

# SunMirror AG

Zug, Switzerland

## Prospectus for the Admission to Trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) of 2,000,000 existing Par Value Bearer Shares

This Prospectus has been prepared and will be filed as a listing prospectus (*Zulassungsprospekt*) with the Vienna Stock Exchange (*Wiener Börse*) in connection with the listing application by SunMirror AG (the "**Company**" and, together with its consolidated subsidiaries, the "**Group**") to have the existing 2,000,000 par value bearer shares, each of the shares with a nominal amount of CHF 1 and carrying full dividend rights as from 1 July 2020 (the "**Shares**" and each a "**Share**") admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange. Thereof, 325,000 Shares are subject to a lock-up arrangement and application for admission to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) for such Shares will be made conditional on expiry of such lock-up arrangement on 1 February 2022.

The International Securities Identification Number (ISIN) of the Shares is CH0396131929, the Securities Identification Number (WKN) is A2JCKK.

This prospectus (the "**Prospectus**") has been drafted exclusively for the purpose of the listing of the Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*). The Shares have not been and are not being offered to the public within the meaning of a public offer requiring a prospectus (*prospektpflichtiges Angebot*) pursuant to the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**"). This Prospectus constitutes a prospectus within the meaning of Article 6.3 of the Prospectus Regulation and was drawn up in accordance with Annexes 1 and 11 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation.

The validity of this Prospectus will expire at the time when trading of the Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) begins, presumably in the course of November 2021. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.

This Prospectus has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "**FMA**") in its capacity as competent authority under the Prospectus Regulation. The accuracy of the information contained in this Prospectus does not fall within the scope of examination by the FMA. The FMA examines and approves this Prospectus only in respect of its completeness, comprehensibility and consistency as imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company and the quality of the Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares. Any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Shares and which arises or is noted between the approval of this Prospectus by the FMA and the commencement of trading of the Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*), will be published in a supplement to this Prospectus in accordance with Article 23 of the Prospectus Regulation. Such supplement must be approved in the same way as this Prospectus by the FMA and must be published at least in the same way as this Prospectus.

Prospective investors should consider that investing in the Shares involves certain risks. For a discussion of certain significant factors affecting investments in the Shares, see Section II "**Risk Factors**". The occurrence of one or more of such risks could lead investors to lose some or all of their investment. An investment in the Shares is suitable only for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

The date of this Prospectus is 9 November 2021.

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**I. SUMMARY OF THE PROSPECTUS**

<b>Section A – Introduction, containing warnings</b>	
<p><i>This summary should be read as an introduction to this Prospectus (as defined below).</i></p> <p><i>Any decision to invest in the securities should be based on a consideration of this Prospectus as a whole by an investor.</i></p> <p><i>Investors in the securities could lose all or part of their invested capital.</i></p> <p><i>Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.</i></p> <p><i>Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the securities.</i></p>	
<b>a)</b>	<p><b>Name and International Securities Identification Number ("ISIN") of the securities.</b></p> <p>This prospectus (the "<b>Prospectus</b>") relates to the listing of the existing 2,000,000 par value bearer shares, each of the shares with a nominal amount of CHF 1 and carrying full dividend rights as from 1 July 2020 (the "<b>Shares</b>" and each a "<b>Share</b>") on the Official Market (<i>Amtlicher Handel</i>) of the Vienna Stock Exchange (<i>Wiener Börse</i>).</p> <p>The International Securities Identification Number (ISIN) of the Shares is CH0396131929, the Securities Identification Number (WKN) is A2JCKK.</p>
<b>b)</b>	<p><b>Identity and contact details of the issuer, including its legal entity identifier ("LEI").</b></p> <p>SunMirror AG (LEI: 894500R3EZWT4CYDM933) a stock corporation (<i>Aktiengesellschaft</i>) under Swiss law registered with the Commercial Register Office (<i>Handelsregisteramt</i>) of the Canton of Zug under CHE 395.708.464 having its registered office in Zug, Switzerland (the "<b>Company</b>" and, together with its consolidated subsidiaries, the "<b>Group</b>"). The Company's address is Steinhäuserstrasse 74, 6300 Zug, Switzerland, its telephone number is +41 43 505 14 00.</p>
<b>c)</b>	<p><b>Identity and contact details of the offeror, including its LEI if the offeror has legal personality, or of the person asking for admission to trading on a regulated market.</b></p> <p>This Prospectus has been prepared exclusively for the purpose of listing of the Shares on the Official Market (<i>Amtlicher Handel</i>) of the Vienna Stock Exchange (<i>Wiener Börse</i>). Therefore, there is no offeror of the Shares. The Company will apply for admission of the Shares to trading. Wiener Privatbank SE (LEI 529900VYY1MRNR59PN57), Parkring 12, 1010 Vienna, Austria, company register number FN 84890p, acts as listing agent.</p>
<b>d)</b>	<p><b>Identity and contact details of the competent authority approving the prospectus.</b></p> <p>The Austrian Financial Market Authority (<i>Finanzmarktaufsichtsbehörde</i>, the "<b>FMA</b>"), Otto-Wagner-Platz 5, A-1090 Vienna (Phone: +43 1 249 59-0; Website: www.fma.gv.at) has approved this Prospectus in its capacity as competent authority for Austria under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "<b>Prospectus Regulation</b>") and pursuant to the Austrian Capital Market Act 2019 (<i>Kapitalmarktgesetz 2019</i>).</p>

<b>e)</b>	<b><i>The date of approval of the prospectus.</i></b>
	This Prospectus has been approved on 9 November 2021.

