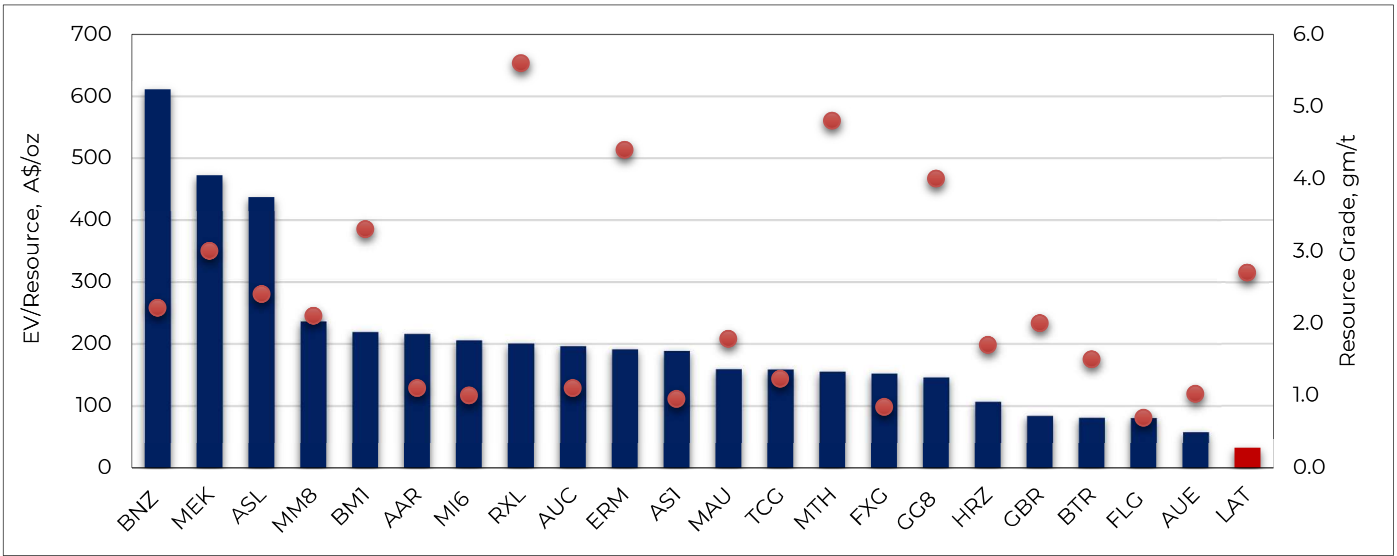
LAT is remarkably undervalued when compared with its ASX listed peers in exploration/early development stage. The company trades at an EV/Resource of A$37/oz despite having a better grade at 2.7g/t Au, cobalt and exploration upside.

We anticipate that the company could rerate with project development, moving to ~A$150/oz with PFS/DFS and ~A$200-350/oz in the construction/production stage. The rerating will be catalysed by the exploration results from KSB project with the grade and resource size being the dominant drivers.

| LAT Comps Analysis | | | | |
|---|---|---|---|---|
| **Scenario** | **Resource (Moz)** | **EV/Resource Multiple (A$/oz)** | **EV (A$M)** | **Imp. SP (A$/share, undiluted)** |
| **LAT** | 0.65 | 37 | 20.8 | 0.11 |
| **LAT Resource Expansion +50% without rerating** | 0.98 | 37 | 31.2 | 0.17 |
| **LAT Resource Expansion +50% with rerating** | 1.46 | 80 | 117 | 0.65 |
| **LAT - Pre Development/ DFS** | 1.46 | 150 | 219.375 | 1.21 |
| **LAT - Construction** | 1.46 | 200 | 292.5 | 1.61 |

**Table 1.9** – KSB Comparables Analysis




**Figures 1.5 & 1.6** – KSB Grade Resource and EV/Resource Comparison vs ASX listed Peers

## 1.6 Finnish Comparables

We benchmark KSB against Finnish gold peers across three tiers: producing (Kittilä), advanced development (Ikkari, Rajapalot) and other exploration assets (FireFox Gold).

KSB's 7.3 Mt resource at 2.7 g/t Au is materially smaller than Ikkari (62.0 Mt at 2.12 g/t, 96% Indicated) but carries a higher head grade and a simpler open-pit-only mining geometry. Ikkari's resource is ~8.5x larger by tonnage and ~6.5x by contained ounces (4,216 Koz vs 647 Koz), but requires both open-pit and underground extraction over a 20-year LOM with initial capex of US$575m (5.7x KSB's US$100.4m). KSB's grade advantage (2.7 g/t vs 2.12 g/t) is partially offset by lower metallurgical recovery (89.2% vs 95.8%), though our recovery assumption is conservative relative to the Scoping Study's 92.5%. Rajapalot (9.8 Mt at 2.8 g/t for 900 Koz) is the closest grade-tonnage analogue to KSB, sitting ~34% larger by tonnage and carrying a marginally higher gold grade, but its entire resource remains Inferred (vs KSB's 85% Indicated). Rajapalot also carries 4,311t cobalt at 441 ppm, compared to KSB's 5,840t at 800 ppm, a materially higher cobalt grade at KSB.

**KSB's pre-production capex of US$100.4m is exceptionally low relative to the peer group.** Ikkari requires US$575m initial capital (total US$1,146m including sustaining and closure), reflecting the scale and complexity of a 20-year OP+UG mine with concentrator, co-disposal facility and extensive water treatment infrastructure. On a per-ounce-produced basis, Ikkari's initial capex of US$172/oz (LOM) is comparable to KSB's ~US$215/oz, but KSB achieves this with a far simpler flowsheet (gravity/CIL/flotation, open-pit only, 7.2-year LOM). KSB's modelled AISC of US$819/oz is lower than Ikkari's LOM AISC of US$918/oz, though above Ikkari's first-decade AISC of US$717/oz, driven by the cobalt by-product credit (~A$480/oz reduction). Excluding the cobalt credit, KSB's gold-only AISC would be ~US$1,158/oz, sitting between Ikkari's LOM AISC (US$918/oz) and Kittilä's operating costs (US$1,087/oz). Kittilä, as a mature underground operation, reports AISC of US$1,087/oz (2025A), guided US$1,267/oz in 2026.

Our KSB model applies the updated 2.5% rate (Act 1361/2025). KSB's Scoping Study reports $NPV_8$ of US$310m and 74% IRR at US$2,500/oz; on our Evolution price deck (US$3,850/oz), KSB generates $NPV_8$ of A$781m. Ikkari's PFS returns $NPV_5$ of US$1,700m and 38% IRR at US$2,150/oz (long-term consensus), with 2.2-year payback. At US$2,650/oz (January 2025 spot), $NPV_5$ rises to US$2,500m and IRR to 49%. The PFS applies a state royalty of 0.6%. KSB's higher IRR reflects the lower capex intensity and shorter payback rather than a superior absolute NPV.

