

25 March 2025

## KSB Project Scoping Study confirms highly economic standalone gold-cobalt operation

Latitude 66 Ltd (**ASX: LAT**), (**Latitude, Lat** or the **Company**) is pleased to announce the release of the Scoping Study (**Study**) for its flagship KSB Gold-Cobalt Project, based on the existing global Mineral Resource base of **7.2MT @ 2.7g/t Au & 0.08% Co for 650,000oz Au and 5,840t Co<sup>1</sup>**, located in northern Finland.

The Study confirms the potential of the KSB Project as a highly economic, low-cost, gold-cobalt mine with expansion potential. It is based on conventional, low-risk open pit mining and free-milling gravity and Carbon in Leach (**CIL**) processing, with access to exceptional regional infrastructure including grid power, road networks and water. The KSB Project is well positioned to support the Critical Raw Material Act (**CRMA**) with the potential supply of a significant level of cobalt into the European Union (**EU**).

### Cautionary Statement

The Scoping Study referred to in this announcement has been undertaken to assess viability of developing the KSB Project by constructing an open cut mine and processing facility to produce gold doré and cobalt concentrate for export. The Scoping Study is a preliminary technical and economic study of the potential viability of the KSB Project. It is based on low level technical and economic assessments (+/-30% accuracy) that are not sufficient to support the estimation of material reserves. Further exploration and evaluation work and appropriate studies are required before Latitude will be in a position to estimate any material reserves or to provide any assurance of an economic development case.

The study is based on the material assumptions set out in the attached Scoping Study. These include assumptions about the availability of funding in the order of approximately US\$101m. While Latitude considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

Latitude considers that all material assumptions of this Scoping Study are based on reasonable grounds. However, investors should note that there is no certainty that Latitude will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Lat's existing shares. It is also possible that Lat could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the Project. If it does, this could materially reduce Lat's proportionate ownership of the Project. While Latitude considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

The Study includes existing JORC 2012 Code Indicated and Inferred Mineral Resources defined within the Project, with a production target comprising Indicated (90%) and Inferred Mineral Resources (10%) over the life of mine. During the Scoping Study's 16-month payback period, the production target during this period is approximately 97% Indicated and 3% Inferred Mineral Resources. Accordingly, Lat believes the KSB Project's financial viability is no dependent on the inclusion of the Inferred Mineral Resources and that it has reasonable grounds for the production targets. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. Latitude confirms that the Project is financially viable when excluding Inferred Mineral Resources in the production schedule.

Note that unless otherwise stated, all currency in this Announcement is US dollars.

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<sup>1</sup> Previously reported by the Company on the 4/4/2024

# Highly economic standalone gold-cobalt operation with expansion potential

## Highlights

- Scoping Study confirms KSB Project as a highly economic standalone gold-cobalt development opportunity with expansion potential
- The Scoping Study demonstrates the potential for robust base case economics over a 7.2 year mine life, with average LOM production of approximately 65,000oz pa gold and 465 tonnes cobalt
- Conventional open pit mining initially across K1, K2 and K3 deposits with free milling CIL and flotation processing plant operation
- Project expansion opportunities considered in the Scoping Study with excellent exploration potential and low capex incremental expansion options
- High confidence level with 90% of production from Indicated Mineral Resource category
- Access to exceptional regional infrastructure including grid power, road networks and water treatment facilities
- Low operating costs with all-in sustaining costs (AISC) of approximately US\$1,038/oz gold (US\$996/oz gold equivalent)
- Low capex estimate of approximately US\$100 million with approximate 16 month payback
- Base case - post-tax NPV<sub>8</sub> of approximately US\$310 million and post-tax IRR of 74% at US\$2,500/oz Gold
- Spot Price - post-tax NPV<sub>8</sub> of approximately US\$433 million and post-tax IRR of 98% at US\$3,000/oz Gold
- KSB Project development to provide significant regional benefits including the creation of approximately 200 new direct high paid employment opportunities and economic contributions to the local Municipality
- Upcoming activities will focus on expansion potential and operational opportunities, including:
  - Drilling near-mine extensional targets identified both down-dip and along strike of the K1 Indicated and Inferred Mineral Resource
  - Drilling to test regional resource expansion potential initially at nearby highly prospective K6E & K6W Prospects
  - Environmental best practise measures and optimisation targeting a carbon neutral operation

## Latitude's Managing Director, Mr Grant Coyle, commented:

*"Latitude 66 is extremely pleased with the strong economics demonstrated by the KSB Project Scoping Study which shows for modest pre-production capex of approximately US\$101M, a Net Present Value greater than US\$300M can be achieved and an excellent Internal Rate of Return of more than 70%, based upon the currently defined Mineral Resource Estimate.*

*“The Project has significant upside potential due to highly prospective nearby exploration potential and low capex expansion options.*

*“Latitude remains committed to developing the KSB gold-cobalt Project in northern Finland with the Scoping Study providing a strong foundation and significant step towards delivering on this objective.*

*“The KSB Project provides a unique opportunity to support a sustainable supply of cobalt that is underpinned by the high margin economics of the gold from the project.”*

*“We look forward to updating shareholders as we continue testing expansion potential and advance the project towards development.”*

## Scoping Study

The Scoping Study is attached to this Announcement.

## Forward-Looking Statements

Certain statements contained in this announcement, including information as to the future financial or operating performance of Lat and its projects are 'forward-looking statements'. They include indications of, and guidance on, future matters. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "could", "likely", "nominal", "conceptual", "propose", "will", "forecast", "estimate", and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, anticipated future activities at the KSB Project, production targets, financial forecasts, estimates and assumptions in respect of mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These 'forward-looking statements' are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Lat, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results expressed or implied in any forward-looking statement and deviations are both normal and to be expected.

Other than required by law, neither Lat, their officers nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements will actually occur. Lat disclaims any intent or obligation to update publicly or release any revisions to any forward-looking statements, whether as a result of new information, future events, circumstances or results or otherwise after the date of this announcement or to reflect the occurrence of unanticipated events, other than required by the *Corporations Act 2001* (Cth) and the Listing Rules of the Australian Securities Exchange (**ASX**).

All 'forward-looking statements' made in this announcement is qualified by the foregoing cautionary statements. Investors are cautioned that 'forward-looking statements' are not a guarantee of future performance and accordingly investors are cautioned not to put undue reliance on 'forward-looking statements' due to the inherent uncertainty therein.

Lat has concluded that it has a reasonable basis for providing these forward-looking statements and the forecast financial information included in this announcement.

## Competent Person's Statement

### Exploration Results

The information in this announcement that relates to Exploration Results was reported by the Company in previous announcements titled "Transformational Acquisition of Gold-Cobalt Development Projects (ASX:DCX)" – 4/4/2024, "Prospectus" – 26/4/2024, "High-grade gold intercept returned from KSB Project drilling" – 08/7/2024, "High-grade gold in historical drilling K8 Prospect Finland" – 14/08/2024, "KSB Project Development Pathway and Exploration update" – 29/11/2024, "Multi-phase exploration highlights potential scale and prospectivity of the KSB Project" – 20/12/2024 and "RC drilling to commence at KSB North Project" – 13/02/2025. The Competent Person for the Exploration Results in these announcements is Toby Wellman. The Company confirms that the form and content in which the Competent Person's findings are presented have not been materially modified from that announcement. Where reference is made to previous releases of Exploration Results in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

The information in this report that relates to previous Exploration Results was prepared and first disclosed under the JORC Code 2012 and has been properly and extensively cross-referenced in the text to the date of the original announcement to the ASX.

### Mineral Resource Estimate

The information in this announcement that relates to the Mineral Resource Estimate was reported by the Company in the previous announcement titled "Transformational Acquisition of Gold-Cobalt Development Projects" and released to the ASX on 4 April 2024. The Competent Person for the Mineral Resource Estimate in that announcement was Brian Wolfe. The Company confirms that the form and content in which the Competent Person's findings are presented have not been materially modified from that announcement. The Company confirms that it is not aware of any new information or data that materially affects the information in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate in that announcement continue to apply and have not materially changed.

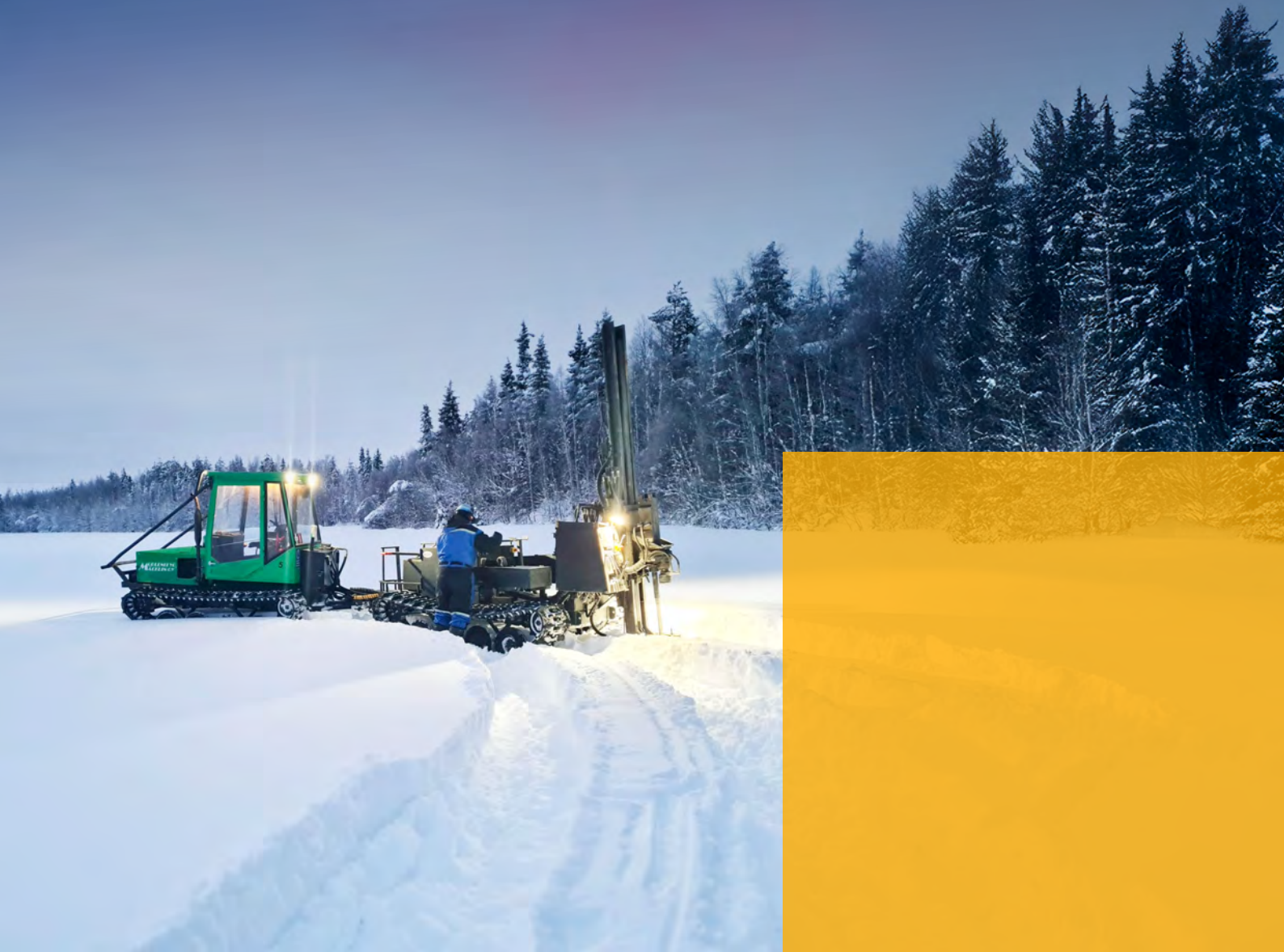
## International Financial Reporting Standards

This announcement contains certain financial measures relating to the KSB Project Scoping Study that are not recognised under International Financial Reporting Standards (**IFRS**). These metrics include (but are not limited to) Net Present Value (**NPV**). Although the Company believes these measures provide useful information about the financial forecasts derived from the Scoping Study, they should not be considered in isolation or as a substitute for measures of performance or cash flow prepared in accordance with IFRS. As these measures are not based on IFRS, they do not have standardised definitions and the way the Company calculates these measures may not be comparable to similarly titled measures used by other companies. Consequently, undue reliance should not be placed on these measures.

## Reasonable Basis for Forward-Looking Statements

No Ore Reserve has been declared. This ASX release has been prepared in compliance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "**JORC Code**") and the ASX Listing Rules. All material assumptions on which the Scoping Study production target and projected financial information are based have been included in this release and disclosed in the table below.

The Modifying Factors in the format specified by JORC Code (2012) Section 4 is contained in Appendix 1 of the Scoping Study.



# KSB Project Scoping Study

March 2025

lat66.com | ASX:LAT

# SUMMARY OF FINDINGS

Latitude 66 Ltd (ASX:LAT) (**Latitude 66, LAT** or the **Company**) is pleased to provide the results of the Scoping Study (**Study**) for its flagship KSB Project, based on the JORC Mineral Resource Estimate, located in northern Finland.

## Low-Cost Gold-Cobalt Production

- All-in sustaining cost (AISC) of **US\$1,038/oz gold** (AISC for gold equivalent **US\$996/oz\***)
- Total material mined of 5.4Mt, with annual processing of 750ktpa to produce a total of approximately **468k oz gold** and **3,235 tonnes cobalt**
- Average annual production of approximately **65k oz gold** and **465 tonnes cobalt** in concentrate over the Life of Mine (**LOM**)
- High confidence level with over **90% of production** from the Indicated Resource category
- Mine life of **7.2 years**

## Excellent Economics

- Net Present Value (**NPV<sub>8</sub>**) of approximately **US\$310 million**, after tax (**NPV<sub>8</sub> US\$433 million** at spot pricing)
- Internal Rate of Return (**IRR**) of approximately **74%**, after tax (**IRR 98%** at spot pricing)
- Payback of 16 months (12 months at spot pricing)
- Low capex of approximately **US\$101 million**

## Expansion Opportunity

- Significant exploration potential proximal to and surrounding the Mineral Resource
- Additional regional exploration potential 20km to the south-west of the KSB Project
- Resource expansion work will be undertaken in parallel with advancing the development of the KSB Project
- Low capital cost required to expand the processing plant and associated facilities. 1Mtpa processing facility will cost an additional approximately US\$13m. Expansion cases to be considered in the Prefeasibility Study (**PFS**)

## Conventional Operations

- Open pit mine operation across 3 deposits
- Minimal pre-strip with mineralisation from surface
- Conventional gravity and Carbon in Leach (**CIL**) processing for gold, and flotation for cobalt
- Existing grid power and regional infrastructure in place with capacity to support project development

\*Au equivalent ounces includes the gold value of the cobalt revenue. Calculation details shown in JORC Table Section 4

## Strategic Project

- The annual production of cobalt from the KSB Project would account for **approximately 25% of the extracted cobalt from within the EU<sup>1</sup>**
- Cobalt is defined as a Strategic Mineral under the Critical Raw Materials Act (**CRMA**) and a Critical Mineral by NATO
- Cobalt is essential for batteries, defence and aerospace
- Current market and geopolitical conditions are increasing the desire for secure and sustainable sources of cobalt
- Gold production will underpin the economic stability of cobalt supply from the KSB Project

## Regional Benefits

- The KSB Project could potentially support approximately 200 new direct high-paying jobs for the region
- Taxes and royalties from the project will directly support the Kuusamo municipality
- The Company is exploring other opportunities to provide additional financial benefits to the municipality including via land lease contracts

1. Benchmark Minerals

## Operational Opportunities

- Underground mining and open pit optimisation will be considered at K1
- PFS will consider ability to leverage off the Finnish non-fossil fuel power grid to optimise a carbon neutral operation
- The Company will explore circular economy opportunities for the project development
- The PFS will consider options for a best practise environmental approach in relation to water-related activities at both the mine site and processing plant



# KEY STUDY ASSUMPTIONS & FINDINGS

**NPV<sub>8</sub>** (After Tax)

**US\$310 million**

US\$433 million at spot pricing

**IRR** (After Tax)

**74%**

IRR 98% at spot pricing

**CAPEX**

**US\$101 million**

**AISC**

**US\$1,038/oz gold**

**PAYBACK PERIOD**

**16 months**

12 months at spot pricing

**LOM FREE CASH FLOW** (After Tax)

**US\$513 million**

US\$699m at spot pricing

**ANNUAL GOLD PRODUCTION**

**65,000oz**

**ANNUAL COBALT PRODUCTION**

**465 tonnes**

Assumptions: Base case gold price US\$2,500/oz, spot price US\$3,000/oz



The Scoping Study considers open pit mining of the Mineral Resources at the Company's 100% owned K1, K2 and K3 deposits. A 750ktpa processing plant, generating gold doré and cobalt concentrate has been evaluated.

The key physicals developed in the Scoping Study are shown in Table 1 below.

**Table 1:** KSB Key Production Target Assumptions

Area	Measure	Unit	Base Case
<b>Production</b>	Life of Mine	Years	7.2
	Milling Rate	Ktpa	750
	Material Mined and Processed	Mt	5.41
	Feed from indicated Resource	%	90
	Average Gold Grade	g/t	2.91
	Average Cobalt Grade	%	0.09%
	Gold Recovery	%	92.5
	Cobalt Recovery	%	70.0
	Gold Produced (LOM)	oz	467,586
	Gold Produced (Average pa)	oz	65,000
	Cobalt Produced (LOM)	tonnes	3,235
	Cobalt Produced (Average pa)	tonnes	465
Mining Strip Ratio (LOM)		11.4	

The key cost assumptions used in the Scoping Study are set out in Table 2 below.

**Table 2:** Key Cost Assumptions

Costs	Measure	Unit	Base Case
<b>Capital</b>	Pre-production	US\$M	100.5
	Sustaining	US\$M	17.8
<b>Operating</b>	Mining Costs (all tonnes)	US\$/t milled	3.75
	Road transport costs	US\$/t milled	7.18
	Processing Costs	US\$/t milled	24.95
	General and Administration	US\$/t milled	6.10
<b>Royalty</b>	Finnish Government	%	0.6%
<b>Taxation</b>	Company Tax	%	20%

The main economic assumptions and financial results are shown in Table 3 below.

**Table 3:** Key Economic Assumptions and LOM Financial Results Summary

Financials	Measure	Unit	Base Case	Spot Price
<b>Economic Assumptions</b>	Gold Price	US\$/oz	2,500	3,000
	Cobalt Price	US\$/t	35,000	35,000
	AUD:EUR		0.60	
	AUD:USD		0.62	
	EUR:USD		1.03	
	Discount Rate	%	8%	
<b>Financial results (all on an after tax basis)</b>	Net Present Value (NPV) 8%	US\$M	310	433
	Internal Rate of Return (IRR)	%	74	98
	Capital Payback	Months	16	12
	Free Cash Flow (LOM)	US\$M	513	699
	Average Free Cash Flow (pa)*	US\$M	83	104

\* Avg free cash flow in full years of production, excludes first half year



# LOW COST PRODUCTION

The KSB Project will be a low-cost gold operation with potential further cost reductions to be explored as part of the PFS.

**Table 4:** All-in Sustaining Cost by Key Currencies

Currency	Unit	AISC (Au only)	AISC (Au equivalent)*
EURO	€/oz	1,007	966
USD	US\$/oz	1,038	996
AUD	A\$/oz	1,678	1,610

\*Au equivalent ounces includes the gold value of the cobalt revenue. Calculation details shown in JORC Table Section 4



“Lat66 is extremely pleased with the robust economics demonstrated by the KSB Project Scoping Study for an attractive base case standalone development with low capex and opex and a short payback period.”