<b>Section B – Key information on the Issuer</b>	
<b>a)</b>	<b><i>Who is the issuer of the Shares?</i></b>
	<p><b><i>Information on the Company</i></b></p> <p>The issuer of the Shares is SunMirror AG, a stock corporation (<i>Aktiengesellschaft</i>) under Swiss law registered with the Commercial Register Office (<i>Handelsregisteramt</i>) of the Canton of Zug under CHE 395.708.464 having its registered office in Zug, Switzerland. Its LEI is 894500R3EZWT4CYDM933.</p>
	<p><b><i>Principal activities</i></b></p> <p>The Group invests into pre-production mineral exploration assets with a focus on battery metals, iron ore and gold deposits in developed markets for the purpose of evaluation and exploration with the aim to either produce minerals at a later stage or sell those properties. Currently, the Group holds three assets all of which are in Western Australia:</p> <ul style="list-style-type: none"> <li>• <b>Moolyella:</b> The Group holds an exploration license granted on 23 December 2020 for a term of five years for an area of approx. 92.773 square kilometers in Moolyella, located in Northwestern Australia, which the Group believes has a robust potential for lithium-bearing pegmatites. The property is an early-stage exploration project with no mineral resources defined.</li> <li>• <b>Kingston-Keith:</b> The Group holds an exploration license granted on 9 March 2020 for a period of five years for an area of approx. 152 square kilometers in the Kingston-Keith/Mt. Keith area, situated in a prolific gold and nickel production district in central Western Australia, which the Group believes have good potential for gold and nickel. The property is an exploration project with no mineral resources defined.</li> <li>• <b>Cape Lambert:</b> The Group holds a royalty on future mine production from the MCC Australia Sanjin Mining Pty Ltd's retention license on their Cape Lambert magnetite project covering an area of approx. 83.68 square kilometers in the Cape Lambert region in Western Australia.</li> </ul> <p>The Group assets located at Moolyella and Kingston Keith are in an exploration phase and do not produce any revenue for the time being. The Group plans to continue exploration based on these two exploration licenses for the next two years funded by financial means already available to the Group as well as other financing provided by investors. The Cape Lambert mine conducted a pre-feasibility study and is now at the mine site design and planning stage. The Group expects that production at the Cape Lambert mine will not start short term. Royalties from the Cape Lambert project are then forecasted to finance further development of the sites covered by the Group's exploration licenses.</p> <p>In addition, the Group has been continuously looking out for other promising assets on an opportunistic basis. Any future acquisition will depend on the Group being able to obtain additional equity funding. In August 2021, the Group entered into a conditional binding agreement with Latitude 66 Cobalt Limited to acquire 100 percent of the shares of Finnish cobalt company Lat 66 from its parent company Latitude 66 Cobalt Limited. Lat 66's business focus is exploration and mine development with its business operations located in Finland.</p>
	<b><i>Major shareholders and control</i></b>

As far as the Company is aware from voting notifications, at the date of the Prospectus the following shareholders hold interests or voting rights in the Company's share capital:

<b>Name</b>	<b>Number of shares</b>	<b>in %</b>
<i>Starpole Investments Ltd.</i>	381,254	19.06
<i>Gravner Limited</i>	365,090	18.26
<i>Seras Capital Finance Limited</i>	197,871	9.89
<i>Zero Carbon Ltd.</i>	191,560	9.58
<i>Herlequin Investments Limited</i>	156,179	7.81
<i>Mirador FZE</i>	110,000	5.50
<i>Paul Hartley Watts</i>	86,679	4.33
<i>Paragon SICAV PLC</i>	86,679	4.33
<i>Freefloat (&lt; 4%)</i>	424,688	21.23
<b>Total</b>	<b>2,000,000</b>	<b>100.00</b>

(Source: The Company's internal unaudited information)

As far as the Company is aware, the Company is currently neither directly nor indirectly controlled by anybody. The Company is not aware of any arrangements which may result in a change of control of the Company.

**Management:**

The Company's Board of Directors (*Verwaltungsrat*) is currently composed of Dr Heinz Rudolf Kubli and Mr Lester Kemp.

**Statutory auditors:**

The Company's consolidated financial statements for the (short) financial year ended 30 June 2020 in accordance with IFRS ("**Consolidated Financial Statements 2020**") were audited by Grant Thornton AG, Claridenstrasse 35, 8002 Zürich, Switzerland ("**Grant Thornton**") and given an unqualified auditor's report. Grant Thornton is recognized by the Swiss Federal Audit Oversight Authority (FAOA) member of EXPERT-Suisse.

The audited consolidated annual financial statements of SunMirror Luxembourg S.A. as of and for the financial year ended 30 June 2020 in accordance with IFRS ("**Lux Financial Statements 2020**") were audited by Grant Thornton Audit & Assurance Société anonyme, 13, rue de Bitburg, L-1273 Luxembourg ("**Grant Thornton Lux**") and given an unqualified auditor's report. Grant Thornton Lux is recognized by the Commission de Surveillance du Secteur Financier.

The Company's consolidated financial statements for the financial year ended 30 June 2021 in accordance with IFRS ("**Consolidated Financial Statements 2021**") were audited by Deloitte AG, Pfingstweidstrasse 11, 8011 Zurich, Switzerland ("**Deloitte**") who expressed an unqualified audit opinion and also noted that the internal control system is not in accordance with Swiss law and accordingly Deloitte was unable to confirm the existence of the internal control system for the preparation of the financial statements. Deloitte is recognized by the Swiss Federal Audit Oversight Authority (FAOA) member of EXPERT-Suisse.