LAT66 trades at A$37/oz on its 650 Koz resource, a steep discount to Ikkari at A$401/oz (4,216 Koz, PFS stage) and Rajapalot at A$654/oz (900 Koz held within the merged GoldSky/NordCo Gold portfolio). The ~9.5x EV/Resource gap between KSB and Ikkari reflects the study-stage differential (Scoping vs PFS), the absence of a committed development timeline, and the significant funding gap (US$100m capex vs A$28m market cap). Conversely, it represents the re-rating opportunity as KSB progresses through PFS and DFS milestones. FireFox Gold (CVE: FFOX) trades at EV of A$24.2m with no defined resource, providing a floor valuation for Finnish gold exploration tenure.

| Finnish Comparables Analysis | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Project** | **Company** | **Stage** | **Resource (Mt)** | **Grade (g/t Au)** | **Resource (Moz)** | **AISC (US$/oz)** | **EV (A$m)** | **EV/Res. (A$/oz)** |
| Kittilä | Agnico Eagle | Producing | 1.618 | 1.61 | 88.9 | 1,087 (2025A) | Major | N/A |
| Ikkari | Rupert Resources | PFS (Feb 2025) | 62.0 | 2.12 | 4.216 | 918 (LOM) | 1,690.5 | 401 |
| Rajapalot | GoldSky Resources | PEA / Merger | 9.8 | 2.8 | 0.9 | N/A (PEA) | 588.8 | 654 |
| **KSB** | **Latitude 66** | **Scoping** | **7.3** | **2.7** | **0.65** | **819** | **27.1** | **37** |

**Table 1.10 –** KSB and Finnish Comparables Assets.

*Note: All EV and EV/Resource in A$. Ikkari AISC of US$918/oz is LOM per PFS (Feb 2025); first 10 years AISC is US$717/oz. Ikkari PFS uses 5% discount rate at US$2,150/oz gold vs our KSB model at 8% and US$3,850/oz. Ikkari PFS applies 0.6% state royalty; our KSB model applies the updated 2.5% rate (Act 1361/2025). GoldSky Resources (CVE: GSKR) is the merged First Nordic/Mawson Finland entity (September 2025); EV of A$588.8m captures the combined portfolio including Barsele (Sweden), Gold Line Belt and Oijärvi in addition to Rajapalot — the implied EV/Resource of A$654/oz overstates standalone Rajapalot valuation. KSB total resource sums to 647 Koz from constituent deposits; the Company reports "approximately 650 Koz". Kittila resource sum of total endowment – mined and remaining.*

KSB's modelled AISC of US$819/oz sits below Ikkari's LOM AISC (US$918/oz) and Kittilä (US$1,087/oz 2025A, guided US$1,267/oz 2026), though above Ikkari's first-decade AISC (US$717/oz). The cost advantage is driven by the cobalt by-product credit. Resource growth comparables are encouraging: Kittilä's 88.9 Moz total endowment grew from ~2 Moz at initial discovery, and Ikkari from 3.95 to 4.22 Moz through infill and category upgrade. We estimate +25–40% growth potential for KSB to ~850 Koz, consistent with near-mine extensional targets at K1NE, K6 and K-South not yet captured in the resource. However we do not model this resource growth at the moment.

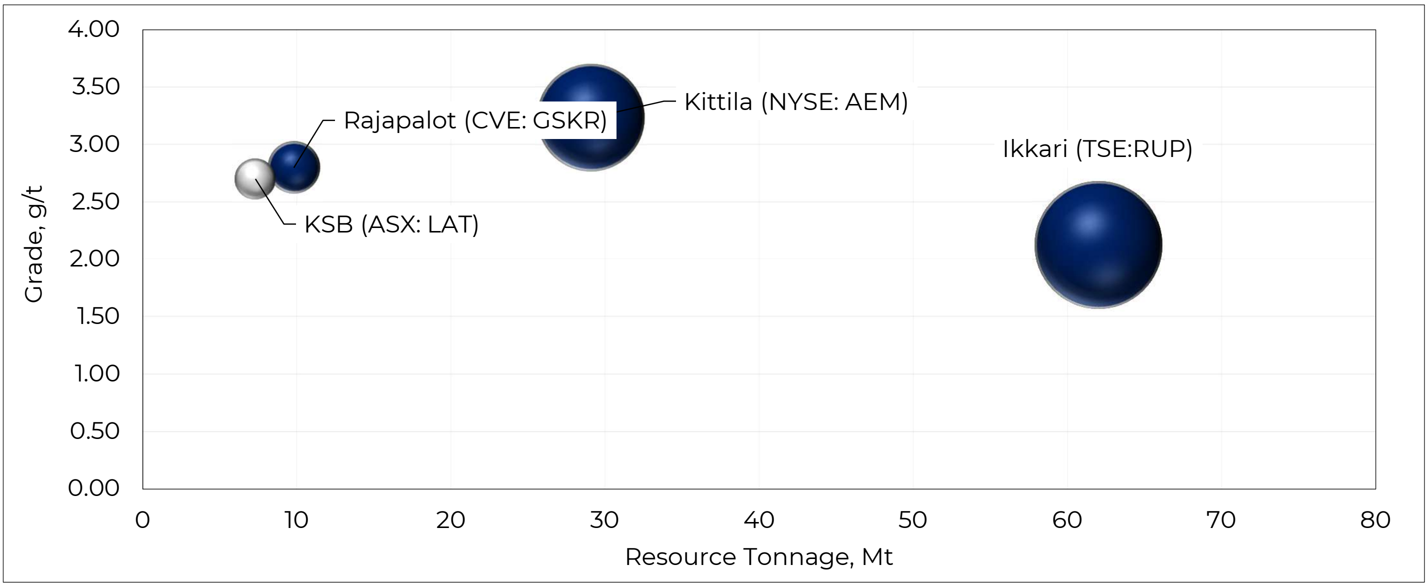



**Figure 1.7 –** KSB Grade Resource vs Finnish Peers

## 1.7 Laverton Comparables

We benchmark Red Dog and Tin Dog against Laverton district peers across three tiers: district exploration and development companies (Brightstar, Matsa, Hawthorn), and broader WA gold producers with Laverton-proximal operations (Vault Minerals, Ramelius, Gold Road, Pantoro) for context.

Among district peers, EV/Resource multiples range from A$79/oz (Hawthorn) to A$115/oz (Matsa), with mean of A$101/oz. Brightstar Resources is the closest geographical comparable, currently building the Laverton Mill and consolidating a 3.9 Moz resource at 1.5 g/t across multiple deposits including Second Fortune and Jupiter. Brightstar trades at A$108/oz on an EV of A$422m, reflecting its transition from developer to producer. Matsa Resources, the historical Red Dog operator, trades at A$115/oz on 949 Koz at 2.5 g/t, though its Red October and Fortitude mines are on care and maintenance. Hawthorn Resources trades at the low end (A$79/oz) on a small, high-grade 157 Koz resource at 5.7 g/t, reflecting limited scale despite strong grade.