– Managing Director, Mr Grant Coyle

# PROJECT DESCRIPTION

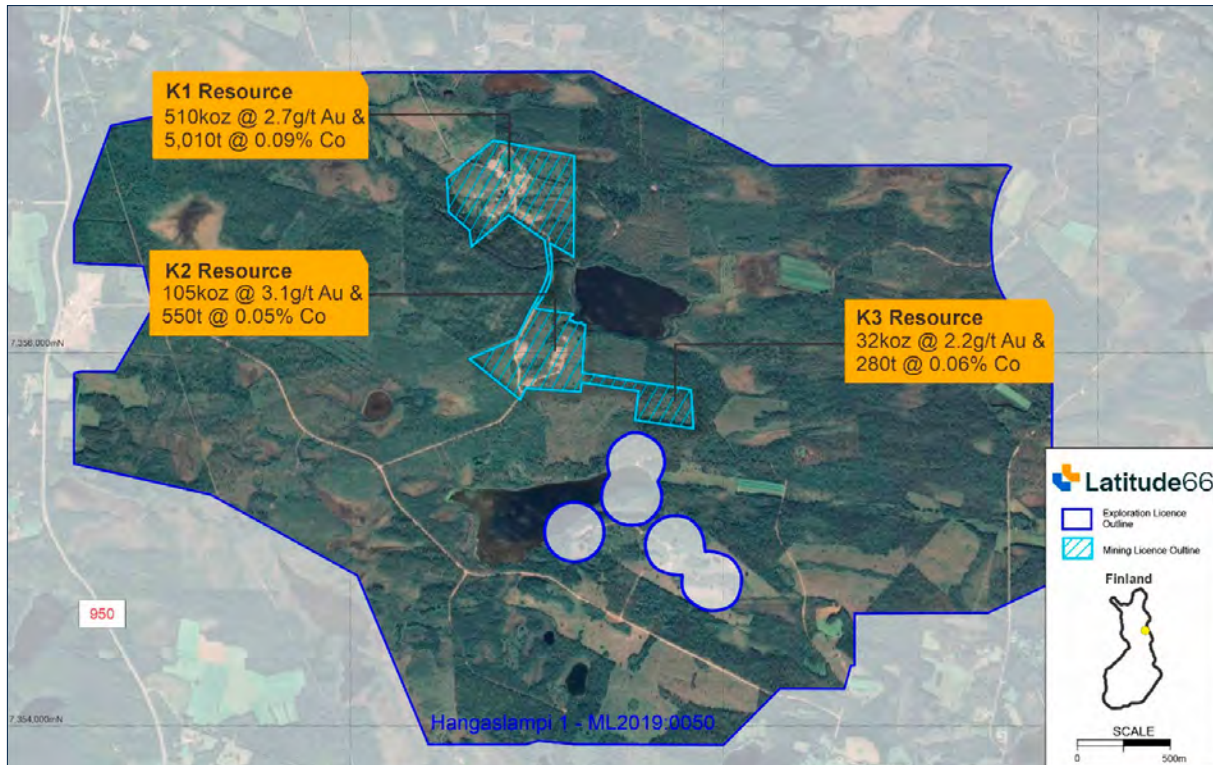
## Location and Ownership

The KSB Project (Figure 1) is located approximately 710km northeast of Helsinki in northern Finland. It is readily accessible via the E63 Highway from the regional centre of Kuusamo and the 950 single carriageway road which passes within 3km of the Mining Licence containing the KSB Project Mineral Resources Estimates.



Figure 1: Location of the KSB Project

From there, gravel roads provide direct access to the planned open pit development at the K1, K2 and K3 Au-Co deposits (Figure 2).



**Figure 2:** Location of KSB Resource areas

The KSB Project comprises 2 mining rights related to two mining concessions which are currently registered in the mining register under name “Juomasuo” with one mining register number 3965) (in total 55 hectares), 5 granted exploration permits (in total 3,743 hectares) and 9 exploration permit applications (in total 3,603 hectares) covering all together an area of approximately 74km<sup>2</sup> (7,401 hectares). The Mining Lease (3965) which hosts the K1, K2 and K3 deposits is owned by Latitude Cobalt Oy, an entity incorporated in Finland, and a 100% wholly owned subsidiary of Latitude 66 Ltd.

Latitude is the underlying landowner for the areas covering the K1 and K2 deposits which ensure Latitude has ongoing security across these key areas.

Further information in relation to the Permitting can be found within the Permitting section of this report.

## Processing Plant Location

Latitude plans to locate the KSB Project processing plant facilities 48km south of the mine site within the vicinity of the Kuusamo townsite. Locating the processing plant facilities at Kuusamo will provide multiple benefits including:

1. Enhanced environmental outcomes for the project with the facilities to be located away from any major water sources
2. Access to national electricity grid with possibility of 100% renewable power
3. Skilled labour force living within close proximity to the processing plant
4. Permitting benefits for the processing plant
5. More central location to enable expansion opportunities from the KSB South exploration region

The processing plant is currently planned to be located on a leasing permit located on Kuusamo municipality owned land next to a municipality waste station that is located approximately 7km to the south of the Kuusamo townsite (Figure 3).

Latitude 66 has commenced discussions with the Kuusamo municipality on the optimal location of the processing plant and land leasing arrangements. The leasing arrangements have the potential to provide further economic benefits for the Kuusamo region.



Figure 3: Map showing location of KSB Project process plant area

# UPSIDE OPPORTUNITIES

The Scoping Study evaluates the potential of the KSB Project based on the existing JORC Mineral Resource Estimate with a conventional gold extraction flowsheet that has been supported by metallurgical test work.

Further, the Company believes there is significant opportunities to provide additional upside to the base case scenario across key areas of the project including development scale, project capex and opex optimisation and minimising environmental impact.

As part of the next phase of studies, Latitude will further evaluate these options.

## Expansion Potential

Latitude will consider the ability to increase the production size of the KSB Project to be in line with potential resource expansions, as continued exploration drilling is proposed during the PFS. As detailed below, there are numerous exploration targets within the KSB Project area that have the potential to increase the size of the Mineral Resource.

As part of the Scoping Study, cost assessments were completed on several expansion options to increase the capacity of the processing plant facilities. Capital cost estimates for increased capacity are outlined in Table 5 below:

**Table 5:** Development Capital under expansion cases

Plant Capacity	Capital Cost US\$M
0.75Mtpa	101
1.00Mtpa	114
1.25Mtpa	127
1.50Mtpa	140

## Mine Optimisation and Underground Development

The Scoping Study mine schedule has been developed to balance material movement with material feed requirements for the selected 750Ktpa plant capacity. This resulted in a sequencing of K2 as the initial pit, moving to the K1 deposit and finishing with the K3 deposit.

Initial optimisation work during the Scoping Study has highlighted the potential for further staging of the K1 deposit which will be investigated as part of the PFS. A smaller pit at K1 with approximately half the strip-ratio, could be considered as a starter pit. A starter pit would mine approximately half the material before ramping up the second stage cutback.

In addition to pit-staging, the PFS will review an open pit-underground trade off. Figure 4 below shows a potential interface from open pit to underground, resulting in a significantly smaller pit design and surface footprint.

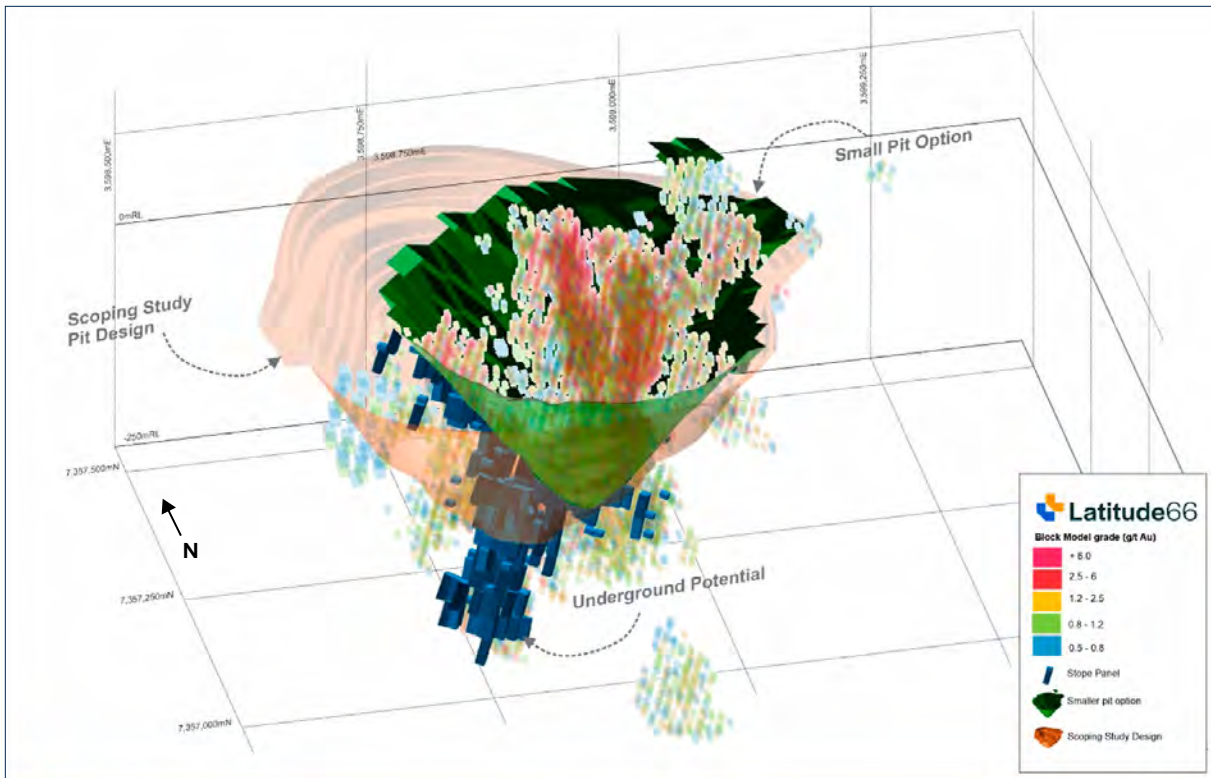


Figure 4: Consideration of underground development

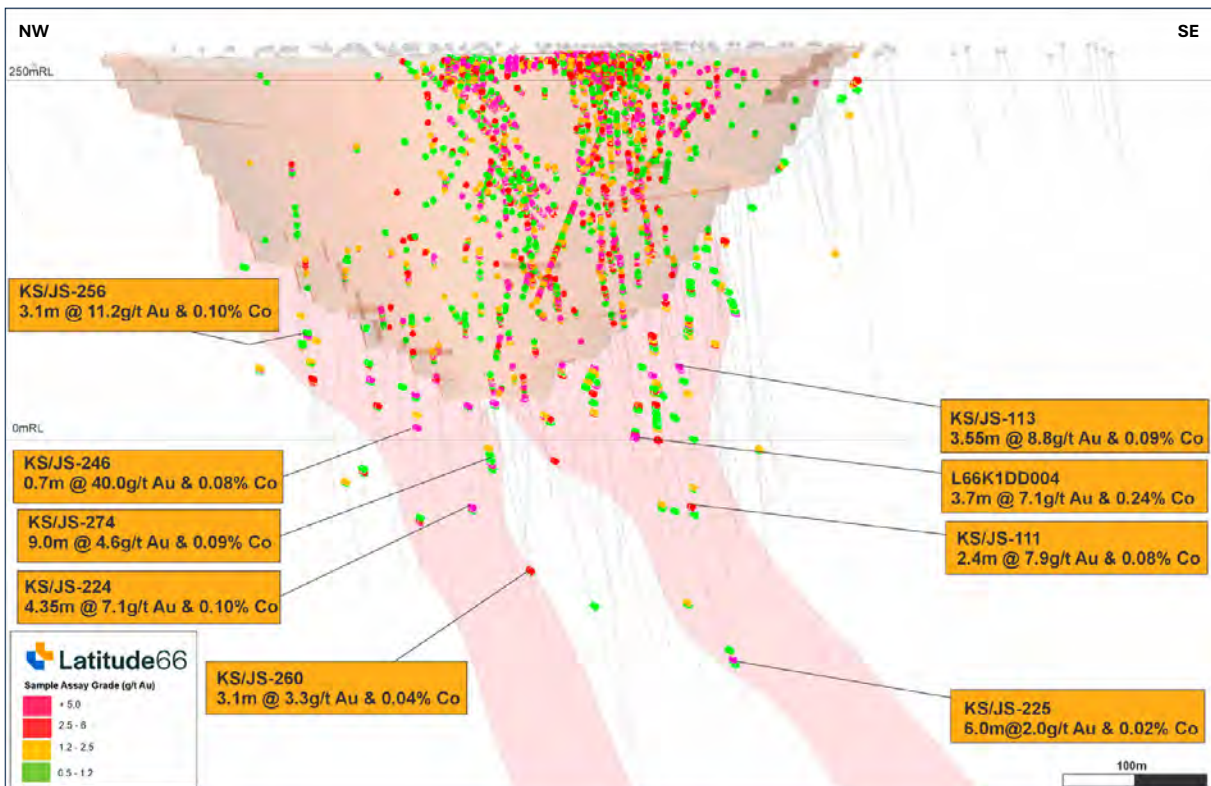


Figure 5: Long section view of intersections outside the Scoping Study Optimised open pit



## Exploration Upside

Significant potential exists to grow the global resource base within the KSB Project, initially through testing of near mine and prospect scale extensional targets and secondly through organic growth opportunities within the Company's regional exploration portfolio.

Recent targeting studies completed with the assistance of Model Earth Pty Ltd, a leading Perth-based geological consultancy, has refined the structural framework and mineralising system to identify the primary controls on mineralisation at the K1, K2 and K3 deposits. This has provided the Company with a strategic advantage to progress exploration in the immediate Kuusamo area, as well as surrounding belts with analogous geology and structure.

## KSB North

Near-mine extensional targets have been identified both down-dip and along strike of the K1 Indicated and Inferred Mineral Resource. Drill target areas have been generated from a combination of airborne and ground geophysics, detailed structural and geological mapping and spatial continuity of assay results from previous drilling. All data sets combined present robust targets that are at a drill-ready stage with potential to have a material impact on the global resource base. Analysis of the hydrothermal alteration, geochemical and structural controls on mineralisation have been assessed to guide proposed drilling at K1, where previous fixed loop electromagnetics (FLEM) surveys have identified conductive anomalies down dip (1,040 S) and along strike (86 S)<sup>2</sup>.

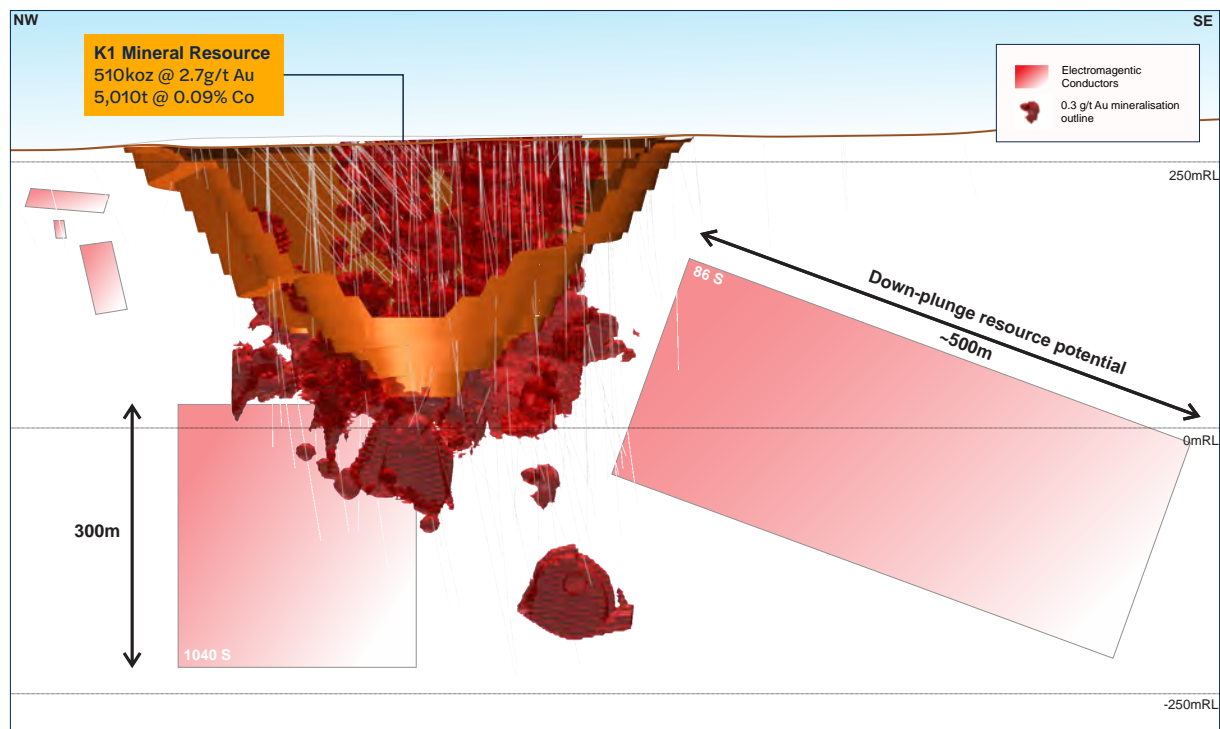


Figure 6: K1 Growth Potential

2. Previously announced by ASX:LAT "KSB Project Development Pathway and Exploration Update" on the 29th November 2024.

Further growth potential sits outside of the immediate resource areas with coincident geophysical and geochemical targets defined at the K6E and K6W Prospects. Both prospects are located approximately 1km south of the Indicated and Inferred Mineral Resource at K2, with both targets characterised by multiple high-grade boulder samples coincident with IP chargeability highs. Multiple high-grade boulder results have been previously returned, including<sup>3</sup>:

K6E	K6W
<ul style="list-style-type: none"> <li>490.0 g/t Au &amp; 0.07% Co</li> <li>53.7 g/t Au &amp; 0.05% Co</li> <li>32.0 g/t Au &amp; 0.09% Co</li> <li>15.2 g/t Au &amp; 0.03% Co</li> <li>14.6 g/t Au &amp; 0.04% Co</li> </ul>	<ul style="list-style-type: none"> <li>8.8 g/t Au &amp; 0.6% Cu</li> <li>3.7 g/t Au &amp; 0.04% Cu</li> <li>2.2 g/t Au &amp; 0.1% Cu</li> <li>0.8 g/t Au &amp; 0.3% Cu</li> </ul>

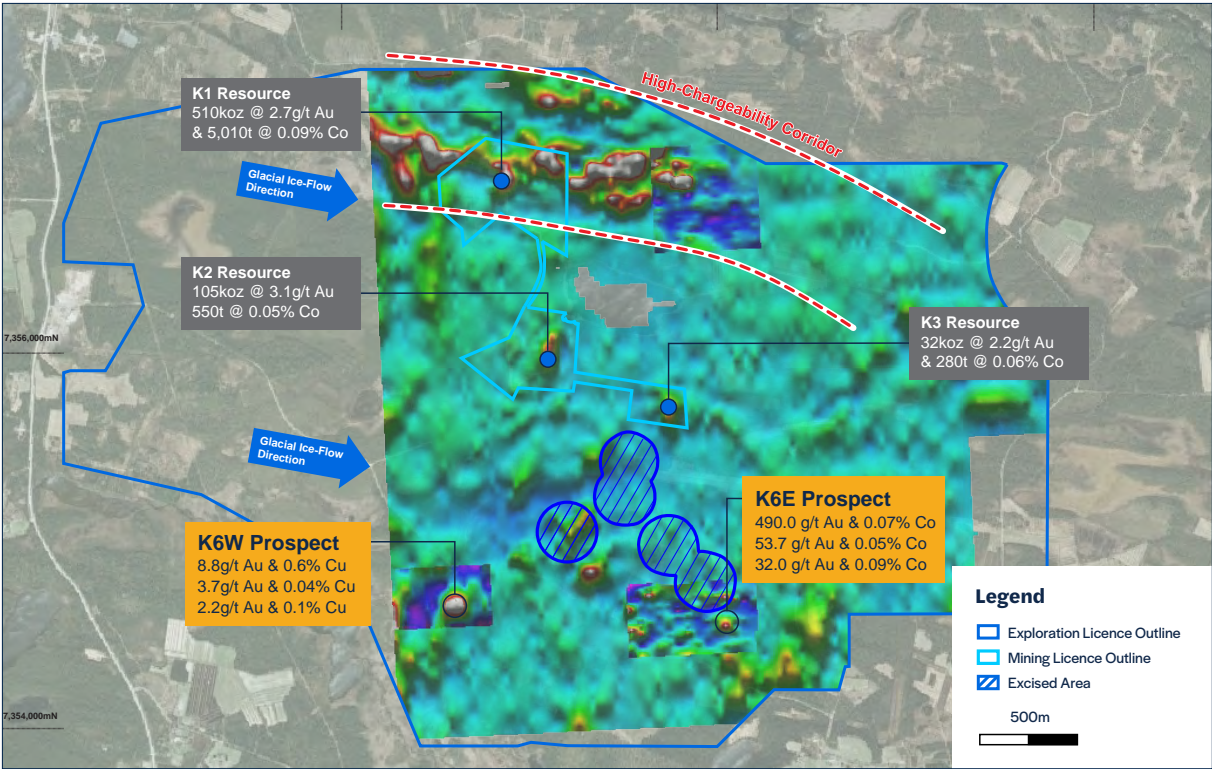


Figure 7: KSB North showing locations of K1, K2 & K3 Mineral Resource plus K6W and K6E Prospects

3. Previously reported by ASX:LAT "RC drilling to commence at KSB North Project" on the 13th Feb 2025

## KSB South Project

Located approximately 20km south-west of the Mineral Resource at KSB North, multiple high-grade mineralisation intersections have been returned from K8, K9 and K10.