<b>b)</b>	<b>What is the key financial information regarding the Company?</b>																																															
	<p><b>Selected income statement data</b></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3" style="text-align: center;">Financial year ended</th> </tr> <tr> <th style="text-align: center;">30 June 2021 (audited) in USD</th> <th style="text-align: center;">30 June 2020<sup>1)2)</sup> (audited) in USD</th> <th style="text-align: center;">31 Dec 2019<sup>1)</sup> (audited) in USD</th> </tr> </thead> <tbody> <tr> <td>Revenue .....</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Exploration expenditure .....</td> <td style="text-align: right;">0</td> <td style="text-align: right;">-7,480</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Personnel expense .....</td> <td style="text-align: right;">-441,758</td> <td style="text-align: right;">-27,551</td> <td style="text-align: right;">0</td> </tr> <tr> <td>General and administrative expense .....</td> <td style="text-align: right;">-3,711,414</td> <td style="text-align: right;">-296,276</td> <td style="text-align: right;">-682,604</td> </tr> <tr> <td>Impairment expense .....</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">-559,737</td> </tr> <tr> <td><b>Operating loss</b> .....</td> <td style="text-align: right;"><b>-4,153,172</b></td> <td style="text-align: right;"><b>-331,307</b></td> <td style="text-align: right;"><b>-1,242,342</b></td> </tr> <tr> <td><b>Financial result</b> .....</td> <td style="text-align: right;"><b>744,301</b></td> <td style="text-align: right;"><b>-85</b></td> <td style="text-align: right;"><b>0</b></td> </tr> <tr> <td><b>Loss for the period</b> .....</td> <td style="text-align: right;"><b>-3,408,871</b></td> <td style="text-align: right;"><b>-331,392</b></td> <td style="text-align: right;"><b>-1,242,342</b></td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Loss per share</b> .....</td> <td style="text-align: right;"><b>-1,83</b></td> <td style="text-align: right;"><b>-0.28</b></td> <td style="text-align: right;"><b>N/A</b></td> </tr> </tbody> </table> <p>(Sources: Consolidated Financial Statements 2021, Lux Consolidated Financial Statements 2020)</p> <p>(1) As the contribution in kind of all shares in SunMirror Luxembourg S.A. to the Company in August 2020 was accounted for as a reverse takeover, financial information for the financial years ended 30 June 2020 and 31 December 2019 has been taken from the (consolidated) financial statements of SunMirror Luxembourg S.A. (the Lux Consolidated Financial Statements 2020) rather than the financial statements of the Company.</p> <p>(2) Financial information for the financial year ended 30 June 2020 is presented as restated in the Consolidated Financial Statements 2021.</p>		Financial year ended			30 June 2021 (audited) in USD	30 June 2020 <sup>1)2)</sup> (audited) in USD	31 Dec 2019 <sup>1)</sup> (audited) in USD	Revenue .....	0	0	0	Exploration expenditure .....	0	-7,480	0	Personnel expense .....	-441,758	-27,551	0	General and administrative expense .....	-3,711,414	-296,276	-682,604	Impairment expense .....	0	0	-559,737	<b>Operating loss</b> .....	<b>-4,153,172</b>	<b>-331,307</b>	<b>-1,242,342</b>	<b>Financial result</b> .....	<b>744,301</b>	<b>-85</b>	<b>0</b>	<b>Loss for the period</b> .....	<b>-3,408,871</b>	<b>-331,392</b>	<b>-1,242,342</b>	 				<b>Loss per share</b> .....	<b>-1,83</b>	<b>-0.28</b>	<b>N/A</b>
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<b>Selected data from the consolidated statement of financial position (balance sheet)</b>			
	<b>As of</b>		
	<b>30 June 2021</b>	<b>30 June 2020<sup>1)</sup></b>	<b>31 Dec 2019<sup>1)</sup></b>
	<b>(audited)</b>	<b>(audited)</b>	<b>(audited)</b>
	<b>in USD</b>	<b>in USD</b>	<b>in USD</b>
<b>Total liabilities</b> .....	<b>10,942,935</b>	<b>415,803<sup>1)</sup></b>	<b>38,597<sup>1)</sup></b>
<b>Total shareholders' equity</b> .....	<b>29,808,816</b>	<b>2,968,392<sup>2)</sup></b>	<b>-10,933<sup>2)</sup></b>
<b>Total assets</b> .....	<b>40,751,751</b>	<b>3,384,195</b>	<b>27,664</b>
Equity ratio <sup>3)</sup> (unaudited) .....	73.1%	87.7%	N/A

(Sources: Consolidated Financial Statements 2021, Lux Consolidated Financial Statements 2020)

(1) As the contribution in kind of all shares in SunMirror Luxembourg S.A. to the Company in August 2020 was accounted for as a reverse takeover, financial information for the financial years ended 30 June 2020 and 31 December 2019 has been taken from the (consolidated) financial statements of SunMirror Luxembourg S.A. (the Lux Consolidated Financial Statements 2020) rather than the financial statements of the Company.

(2) Reconciled for the contribution in kind of all shares in SunMirror Luxembourg S.A. to the Company in August 2020 which was accounted for as a reverse takeover. Figures taken from the Consolidated Financial Statements 2021, in which they are included as comparative figures as of 30 June 2020 (restated).

(3) Equity ratio is derived from figures in the audited consolidated financial statements and thus unaudited. It expresses total shareholders' equity as a percentage of total assets. The Company presents equity ratio as an alternative performance indicator to reflect its reliance on equity funding.

**c) What are the key risks that are specific to the Company?**

An investment in the Shares is subject to a number of risks, some of which are presented in this section and under section “C.d – What are the key risks that are specific to the Shares?” of this summary. The occurrence of any of the following, individually or together, could materially adversely affect the Company’s business, financial position, results of operations, reputation and prospects. If any of these risks were to materialize, investors could lose all or part of their investments.

The following risks are key risks specific to the Company:

- Investment in pre-production mineral resources exploration assets is very risky and may result in a loss of the entire investment.
- In its business activities, the Company is a start-up company with no operating history and a very limited organization. The establishment of completely new business activities may fail.
- The mineral resources exploration market is materially influenced by commodity prices which have a history of high volatility.
- The Group invests in early-stage mineral resources exploration assets and is exposed to the risk that further exploration will not result in expected resource conversion rates.
- Risks related to the Group’s dependency on revenues from its royalty agreement
- Risks related to possible misestimations of mineral reserves
- Volatile commodity prices may negatively affect the value of the Group's assets.