The district comparables analysis reinforces the significant re-rating opportunity at Laverton as drill results convert the Exploration Target to JORC-compliant resource. A successful drilling campaign upgrading the ET to a defined resource of, say the lower end of the exploration target, 200 Koz, at closest comparables Brightstar and Hawthorn at ~A$108/oz would imply standalone Laverton project value of A$21.6m (100% basis) or A$17.28m on LAT's 80% interest, material relative to the current group market capitalisation of ~A$28m.

| Red Dog Comparables | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Project** | **Company** | **Stage** | **Resource (Mt)** | **Grade (g/t Au)** | **Resource (Koz)** | **EV (A$m)** | **EV/ Res. (A$/oz)** |
| Second Fortune | Brightstar (ASX:BTR) | Developer, Producer | 81 | 1.5 | 3,900 | 422 | 108 |
| Red October | Matsa (ASX:MAT) | C&M, Exploration | 11.8 | 2.5 | 949 | 109 | 115 |
| Anglo Saxon | Hawthorn (ASX:HAW) | Explorer | 0.86 | 5.7 | 157 | 12.4 | 79 |
| Mt Magnet, Rebecca-Roe | Ramelius (ASX:RMS) | Producer | 210 | 1.8 | 12,000 | 7,743 | 645 |
| Gruyere (50% JV) | Gold Road (ASX:GOR) | Producer (JV) | 157 | 1.42 | 7,380 | 3,035 | 411 |
| Norseman | Pantoro (ASX:PNR) | Producer | 44.9 | 3.3 | 4,800 | 1,236 | 258 |

**Table 1.11** – Laverton Comparables Analysis

*Note: All EV and EV/Resource in A$. Market data as at April 2026. Cash/debt from latest quarterly reports. Resource figures from latest published MRE/annual statements.*

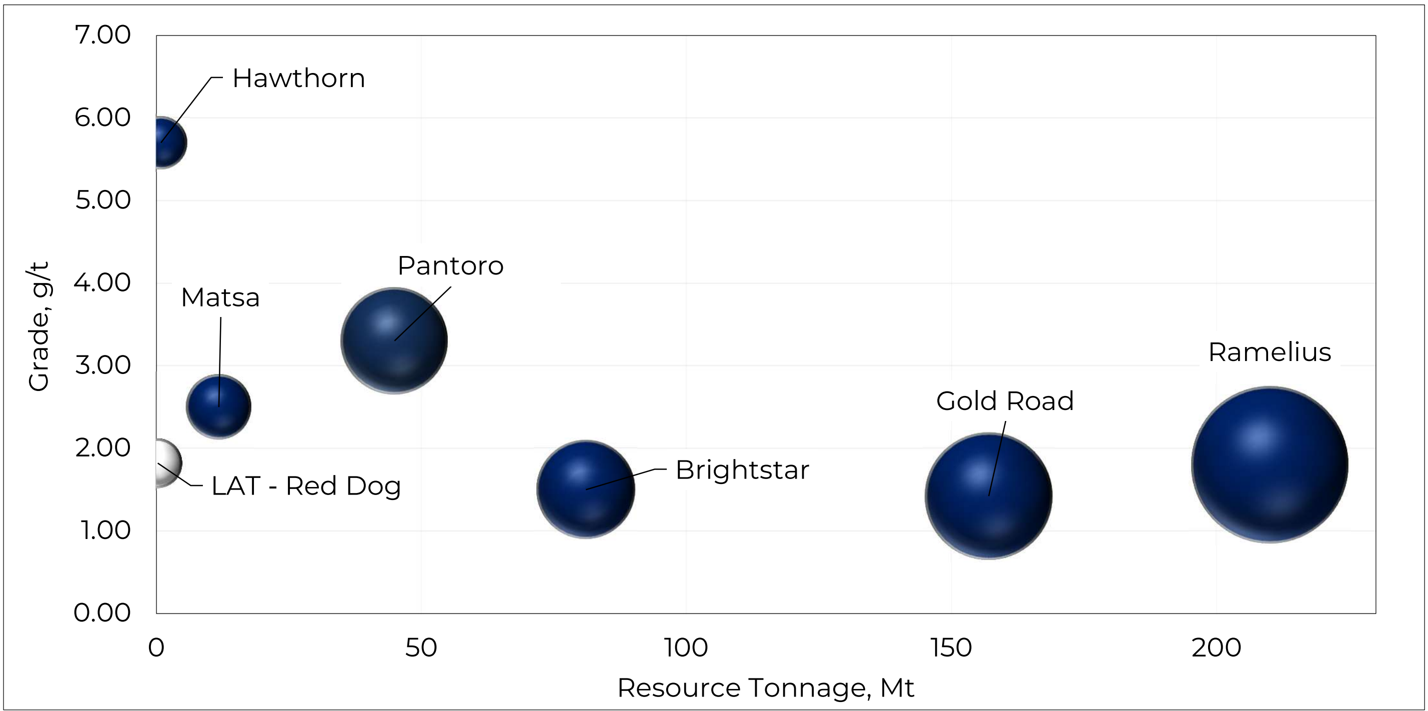



**Figure 1.8 –** Red Dog Grade Resource vs Laverton Peers

| Red Dog Laverton Comparable Analysis at Exploration Target | | | |
|---|---|---|---|
| **Scenario** | **Resource (Koz)** | **EV/Resource Multiple (A$/oz)** | **EV (A$M)** |
| **LAT – Red Dog (80% Owned)** | 200 | 108 | 17.28 |

**Table 1.12 –** Red Dog Comp Valuation

# 2. Latitude 66 Ltd

## 2.1 Company Overview

Latitude 66 Ltd (ASX: LAT) is an ASX-listed gold and critical minerals developer with operations in Finland and Western Australia. The flagship KSB Gold-Cobalt Project in northern Finland hosts a JORC Resource of 7.3 Mt at 2.7 g/t Au (650 Koz) and 0.08% Co (5,840t). The March 2025 Scoping Study for the asset returned Post-Tax $NPV_8$ US$310m and 74% IRR (US$2,500/oz Au base case).

Other assets include the PSB Project (Finland, ~150 km west of KSB) and a WA gold exploration portfolio (Laverton, Edjudina, Piastri). The Company has divested non-core assets (Sylvania, Greater Duchess) to focus capital on the KSB development pathway.

Market capitalisation is ~A$28m, with A$1.0m cash and A$3.5m in listed securities (CNB shares) at 31 December 2025.


**Figure 2.1 –** LAT Project Locations

## 2.2 KSB Gold-Cobalt Project

The KSB Project is located in the Kuusamo region of northern Finland, ~700 km north of Helsinki. It hosts the EU's third-largest undeveloped cobalt resource, positioning it as a strategic EU CRMA asset for 10% EU domestic extraction target.