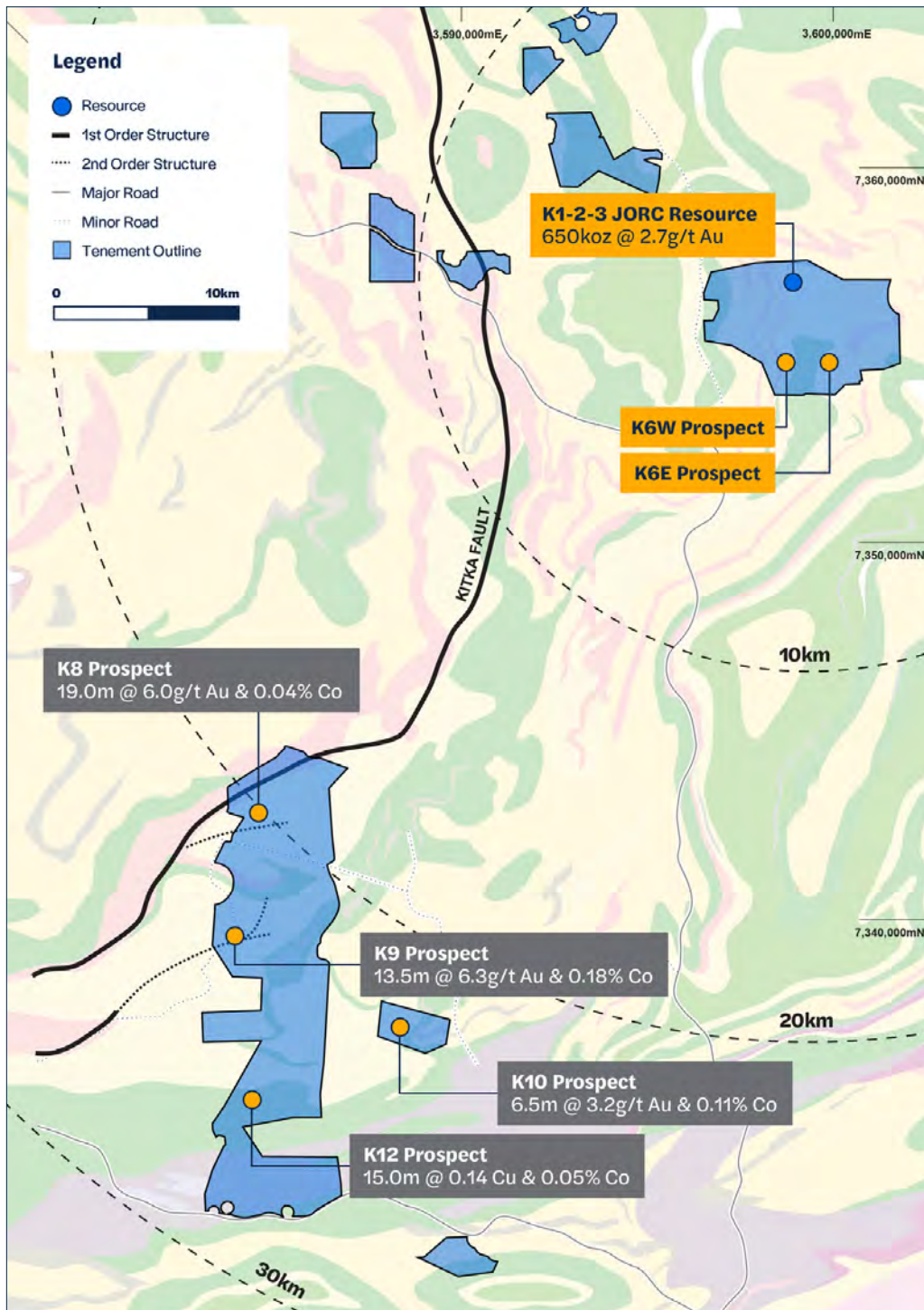


Figure 8: KSB North – KSB South Overview

### **K8 Prospect<sup>4</sup>**

- 19.0m @ 6.0 g/t Au & 0.04 % Co from 97.5m (M461184R305)
- 6.5m @ 8.1 g/t Au & 0.01 % Co from 45.1m (SAY003)
- 5.6m @ 4.9 g/t Au & 0.09 % Co from 58.5m (M461184R306)

### **K9 Prospect<sup>5</sup>**

- 22.4m @ 2.40g/t Au, 0.07% Co and 0.16% Cu from 44m (L66K9DD010)
- 13.45m @ 6.25g/t Au & 0.18% Co from 21.1m (L66K9DD008)
- 50.15m @ 0.45% Co from 124.75m (L66K9DD001)

### **K10 Prospect<sup>6</sup>**

- 4.8m @ 4.1g/t Au, 0.12% Co from 322.7m (L66K10DD005)

## **Technology and Operational Optimisation**

The PFS will examine the ability to target a Net Zero carbon project which will be underpinned by the project being able to connect directly into the Finnish power grid which is 94% non-fossil fuel powered<sup>7</sup>. The Company will also explore circular economy opportunities including waste rock and carbon capture through the tailings facilities.

4. Previously announced by ASX:LAT "High-grade gold in historical drilling confirms Resource potential at K8 Prospect" on the 14th August 2024.

5. Previously announced by ASX:LAT "KSB Project Development Pathway and Exploration Update" on the 29th November 2024.

6. Previously announced by ASX:DCX "Prospectus" on the 26th April 2024.

7. <https://energia.fi/wp-content/uploads/2025/02/Sahkontuotannon-polttoaineet-ja-CO2-paastot-helmikuu.pdf>



# STUDY CONTRIBUTIONS

The Scoping Study was prepared under the supervision of Andrew Doe, Latitude 66's Study Manager and included contributions from leading consultants and contractors across the following key areas.

Study Area	Responsible Party
Mine Optimisation and Designs	Perth Mining Consultants
Mine Scheduling	Latitude 66
Metallurgical	Strategic Metallurgy
Engineering	Como Engineering
Mining Costs	Finnish Mining Contractor
Road Haulage	Finnish Haulage company
Financial Analysis	Latitude 66

# GEOLOGY AND RESOURCES

## Geology

The KSB Project is located in northern Finland within the Sericite Quartzite Formation of the Palaeoproterozoic Kuusamo Schist Belt. The mineralisation is predominantly hosted by albitised, biotitised and sulphidised sericite quartzite and mafic volcanic rocks in a metamorphosed, supracrustal sequence. Native gold is chiefly associated with bismuth and tellurium minerals as inclusions in pyrite and cobaltite, between silicates, and in tiny gold-bismuth-tellurium rich veinlets oriented parallel with foliation and enveloped by silicates.

All three deposits (K1, K2 and K3) include a number of generally steep dipping mineralised bodies (Figure 9) controlled by a northwest trending structural corridor crossing an axial culmination in the northeast trending Käylä-Konttiahö Anticline.

## Mineral Resource Estimate

The Mineral Resource Estimate (MRE) underpinning the Scoping Study was completed in 2022 by Mr Brian Wolfe from International Resource Solutions Pty Ltd in accordance with the JORC code (2012) and announced on the 4th of April, 2024 by the Company. Mineral Resources are reported at a lower cutoff grade of 0.5 g/t Au, which is considered as a potential likely mining cut-off grade.

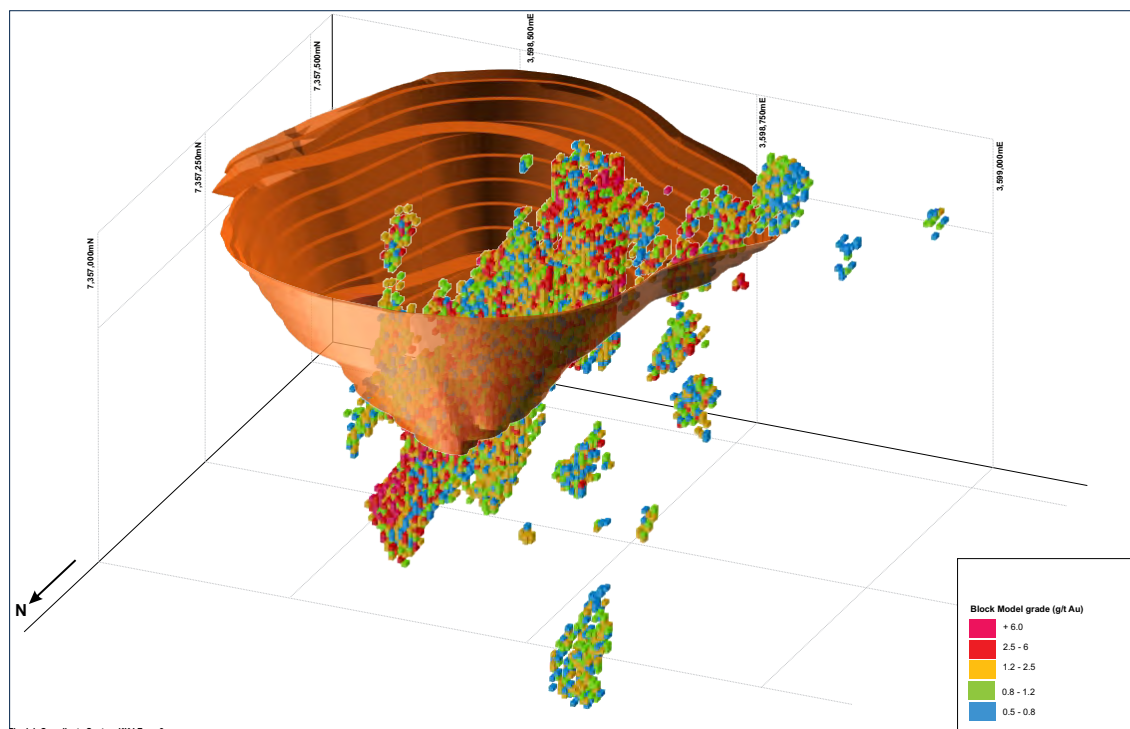


Figure 9: Oblique 3D view (looking south-east) with proposed pits of K1, K2 and K3

## Resource Modelling

The K1 Mineral Resource model has a strike length of 400m, width of up to 100m, and extends from the natural surface to a depth of 470m. The deposit dips to the south-west at between 55° to 60° and exhibits south-west plunging components to the mineralised shoots.

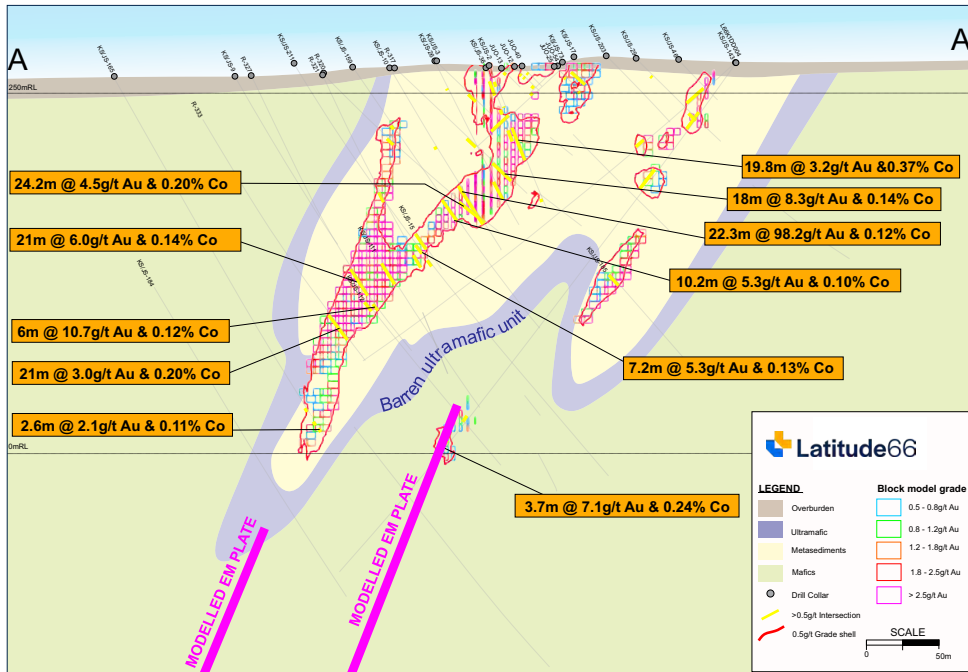


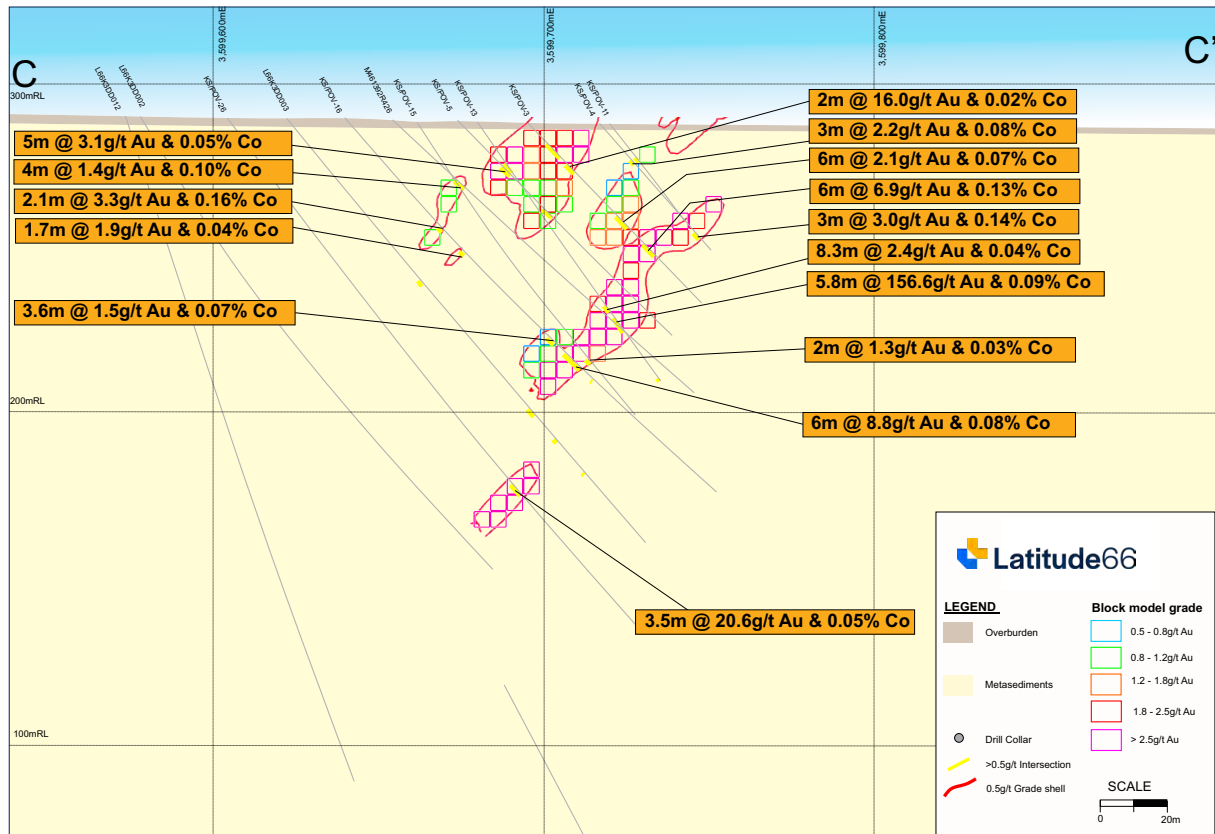
Figure 10: Typical cross section (oblique +/-10m) through the K1 Deposit

The K2 Mineral Resource model has a strike length of 280m, width of up to 50m, and extends from the natural surface to a depth of 70m. The deposit dips to the west at approximately 60°.



Figure 11: Typical cross section (7,355,985mN) through the K2 Deposit

The K3 Mineral Resource model has a strike length of 75m, width of up to 20m, and extends from natural surface to a depth of 90m. The deposit dips to the west at approximately 50°.



**Figure 12:** Typical cross section (7,355,705mN) through the K3 Deposit.

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

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

MIK was used for the estimation of gold at K1 with ordinary kriging used to estimate Co. Ordinary Kriging was used to estimate Au and Co for K2 and K3. The grade shell constraints were coded to the drill hole database and samples were composited to 3m downhole length. The parent block size within the estimated domains is 20mN x 10mE x 10mRL, with sub-celling for domain volume resolution. The parent block size was chosen based on mineralised bodies dimension and orientation, estimation methodology and relates to a variable drill section spacing and likely method of future open pit production. In the case of the MIK estimation at K1, the estimates have been localised to an SMU dimension (10mN x 5mE x 5mRL) to emulate selectivity for open pit mining. Search ellipses were oriented in line with the interpreted mineralised bodies. Search ellipse dimensions were chosen to encompass adjacent drill holes on sections and adjacent lines of drilling along strike and designed to fully estimate the mineralised domains.



## Density Modelling

A regression formula was determined based on the strong linear relationship between sulphur grade and density.