<b>Section C – Key information on the securities</b>	
<b>a)</b>	<p><b>What are the main features of the Shares?</b></p> <p><b>Type, class and ISIN of the Shares:</b> The Shares are ordinary par-value shares and bearer shares (<i>Inhaberaktien</i>) and bear the ISIN CH0396131929.</p> <p><b>Currency, denomination, the number of Shares issued and the term of the Shares:</b> The Shares are par-value shares (<i>Nennbetragsaktien</i>) with a par value of CHF 1.00 per Share. In total, the Company has currently 2,000,000 shares issued. The Company is established for an unlimited period of time. Thus, the Shares do not have a specific term.</p> <p><b>The rights attached to the Shares:</b> All Shares carry full dividend rights since 1 July 2020. Each Share carries one vote at the Company's general shareholders' meeting.</p> <p><b>Ranking (Relative seniority):</b> The Shares are subordinated to all other securities and creditor claims in case of an insolvency of the Company</p> <p><b>Free transferability:</b> The Shares are freely transferable in accordance with the legal requirements for bearer shares (<i>Inhaberaktien</i>).</p> <p><b>Dividend Policy:</b> Dividends may only be paid from the balance sheet profit as shown in the Company's annual financial statements. The Company has not distributed any dividends during the past three financial years. As the Group does not generate revenue to date and will continue not to generate revenues for at least two more financial years, the Company does not expect to distribute any dividend for the pending or the next financial year.</p>
<b>b)</b>	<p><b>Where will the securities be traded?</b></p> <p>The Shares are currently listed for trading on the unofficial market segment (<i>Freiverkehr</i>) of the Düsseldorf Stock Exchange (<i>Börse Düsseldorf</i>) and on the Vienna MTF (market segment direct market) of Vienna Stock Exchange (<i>Wiener Börse</i>).</p> <p>The Company has filed an application for the admission of the existing 2,000,000 Shares to trading on the Official Market (<i>Amtlicher Handel</i>) of the Vienna Stock Exchange (<i>Wiener Börse</i>) which is a regulated market pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, as amended (<i>Markets in Financial Instruments Directive II – "MiFID II"</i>). <i>Thereof, 325,000 Shares are subject to a lock-up arrangement and application for admission to trading on the Official Market (Amtlicher Handel) of the Vienna Stock Exchange (Wiener Börse) for such Shares will be made conditional on expiry of such lock-up arrangement on 1 February 2022.</i></p> <p>Whether such application is approved will be in the discretion of the Vienna Stock Exchange (<i>Wiener Börse</i>) in accordance with the provisions of the Austrian Stock Exchange Act (<i>Börsegesetz</i>). The period of review by the Vienna Stock Exchange (<i>Wiener Börse</i>) is in their discretion in accordance with the provisions of the Austrian Stock Exchange Act (<i>Börsegesetz</i>). In case the Vienna Stock Exchange (<i>Wiener Börse</i>) approves admission of the Shares to trading on the Official Market (<i>Amtlicher Handel</i>) of the Vienna Stock Exchange (<i>Wiener Börse</i>), it will also decide on the date of commencement of trading of the Shares on the Official Market (<i>Amtlicher Handel</i>) of the Vienna Stock Exchange (<i>Wiener Börse</i>). In case of admission to trading on the Official Market (<i>Amtlicher Handel</i>) of the Vienna Stock Exchange (<i>Wiener Börse</i>), admission of the Shares to trading on the Vienna MTF (market segment direct market) of Vienna Stock Exchange (<i>Wiener Börse</i>) will end concurrently. The Company expects that admission to trading will be</p>

	<p>approved and trading on the Official Market (<i>Amtlicher Handel</i>) of the Vienna Stock Exchange (<i>Wiener Börse</i>) to commence in the course of November 2021.</p> <p>Baader Bank Aktiengesellschaft (LEI 529900JFOPPEDUR61H13), Weihenstephaner Str. 4, 85716 Unterschleißheim, Germany, company register number HRB 121537 Amtsgericht München, has given a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates as a "market maker".</p>
<b>c)</b>	<b><i>Is there a guarantee attached to the Shares?</i></b>
	<i>n/a.</i>
<b>d)</b>	<b><i>What are the key risks that are specific to the Shares?</i></b>
	<p>An investment in the Shares is subject to a number of risks, some of which are presented in this section and under section "B.c – What are the key risks that are specific to the Company?" of this summary. The occurrence of any of the following, individually or together, could materially adversely affect the Company's business, financial position, results of operations, reputation and prospects. If any of these risks were to materialize, investors could lose all or part of their investments.</p> <p>The following risks are key risks specific to the Shares:</p> <ul style="list-style-type: none"> <li>• Investment in the Shares may result in a total loss of investment</li> <li>• The market price of the Shares may be volatile and there is no certainty that a liquid market in the Shares will develop</li> <li>• An exercise of the Board of Directors of the existing authorized capital and conditional capital may result in a substantial dilution of existing shareholders.</li> <li>• The market price of the Shares is likely to be highly dependent on the price of the mineral resources relevant to the Group and an investment is thus of a speculative nature.</li> </ul>

<b>Section D – Key information on the offer of Shares to the public and/or the admission to trading on a regulated market.</b>	
<b>a)</b>	<b><i>Under which conditions and timetable can I invest in the Shares?</i></b>
	<p>The Shares are not being offered to the public within the meaning of a public offer requiring a prospectus (<i>prospektpflichtiges Angebot</i>) pursuant to the Prospectus Regulation. No action has been taken by the Company to permit an offer of Shares to the public subject to a prospectus within the meaning of the Prospectus Regulation.</p> <p>At the date of the Prospectus, all 2,000,000 Shares are listed on the unofficial market segment (<i>Freiverkehr</i>) of the Düsseldorf Stock Exchange (<i>Börse Düsseldorf</i>) and on the Vienna MTF (market segment direct market) of Vienna Stock Exchange (<i>Wiener Börse</i>). Therefore, prospective investors may invest in the Shares already as of the date of the Prospectus at the market prices prevailing on the Düsseldorf Stock Exchange (<i>Börse Düsseldorf</i>) or the Vienna Stock Exchange (<i>Wiener Börse</i>) at the time of the specific investment.</p> <p>The estimated total cost of the application to trading of the Shares on the Official Market (<i>Amtlicher Handel</i>) of the Vienna Stock Exchange (<i>Wiener Börse</i>) is approximately USD 350,000, including preparation of all ancillary documents.</p>
<b>b)</b>	<b><i>Who is the offeror and/or the person asking for admission to trading?</i></b>

	<p>The Company will apply for admission of the Shares to trading. Wiener Privatbank SE (LEI 529900VYY1MRNR59PN57), Parkring 12, 1010 Vienna, Austria, will act as listing agent.</p>
<b>c)</b>	<p><b><i>Why is this prospectus being produced?</i></b></p> <p>The Company intends to file an application to have all Shares admitted to trading on the Official Market (<i>Amtlicher Handel</i>) of the Vienna Stock Exchange (<i>Wiener Börse</i>) to improve liquidity in the market for Shares. Also, several investors who have expressed an interest to invest in the Company have made any investment dependent on the Shares being admitted to trading on a regulated market pursuant to MiFID II. There are no material conflicts of interest pertaining to the intended admission to trading.</p>

## II. RISK FACTORS

The risks featured in the following section are limited to risks which are specific to SunMirror AG (the "**Company**", and collectively with its direct and indirect subsidiaries, the "**Group**") and/or to the Shares and which are material for taking an informed investment decision. According to the Company's assessment, in each category the most material risk factors (based on the probability of their occurrence and the expected magnitude of their negative impact) are mentioned first.