KSB North (K1, K2, K3) forms the basis of the current resource and mine plan. KSB South (~20 km SW) hosts multiple extensional gold-cobalt prospects (K8, K9, K10, K13) not yet included in the resource. KSB North JORC 2012 Resource totals 7.3 Mt at 2.7 g/t Au for ~650 Koz Au and 0.08% Co for 5,840t Co (85% Indicated).

- Indicated – 5.9Mt at 2.9g/t Au for 554,000oz and 0.08% Co for 5,150t
- Inferred – 1.4Mt at 2.0g/t Au for 93,000oz and 0.08% Co for 690t

| JORC Mineral Resource Estimate for KSB Project | | | | | | |
|---|---|---|---|---|---|---|
| **Deposit** | **Category** | **Tonnage (kt)** | **Au (g/t)** | **Co (%)** | **Au (Koz)** | **Co (t)** |
| **K1 Deposit** | Measured | - | - | - | - | - |
| | Indicated | 4,600 | 2.9 | 0.10 | 430 | 4440 |
| | Inferred | 1200 | 2.1 | 0.05 | 80 | 570 |
| | **Sub Total** | **5,800** | **2.7** | **0.09** | **510** | **5010** |
| **K2 Deposit** | Measured | - | - | - | - | - |
| | Indicated | 934 | 3.2 | 0.05 | 100 | 500 |
| | Inferred | 90 | 1.7 | 0.05 | 5 | 50 |
| | **Sub Total** | **1,050** | **3.1** | **0.05** | **105** | **550** |
| **K3 Deposit** | Measured | - | - | - | - | - |
| | Indicated | 340 | 2.2 | 0.06 | 24 | 210 |
| | Inferred | 120 | 2 | 0.06 | 8 | 70 |
| | **Sub Total** | **450** | **2.2** | **0.06** | **32** | **280** |
| **TOTAL** | | **7,300** | **2.7** | **0.08** | **650** | **5840** |

**Table 2.1 –** LAT KSB MRE

LAT66 is majority landowner over K1/K2 and has secured consent for K3, making it the sole compliant applicant in the Juomasuo and Pohjasvaara mining zones. A three-year landowner-consent restriction period (arising from historical permitting disputes) effectively grants LAT66 exclusive development rights through the current cycle.

## 2.3 Exploration Activities

K1NE (~700m NE of K1) is a priority near-mine extensional target. GTK drilled the prospect in 1989 (1m @ 5.3 g/t Au, 19m @ 0.09% Co). LAT66's 2021 FLEM survey delineated a 20m x 150m conductive plate down-dip of the original intercept.

Two diamond holes (263m, July 2024) returned:

- 2m @ 4.4g/t Au & 1.1% Cu from 113.8m
- 11m @ 0.1% Co & 0.1% Cu from 57m

A follow-up DHEM survey confirmed the conductor dips at ~40° and extends beyond current drill coverage, making K1NE a priority follow-up target.

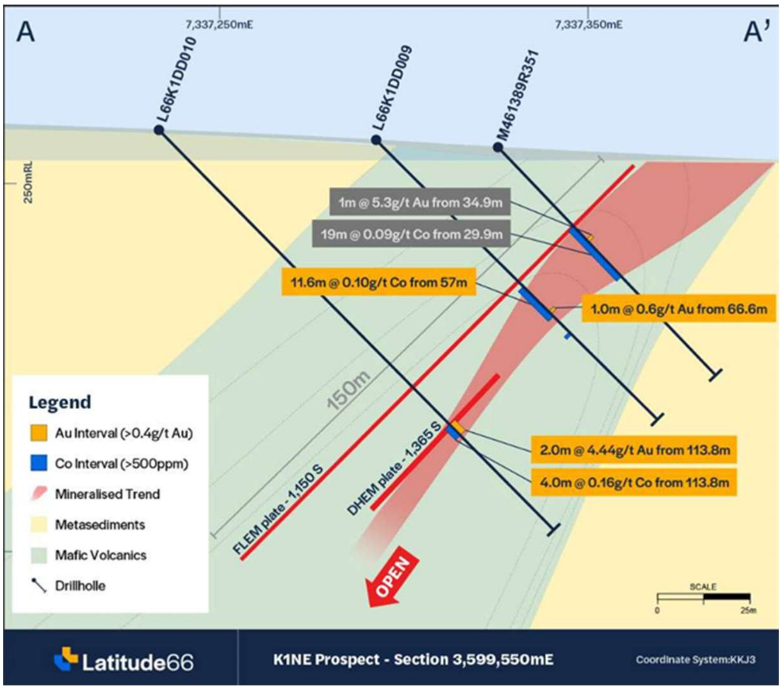



**Figure 2.2** - LAT K1NE Prospect

At K6, a maiden 12-hole RC program (315m) tested the K6E and K6W zones, defined by IP chargeability anomalies coincident with surface boulders up to 8.8 g/t Au and 0.6% Cu.

K6W returned 2m @ 0.27 g/t Au, 0.13% Co, 0.35% Cu within a 17m @ 0.17% Co halo. Alteration and gold tenor discrepancies vs. surface boulders (8.8 g/t Au) suggest the hole tested a peripheral zone; adjacent BoT anomalies (peak 3.53 g/t Au) indicate higher-grade mineralisation remains untested nearby. Structural model refinement is underway.

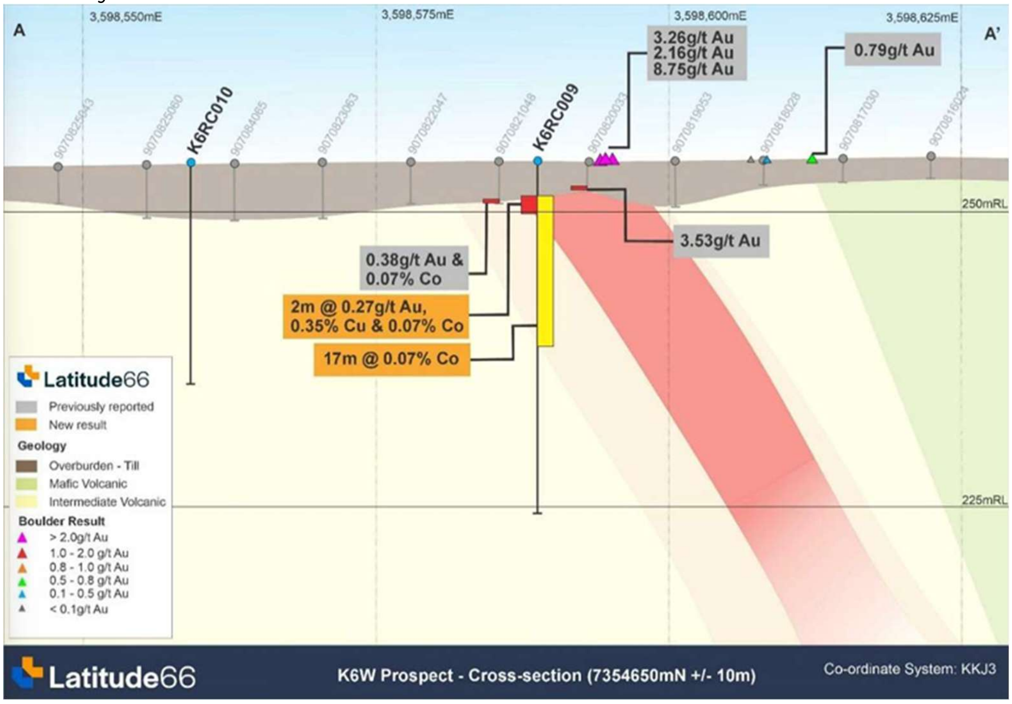



**Figure 2.3 –** LAT K6W Prospect

KSB South (~20 km SW) has returned multiple high-grade Au-Co intercepts at K8, K9 and K10, open at depth and along strike:

K8 Prospect:

- 19.0m @ 6.0 g/t Au & 0.04 % Co from 97.5m
- 6.5m @ 8.1 g/t Au & 0.01 % Co from 45.1m
- 5.6m @ 4.9 g/t Au & 0.09 % Co from 58.5m

K9 Prospect:

- 22.4m @ 2.40g/t Au, 0.07% Co and 0.16% Cu from 44m
- 13.45m @ 6.25g/t Au & 0.18% Co from 21.1m
- 50.15m @ 0.45% Co from 124.75m

K10 Prospect:

- 4.8m @ 4.1g/t Au, 0.12% Co from 322.7m

## 2.4 Scoping Study

The March 2025 Scoping Study confirmed standalone economics for an open-pit gold-cobalt operation at KSB North. The study is based on 90% of the Indicated resource and envisages a conventional gravity/CIL/flotation flowsheet at 750 ktpa throughput, producing ~65 Koz Au and ~465t Co annually over a 7.2-year LOM. Pre-production capex of US$101m is low by global standards, reflecting the simple open-pit geometry and absence of underground development.

At LAT's base case gold price of US$2,500/oz, the study returns a post-tax $NPV_8$ of US$310m and 74% IRR with a 16-month payback. At the US$3,000/oz sensitivity case, $NPV_8$ rises to US$433m and IRR to 98%. Our Evolution model adopts the Scoping Study's production schedule, capex and opex inputs but applies our own price deck

(US$3,850/oz Au, US$49,000/t Co) and funding assumptions, the key model parameters are detailed in the Valuation Summary (Section 1).

| Parameter | Value |
|---|---|
| **Resource Modelled** | 90% Indicated |
| **Capex** | US$101m |
| **Mine Production** | 5.4Mt over 7.2 years |
| **Processing Capacity** | 750ktpa,<br>Gravity Separation + CIL for Au<br>Flotation for Co |
| **AISC** | US$1,038/oz<br>US$996/oz AuEq |
| **Average Annual Production** | 65Koz Au<br>465t Co |
| **Post Tax NPV$_8$ ; IRR** | US$310m at US$2,500/oz; 74% |
| | US$433m and 98% IRR at US$3,000/oz |
| **Payback Period** | 16 months |

**Table 2.2** – LAT Scoping Study Summary

## 2.5 PSB Project, Finland

The PSB Project is an early-stage exploration asset ~150 km west of KSB, in an underexplored greenstone belt with Au-Cu-Zn-Ni mineralisation identified by the GTK. LAT66 holds 412 km² in the eastern PSB basin. Sampling at the Petaja Prospect has identified glacial ice-flow mineralised trends up to 2.0 km long, with peak rock-chip results of 137.7 g/t Au and 10.6% Cu. The PSB is adjacent to Mawson Finland's Rajapalot project (9.78 Mt @ 2.8 g/t Au, 441 ppm Co).

Key Petaja Prospect rock-chip results include:

- 137.7g/t Au, 10.6% Cu, 0.16% Co & 73g/t Ag
- 2.0g/t Au
- 0.54g/t Au & 0.40% Cu
- 3.2% Cu, 1.2g/t Au & 0.08% Co
- 3.5% Cu, 0.48g/t Au & 0.09% Co
- 1.7% Cu, 0.68g/t Au & 0.09% Co

## 2.6 Laverton Gold Project, Western Australia

The Laverton Gold Project (WA) comprises 17 tenements (~253 km²) including four Mining Leases. The Red Dog and Tin Dog prospects host a combined JORC Resource of 231 Kt at 1.82 g/t Au for 13.5 Koz, with an Exploration Target of 6.5–11 Mt at 1.0–1.3 g/t Au for 200–450 Koz.

The project sits in the highly endowed Laverton gold district, proximal to Butcher Well, Second Fortune and Devon, with five processing mills within 100 km providing toll-treatment optionality.

LAT66 acquired 80% via option/JV agreements (November 2025) for A$260k upfront (cash + scrip) plus free-attaching options. Full exercise requires an additional A$375k cash plus ~A$1.05m scrip.