Bulk densities were applied to the block model as follows:

- overburden 1.9t/m<sup>3</sup>
- bedrock density set as a function of kriged sulphur grades as follows: density = ((s\_ok\*0.0326) + 2.74)

Outside of the mineralised rock, the density was globally set at 2.74t/m<sup>3</sup>.

## Resource Classification

Classification of the Mineral Resource Estimate was developed primarily on the basis of consideration of data numbers and spacing, quality and robustness of the estimate and appropriate quality control of sampling and assaying. Classification was achieved via block model script and the factors varied per deposit. The classification of Indicated is only considered in areas where the drill spacing is better than 40m strike by 40m down dip. In the case of K1, Indicated blocks had an average distance to the utilised composites of 60m or less and had to be within 30m of the nearest drillhole. These factors were reduced in the case of K2 to an average distance of 40m and 35m to the nearest drillhole. For K3 the applied factors were an average distance of 35m and 25m to the nearest drillhole.

**Table 6:** JORC Mineral Resource Estimate for KSB Project.

Deposit	Category	Tonnage (kt)	Au (g/t)	Co (%)	Au (oz)	Co (t)
<b>K1</b>	<b>Indicated</b>	4,600	2.9	0.10	430,000	4,440
	<b>Inferred</b>	1,200	2.1	0.05	80,000	570
	<b>SUB-TOTAL</b>	5,800	2.7	0.09	510,000	5,010
<b>K2</b>	<b>Indicated</b>	960	3.2	0.05	100,000	500
	<b>Inferred</b>	90	1.7	0.05	5,000	50
	<b>SUB-TOTAL</b>	1,050	3.1	0.05	105,000	550
<b>K3</b>	<b>Indicated</b>	340	2.2	0.06	24,000	210
	<b>Inferred</b>	120	2	0.06	8,000	70
	<b>SUB-TOTAL</b>	450	2.2	0.06	32,000	280
<b>GRAND TOTAL</b>		7,300	2.7	0.08	650,000	5,840

# MINING OPERATIONS

The operations are configured as an open pit mine with mineralised material at or near the surface. It is a rapid development operation, with the Scoping Study considering the use of mining contractors with conventional medium size excavator and trucking fleets.

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## Pit Optimisation

Latitude engaged Perth Mining Consultants to perform pit optimisations and designs. Optimisations were completed utilising Whittle for pit optimisations and Datamine for pit designs.

Optimisations were completed on each of the K1, K2 and K3 Mineral Resource block models utilising a Net Smelter Return (**NSR**) field for evaluation. The NSR was calculated based on the gold and cobalt price assumptions and metallurgical recoveries utilised in this Scoping Study<sup>8</sup>.

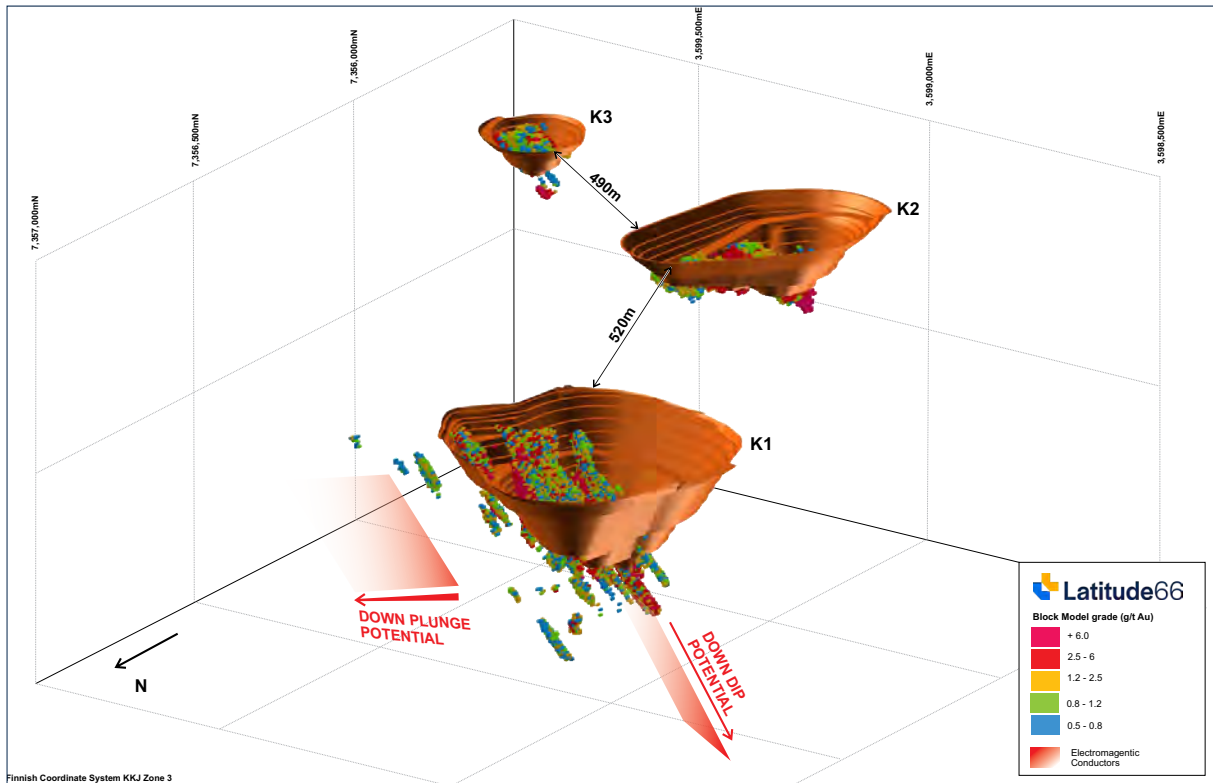
Geotechnical parameters were based on a 2019 study completed at a scoping study level by AMC Consultants on the K1 pit which demonstrated that a 54-degree overall wall angle was achievable. There is a small layer of glacial till overlying the deposits before moving into fresh rock.

Optimum pit shells were selected based on the optimisation parameters, and pit designs were subsequently completed on the chosen shells.

An underground optimisation utilising Datamine MSO was completed at K1 to determine whether there is a case for underground mining. Stopes appeared outside of the optimum pit shell, but are resource constrained. A trade-off study is warranted in the PFS. No underground has been considered in this Scoping Study and remains as upside potential.

No staging has been considered for K1 for this study. Further evaluation is warranted in the PFS, however due to limited pre-strip, it was determined that a single stage would be designed and scheduled. The sizes of both the K2 and K3 deposits do not warrant staging.

8. Gold price USD\$2,450/oz Au, recovered payable of 92.5%, Co price USD 25,000/t and recovered payable of 42%.



**Figure 13:** K1 pit design and block model

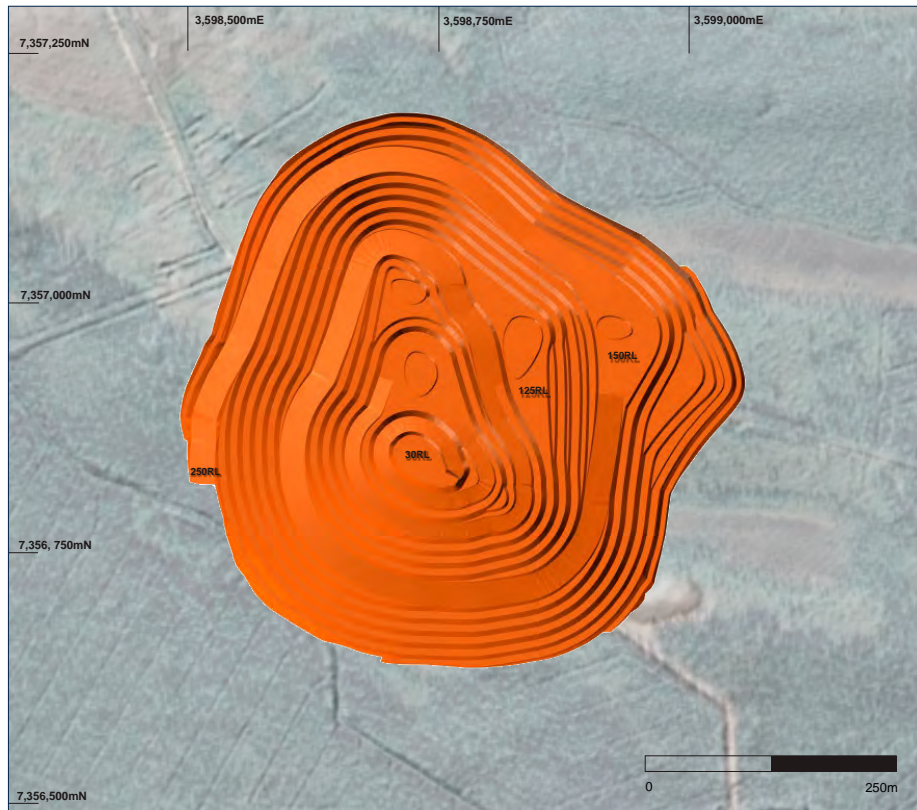
## Pit Design

The chosen pit shells from the optimisation phase were designed assuming a ramp with 1:10 gradient, 25m width suitable for 90t trucks. K1 and K2 were designed with dual lane ramps, except for the last 4 benches, where the ramp is single lane. K3 was designed as single lane access only due to its shallower depth.

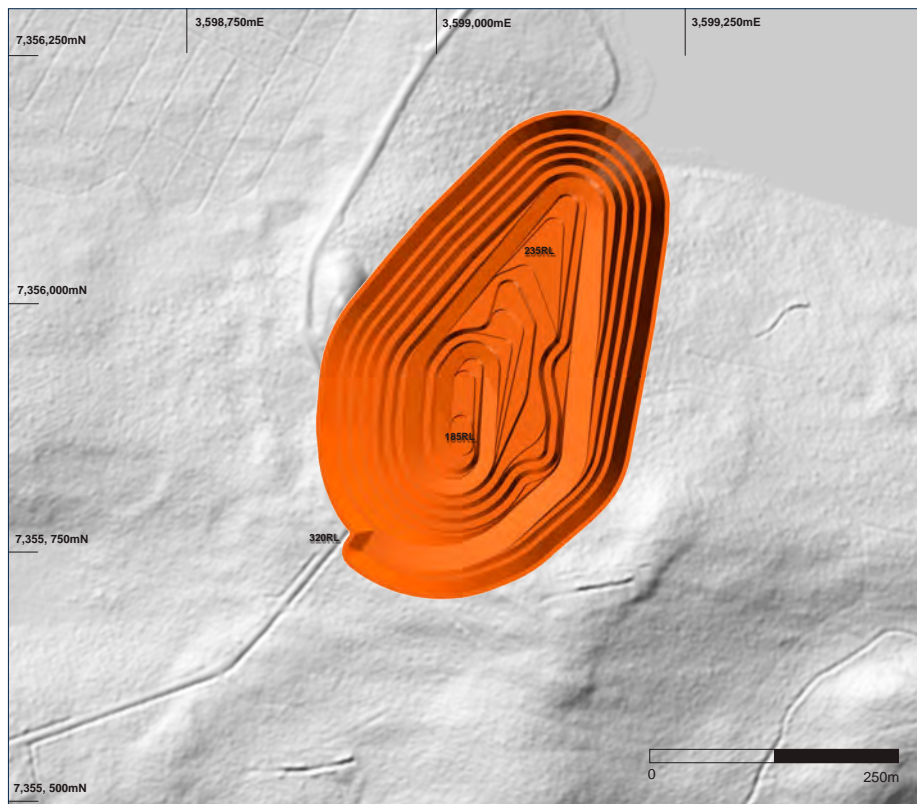
The design was completed utilising bench heights, batter angles and berm widths as shown in Table 7, with an overall wall angle of 54°. Mining benches will be 5m high, mined in two flitches.

**Table 7:** Pit design parameters

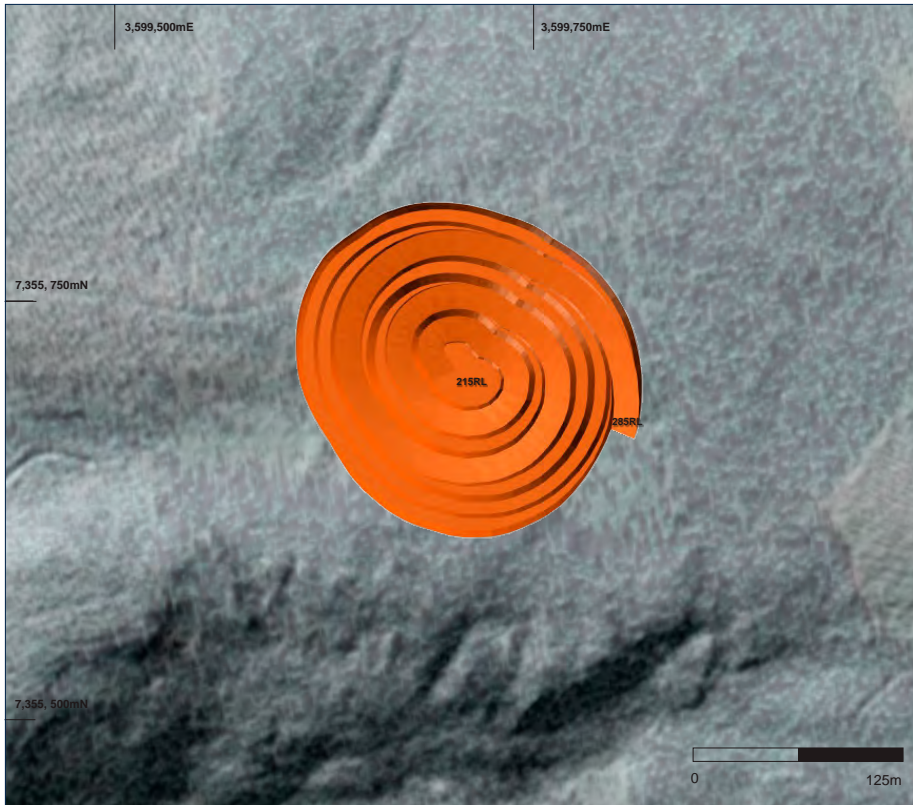
Rock Type	Batter Angle	Berm Width (m)	Bench Height (m)
Till	55%	5	10
Fresh	75%	7	20



**Figure 14:** K1 pit design plan view

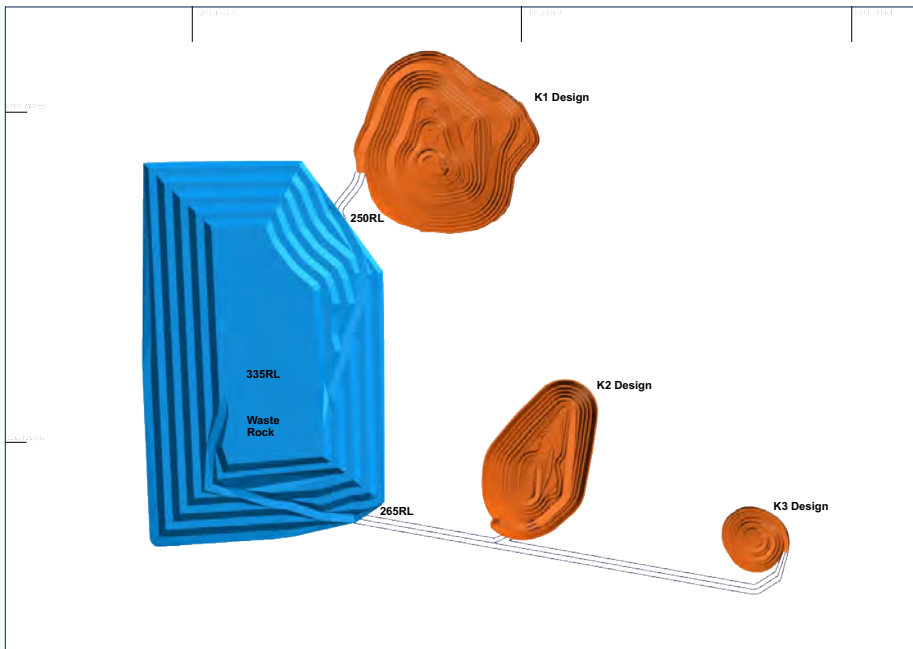


**Figure 15:** K2 pit design plan view



**Figure 16:** K3 pit design plan view

A waste dump, capable of handling all the waste from the three pits was designed to the southwest of K1. Existing roads will be upgraded to access K1 from the south east.



**Figure 17:** KSB Project pit and waste rock designs plan view

## Mine Scheduling

Scheduling was completed on the three pits prioritising high-grade mineralisation, minimising stockpile balances whilst reducing mining 'tail'.

Mining inventories were evaluated and scheduled on 5m high benches, scheduled as a single flitch on a monthly basis.

Several pit sequences utilising different mining rates were evaluated prior to settling on starting at K2, followed by K1 and K3. Initially, mining will be completed utilising a 7m<sup>3</sup> bucket excavator in K2, prior to introducing a 12m<sup>3</sup> bucket second excavator in K1. Once K2 is completed, both excavators will operate in K1 for two years, before the smaller unit leaves. K3 will be mined during the period that the K1 working area is constrained at depth.

### Annual Mining Schedule By Pit



Figure 18: KSB Project annual tonnes movement by Pit

Figure 19 shows the mine production by waste and material before stockpiling. Noting that the material mined is often above or below the annual plant processing rate with the balance achieved by adding or drawing from stockpiles.

Over the LOM there is an average Strip Ratio of 11.4:1 with above average strip ratio occurring in years 2 and 3 as the main K1 deposit is commenced. Staging of K1 may defer some strip, and will be considered further with detailed design in the PFS.

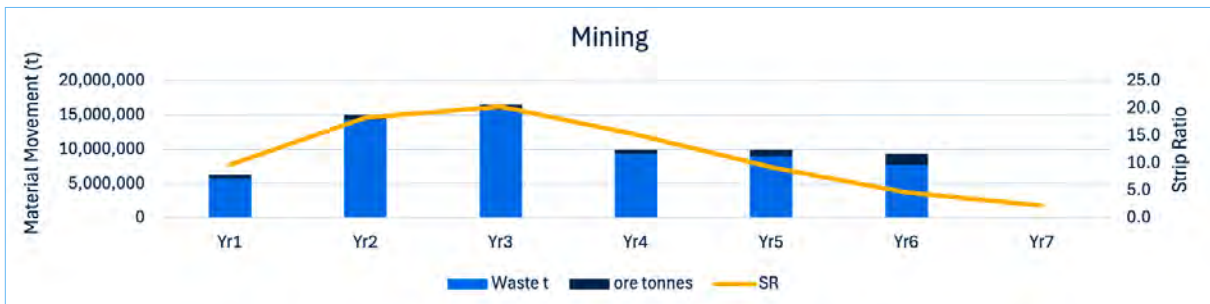


Figure 19: KSB Project mining material movement

The majority of the mined mineralisation is in the Indicated Resource category, which demonstrates a high level of confidence in the production profile. 90% of the mined tonnes (and 94% of the mined ounces) are in the Indicated Resource category as shown below in Figure 20 and Figure 21.

97% of the mined ounces in the payback period are in the Indicated Resource category.