### 1. Business related Risk Factors

#### a) Risks associated with the area of business of the Group

***Investment in pre-production mineral resources exploration assets is very risky and may result in a loss of the entire investment.***

It is the Group's overall strategy to invest into pre-production mineral exploration assets in developed markets (such as Australia, Europe and North America, whereby currently all exploration assets of the Group are in Western Australia) for the purpose of evaluation and exploration with the aim to either produce minerals at a later stage or sell those properties. It is important to understand that significantly less than 1% of prospects do eventuate to producing mines. At each stage, most mineral prospects are filtered out during the pathway. Only exploration projects where mineral deposits are discovered will continue to the resource definition stage. Only mineral deposits with good prospects for eventual economic extraction proceed to the prospect evaluation stage. Only projects for which ore reserves can be declared proceed to feasibility study and only those projects which are determined to be economically feasible proceed to construction and mining. Consequently, there is a high risk that a mineral resources exploration asset may fail to (have a good prospect to) become a producing mine and if it fails, this may result in a total loss of relevant investment.

***In its business activities, the Company is a start-up company with no operating history and a very limited organization. The establishment of completely new business activities may fail.***

The Group started its current business activities only in 2020 by acquiring Lithium 1 Pty Ltd with its seat in Subiaco, West Australia ("**Lithium 1**"), which holds exploration licenses for two undeveloped fields in Western Australia. In addition, the Group acquired Pharlapp Holdings Pte Ltd. with its seat in Singapore ("**Pharlapp**"), a company holding a royalty entitlement on the retention license (i.e. license at an intermediate licensing stage between exploration license and mining license that allows the holder to retain but not to develop a mining project, e.g. because of pending commercial feasibility or the development of required transportation infrastructure) covering future mine production from the Cape Lambert magnetite project currently owned by MCC Mining (Western Australia) Pty. Ltd. Through the aforementioned acquisitions, the Company has taken the first step towards building up its new business activity. The implementation and establishment of a new business may fail completely or fail to meet expectations. This is particularly applicable in a capital-intensive business sector such as the mineral resources exploration business.

Further, the Group has only four employees and otherwise relies on service providers. The Group has no own financial department or operational personnel. It intends to rely for those functions on external support. However, given the complexity of the operations in several jurisdictions, of the business and

the requirements of a listed company it is unclear whether it will be sufficient to establish this through external advisors and so far the Group has no material experience whether this will work with the required standards. As an example, in the context of the Consolidated Financial Statements 2021 the auditor noted that the Company's internal control system is not in accordance with Swiss law and accordingly they were unable to confirm the existence of the internal control system for the preparation of the financial statements. It is possible that no qualified managers or other personnel can be found within an appropriate period of time to build up the required organization.

***The mineral resources exploration market is materially influenced by commodity prices which have a history of high volatility.***

The development of commodity markets in the past has shown that in general they can be very volatile. Demand for and market prices of a commodity may be affected by a high number of factors, such as demand in relation to available resources, technological developments causing a commodity to be more/less relevant or even become substituted, etc. It is unpredictable for how long and for which commodities sufficient demand prevails and/or at what prices. A significant decline in demand for and/or prices of a commodity which is the target of exploration activities of the Group may have a material adverse effect on the market for such and on the value of such exploration asset. This may also materially negatively affect the outlook for an exploration asset to become an economically producing mine.

***The Group invests in early-stage mineral resources exploration assets and is exposed to the risk that further exploration will not result in expected resource conversion rates.***

The Moolyella project and the Kingston-Keith project held by the Group are early-stage exploration assets with no mineral resources defined, which implies a greater uncertainty of assessment. The Cape Lambert magnetite project, in which the Group holds a royalty interest, has certain inferred and indicated mineral resources but is also not at a mining stage. As of today, no drilling has been done on the Moolyella Project and the Kingston-Keith Project and there is no assurance that potential future drill programs will be able to achieve the expected conversion rates as those that the current valuation is based on. In case no drilling will be carried out in the future at all or the drilling outlines a lower tonnage or grade resource this would negatively impact the valuation of the respective project. There is a risk that investment in a mineral resource exploration asset may have to be written off in full or in part.

***The competent person reports commissioned by the Group and incorporated into this Prospectus by reference include no mineral resources defined and thus offer limited information and assurance.***

The Group has commissioned valuation reports for all exploration assets currently held, including the asset in which the Group only holds a royalty interest. Such reports have been prepared by independent geologists in accordance with applicable industry standards, such as the JORC Code, the VALMIN Code or National Instrument 43-101. Nevertheless, due to the limited exploration work performed on such assets by the Group and relevant former owners also such reports include no mineral resources defined and thus offer limited insight, information and assurance into and in respect of future prospects of the relevant exploration assets. Further, each valuation report includes a note that due to COVID-19 caused travel restrictions in Australia no competent person has been able to physically visit the relevant sites. Also, the field assessment report on the Moolyella project incorporated into this Prospectus by reference includes no mineral resources defined and thus offers limited information and assurance.

***The Group is subject to risks resulting from its investment in companies under foreign law.***

The Group just started its business as a holding company with its focus on investments in mineral resources exploration assets in developed countries, at present in Australia only. Even though the Group intends to limit investments to Australia, Europe and North America, thereby to avoid insecure and politically unstable regions like the Congo and Venezuela, or countries with low respect for property rights and the rule of law, like Russia or Mongolia, certain risks arise from its investment under foreign law. Investments in companies under foreign law could lead to the problem that claims against these companies may not be enforceable or may only be enforceable at high cost and/or time. In addition, cash flows upon which the Company depends as a non-operating company may be subject to restrictions.

***The Group is exposed to risks arising from acquisitions.***

As part of the continuing business strategy, the Group intends to make acquisitions of, or investments in, mineral resources exploration assets or companies holding such assets. Any acquisition poses numerous risks. The Group may fail to detect relevant risks during due diligence and/or misjudge the intrinsic value or the quality of former exploration work and results of a company and/or asset in which it intends to invest and thus offer a consideration which proves to have been (far too) high. Further, the Group may face difficulties in integrating acquired operations, technologies or personnel. There may be substantial unanticipated integration costs and diversion of significant management attention and financial resources from existing operations. The Group may fail to realize potential cost savings or other financial benefits and/or the strategic benefits of the acquisitions. The Group may face liabilities from the acquired businesses for environmental matters, infringement of intellectual property rights or other claims or other reasons and the Group may not be successful in seeking indemnification for such liabilities or claims.