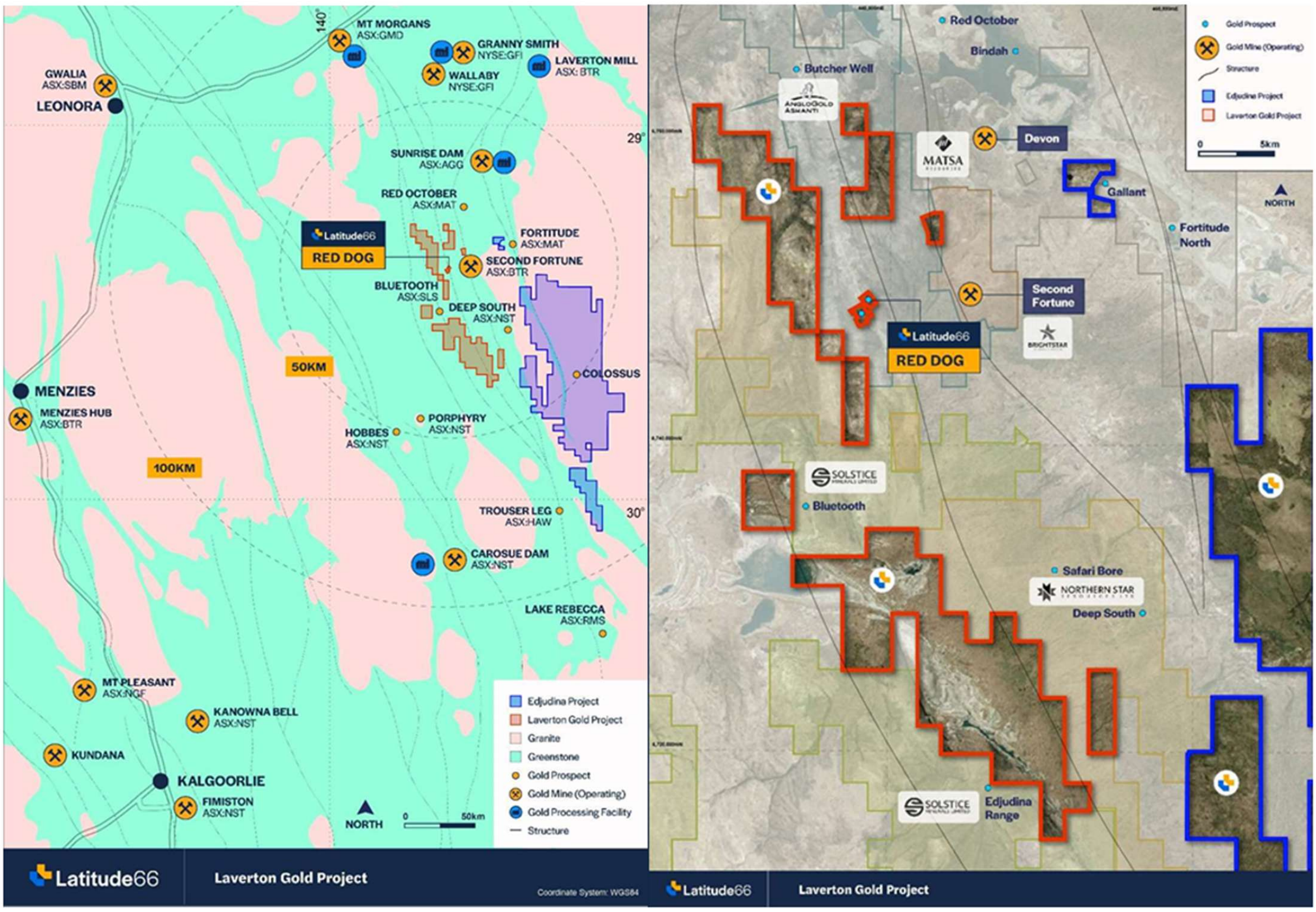



**Figure 2.4** – LAT Laverton Projects

## 2.7 Red Dog Prospect

Red Dog is a historical open pit last operated in 2019 by Matsa Resources (12,704 oz at 2.3 g/t), in a brownfield setting ~25 km west of Fortitude Mine.

| Red Dog JORC MRE (0.5g/t Cutoff) | | | |
|---|---|---|---|
| **Category** | **Tonnage (t)** | **Au (g/t)** | **Au (oz)** |
| Indicated | 196,000 | 1.90 | 12,000 |
| Inferred | 35,000 | 1.38 | 1,500 |
| **Sub Total** | **231,000** | **1.82** | **13,500** |

**Table 2.3** – LAT Red Dog Prospect JORC

The post-depletion in-situ MRE (JORC 2012) is 231 Kt at 1.82 g/t Au for 13.5 Koz (0.5 g/t cut-off). The deposit extends ~240m N-S and 200m E-W, with mineralisation typically 3-14m thick and ~30m below surface, hosted on a major N-NNW ductile shear zone that also controls the Butcher Well deposit (Inferred MRE of 2.7 Mt @ 3.84 g/t Au for 0.33 Moz) ~15 km to the north."

LAT66 has identified ore extension potential on a granted Mining lease marked by significant intercepts outside of the previously mined pit and set an Exploration Target of 6.5 – 11Mt @ 1.0-1.3g/t Au for 200 – 450,000oz Au to a depth of 200m. Intercepts previously reported by Matsa include:

- 4m @ 7.3g/t Au from 13m
- 6m @ 4.8g/t Au from 22m
- 7m @ 3.4g/t Au from 11m

- 7m @ 3.3g/t Au from 23m
- 6m @ 3.2g/t Au from 13m

LAT66's maiden 31-hole RC program (2,653m, December 2025) confirmed mineralisation continuity, extended the footprint by ~70m, and identified a new NW–SE shear corridor. Drilling has also identified new discovery potential associated with a previously under-recognised NW–SE-trending shear corridor.

- 11m @ 4.6g/t Au from 10m
- 6m @ 4.2g/t Au from 24m
- 6m @ 3.2g/t Au from 22m
- 5m @ 2.3g/t Au from 22m
- 2m @ 3.0g/t Au from 61m
- 2m @ 2.7g/t Au from 32m

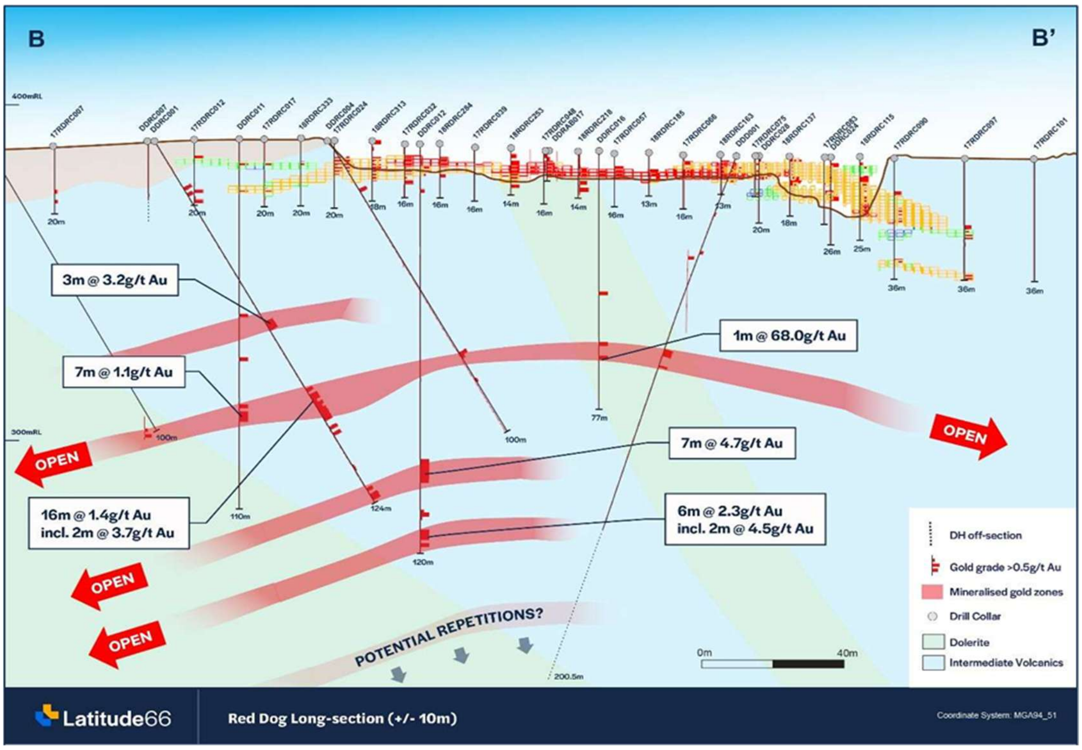



**Figure 2.5** – LAT Red Dog Prospect Schematic

## 2.8 Tin Dog Prospect

Tin Dog is also a granted mining lease and sits adjacent to the Red Dog. Mineralisation in this tenement is associated with quartz vein arrays and pervasive silica-sericite-haematite-pyrite alterations, comparable to other syenite associate gold systems in the Eastern Goldfields such as Jupiter and King of the Hills.