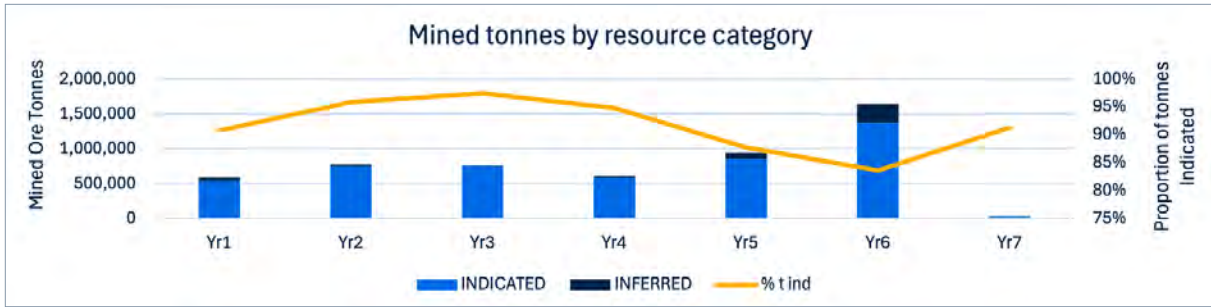


Figure 20: KSB Project mill feed tonnes by resource category

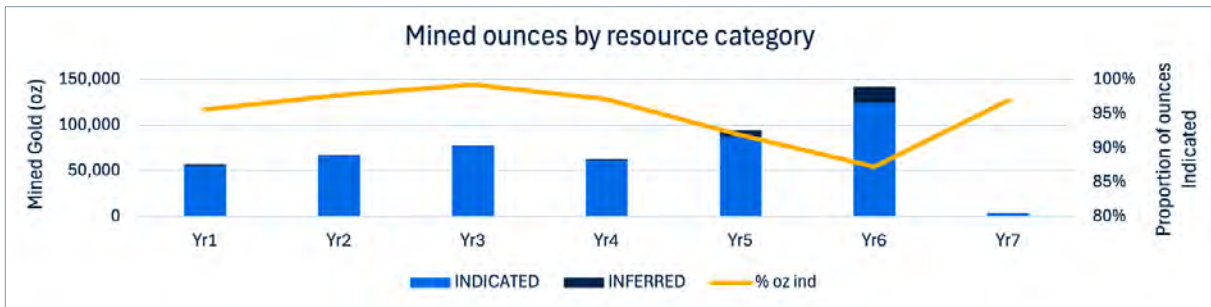


Figure 21: KSB Project mined ounces by resource category

Figure 22 shows the tonnes fed to the processing plant, and the annual gold feed grade.

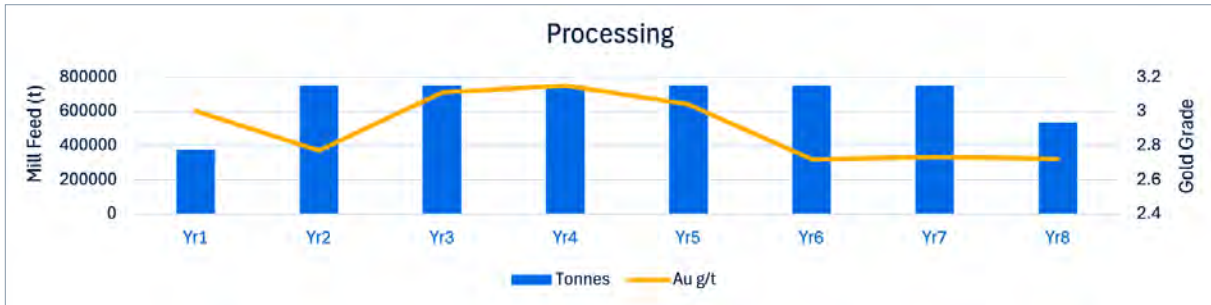


Figure 22: KSB Project processing mill feed and annual gold feed grade

Figure 23 shows produced metal (gold in doré and cobalt in concentrate).

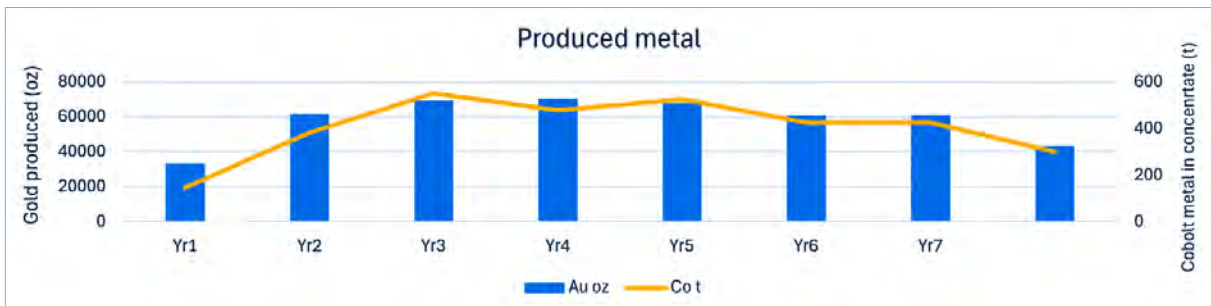


Figure 23: KSB Project produced metal

# MINERAL PROCESSING

## Metallurgy

A comprehensive metallurgical test work regime was completed, including;

- Comminution
- Mineralogical classification (QEMScan and quantitative XRD)
- Material sorting (by size, colour and density)
- Gravity
- Flotation (for Au and Co)
- Cyanidation and detoxification

Metallurgical test work was completed in Perth by Strategic Metallurgy using Perth tap water on three separate mineralogical domains from K1 and a single composite from K2.

## Comminution

The materials were generally found to be considered soft with respect to crushing energy (CWi from 2.6 to 3.2 kWh/t), but moderate/strong with respect to grinding energy (BBWi 13.2 to 17.7).

Materials tested exhibited low abrasivity (Ai from 0.023 to 0.109), with an expectation of low wear and media consumption.

A standard closed circuit ball mill/classification flowsheet is recommended due to high power efficiency and adaptability. An SABC circuit encompasses a single-stage jaw crusher feeding coarse material to a SAG mill, operating closed circuit with a pebble crusher, followed by a ball mill/classification circuit.

## Gold Recovery

Gold was found to be free-milling, with a high gravity component and amenable to both concentration by flotation and cyanidation. K2 had a very high gravity component observed, with a significant portion of gold in a coarse fraction, indicating coarse-grain gold presence. Recoveries from 92.1% to 94.7% were achieved across the domains tested at a P80 grind size of 75mm. For the purpose of this Scoping Study, gold recoveries of 92.5% have been evaluated.

**Table 8:** Gold Recovery

Gold Recovery	K1 Domain 2	K1 Domain 3	K2
Gravity	53.8%	58.1%	66.6%
Direct Cyanidation	94.1%	89.2%	92.0%
Gravity + Cyanidation	94.7%	92.1%	94.6%



## Cobalt Recovery

Cobalt mineralogy influenced the flotation results. The K1 Domains 1 and 2 could concentrate to a 4% grade with acceptable recoveries, with the K1 domain 3 and K2 composite achieving a lower concentrate grade. Recoveries of the K1 domain 3 to a concentrate grade of 1.6% were achievable with acceptable recoveries. This highlights an area of geo-metallurgical investigation required for the PFS.

The key to cobalt concentrate grade is rejection of gangue, particularly pyrite without suppressing cobalt minerals. Optimisation of cleaner, scavenger and scavenger cleaner circuits will need to be performed, with the final flowsheet likely to be locked cycle.

For the purpose of this Scoping Study, cobalt recoveries of 70% to a 1.8% cobalt concentrate have been evaluated.

## Opportunities

Opportunities to be considered during the PFS include:

- Flowsheet optimisation to improve recovery and concentrate grade
- Recovery of other present minerals such as Rare Earths
- Leaching gold from whole of feed instead of concentrate and float tail
- Alternative lixivants to cyanide for gold recovery
- Tails optimisation, including sequestering carbon in paste
- Cobalt recovery and concentrate grade value engineering



Project expansion is a key focus area with highly prospective nearby exploration potential and low capex expansion options considered in the Study that will now be further evaluated through prefeasibility activities.”

– Managing Director, Mr Grant Coyle

## PROCESSING PLANT LAYOUT

An engineering study has been completed by Como Engineers designing the plant according to a flowsheet warranted by the test work.

The processing plant utilised conventional equipment, with standard crushing, grinding, flotation and leaching components. The processing plant has been designed at a 750kt throughput on a cleared, level municipality owned land next to a municipality waste station, 48km by road from the proposed KSB North pits.

The processing plant is proposed to be located on municipality owned land within the boundaries shown in Figure 27.

### Primary Crushing

A 107 tonne per hour single toggle primary jaw crusher, fed via a ROM bin by a front-end loader, will feed a coarse mill-feed stockpile with 24 hours live capacity.

### Grinding, Classification and Gravity

The grinding circuit will comprise of a typical SABC circuit consisting of SAG Mill, Ball Mill and Pebble crusher, with classification and gravity gold recovery. The SABC circuit was selected based upon the need to achieve a consistent flotation feed grind size of 80% passing 75µm.

The selected SAG Mill is a 6.1m diameter by 3.6m long high aspect SAG Mill powered by a 1,400kW variable speed motor.

The selected Ball Mill is a 3.6m inside diameter by 6.m EGL long rubber lined overflow discharge ball mill driven by a 1,400kW motor.

The classification circuit will consist of a cluster of 10 x 250mm diameter cyclones. The cyclone underflow will be directed to a splitter box to enable a portion of the flow to be directed to the gravity circuit.

### Flotation

The flotation circuit is designed to produce a bulk sulphide concentrate, that will be leached to recover gold, filtered and transported to customers offsite. The overall mass recovery to concentrate is expected to be 14% to 15%.

Flotation includes rougher, cleaner and scavenger circuits, including a regrind mill and classification on the rougher concentrate to liberate some finer cobalt.

### Gold Leaching

Gold leaching occurs on both the float concentrate and the float tail, using standard CIL processes. The concentrate and float tails are both thickened prior to cyanidation.

### Concentrate Handling

The leached flotation concentrate from the leach circuit will be forwarded to the Concentrate Filter Press. The concentrate filter cake will discharge into a concrete bunker where it will be transferred to a packaging and storage area for transport offsite.

### Tailings Disposal

Leached flotation tails from the tailings thickener and filtrate from the Flotation Concentrate Filter will be pumped to the detoxification tanks prior to final tailings filtration. The tails will be thickened using a high-rate tailings thickener before being pressed in a filter press to generate a dry stack tails. The tails will be trucked to the storage facility.

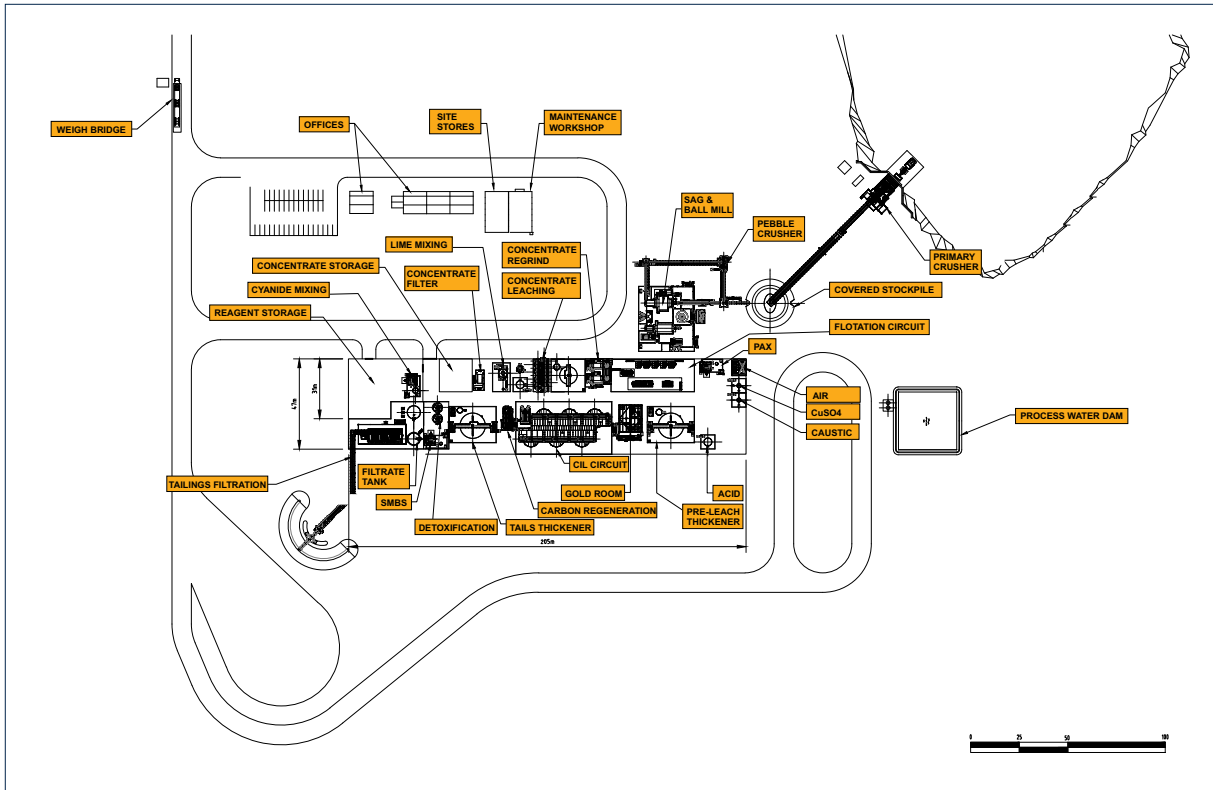


Figure 24: Process plant general arrangement

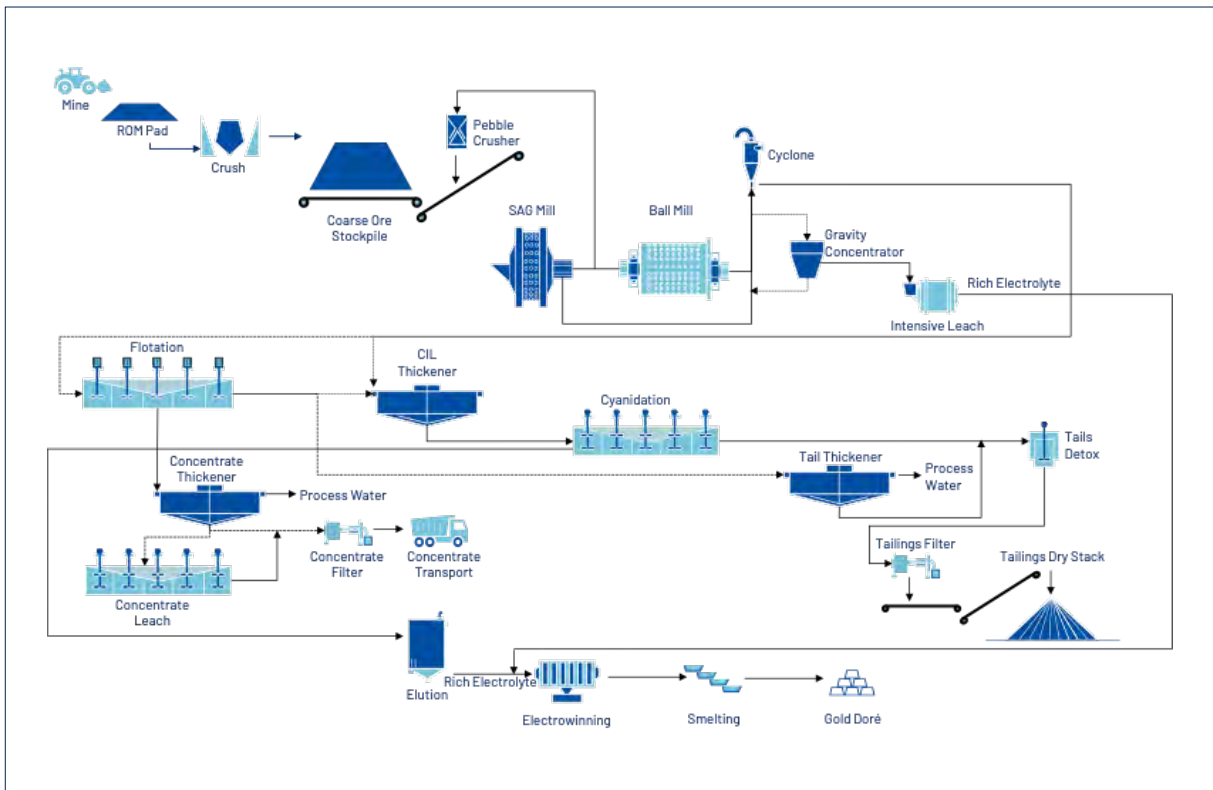


Figure 25: KSB Project process flow sheet

# INFRASTRUCTURE AND SERVICES

The K1, K2 and K3 deposits are located close to the town of Käylä and 45 km north of the town of Kuusamo. Kuusamo is a major regional hub with a population of 14,800 people. The region has good services, with major grid power transmission lines, an airport and experience with heavy industrial activities due to the presence of timber industries including paper mills.

## Roads and Rail

There is an extensive road network in place to connect the mine site with the proposed process plant location which is located approximately 48kms to the south. The mine site location is accessed from an all-weather road which runs directly south via the E63 highway and highway 20 to the planned processing plant facility in Kuusamo.

The mine site is currently accessed from privately owned forestry roads connecting directly off the 950 (Sallantie) into the mine site location which is approximately 3.5kms. Latitude either owns the underlying land or has lease agreements in place to access the forestry roads.

Access into the planned process plant location is via highway 20 and will be connected by an existing access road.

The nearest railhead is at Kemijärvi, 105 km to the north-west, which potentially enables incoming freight through construction and operations.



**Figure 26:** KSB Project showing main roads, mining operation and process plant location

## Power

The KSB Project has direct access to power supply from the Finnish power grid.

Finland's energy mix is becoming cleaner and more diversified, with a strong focus on nuclear and renewable energy. The nation is positioning itself to be a leader in clean energy, with a firm commitment to reducing carbon emissions and fostering energy independence.

## Mine Site (Kayla)

For the mine site location power supply, connections can be made directly into the existing power distribution network.

## Processing Plant (Kuusamo)

The processing plant operational requirements are anticipated to be 5.1MW average with a peak of 8MW possible. There is a power substation, the Säynäjänvaara substation, which can be connected to the proposed processing plant location via a 110kV connection of approximately 4km.



## Water

The processing plant facility has the potential to access water from a nearby waste-water treatment plant which is located within 5kms of the planned process plant location. Latitude will work with the appropriate organisations as it explores the water options in the area.

Dewatering options for the open pits at KSB North will be further explored as part of the PFS. The options will include environmental and community considerations.

# FINNISH MINING REGULATIONS

Finland has a well-regulated and stable mining sector, with a legal framework that provides clarity and ensures sustainable resource management.

Mining and exploration projects in Finland are currently regulated by the Finnish Mining Act (621/2011) which entered into force on 1 July 2011 and has later undergone amendments, for example in 2023. In addition, exploration and mining activities in Finland are subject to regulations set out in certain other regulations.

The key regulations, laws and principles that govern mining activities in Finland are highlighted below:

## 1. Mining Act (621/2011)

### Objective:

The Mining Act provides the primary legal framework for mineral exploration and mining activities in Finland. It establishes the rules for prospecting work, obtaining reservations, exploration and mining permits and outlines the rights and responsibilities of the permit holders.