***The Group may fail to identify attractive investment opportunities.***

An important element in expanding the Company's business activities is a sufficient number of attractive investment opportunities. The Group is seeking to acquire sole ownership or controlling interests in companies which, in the opinion of the Company, fit into its intended future investment portfolio. It is therefore essential for the Company to become aware of such acquisition opportunities. In the market for mineral resources exploration assets, however, the Group competes with both strategic and financial investors for attractive investments and/or licenses. Some of these investors have significantly higher financial and workforce resources as well as reputation than the Group. For the Company, this can lead to an intensification of competition in its target market. If the Company has to compete with one or more competitors for a specific target, this may result in the Group having to pay a higher purchase price in order to win the asset which may turn out to have been way too high. The Group may not be able to identify suitable acquisition or investment candidates for purchase at reasonable prices. A lack of attractive investment opportunities may also result in the Group not being able to further diversify its risks by increasing the number of exploration assets.

***The Group is relying on its dedicated team of financial and mining experts.***

The success of the Group depends on a limited number of key persons of its management team, including Dr Heinz Rudolf Kubli, Lester Kemp, Roger Hermann and Simon Griffiths. Together, the Group believes they form an effective and complementary team of financial and industry experts. The withdrawal of any of these persons from the Group could have a negative impact on the Group's business development capabilities and its ability to develop its existing exploration assets.

***Members of the Board of Directors may be subject to conflicts of interest***

Dr Heinz Kubli is a member of the Board of Directors (*Verwaltungsrat*) of the Company and of the board of directors (*Verwaltungsrat*) of Opus Capital Switzerland AG being an advisor to the Group. Due to this constellation, conflicts of interest may arise for Dr Kubli between his obligations as a member of the board at Opus Capital Switzerland AG and his position as a member of the Company's Board of Directors in the context of appointments of Opus Capital Switzerland AG or any of its affiliates as a service provider to the Company or other member of the Group. Such conflicts of interest may arise in relation to both the selection of the corporate finance adviser or service provider (i.e., the Group may appoint Opus Capital Switzerland AG or any of its affiliates without soliciting offers of other potential service providers and without regard to Opus Capital Switzerland AG or any of its affiliates being the best qualified provider) as such as well as the terms of appointment (i.e., fees and other costs charged to the Group).

***The Group may be negatively affected by the current COVID-19 pandemic***

The current COVID-19 pandemic has resulted in material travel restrictions worldwide and, in particular, in Australia, where all exploration assets of the Group are located. Such travel restrictions may negatively affect the ability and the speed of further exploration activities by the Group and may increase the cost of such activities.

Central bank and government actions and support measures taken in response to the COVID-19 outbreak may create restrictions in relation to capital. These may limit management's flexibility in managing the business and taking action in relation to capital distribution and capital allocation of the Group. The COVID-19 outbreak has resulted in very significant movement in economic and market drivers. These factors can significantly impact the performance of financial models, including IFRS and capital models. By their nature, such models require a significant degree of management judgement and assumptions to be applied, and there is a risk that future actual results/performance may differ from such judgements and assumptions. The performance and usage of models could be impacted significantly by the consequences of further COVID-19 outbreaks. It is possible that capital, IFRS models, valuation models and financial reporting models, may be impacted by further COVID-19 outbreaks, and will need to be recalibrated or in some cases may need to be replaced with the development of new models. The effectiveness of these will depend in large part on the depth and length of the economic downturn of the economies of the major markets in which the Group operates. A prolonged period of significantly reduced economic activity as a result of the impact of further outbreaks could have a material adverse effect on the Company's financial condition, results of operations, prospects, liquidity and capital position.

**b) Risks associated with the operative business of the Group**

***Risks related to the Group's dependency on revenues from its royalty agreement***

The Group's existing exploration assets, the Moolyella project and the Kingston-Keith project, are expected to take until 2027 and 2028 before they can be turned into producing mines, provided exploration efforts show the envisaged results. Until such a stage, even in case of successful exploration such assets will require investment but will not generate revenues. The Group does not expect the Cape Lambert magnetite project to become operational and thus to generate royalty income for the Group short term. Until then, no asset of the Group is expected to generate revenues. Thereafter, the Group

plans to utilize royalties generated by the Cape Lambert project to fund the exploration work to be performed on its exploration assets, the Moolyella project and the Kingston-Keith project.

However, it is unclear whether royalties will be paid at all or in substantial form or in the envisaged timeframe. The royalty held by the Group only entitles it to participate in proceeds which the holder of certain licenses in this project will generate. It is up to the respective mining companies as to when/if they develop the mining license which would lead to a production of minerals on the tenement. The Group has no influence on this and there is no contractual obligation to the Group to do so at all or within certain timeframes. Only if minerals are produced the Group will receive royalties.

Currently, MCC Australia Sanjin Mining Pty. Ltd ("**MCC**") holds a retention license (i.e. license at an intermediate licensing stage between exploration license and mining license that allows the holder to retain but not to develop a mining project, e.g. because of pending commercial feasibility or the development of required transportation infrastructure) which ends on 21 March 2022. There is a risk that MCC will neither renew the retention license nor apply for a mining lease and no other mining company will take over as registered holder of any license for the Cape Lambert magnetite project. In such a case, the Group may not only face a total loss of its investment in the royalty agreement but also lose a material funding source for planned exploration work. This would lead to a lack of revenues for the Group and might even result in its insolvency.

In addition, the Group may lose a significant part of its planned revenues also if the Cape Lambert magnetite project becomes operational, but the royalty agreement ends or the respective contractual partner is no longer able to pay the agreed royalties, e.g. due to an insolvency.

***The Group may fail to complete the pending acquisition of Latitude 66 Cobalt Oy***

On 26/27 August 2021, SunMirror Luxembourg S.A. entered into a share purchase agreement with Latitude 66 Cobalt Limited, Australia, on the acquisition of 100% of the shares in Latitude 66 Cobalt Oy ("**Lat 66**"). The share purchase agreement is, amongst others, subject to the condition precedent that the Company has successfully raised EUR 70,000,000 in additional capital. If the conditions precedent are not fulfilled on or before 30 November 2021, either party may rescind the share purchase agreement. In case the Company fails to raise the required capital in due course, it may not be able to consummate the transaction and, in addition to frustrated transaction and capital raising costs, forfeit the non-refundable exclusivity deposit payment of USD 2,970,914 (original amount EUR 2,500,000) and also its claim for repayment of the loan of EUR 1,300,000 granted by SunMirror Luxembourg S.A. as part of the transaction.