- 6m @ 13.8g/t Au from 20m
- 9.7m @ 3.4g/t Au from 54m
- 16m @ 2.9g/t Au from 55m
- 7m @ 2.9g/t Au from 47m

LAT66's maiden 23-hole RC program (1,780m) returned 19/23 holes mineralised (>0.4 g/t). Key intercepts:

- 2m @ 12.5g/t Au from 83m
- 4m @ 3.9g/t Au from 54m
- 1m @ 4.4g/t Au from 38m
- 2m @ 3.9g/t Au from 94m
- 11m @ 2.3g/t Au from 83m
- 2m @ 2.2g/t Au from 6m

A follow-up ~4,000m RC campaign is underway, targeting the newly validated NE-SW structural framework at Tin Dog.

## 2.9 Other Australian Exploration Projects

### 2.9.1 Edjudina Project, Western Australia

The Edjudina Project (75 km south of Laverton, ~1,102 km²) completed an 88-hole aircore program (5,093m) in March 2025 testing multiple gold-in-soil anomalies.

Results confirmed bottom-of-hole gold mineralisation at the Colossus Prospect (part of the 1.8 km Spartan soil anomaly), associated with silica-hematite alteration suggestive of a primary source beneath the base of weathering. The primary target remains untested at depth and is a priority for RC/diamond follow-up.

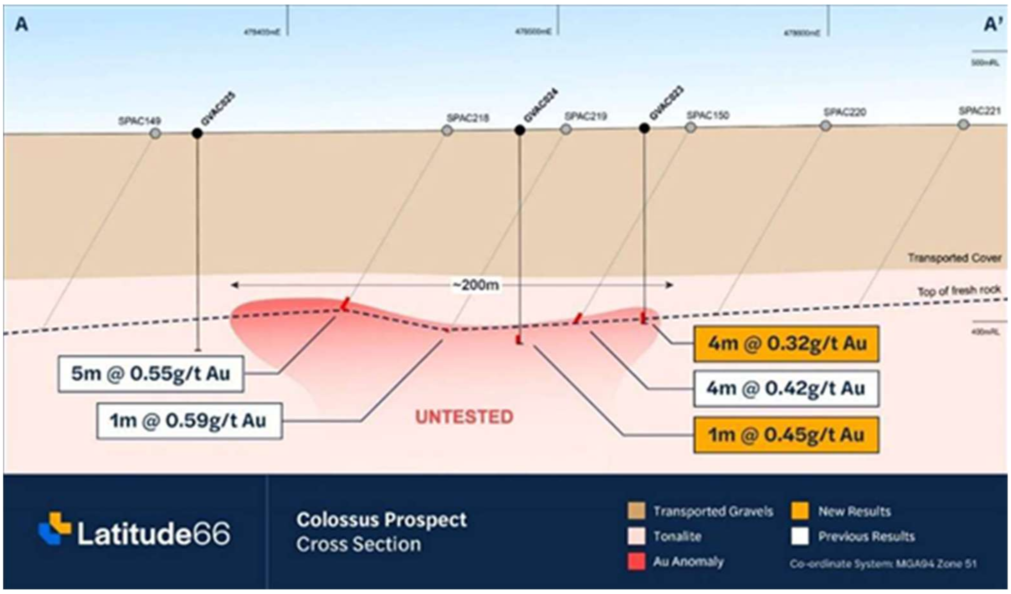



**Figure 2.6 –** LAT Edjudina Project Schematic

### 2.9.2 Piastri Project, Western Australia

The Piastri Project (15.2 km², Yalgoo-Singleton belt) sits ~200m from the 1.96 Moz AuEq Ricciardo deposit and contiguous with Warriedar's Golden Range Project (2.3 Moz AuEq, being acquired by Capricorn Metals for ~A$188m). LAT66 plans first-pass soil sampling to test geophysical targets.

## 2.10 Recent Divestments

1. **Sylvania Project:** Sylvania (WA): Divested December 2024 to Capricorn Metals for A$1.5m scrip, retained 1%/1.5% net royalty (precious/non-precious), plus A$750k milestone payments on MRE (>200 Koz) and mine decision.

2. **Greater Duchess:** Greater Duchess (Qld, 21.8 Mt at 1.3% Cu, 0.2 g/t Au): Divested 17.5% JV interest to Carnaby Resources (July 2025) for A$6.0m total (A$2.0m cash + A$4.0m in CNB shares at 30-day VWAP). Market value of scrip at completion was ~A$4.92m.

# 3. Project Risk

## 3.1 Funding & dilution risk

- US$100m pre-prod. capex against a current market cap of A$28m. Multiple dilutive equity raises required.
- We model three raises totalling ~A$92m equity plus A$85m debt. Cumulative dilution from 213m to 475m FD shares.
- Construction financing strategy undisclosed. Equity window closure or adverse market conditions could defer FID.

## 3.2 Development timeline & execution risk

- No PFS timeline, EIA commencement or funding strategy publicly committed by the Company.
- Each year of delay reduces NPV by ~7–8% through discounting alone.
- Base case assumes first production Q4 2030/Q1 2031 — requires parallel progression of PFS, DFS and EIA to achieve.

## 3.3 Permitting & social licence risk

- No EIA formally initiated. Finnish EIA process (ELY Centre) typically 18–24 months, plus mining permit (Tukes) and environmental permit (AVI).
- Kuusamo region has experienced community opposition to mining; the three-year landowner consent restriction period signals historical friction.
- Appeal risk: ~8% of Tukes decisions are appealed; local tourism interests may drive opposition.

## 3.4 Gold price risk

- Gold accounts for 92% of LOM revenue. A US$100/oz move shifts NPV by ~A$35m (~4%).
- A sustained correction below US$3,000/oz would reduce NPV by ~20% and compress EBITDA margins from ~88% to ~84%.

## 3.5 Cobalt price & by-product risk

- Cobalt by-product credit compresses AISC by ~A$480/oz. A halving of cobalt price to US$25,000/t would increase AISC by ~A$240/oz.
- DRC supply concentration (>75% of global production) creates both upside optionality and pricing volatility.

## 3.6 Grade & resource risk

- Production schedule derived from Scoping Study mine plan on 7.3 Mt resource (85% Indicated). Actual head grades may differ.
- A 10% grade reduction lowers NPV by ~A$71m (~9%).
- No resource growth assumed in base case despite active near-mine drilling programme.

## 3.7 Capital allocation risk

- Laverton acquisition (Nov 2025) introduces a second jurisdiction and competing call on resource allocation.
- Every dollar spent on WA exploration is a dollar not advancing KSB toward PFS/DFS.