### Key Provisions:

In Finland, minerals are neither owned by the landowner nor the government, but the government controls and supervises the exploitation of the mining minerals through the granting and supervision of exploration permits and mining permits under the Mining Act. This means that the holder of an exploration permit has the right to explore minerals within the exploration permit area and accordingly, use the exploration area to measures necessary for the purposes of research activity. The mining permit provides the holder of the permit the right to explore and utilize the minerals within the mining area, regardless of land ownership. The surface rights i.e. title to or a right to use the mining area required for operating a mine shall be obtained separately through ownership, contractual arrangements with landowners or a redemption permit granted by the Government. A limited right of use or some other limited right to an auxiliary area (e.g., an access road to the mine) can be ordered in the mining permit.

The Act grants the right to explore minerals within a certain area to the party who holds the exploration permit for the relevant area, which is issued by the Finnish Mining Authority, i.e. the Finnish Safety and Chemicals Agency. If exploration cannot cause any damage to people's health or general safety, damage to other industrial and commercial activity or any deterioration of values concerning the landscape or nature protection value, exploration for minerals other than a uranium or thorium can also be conducted on basis of a consent from the landowner of the relevant area. However, only the exploration permit provides a priority to apply for a mining permit for the exploration area.

The Act e.g., establishes procedures for applying for, granting and validity of an exploration permit and a mining permit (permit for extraction and utilizing of minerals), and provides for the management of disputes, including compensation for landowners.

According to the transitional provisions of the Mining Act (621/2011) the mining rights granted under the previous mining act (503/1965) that was revoked by the Mining Act shall remain valid under the terms specified in the concession regulation and concession certificate. Many regulations of the Mining Act (621/2011) e.g., regarding the rights and obligations of a mining permit holder, the validity of a mining permit and restoration of the mining area upon termination of mining activity, are applied also with respect to mining rights granted under the revoked mining act (503/1965).

## 2. Environmental Impact Assessment Act (252/2017)

### Objective:

The Act mandates that projects and changes to them that are likely to have significant environmental impacts, must undergo an environmental impact assessment (EIA) procedure before they can be proceeded. This includes mining projects when the aggregate amount of the excavated material is at the minimum 550,000 tonnes per year, or the mine covers an area of more than 25 hectares. The EIA procedure can also be required for a project based on a case-by-case assessment.

### Key Provisions:

The Act requires a comprehensive evaluation of the direct and indirect environmental impacts of the proposed project on: land, soil, water, air, climate, flora, fauna, organisms and biodiversity; population, human health, living conditions and amenity; urban structure, material assets, landscape, townscape, cultural heritage; utilisation of natural resources; and the interactions between the said factors.

Public participation is an essential part of the process, and the permit authorities must consider all the findings of the EIA procedure before issuing permits.

The Act is aligned with European Union (EU) directives on environmental assessments.

## 3. Environmental Protection Act (527/2014)

### Objective:

The Act regulates emissions and intends, among other things, to prevent the pollution of the environment and any risk of this, to prevent and reduce emissions, to eliminate adverse impacts caused by pollution and to prevent environmental damage. The Act applies to all industrial and other activities that cause or may cause environmental pollution as well as to activities that generate waste and to waste treatment.

### Key Provisions:

- The Act regulates that the activities that pose a risk of environmental pollution and, thus, require an environmental permit.
- The Act e.g., establishes procedures for applying for, granting and amending of and validity of an environmental permit. The Act also regulates the obligations of an operator when an activity subject to a permit ceases operations.

## 4. Land Use Act (132/1999) and Building Act (751/2023)

### Objective:

These Acts regulate the use of land and water areas as well as building.

### Key Provisions:

According to the Mining Act in force, a requirement for granting of a mining permit is that mining activity shall be based on a local detailed plan or legally binding local master plan provided for in the Land Use Act. The plan shall explain the location and relation to other land use of the mining area and auxiliary area to a mine. The Land Use Act regulates the land use planning process for areas where mining activities are proposed, ensuring that mining projects are consistent with regional and local land use planning.

## 5. Nature Conservation Act (9/2023)

### Objective:

The Act ensures, for example, the protection of Finland's natural environments, some habitat types, fauna and flora species and their habitats.

### Key Provisions:

Mining projects must comply with the nature conservation provisions set out in the Nature Conservation Act.. Derogation from the protection provisions requires a separate derogation permit.

If the mining operation, either individually or in combination with other projects and plans, is likely to have significant adverse effect on the ecological value of a site included in, or proposed by the Government for inclusion in, the Natura 2000 network, and the site has been included in, or is intended for inclusion in, the Natura 2000 network for the purpose of protecting this ecological value, the planner or implementer of the project is required to conduct an appropriate assessment of its impact. The same applies to any project or plan outside the site which is likely to have a significantly harmful impact on the site. The assessment can be carried out as part of the abovementioned EIA procedure.

## 6. Mining Safety Regulations

- The abovementioned Mining Act includes regulations also on mining safety. The construction of a mine, and its productive operations are subject to a permit (mining safety permit) by the Finnish Mining Authority, ie. Finnish Safety and Chemicals Agency.
- Finland also adheres to EU and international mining safety standards, which require strict regulations regarding:
  - Worker safety, equipment standards, and mine closures.
  - Environmental protection during operations, such as managing waste, emissions, and the rehabilitation of mining sites.

## 7. Other Regulations

- Water Act (587/2011): Regulates, among other things, measures implemented in a water or land area or the use of a structure that may influence surface water or groundwater, the aquatic environment, water resources management or the use of a water area. This includes, for example, the use of water resources/water abstraction and placing a structure in a water area.
- Waste Act (646/2011): Governs the management of waste (including extractive waste) and ensures that waste disposal and storage are handled in an environmentally sound manner.

## 8. Local Community and Indigenous Rights

- Mining operations must take into account the rights and concerns of local communities, especially indigenous groups like the Sámi people in Northern Finland, who may be affected by mining activities. Respect for local customs, traditional practices, and the environment is a key part of the permitting process.
- Kuusamo is not defined as a Samé homeland by current legislation

## 9. Sustainability and Green Mining

- Finland is increasingly focusing on sustainable mining practices, and there is an emphasis on minimizing the environmental footprint of mining activities. The government is actively promoting “green mining” technologies to reduce environmental impact and improve resource efficiency.



# PERMITTING

The Finnish mine permitting process is a structured and regulated procedure aimed at ensuring environmental sustainability, safety, and community involvement while enabling the development of mining projects.

The KSB Project comprises 2 mining rights related to two mining concessions which are currently registered in the mining register under name “Juomasuo” with one mining register number 3965) (in total 55 hectares), 5 granted exploration permits (in total 3,743 hectares) and 9 exploration permit applications (in total 3,603 hectares) covering all together an area of approximately 74km<sup>2</sup> (7,401 hectares). The mining rights related to the mining concessions which host the K1, K2 and K3 deposits are held by Latitude Cobalt Oy, an entity incorporated in Finland, and a 100% wholly owned subsidiary of Latitude 66 Ltd.

**Table 9:** KSB Project permit table

ID	Type	Status	Code	Name	Camp	Area (Ha)
1	Mining concession	Valid	3965	Juomasuo	K Camp	54.96
2	Exploration Permit	Valid	ML2019:0050	Hangaslampi 1	K Camp	1,313.59
3	Exploration Permit	Valid	ML2011:0022	Ollinsuo	K Camp	1,436.48
4	Exploration Permit	Valid	ML2018:0048	Ollinsuo 2	K Camp	737.04
5	Exploration Permit	Valid	ML2019:0074	Säynäjävaara	K Camp	44.77
6	Exploration Permit	Valid	ML2018:0050	Isosomeronhauta 1	K Camp	210.93
7	Exploration Permit	Application	ML2020:0050	Kuusamo Pohjoinen	K Camp	279.61
8	Exploration Permit	Application	ML2021:0148	Kuusamo Pohjoinen 2	K Camp	338.21
9	Exploration Permit	Application	ML2021:0054	Suonna	K Camp	535.41
10	Exploration Permit	Application	ML2023:0045	Petäjäselkä	K Camp	849.35
11	Exploration Permit	Application	ML2023:0046	Muikkuvaara	K camp	700.66
12	Exploration Permit	Application	ML2023:0126	Kuntakki	K Camp	87.34
13	Exploration Permit	Application	ML2023:0124	Muikkuvaara 2	K Camp	388.15
14	Exploration Permit	Application	ML2024:0089	Naarakangas	K Camp	186.76
15	Exploration Permit	Application	ML2024:0090	Roniaho	K Camp	237.52

The Administrative Court of Northern Finland issued a decision on Friday 15 November 2024 concerning the extension of mining rights over the Juomasuo and Pohjasvaara mining concessions, which form a part of the Company’s KSB Project in Kuusamo, Finland (“KSB Project”).

Latitude subsequently submitted an appeal at the Supreme Administrative Court of Finland, with respect to the abovementioned decision handed down by the Administrative Court of Northern Finland on 15 of November 2024.

Processing of the Company’s appeal at the Supreme Administrative Court is subject to the Supreme Administrative Court granting a leave of appeal, an application for which was submitted together with the appeal. Latitude considers that the conditions, as set out in the Finnish Mining Act, are fulfilled with respect to the granting an extension of the mining rights related to the Juomasuo and Pohjasvaara mining concessions and, thus the extension granted by Tukes should be maintained in force.

During the appeal processing period, Latitude’s will maintain its mining rights across the Juomasuo and Pohjasvaara areas, which enables exploration and development activities to continue for the KSB Project.

Latitude is the underlying landowner for the areas covering the K1 and K2 deposits which ensures that Latitude has ongoing ability to continue exploration activities across these key areas.

**The key governing bodies to regulate the mine permitting process are:**

- **Finnish Safety and Chemicals Agency (Tukes)** – exploration and mining permits, supervision of operation under the Mining Act
- **Regional State Administrative Agencies** – environmental and water permits
- **Centres for Economic Development, Transport and the Environment in Finland (ELY)** – EIA procedures, nature conservation derogation permits, supervision of operations under the Environmental Protection Act

An overview of the key steps:

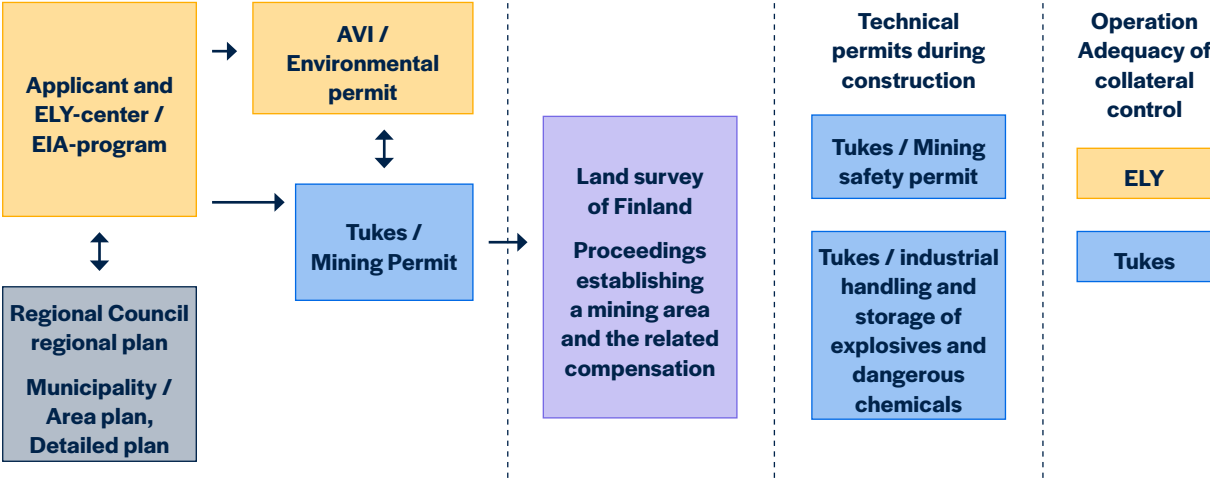


Figure 28: Overview of key Finnish mine permitting steps



## 1. Exploration Permit:

- Before starting any exploration activities (other than prospecting work or exploration work allowed with the consent of a landowner) and to secure priority for a mining permit, a company must obtain an exploration permit from Tukes.
- The application must include, among other things, a plan for the exploration, a map of the area, and a description of potential environmental impacts.

## 2. Environmental Impact Assessment (EIA) procedure:

- **EIA Procedure:** If the aggregate amount of the excavated material is at the minimum 550,000 tonnes per year, or the mine covers an area of more than 25 hectares an Environmental Impact Assessment is required for the project. This is a thorough study to identify the potential effects on the environment, such as water quality, flora, fauna, and local communities. The EIA procedure can also be required for a project based on a case-by-case assessment. If the mining project either individually or in combination with other projects and plans, is likely to have significant adverse effect on the ecological value of a Natura 2000 area a Natura assessment may also be required. This applies with respect to any project or plan outside the site which is likely to have a significantly harmful impact on the site. The assessment can be carried out as part of the abovementioned EIA procedure.
- Public participation is a crucial part of the EIA, which includes consultations with local residents, stakeholders, and environmental organisations.
- The assessment shall be carried out before granting for a mining permit.

## 3. Mining Permit Application:

- The application includes details, for example, on the mining plan, methods, environmental management, safety protocols, and reclamation plans.
- The application must also address the use of natural resources, waste disposal, and the potential impact on local ecosystems.
- Mining activity shall be based on a local detailed plan or legally binding local master plan provided for in the Land Use Act which, thus is a condition for granting of the mining permit.

## 4. Public and Stakeholder Consultation:

- Public hearings are held to allow stakeholders, including local communities, environmental groups, and local authorities, to voice their concerns or support for the project.
- Local authorities are required to be involved in the process, particularly in assessing land use and planning issues.

## 5. Permits and Approvals:

- In addition to the mining permit, various other permits and approvals are required before mining can begin, including:
  - **Environmental Permit:** For carrying out the mining operation including, for example, managing mine waste such as tailings covering emissions from the mining activity e.g., air emissions, noise and emissions to surface waters.
  - **Water Permit:** For example, for intake of water for the purposes of mining operations, pumping of groundwater or building of ponds, or for deviation from the protection of habitat types protected under the Water Act.
  - **Building Permit:** For constructing mining facilities.
  - **Air Emission Permit:** If emissions from mining operations affect air quality.
- Environmental protection measures are enforced through these permits to minimise harm.

## 6. Mining Operations and Monitoring:

- Mining operations can begin based on legally valid permits. Ongoing monitoring of environmental, safety, and social impacts is required by law.
- The company must adhere to environmental regulations and report regularly to the authorities, e.g., the exploration or mining conducted is to be reported to the mining authority (Tukes) annually. Under the environmental permit the mining operations and emissions thereof shall be monitored according to a monitoring program confirmed for the operations.

## 7. Reclamation and Closure:

- The company must submit a closure plan to restore the land after the mining operation ends. This involves soil remediation, re-vegetation, and managing potential contamination. The Mining Act and the Environmental Permit Act both include obligations related to termination of operations and regulate the remediation obligations related to termination of mining activity.
- The closure plan is assessed and approved before operations begin and is to be updated as the operations progress, and it must include financial security to ensure that reclamation activities will be carried out even if the company faces financial difficulties. The final closure plan is approved before the closure activities and remediation is carried out.



“Lat66 remains committed to developing the KSB gold cobalt Project in Northern Finland with the Study providing a strong foundation and significant step towards delivering on this objective.”

– Managing Director, Mr Grant Coyle

# MARKET

## Gold Market

The KSB Project will produce a Gold doré that will be transported from the Project processing facilities to a gold refinery likely to be located within Europe. The KSB Project economics allow for €5/oz for transportation and refinery costs.

The gold market is very mature and transparent with the ability to sell the production on the open market. Gold is currently trading at or near record pricing levels as highlighted in the historical gold chart below at Figure. The KSB Project has assumed a price of US\$2,500/oz which reflects the past 12 months average pricing and sits well below the current spot of price of ~US\$3,000/oz.

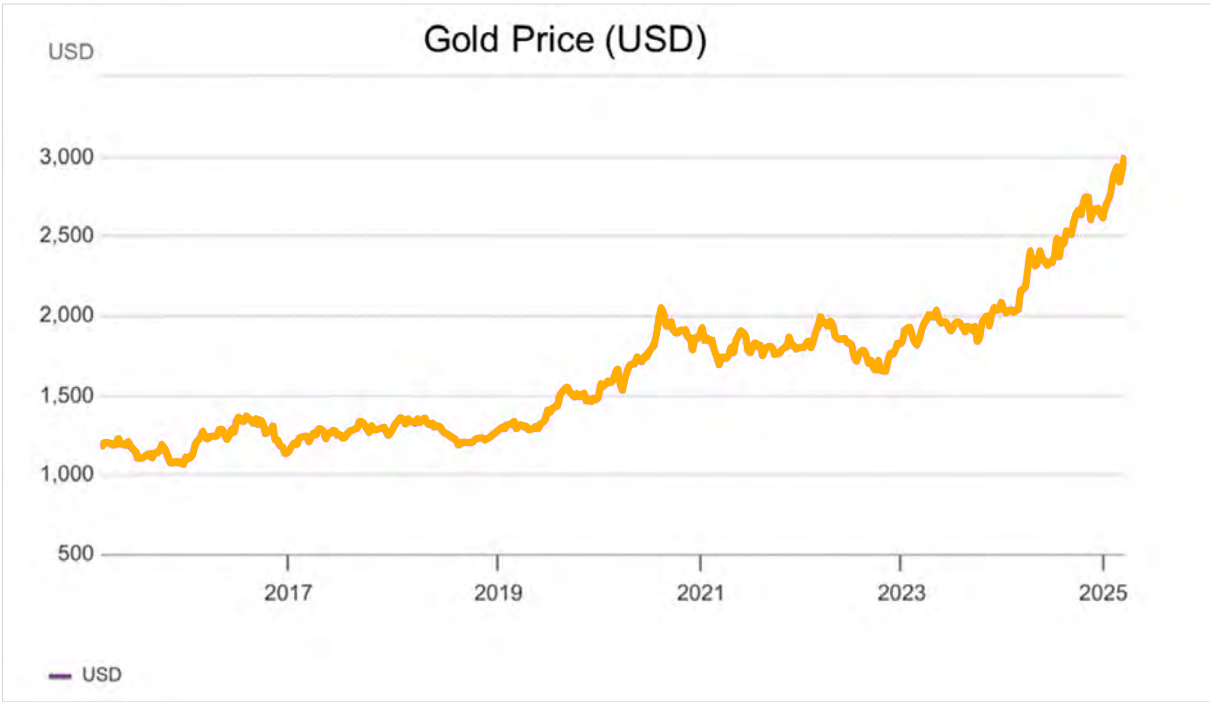


Figure 29: 10 year historic gold price chart<sup>1</sup>

1. Reference: [www.gold.org](http://www.gold.org)

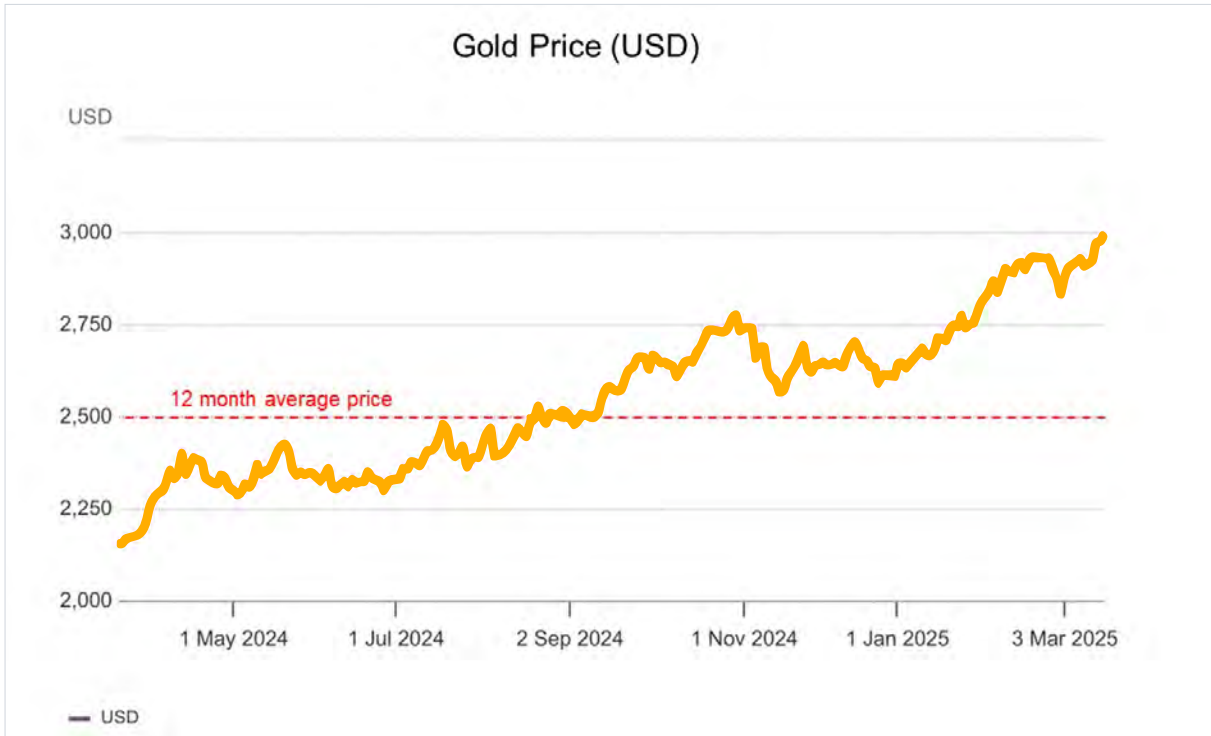


Figure 30: 12 month historic gold price chart

## Cobalt Market

The global cobalt market has experienced significant fluctuations in recent years, influenced by factors such as increased production, evolving demand dynamics, and geopolitical developments.