***Risks related to possible misestimations of mineral reserves***

The value of exploration assets significantly depends on the mineral reserves which might be found within its area. The Group did not carry out any exploration activities itself, however, based on the compilation of past exploration data, the Group expects its exploration projects to be prospective with potential for the discovery of mineral reserves. In principle, a high degree of uncertainty is associated with any assessment of mineral reserves, in particular in such an early stage of exploration. It must be noted that all figures mentioned in this Prospectus on the scope and valuation of mineral reserves, including figures and valuations included in competent person reports, are based on estimates and partially on data which predates several years. Those estimates are affected by numerous factors, including not

only the amount of minerals available but also other uncertainties, like the time actually needed for exploration, the resulting costs, and when and in what amount the necessary financing will be obtainable. Since the existence of reserves is difficult to determine as a result of natural processes that normally occur at great depths and because these cannot be easily predicted by geophysicists, exploration sites may prove to yield only insufficient volumes or economically insufficient reserves for other reasons. In particular, any (inferred) reserves determined in any existing or future competent person report may prove to be too high.

Accordingly, the anticipated potential of mineral reserves which can be extracted at economic costs may be much smaller than expected in any competent person's report, the Group or holders of Shares. Should it be revealed that a potential mineral reserve has been wrongly estimated and that the valuation is inaccurate, this can have an adverse effect on that exploration asset and the liquidity and earnings situation of the Group. This applies both to the current phase of exploration and if the Group, as intended, enters the mining and production sector itself at a later date.

***Risks related to the Group completing exploration successfully***

The Group is currently still in the exploration phase with respect to its mining projects. The exploration of further ore bodies and geological targets could take a considerable amount of time, and it could take a considerable amount of time until the respective project is profitable for the Group. In the mineral exploration business, significantly less than 1% of prospective mines eventually reach production. Typically, it takes 7 to 10 years from the discovery of mineral deposits to the start of mining activities. The success of the Group depends on it being able to develop its assets from exploration to mining stage and by this to increase their market value, produce minerals profitably or to provide profitable mining licenses to third parties and also on finding and developing further mineral reserves on the exploration ground it has already acquired and on future geological targets. It is possible that the projects of the Group never reach production or that the Group discovers after long exploration efforts that a particular project is not profitable at all. Furthermore, there is a significant risk for a delay in any timeline or of complete termination of a project. All such risks may result in a loss of all or part of the relevant investment.

***The Group may not be able to obtain funding at all or on favorable terms.***

The Group does not expect the Cape Lambert magnetite project to become operational and thus generate royalty income for the Group short term, if at all. Until then, no asset of the Group is expected to generate revenues. The Group's existing exploration assets, the Moolyella project and the Kingston-Keith project, are expected to take until 2027 and 2028 before they can be turned into producing mines, provided exploration efforts show the envisaged results. Until such stage, even in case of successful exploration such assets will require investment but will not generate revenues. For such term, the Group will be dependent on equity and equity-linked funding, such as by means of convertible notes, to finance its administration and exploration activities. Any funding need may increase in case of delays with exploration efforts or higher than expected costs. If the Group does not succeed to obtain additional funding at all or at reasonable terms, if required, the Group may be forced to sell assets, potentially also in distress, or even to file for insolvency.

Further, any acquisition by the Group of additional exploration assets or companies holding exploration assets will require the Group to obtain sufficient additional funding from its shareholders by means of

share capital increases and/or the issue of convertible or other debt instruments.

***Risks resulting from regional conditions***

The activity in Western Australia in general, and the expansion of the technical and structural conditions necessary for the exploration of mineral resources there are subject to significant difficulties as a result of the regional conditions (weather, transport possibilities and means, environmental influences, availability of technical resources, personnel and material) and other circumstances. This can cause investments in such activities to prove to be worthless and/or to be much more cost-intensive than planned, leading to losses and/or significant delays or even in the termination of an exploration process.

***Existing and possible future requirements for exploration and mining activities due to high environmental standards in Australia could have an adverse negative effect on the Group.***

Considering that Australia requires high environmental standards in its legislation, it cannot be ruled out that Australia will place certain areas under special protection in the future. This could also include the areas in which the Group operates or has an economic interest in. Further conditions and approval requirements for an exploration activity would impede and/or limit the Group and/or unexpectedly increase costs. The responsible authority from time to time reviews the environmental bonds that are placed on mining and exploration licenses. It cannot be stated with certainty that such a review could not produce a negative assessment, with the result that the bond amount could be increased or that certain restrictive conditions be placed on the exploration and mining activities. This could have a material adverse effect on the Group's business and may remove the basis for its activities or potential income in relation to a specific project or overall.

***Quality and availability of services of contractors and employees***

The Group currently has four employees (two of them, Lester Kemp and Simon Griffiths, have extensive experience in running mining related companies) and otherwise relies on service providers. The Group has no own financial department or operational personnel. This leads to the success of the business activity of the Group being largely dependent on services assigned to third parties. For exploration of potential raw material fields, the Group uses the services of geologists, geophysicists and engineers. It is not certain that they will render their work and services on time and with the necessary diligence. Such providers may terminate at a time when a replacement is unavailable or only available at economically unacceptable conditions. In addition, there is a risk that necessary services and contractors cannot be found at all or not at reasonable terms. This can lead to delays and price increases for the exploration of certain potential raw material fields or projects and, depending on the circumstances, foreseen activities could even be discontinued in whole or in part without possibilities for recourse. Should service providers or contractors involved by the Group cause damages to third parties, the Group may be made liable, without possibilities for recourse, even though it cannot or only restrictedly supervise or control its service providers and contractors.

There is a particular need for geologists and mining experts. Attracting qualified employees is particularly problematic given that the Group competes with a number of other exploration and mining companies in Western Australia, many of which are more established and/or have greater financial resources. At the same time, Western Australia is a thinly populated region with a limited labor force potential.

### ***Native title and Aboriginal heritage***

In relation to the Group's current exploration licenses or in relation to exploration licenses it might acquire in the future in Australia, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights will exist in relation to exploration licenses acquired in the future, the ability of the Group to gain access to exploration fields, or, in a later stage of business development, to progress from the exploration phase to the development and mining phases of operations may be subject to consents from Aboriginal Australians (such as consent of any relevant landowner) or permits required pursuant to the Aboriginal Heritage Act 1972 (or other relevant legislation). This may delay exploration work, result in additional costs or otherwise adversely affect envisaged exploration or later development work.

### ***Environmental risks***

The operations and proposed activities of the Group are subject to local, state and federal laws and regulations concerning the environment. As with most exploration projects, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or, in a later stage, mine development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. The occurrence of any safety or environmental incident could delay exploration or increase exploration costs. Events, such as unpredictable rainfall or bushfires may impact the Group's ongoing compliance with environmental legislation, regulations and licenses. Significant liabilities could be imposed on the Group for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. There is a risk that environmental laws and regulations become more onerous making the Group's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs.