## 3.8 Finnish regulatory & tax risk

- Our model applies the updated 2.5% mining mineral tax (Act 1361/2025, effective 1 January 2026).
- Electricity excise duty increased from EUR 0.0005/kWh to EUR 0.0224/kWh (Act 505/2023), impacting operating costs for energy-intensive processing.
- February 2026 Mining Act amendments strengthen landowner protections; may add permitting complexity.

# 4. Management

**Thomas Hoyer, Non-Executive Chairman**

Thomas Hoyer has held various CEO and Director roles in mineral processing, mining and exploration, funds management, and sustainability consultancy. He is the former CEO of Afarak Group Oyj (LSE listed), which operated mines and smelters in Europe and Africa. He was awarded the 2016 Finnish National Award for Cultural Heritage. His Finnish industry networks and regulatory experience are directly relevant to the advancement of the KSB Project through permitting and development.

**Grant Coyle, Managing Director**

Grant Coyle is a resource executive with over 15 years' experience in senior commercial roles, including at Rio Tinto. He has extensive experience in financial operations and commercial assessment of development and exploration projects across greenfield and brownfield developments and was previously CFO at an ASX-listed mining company. Coyle led the reverse takeover of DiscovEx Resources to form Latitude 66 in mid-2024 and has driven the company's strategic pivot toward Finnish gold-cobalt development, overseeing the completion of the KSB Scoping Study and the portfolio rationalisation programme (Sylvania and Greater Duchess divestments).

**Toby Wellman, Technical Director**

Toby Wellman is a geologist with 23 years' global multi-commodity experience across the complete mining cycle including exploration, resource development and mining. Previous roles include Exploration Manager for Mont Royal Resources, senior exploration positions at Boliden Minerals (Sweden), and senior development and exploration roles at Doray Minerals. His Scandinavian operating experience was a key factor in his appointment to lead the technical programme at KSB.

**Jeremy Read, Non-Executive Director**

Jeremy Read is a seasoned minerals resource industry executive with experience across precious and base metals projects in Australia, Sweden, Finland, Norway, Africa, North America and India. He spent 11 years at BHP in Africa and Australia, including several years as Manager of BHP's Australian Exploration Team, and has been Managing Director of five ASX-listed resource companies including projects in the Nordic region. He is currently Chairman of ASX-listed Godolphin Resources Limited and is a Member of the AusIMM. He holds a Bachelor of Science (Geology) from the University of Tasmania.

**Prof Steffen Hagemann, Technical Advisor**

Prof Hagemann has been Director of Geology at Lat66 for six years. He is a Professor for Economic Geology and Director of the Centre for Exploration Targeting at the University of Western Australia, with 33 years' experience in economic geology specialising in structural geology, hydrothermal alteration, and fluid chemistry of gold, iron and copper deposits. His academic expertise in orogenic gold systems is directly applicable to the geological setting of the KSB and PSB projects.

# 5. Annex: Mining Jurisdiction – Finland

Finland ranked 1st of 82 jurisdictions in the Fraser Institute's 2024 Investment Attractiveness Index. The country's mining sector is anchored by the Fennoscandian Shield, hosting significant Au, Co, Ni, Cu, Cr, Li and PGE deposits.

## 5.1 Legislative Framework

Mining activity in Finland is governed by the Mining Act (621/2011), which came into force in 2011 replacing the previous 1965 legislation. The Act established a modern permitting regime with increased public participation, strengthened environmental protections, and formalised the rights of indigenous Sámi communities in northern Finland. Key authorities include:

- Finnish Safety and Chemicals Agency (Tukes) – the national mining authority responsible for granting exploration permits, mining permits, and mining safety permits, and for supervising compliance with the Mining Act.
- Regional State Administrative Agencies (AVI) – responsible for granting environmental and water permits for mining operations.
- Centres for Economic Development, Transport and the Environment (ELY Centres) – supervise and control the Environmental Impact Assessment (EIA) procedure.
- Ministry of Economic Affairs and Employment – responsible for general guidance, monitoring, and development of exploration and mining activities.

## 5.2 Permitting Pathway

The typical mine development permitting pathway in Finland involves: (i) reservation notification (2-year period), (ii) exploration permit (up to 4 years, extendable to a maximum of 15 years), (iii) Environmental Impact Assessment (supervised by ELY Centre, typically 18–24 months), (iv) mining permit (Tukes), and (v) environmental and water permit (AVI). Mining and environmental permits can be processed concurrently. In practice, opening a mine takes 15–25 years from initial discovery to production, though advanced projects with defined resources can compress this timeline materially. Approximately 8% of Tukes decisions are appealed, with the Administrative Court and Supreme Administrative Court providing judicial oversight.

## 5.3 Fiscal Regime

Corporate tax: 20% (no windfall tax). Mining mineral tax: increased from 0.6% to 2.5% effective 1 January 2026 (Act 1361/2025). Electricity excise: EUR 0.0005 → EUR 0.0224/kWh (Act 505/2023). No export duties, profit repatriation restrictions, state equity requirements or beneficiation mandates.

## 5.4 Recent Legislative Changes

February 2026 Mining Act amendments (effective 1 March 2026) clarify permit reissuance for prior rights holders and strengthen landowner protections. Net impact on LAT66 is expected to be minor given the Company's secured land position.

## 5.5 EU Critical Raw Materials Act

The EU CRMA (2024) mandates 10% domestic extraction of strategic minerals by 2030. Cobalt is designated Strategic (CRMA) and Critical (NATO). Finland is the EU's largest cobalt refiner outside China, positioning KSB for CRMA policy support and potential EU funding.

## Evolution Capital Ratings System

**Recommendation Structure**

- **Buy:** The stock is expected to generate a total return of >10% over a 12-month horizon. For stocks classified as 'Speculative', a total return of >30% is expected.
- **Hold:** The stock is expected to generate a total return between -10% and +10% over a 12-month horizon.
- **Sell:** The stock is expected to generate a total return of <-10% over a 12-month horizon.

**Risk Qualifier**

- **Speculative:** This qualifier is applied to stocks that bear significantly above-average risk. These can be pre-cash flow companies with nil or prospective operations, companies with only forecast cash flows, and/or those with a stressed balance sheet. Investments in these stocks may carry a high level of capital risk and the potential for material loss.

**Other Ratings:**

- **Under Review (UR):** The rating and price target have been temporarily suppressed due to market events or other short-term reasons to allow the analyst to more fully consider their view.
- **Suspended (S):** Coverage of the stock has been suspended due to market events or other reasons that make coverage impracticable. The previous rating and price target should no longer be relied upon.
- **Not Covered (NC):** Evolution Capital does not cover this company and provides no investment view.

*Expected total return represents the upside or downside differential between the current share price and the price target, plus the expected next 12-month dividend yield for the company. Price targets are based on a 12-month time frame.*

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