The volatility in the cobalt market has been highlighted in recent times by the ban on exports from the Democratic Republic of Congo (DRC) which came into effect in early March 2025. The ban is expected to last for at least 4 months and with the DRC accounting for over 75% of the global cobalt supply it is having a significant impact on the cobalt pricing as highlighted by the recent pricing move in Figure 6 below.



Figure 31: 10 year historic gold price chart\*

9. [https://www.cobaltinstitute.org/wp-content/uploads/2025/01/Cobalt-Institute\\_Q4-2024-cobalt-market-report.pdf](https://www.cobaltinstitute.org/wp-content/uploads/2025/01/Cobalt-Institute_Q4-2024-cobalt-market-report.pdf)

## Demand

The demand for cobalt is closely linked to the electric vehicle (EV) industry, as cobalt is a key component in lithium-ion batteries.

In addition to the rising demand from the electric vehicle (EV) sector, cobalt also plays an important role in industries like defence and aerospace. The demand in these sectors is driven by cobalt's unique properties, such as high strength, resistance to corrosion, and ability to withstand extreme temperatures. These characteristics make cobalt essential in producing critical components such as turbine blades, jet engines, and military-grade alloys.

## European Union

In the European Union (EU), the demand for cobalt is largely driven by the region's push towards clean energy technologies, specifically electric vehicles (EVs), and its focus on reducing dependence on critical raw materials from outside the region, particularly China and DRC.

As part of the EU's Green Deal and broader climate goals, there has been a significant push to increase the adoption of electric vehicles. Cobalt, being a crucial component in lithium-ion batteries, plays a key role in this transformation. The EU is ramping up its EV production and infrastructure, which has led to a growing demand for cobalt to supply the batteries required for these vehicles.

Cobalt is considered a "critical raw material" by the EU, meaning its supply security is a matter of economic and strategic importance. The EU has been working on initiatives to ensure access to cobalt, such as developing strategic reserves, establishing more direct trade relationships with mining operations outside China and the DRC, and fostering the development of local refining capacities.



# FINANCIALS

## Key assumptions

The key financial assumptions used in the evaluation are shown in Table 10.

All rates shown are real (February 2025) rates. No indexation is applied to either costs or revenues.

**Table 10:** Key financial assumptions

Key Macro-Economic Assumptions	
<b>FX</b>	
<b>USD:EUR</b>	0.97
<b>AUD:EUR</b>	0.60
<b>AUD:USD</b>	0.62
<b>Price</b>	
<b>Cobalt</b>	USD\$35000/t
<b>Gold</b>	USD\$2500/oz
<b>Royalty (Finland Govt.)</b>	0.6%
<b>Tax</b>	20%
<b>Discount Rate</b>	8%

Exchange rates were determined based on recent spot pricing.

Metal prices used were based on consensus market prices for cobalt and gold with recent spot pricing utilised as a sensitivity.

A discount rate/WACC of 8% has been assumed.

## Investment evaluation practices

The Scoping Study uses a standalone cash flow analysis for the KSB project. The cash flows are discounted at an 8% discount rate.

For the purposes of this Scoping Study, all costs have been converted to USD using the exchange rates shown in Table 7.

NPVs and IRR are calculated as at FID however using 2025 real costs and revenues.

The model developed for the Scoping Study evaluated the project in annual periods.



## The Base Case is a project based on optimum open pits at K1, K2 and K3 with no exploration success

The PFS should consider the following options;

- Open pit staging at K1
- Open pit/underground trade-off study to determine the optimal position to access underground mining at K1.

### Potential investment upside

Mine life extension via exploration and conversion of endowment adds significant NPV upside potential.

### Fiscal environment

The Finnish fiscal environment is well regulated and transparent, with a taxation system across various levels of government including municipal, state and federal level.

The Finnish government has recently adopted an ad-valorem royalty of 0.6% on all mining output which is relatively low on a global scale.

A company tax rate of 20% is applied on earnings.

### Summary valuation results

The evaluated case has a production profile commencing six months after mining starts at K2, with half a year of mill feed. The mining inventory provides just over seven years of feed as shown in Table 11.

**Table 11:** KSB Production Profile

	Physical		Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
<b>Milled</b>	<b>Tonnes</b>	t	5,410,473	375,000	750,000	750,000	750,000	750,000	750,000	750,000	535,473
	<b>Gold grade</b>	g/t	2.91	3.00	2.77	3.11	3.15	3.04	2.72	2.73	2.72
	<b>Gold</b>	oz	505,499	36,170	66,793	74,992	75,956	73,304	65,587	65,829	46,869
	<b>Cobalt Grade</b>	%	0.09%	0.06%	0.07%	0.11%	0.09%	0.10%	0.08%	0.08%	0.08%
	<b>Cobalt</b>	t	4,621	210	548	788	683	750	608	608	429
<b>Sold</b>	<b>Gold</b>	oz	467,586	33,457	61,784	69,367	70,259	67,806	60,668	60,891	43,354
	<b>Cobalt</b>	t	3,235	147	383	551	478	525	425	425	300

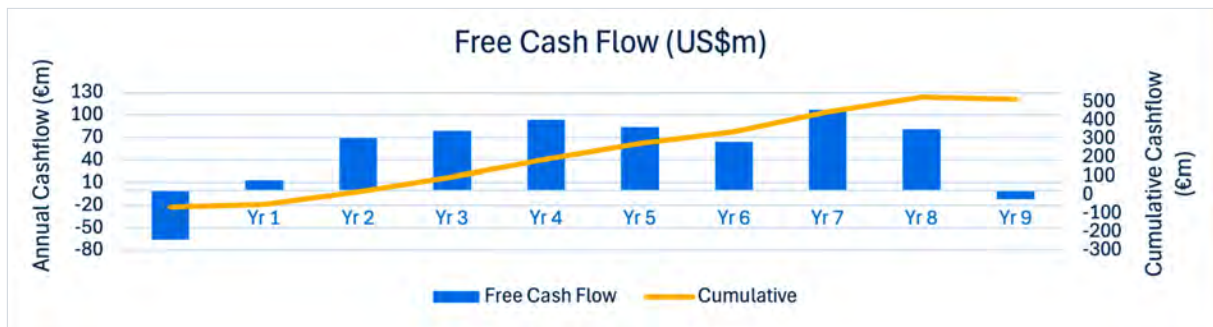
The cashflows are shown in Table 12 in Real 2025 USD. Opening balance tax losses of US\$21 million have been included. No interest charges have been modelled on plant construction costs.

Free cash flow, both annual and cumulative cashflow are shown in Figure 32. This shows the payback period is approximately 16 months from mill commissioning.

The key financial metrics are shown in Table 13 demonstrating a robust project with strong margins.

**Table 12:** Base Case Cashflows

			Total	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Revenue Items	Revenue	US\$M	1,236.9	-	86.7	162.5	185.0	185.7	180.5	160.6	161.2	114.7	-
	Royalty	US\$M	7.4	-	0.5	1.0	1.1	1.1	1.1	1.0	1.0	0.7	-
	Selling Cost	US\$M	2.4	-	0.2	0.3	0.4	0.4	0.3	0.3	0.3	0.2	-
	Net Revenue	US\$M	1,227.1	-	86.0	161.2	183.5	184.2	179.1	159.3	159.9	113.8	-
Operating Costs	Mining	US\$M	250.9	-	19.9	47.5	56.8	39.2	43.4	42.8	1.4	-	-
	Haulage	US\$M	38.8	-	4.3	5.6	5.6	4.4	7.0	11.8	0.2	-	-
	Processing	US\$M	135.0	-	9.4	18.7	18.7	18.7	18.7	18.7	18.7	13.4	-
	Administration	US\$M	33.0	-	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	-
	TOTAL OPEX	US\$M	457.7	-	37.7	75.9	85.2	66.4	73.2	77.4	24.5	17.5	-
Capital Costs	Pre strip and contractor mob.	US\$M	1.9	0.2	1.6	-	-	-	-	-	-	-	-
	Project Construction	US\$M	98.6	65.7	32.9	-	-	-	-	-	-	-	-
	Stay In Business	US\$M	17.8	-	-	3.0	3.0	3.0	3.0	3.0	3.0	-	-
	Closure	US\$M	-	-	-	-	-	-	-	-	-	-	11.8
	TOTAL CAPEX	US\$M	118.3	65.9	34.5	3.0	3.0	3.0	3.0	3.0	3.0	-	11.8
Profit, Cashflow and Cost Summaries	EBITDA	US\$M	769.4	-	48.4	85.3	98.4	117.8	105.9	81.9	135.4	96.3	-
	Amortisation	US\$M	118.3	-	25.1	19.6	15.4	12.3	10.0	8.2	6.9	20.7	-
	Profit before tax	US\$M	651.1	-	23.2	65.7	82.9	105.5	95.9	73.7	128.5	75.6	-
	Tax	US\$M	-126.1	-	-0.5	-13.1	-16.6	-21.1	-19.2	-14.7	-25.7	-15.1	-
	Profit after Tax	US\$M	525.0	-	22.7	52.6	66.3	84.4	76.8	59.0	102.8	60.5	-
	Net Cash flow	US\$M	525.0	-65.9	13.3	69.2	78.8	93.7	83.8	64.2	106.8	81.2	-11.8
	Cumulative Cash Flow	US\$M		-65.9	-52.6	16.6	95.4	189.1	272.9	337.1	443.8	525.0	513.2
	All in Sustaining Cost	US\$M	485.3	-	38.4	80.2	89.6	70.9	77.6	81.6	28.7	18.4	-
	All in Cost (AIC)	US\$M	585.8	65.9	72.9	80.2	89.6	70.9	77.6	81.6	28.7	18.4	11.8



**Figure 32:** After Tax Free Cash Flow

**Table 13:** Base Case Key Financial Metrics

Costs and Financials	Unit	Metric
<b>Project Costs</b>		
Initial Capital	US\$m	100.5
AISC (Au only)	US/oz	1,038
AISC (Au equivalent)	US/oz Au eq*	996
<b>Project Net Cash Flow</b>		
Net Project cash flow	US\$m	513
NPV <sub>8</sub> (post tax)	US\$m	310
IRR (post tax)	%	74%
Payback period	Months	16

\*Au equivalent ounces includes the gold value of the cobalt revenue. Calculation details shown in JORC Table Section 4

## Sensitivity

A sensitivity analysis has been completed by independently changing each of five key input parameters.

The analysis demonstrates that the project is most sensitive to variations in the gold price.

Of the sensitivities modelled, cobalt price has the lowest impact on NPV, whilst upfront CAPEX, processing costs and mining costs have a similar impact on NPV.

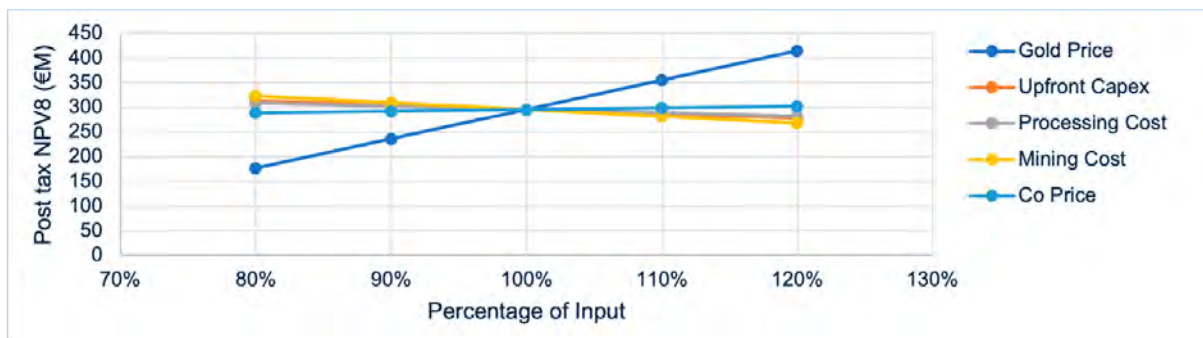


Figure 33: KSB Project key post-tax NPV<sub>8%</sub> sensitivities chart

## Estimate Methodology

### Capital Cost Estimate

#### Basis of Estimate

The main capital expenditure items were generated in an engineering study completed by Como Engineers (Como). Como developed the flowsheet based on metallurgical testwork, sized the plant and components, and created a capital cost estimate using January 2025 USD.

The Como estimate used a mix of factored costs and OEM pricing where appropriate. Costs were estimated in AUD and converted to USD utilising an exchange rate of 1:0.62 AUD:USD.

Como also estimated the initial capital costs for the construction of a 6Mt dry stack lined tails facility. Subsequent lifts are captured in stay in business capital (SIBC).

Peripheral costs, such as mining offices and workshops were based on other recent study works and do not have a separate build-up of cost.

As mining is assumed to be performed by mining contractors, there is no mining fleet capital estimated. A Finnish mining contractor has supplied an estimate for all mining activities including provision of mobile plant.

The first month of mining at K2 have been capitalised which is the point at which significant material volumes are achieved. No capitalisation of K1 or K3 pits has been made as the material is shallow. Mining has been captured as an operating cost.

#### Owner's costs

Owners' costs of 5.5% of project capital have been applied. This is apportioned as shown in Table 14.

Item	Factor
Client Costs	2.0%
First Fills	1.0%
Commissioning Spares	0.5%
Critical Spares	2.0%
<b>Total</b>	<b>5.5%</b>

### Contingency

A contingency of 15% has been applied to all project capital costs. This is a blanket application across all activities.

### Escalation

No escalation provisions have been made. All costs and revenues are in Real 2025 USD.

### Working and sustaining capital

No working capital has been estimated.

Sustaining capital has been estimated at 3% of initial project capital per annum. In addition, mining contractor mobilisation costs have been estimated as a separate item.

### Accuracy of estimate

The Como Engineers study was prepared to a Class 5 estimate (to a level of accuracy of +30% to -30%). Estimates were completed in AUD, and converted to USD using an exchange rate of 0.62 USD:AUD.

### Estimate presentation

Summary level data, and its source is shown in Table 15. A breakdown of the Plant Capex and Tailings Dam line items are shown in Table 16 and Table 17 respectively.

**Table 15:** Summary project capital expenditure

Item	Cost (USD)	Source
Contractor Mob and pre strip	1.9	Contactora Estimate
Process Plant	87.5	Como Estimate
Tails Dam	3.1	Como Estimate
Stacker conveyor	2.3	Benchmarked projects
Roads	1.5	Upgrade costs of 5km of road
Mining Infrastructure	4.1	Benchmarked projects
<b>Total</b>	<b>100.5</b>	

**Table 16:** Process Plant Capital Expenditure

Area Summary	Equipment/ Material Costs	Installation	Sub Total	Contingency (15%)	Totals AUD	Totals USD
<b>EPCM</b>		\$12,766,202	\$12,766,202	\$12,766,202	\$14,681,133	\$7,896,620
<b>Global Costs</b>	\$4,380,717		\$4,380,717	\$4,380,717	\$5,037,825	\$2,709,722
<b>Electrical</b>				\$10,558,530	\$0	\$6,531,050
<b>Buildings</b>				\$11,282,573	\$6,071,155	\$6,978,911
<b>Area 20: CRUSHING</b>				\$5,824,603	\$6,071,155	\$3,602,847
<b>Area 30: GRINDING</b>				\$16,132,822	\$8,986,740	\$9,979,065
<b>Area 40: GRAVITY RECOVERY</b>				\$1,779,368	\$2,305,013	\$1,100,640
<b>Area 60: FLOTATION</b>				\$8,782,123	\$8,719,349	\$5,432,241
<b>Area 50: CONCENTRATE LEACHING</b>				\$4,910,379	\$6,136,511	\$3,037,348
<b>Area 70: CONCENTRATE DEWATERING</b>				\$2,888,248	\$8,044,086	\$1,786,545
<b>Area 80: CIL</b>				\$7,009,026	\$57,027,387	\$4,335,480
<b>Area 100: ELUTION &amp; GOLDROOM &amp; REGENERATION</b>				\$6,071,670	\$10,990,417	\$3,755,672
<b>Area 110: TAILINGS &amp; DETOX</b>				\$1,985,711	\$134,070,769	\$1,228,275
<b>Area 115: TAILINGS FILTRATION</b>				\$7,845,619	\$7,373,892	\$4,852,960
<b>Area 120: WATER SERVICES &amp; TAILINGS STORAGE</b>				\$2,139,210	\$141,444,661	\$1,323,223
<b>Area 130: AIR SERVICES</b>				\$568,230		\$351,482
<b>Area 140: REAGENTS</b>				\$2,101,363		\$1,299,812
<b>Power Transformer HV Power Cables</b>			\$9,556,884	\$9,556,884		\$5,911,475
<b>Contingency - 15%</b>			\$17,487,492	\$17,487,492		\$10,817,005
<b>TOTAL</b>				<b>\$134,070,769</b>		<b>\$82,930,372</b>
<b>OWNERS COSTS</b>	\$4,080,415	\$2,331,666	\$6,412,080	\$6,412,080		\$3,966,235
<b>Contingency - 15%</b>			\$961,812	\$961,812		\$594,935
<b>TOTAL</b>			<b>\$7,373,892</b>	<b>\$7,373,892</b>		<b>\$4,561,170</b>
<b>PLANT + OWNERS COSTS</b>				\$122,995,357		\$76,079,603
<b>Contingency - 15%</b>				\$18,449,304		\$11,411,940
<b>GRAND TOTAL</b>				<b>\$141,444,661</b>		<b>\$87,491,543</b>

**Table 17:** Tailings Storage Facility Capital Estimate

Item	Description	Quantity	Units	Rate	Cost USD
<b>1</b>	Mobilisation & de-mobilisation				
<b>1.1</b>	Mobilisation	1	lot	91,350 €	94,175
<b>1.2</b>	Demobilisation	1	lot	62,184 €	64,107
<b>1.3</b>	Site establishment	1	lot	22,910 €	23,619
<b>1.4</b>	Survey	1	lot	21,601 €	22,269
	<b>Sub total - preliminaries</b>				<b>204,170</b>
<b>2</b>	Earthworks				
<b>2.1</b>	Clear, grub and remove 0.5m top soil	56,113	m3	4.68 €	270,468
<b>2.2</b>	Bulk earthworks for 0.3 degree drainage gradient across base	202,005	m3	4.68 €	973,685
<b>2.3</b>	Prepare perimeter embankment foundation 0.3m	2,040	m3	3.84 €	8,085
<b>2.4</b>	Mine, haul, moisture condition, place and traffic compact 0.3m clayey mine waste to base area	33,668	m3	4.68 €	162,281
<b>2.5</b>	300gsm geotextile supplied and installed	112,225	m2	3.14 €	363,509
<b>2.6</b>	1.5mm HDPE supplied and installed	112,225	m2	5.56 €	643,714
<b>2.7</b>	perforated 65mm dia drain spaced 10m	23,329	m	3.48 €	83,751
	<b>Sub total - Earthworks</b>				<b>2,505,493</b>
	Contingency (15%)				406,449
	<b>Grand Total (including 15% contingency)</b>				<b>3,116,112</b>

## Operating cost estimate

### Basis of estimate

The operating cost estimate has been developed on the operating philosophy that mining and material transport will be by contractor, with the plant and administration operated by Latitude employees.

The estimate was developed using February 2025 operating costs from a variety of sources as shown below.

### Data sources

The source of operating costs, broken down into main expense area are shown in Table 18.

**Table 18:** Operating cost data sources

Item	Source
Processing Costs	Como Study
Mining Costs - Contractor	Finnish Mining Contractor
Mining Costs - Owner	Internal Build up
G&A	Benchmarks
Surface Transport	Finnish Haulage Contractor

### Fixed operating costs

Administration related costs have been estimated at approximately US\$4 million pa, covering site G&A costs including finance, human resources and IT costs.

Mining fixed costs, incorporating Latitude management and technical labour costs plus grade control have been estimated at approximately US\$3 million pa.

### Variable operating costs

Processing plant costs of US\$24.95/t have been developed by Como Engineers, with the summary costs shown in USD in Table 16. Labour costs were built up from an organisation chart, reagents were based on testwork or benchmarks, maintenance costs were factored, and power unit costs were based on modelled consumption and network power costs.

**Table 19:** Processing Plant Operating Costs

Cost Area	Fixed Costs		Variable Costs		Total Costs		% Breakdown
	Year	USD/tonne	Year	USD/tonne	Year	USD/tonne	
General and Administrative	429,175	0.57			429,175	0.57	2%
Flights and Accommodation	258,027	0.34			258,027	0.34	1%
Process and Maintenance Labour	2,952,045	3.94			2,952,045	3.94	16%
Reagents and Operating Consumables	1,048,750	1.40	9,024,920	12.03	10,073,670	13.43	54%
Power	244,742	0.33	3,188,573	4.25	3,433,315	4.58	18%
Maintenance Consumables	927,825	1.24	638,907	0.85	1,566,732	2.09	8%
<b>Total</b>	<b>5,860,564</b>	<b>7.81</b>	<b>12,852,399</b>	<b>17.14</b>	<b>18,712,963</b>	<b>24.95</b>	<b>100%</b>

Open Pit mining costs were generated by a Finnish mining contractor. The contractor was supplied with the monthly schedule and a scope of work. All contractor costs have been estimated into activity costs in Euros and are shown in Table 20 in USD.



**Table 20:** Open Pit Contractor Operating Costs

Activity	Unit	Rate (USD)
Drill and Blast - Ore	\$/t	1.13
Drill and Blast - Waste	\$/t	0.98
Load	\$/t	0.73
Haul Rock	\$/tkm	1.16
Load Overburden	\$/t	0.82
Haul Overburden	\$/tkm	1.28
Mobilisation	\$	309,278
Demobilisation	\$	206,186

Surface haulage from the mines to the process plant was estimated by Finnish trucking contractor utilising trucks with a 52t payload. Costs for 24/7 delivery of material were US\$6.39/t for haulage and US\$0.77/t for loading.



# FUNDING

The Scoping Study estimates a funding requirement of approximately US\$118m to cover all the pre-production costs of which the pre-production capital requirement is approximately US\$101m. The Company has formed the view that there is a reasonable basis to believe that funding will be available when required, on the grounds including the following:

- The project has strong technical and economic fundamentals which provides an attractive return on capital investment and generates significant free cashflows at conservative gold prices. This provides a strong platform to source both debt and equity funding.
- The Company has received strong interest from critical mineral funding groups in Europe regarding financing the project, with discussions to continue when further advanced studies are concluded.
- The Company and its directors have a strong track record of raising equity, as and when required, to further the exploration and evaluation of the KSB Project.

There is no certainty that the Company will be able to source funding as and when required. Typical project development financing would involve a combination of debt and equity funding. It is possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Latitude's existing shares.



# CONCLUSION

The Scoping Study provides justification that the KSB Project is a commercially viable stand-alone mining operation and accordingly, the board of Latitude has approved progressing the KSB Project to a preliminary feasibility study, subject to ongoing funding.

Timing of project development is not yet determined due to the preliminary nature of the studies completed to date.





## Reasonable Basis for Forward Looking Assumptions

No Ore Reserve has been declared. This document has been prepared in compliance with the JORC Code (2012) and the ASX Listing Rules. All material assumptions on which the Scoping Study production target and projected financial information are based have been included in this release and/or disclosed in the table below.

### Consideration of Modifying Factors in the format specified by JORC Code (2012) Section 4

Criteria	JORC Code explanation	Commentary
<b>Mineral Resource estimate for conversion to Ore Reserves</b>	<p>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</p> <p>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</p>	<p>The Scoping Study used the MRE block models for K1, K2 and K3 from 2020.</p> <p>No Ore Reserves are stated as part of this release.</p>
<b>Site visits</b>	<p>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</p> <p>If no site visits have been undertaken indicate why this is the case.</p>	<p>The Competent Person has undertaken two site visits and inspected core, site locations and reviewed infrastructure locations.</p>
<b>Study status</b>	<p>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</p> <p>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</p>	<p>No Ore Reserve is stated. This study is to Scoping level only.</p> <p>The Scoping Study has not fulfilled the requirements of the JORC Code to report an Ore Reserve.</p>
<b>Cut-off parameters</b>	<p>The basis of the cut-off grade(s) or quality parameters applied.</p>	<p>Cut-off grades were based on the mining and processing costs developed in 2022, escalated to 2025. The pit optimisation and designs were based on these rates. Processing and mining costs were then estimated based on the 2025 schedule and physicals and the cut-off grade was re-calculated.</p>
<b>Mining factors or assumptions</b>	<p>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</p>	<p>No Ore Reserve has been stated, however the Scoping Study has the following mining factors applied.</p> <p>Open pit mining has been assumed for all three pits, with the mineralization occurring near surface. An underground evaluation was commenced at K1, however there were limited stopes indicated</p>

Criteria	JORC Code explanation	Commentary
	<p>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</p> <p>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</p> <p>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</p> <p>The mining dilution factors used.</p> <p>The mining recovery factors used.</p> <p>Any minimum mining widths used.</p> <p>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</p> <p>The infrastructure requirements of the selected mining methods.</p>	<p>below the optimized pit shell. There is scope for a trade-off study during a PFS phase to seek to optimize the interface.</p> <p>A geotechnical assessment of a previous pit design at K1 was utilized to provide the overall wall angles for all three pits. No detailed geotechnical design has been completed for the pit designs. This is appropriate for the level of study completed.</p> <p>The K1 resource model utilized is a recoverable resource model, with mining recovery and dilution included. The K2 and K3 resource models had a dilution factor applied of 7% and a mining recovery factor of 95% applied.</p> <p>Minimum mining widths of 20m at the base of the pit designs were utilized.</p> <p>The pit optimisation was completed on both Indicated and Inferred Mineral Resource. The production target included both categories of Mineral Resource. Overall, 90% of the mineralized tonnes and 94% of the gold ounces reported as the production target are underpinned by the Indicated Resource category, with well in excess of 95% during the first five (5) years of operation. Removal of the Inferred Mineral Resource from the evaluation provides a minimal effect on the NPV and does not materially affect the payback period.</p> <p>The three Mineral Resource models were converted to a mine planning model with the addition of a gold equivalent field. This field was utilized in the pit optimisation process. The AuEq grade field was calculated according to</p> $AuEq = Au\ Grade + \frac{(Co\ Grade \times Co\ Price \times Co\ Recovery \times Co\ Payability)}{(Au\ Price \times Au\ Recovery \times Au\ Payability)}$ <p>Assumptions: Co price was USD25000/t, Co Recovery was 70%, Co Payability was 60%, Au price was USD 2450/oz, Au recovery was 92.5% and Au payability was 100%. The optimisation was run on the Au equivalent grade. The optimisation parameters (metal price) are lower than the price used in the financial evaluation in this Scoping Study.</p> <p>The Company is not reporting a gold equivalent grade in this release, and it was only utilized in the generation of pit optimisations. Metal grades are reported elsewhere in this report, recoveries were based on metallurgical test work described in the metallurgy section of this report and payabilities are based on industry experience.</p> <p>The Company is of the opinion that both gold and cobalt will be both recoverable and marketable.</p> <p>Infrastructure requirements at the mine are limited to a workshop/warehousing and offices. Mining offices are currently planned to utilize existing Lat66 owned buildings within 3km of the open pits.</p>

Criteria	JORC Code explanation	Commentary																
<p><b>Metallurgical factors or assumptions</b></p>	<p>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</p> <p>Whether the metallurgical process is well-tested technology or novel in nature.</p> <p>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</p> <p>Any assumptions or allowances made for deleterious elements.</p> <p>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</p> <p>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</p>	<p>No Ore Reserve is stated in this Scoping Study. There has been a significant volume of test work that exceeds the requirement of a Scoping Study over a number of campaigns by both Lat66 and previous owners.</p> <p>Metallurgical testwork has developed a flowsheet where the gold is extracted by gravity and leaching, and the cobalt is recovered to a sulphide float concentrate. The gold is leached from both the sulphide float and the float tail under this Scoping Study.</p> <p>The processing technology is well understood and not novel in nature.</p> <p>Three domains from K1 and a single composite in K2 have had testwork undertaken for this Scoping Study. Each of the samples contained between 69kg and 102kg from multiple intervals in the domain. The samples were typically higher grade than the Resource average, but are representative of the material likely to be mined.</p> <p>The domaining in K1 was based on an interpretation of mineralisation styles. K1 and K2 showed excellent gold recoveries via gravity and leaching across all gold bearing domains (the other K1 domain is gold poor). The table below shows the recoveries determined. The Scoping Study has evaluated the project at 92.5% gold recovery.</p> <table border="1" data-bbox="810 1099 1307 1182"> <thead> <tr> <th>Gold recovery</th> <th>K1 Domain 2</th> <th>K1 Domain 3</th> <th>K2</th> </tr> </thead> <tbody> <tr> <td>Gravity</td> <td>53.8%</td> <td>58.1%</td> <td>66.6%</td> </tr> <tr> <td>Direct Cyanidation</td> <td>94.1%</td> <td>89.2%</td> <td>92.0%</td> </tr> <tr> <td>Gravity + Cyanidation</td> <td><b>94.7%</b></td> <td><b>92.1%</b></td> <td><b>94.6%</b></td> </tr> </tbody> </table> <p>Cobalt recovery and concentrate grade varied across the four domains tested. A high grade concentrate development affected the recovery of the Cobalt for two of the domains (K2 and K1 Domain 3). For this Scoping Study, the plant design was based on a concentrate grade of 1.8% Co, at 70% recovery. Future work will optimise the recovery/concentrate grade calculation. This Scoping Study is insensitive to Cobalt revenue with a &lt;15% reduction in NPV.</p> <p>The only deleterious mineral in the cobalt concentrate is arsenic, at grades &lt;2%. It is likely that arsenic penalties will apply. As such, the payability assumption of 60% has been applied to revenues.</p>	Gold recovery	K1 Domain 2	K1 Domain 3	K2	Gravity	53.8%	58.1%	66.6%	Direct Cyanidation	94.1%	89.2%	92.0%	Gravity + Cyanidation	<b>94.7%</b>	<b>92.1%</b>	<b>94.6%</b>
Gold recovery	K1 Domain 2	K1 Domain 3	K2															
Gravity	53.8%	58.1%	66.6%															
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Gravity + Cyanidation	<b>94.7%</b>	<b>92.1%</b>	<b>94.6%</b>															
<p><b>Environmental</b></p>	<p>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</p>	<p>Refer to Permitting Section of this announcement.</p> <p>Preliminary environmental work has been completed to identify areas of focus in the proposed PFS. Major work streams on environmental impacts will be undertaken during the Pre-Feasibility Study phase.</p>																
<p><b>Infrastructure</b></p>	<p>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation;</p>	<p>Discussions with the Kuusamo municipality have commenced on accessing municipality owned land for the development of a processing plant.</p>																

Criteria	JORC Code explanation	Commentary
	<p>or the ease with which the infrastructure can be provided, or accessed.</p>	<p>The mine and likely process plant location are serviced by the national HV power grid. The nearest substation for grid access is less than 4km from the likely plant site.</p> <p>Process water is readily available from aquifers, lakes and the local water treatment cooperative.</p> <p>Bitumen roads pass adjacent to both the mine site near Käylä and the proposed processing plant near Kuusamo.</p>
<b>Costs</b>	<p>The derivation of, or assumptions made, regarding projected capital costs in the study.</p> <p>The methodology used to estimate operating costs.</p> <p>Allowances made for the content of deleterious elements.</p> <p>The source of exchange rates used in the study.</p> <p>Derivation of transportation charges.</p> <p>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</p> <p>The allowances made for royalties payable, both Government and private.</p>	<p>Project capital costs are primarily made up of the process plant and early mining costs. The process plant estimate has been made by Como Engineers, based on a plant design. The cost estimate is a Class 5 estimate (+/- 30%). Mining costs have been estimated based on a mining schedule by a Finnish mining contractor. Stay in business capital has been estimated at 3% of project capital.</p> <p>Operating costs have been estimated by the mining contractor for the majority of the mining costs. A build up of owner's costs have been taken from a benchmark of a similar size site. The processing costs have been estimated by Como engineers based on chemical usage, power consumption and labour costs. Power costs are based on recent published power costs and labour costs are based on published union agreements.</p> <p>No allowances have been made for the presence for deleterious elements in the gold doré or the cobalt concentrate.</p> <p>Exchange rates have been estimated based on spot assumptions</p> <p>The cobalt concentrate payability is based on preliminary negotiations with a potential off-take partner. The indicative terms were mine gate, so no transport costs have been assumed.</p> <p>There are no private royalties payable. The Finnish legislated 0.6% royalty has been allowed for in revenue calculations.</p>
<b>Revenue factors</b>	<p>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</p> <p>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</p>	<p>The head grades modelled are based on the Au and Co grades in the block model, with dilution applied in K2 and K3 at 7%. The K1 block model is a recoverable grade model.</p> <p>Gold prices of USD2,500/oz in the evaluation against a spot price around USD3,000/oz at time of publication.</p> <p>Long term consensus forecasts were used for Cobalt, at USD35,000/t against a current spot price of USD35,000/t at time of publication.</p> <p>An exchange rate of 0.6 AUD:EUR was used in the conversion of Australian derived costs converted to Euros.</p> <p>An exchange rate of 0.62 AUD:USD was used in the conversion of Australian derived costs converted to USD.</p>
<b>Market assessment</b>	<p>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to</p>	<p>Refer to Market Section in this announcement.</p>



Criteria	JORC Code explanation	Commentary
	<p>affect supply and demand into the future.</p> <p>A customer and competitor analysis along with the identification of likely market windows for the product.</p> <p>Price and volume forecasts and the basis for these forecasts.</p> <p>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</p>	<p>Gold dore is assumed to be sold 100% payability.</p> <p>Cobalt concentrate is assumed as a 60% payability, this is based on discussions with potential offtakers.</p>
<b>Economic</b>	<p>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</p> <p>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</p>	<p>The costs and revenues in the economic model were derived using the processes described above. The economic model is a Real model, with no consideration of inflation in either costs or revenue.</p> <p>A discount rate of 8% has been utilized. This is considered appropriate at this level of study.</p> <p>Refer to Financial Analysis section of this announcement which includes sensitivity analysis on various cost and economic factors.</p>
<b>Social</b>	<p>The status of agreements with key stakeholders and matters leading to social licence to operate.</p>	<p>Lat66 has actively engaged local stakeholders for 7 years. It currently has various agreements in place with landowners to allow for access and exploration activities in the region.</p>
<b>Other</b>	<p>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</p> <p>Any identified material naturally occurring risks.</p> <p>The status of material legal agreements and marketing arrangements.</p> <p>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</p>	<p>No Ore Reserves are being stated, however the following items are noted.</p> <p>There are no off take agreements in place.</p> <p>Discussions with the Kuusamo municipality on access to municipality owned property in relation process plant location is ongoing.</p> <p>No approvals are in place for the development, construction or commissioning of the KSB Project</p> <p>The resource for the KSB project comprises 2 mining rights related to 2 mining concessions which are currently registered in the mining register.</p> <p>The Administrative Court of Northern Finland issued a decision on Friday 15 November 2024 upholding the appeal on the extension of mining rights over the Juomasuo and Pohjasvaara mining concessions, which form a part of the Company’s KSB Project in Kuusamo, Finland (“KSB Project”).</p> <p>Latitude subsequently submitted an appeal at the Supreme Administrative Court of Finland, with respect to the abovementioned decision handed down by the Administrative Court of Northern Finland on 15 of November 2024.</p>

Criteria	JORC Code explanation	Commentary
		<p>Processing of the Company’s appeal at the Supreme Administrative Court is subject to the Supreme Administrative Court granting a leave of appeal, an application for which was submitted together with the appeal. Latitude considers that the conditions, as set out in the Finnish Mining Act, are fulfilled with respect to the granting an extension of the mining rights related to the Juomasuo and Pohjasvaara mining concessions and, thus the extension granted by Tukes should be maintained in force.</p> <p>During the appeal processing period, Latitude’s appeal will maintain its mining rights across the Juomasuo and Pohjasvaara areas, which enables exploration and development activities to continue for the KSB Project.</p>
<b>Classification</b>	<p>The basis for the classification of the Ore Reserves into varying confidence categories.</p> <p>Whether the result appropriately reflects the Competent Person’s view of the deposit.</p> <p>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</p>	<p>There are no Ore Reserves being published. The Scoping Study does not meet the confidence requirements to permit publishing an Ore Reserve.</p>
<b>Audits or reviews</b>	<p>The results of any audits or reviews of Ore Reserve estimates.</p>	<p>No Ore Reserve estimate is being published. No external reviews of the Scoping Study have been completed.</p>
<b>Discussion of relative accuracy/ confidence</b>	<p>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</p> <p>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</p> <p>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may</p>	<p>No Ore Reserve estimate is being published.</p>

Criteria	JORC Code explanation	Commentary
	<p>have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</p> <p>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</p>	