## **2. Market related Risk Factors**

### **a) Risks associated with the market for exploration companies**

#### ***Volatile commodity prices may negatively affect the value of the Group's assets.***

The development of commodity markets in the past has shown that in general they can be very volatile. It is currently unpredictable for how long and for which commodities sufficient demand prevails. A significant decline in demand and/or a substitution for one or several raw materials could have a significant negative impact on the Group. Unfavorable developments on the gold market and markets for other technology minerals like Cobalt, Copper, Lithium, Nickel and Rare Earths, production problems, natural disasters or other reasons could result in the exploration assets of the Group to decrease in value. The industry for technological minerals is pro-cyclical with demand for products closely linked to economic development like lithium-ion batteries, LEDs or smartphone components. This may result in material volatility in the market prices for technology minerals in periods of macroeconomic uncertainty or recession, such as in the current still pending COVID-19 pandemic. This may negatively affect the value of assets held by the Group.

**b) Other market related risks**

***The Group is subject to exchange rate risks.***

A foreign currency risk arises in relation to operating activities where expenses are denominated in currencies other than the respective functional currency of the relevant member of the Group. The main field of activity of the Group is located in the currency zone of the Australian Dollar and most of the minerals which the Group plans to mine are largely traded in Australian Dollars and US Dollars on the respective commodity markets. Potential royalties which are expected to be received would be in Australian Dollars as well. Changes in exchange rates between Australian Dollar and US Dollars or Euros could thus cause losses and/or additional costs for the Group in order to hedge against currency risks.

In addition, the Group is subject to (non-cash) currency translation risks in respect of its assets and liabilities held in a currency other than US Dollar, which is the currency in which the Group presents its consolidated financial statements. The companies included in the Financial Statements prepare their separate annual financial statements in their respective functional currencies. AUD is the functional currency of the entity's subsidiaries in Australia (Lithium 1) and Singapore (Pharlap), while EUR is the functional currency of SunMirror Luxembourg and also the primary currency in which the Group's debt is denominated. CHF is the functional currency of the Company. Assets and liabilities for each balance sheet presented are translated from the relevant functional currency into US Dollar at the closing rate at the balance sheet date. Income and expenses for each statement presenting profit or loss and other comprehensive income are translated from the relevant functional currency into US Dollar at the exchange rate at the relevant transaction dates, whereby the Group uses average rates as approximates to the exchange rates at the actual transaction dates. Consequently, the value of any asset or liability included in the Group's consolidated financial statements as presented in US Dollar fluctuates dependent on the change to the exchange rate of the relevant underlying functional currency to the US Dollar and any such exchange rate fluctuation may result in a loss to the Group.

**3. Risk Factors relating to the Shares**

***Investment in the Shares may result in a total loss of investment.***

An investment in the Shares entails an equity risk. In the event of the Company's insolvency, shareholders may lose part or all of their invested capital. In particular, the creditors hold priority claims which would be paid off first and only after these claims are settled in full, shareholders would have any entitlement to payments.

***The market price of the Shares may be volatile and there is no certainty that a liquid market in the Shares will develop.***

In the past, prices of the Shares have been subject to considerable fluctuations driven by market sentiment and commodity price fluctuations. The trading price of the Shares could be subject to higher than-normal volatility, for example as a result of variations in the exploration performance, identification of acquisition targets, failure to meet expectations of securities analysts, changes in general economic conditions or other factors.

Low trading volumes can trigger significant price movements and therefore lead to a sharp rise or decline in the trading price of the Shares triggered even by small sized orders. There is no certainty that active

and liquid trading will develop in the Shares or, if active trading exists, that it will continue. Investors may not be able to sell their Shares rapidly or at attractive price if there is no active and liquid trading of the Shares.

Further, the 325,000 Locked Shares will have a separate ISIN until 1 February 2022. Only thereafter, they will trade together with and have the same ISIN as the Shares. Expiry of the Lock-Up Obligations on 1 February 2022 may result in future sales of Shares which negatively affect the market price for the Shares.

***An exercise of the Board of Directors of the existing authorized capital and conditional capital may result in a substantial dilution of existing shareholders.***

The Company's general meeting resolved on authorized capital of total CHF 1,000,000 and a conditional capital of total CHF 1,000,000, both with entitlement of the Board of Directors to exclude subscription rights of existing shareholders. Such authorized capital and conditional capital in total amount to 100% of the Company's existing share capital. Thus, any exercise of authorized and/or conditional capital with the exclusion of subscription rights will result in a substantial dilution of a shareholder's relative share in the Company and, in addition, may result in a material monetary dilution in case the issue price is below the market price. On the other hand, in case existing shareholders receive shares, their position as a shareholder may be materially increased.

On 7 January 2021, the Board of Directors resolved to exercise the entire authorized capital and to increase the share capital by CHF 1,000,000 to CHF 3,000,000 by means of issuing 1,000,000 new shares at an issue price of EUR 70 per share. The Board of Directors also resolved to exclude subscription rights of shareholders based on the authorization to so do in relation to financing of the Company. SunMirror AG intended to offer such new shares to selected institutional and strategic investors for subscription in a private placement. The Company planned to use the funds from the capital increase for an acquisition, which though did not materialize at that stage. Thus, such share capital increase is still pending and not effective. If shares are issued based on authorized capital or instruments convertible into shares to be created from contingent capital are issued at such valuation without subscription rights of existing shareholders, any commercial dilution of existing shareholders may be particularly substantial.

***The market price of the Shares is likely to be highly dependent on the price of the mineral resources relevant to the Group and an investment is thus of a speculative nature.***

The market price of the Shares is likely to be highly dependent on the price of the mineral resources and commodities that the Group intends to explore. The Group believes that the market price of junior mining exploration companies like the Company is highly dependent on the market sentiment towards the mineral resources relevant for the Group, since junior mining exploration companies do not generate cash flows during their exploration and development phases. Therefore, any investment in Shares is of a speculative nature and shall be considered only by persons being able to sustain a total loss of their investment in the Shares.

***The Company will not distribute a dividend in the foreseeable future***

All assets of the Group are in an exploration phase and do not produce any revenue for the time being. The Group plans to continue exploration based on its two exploration licenses for the next years funded

by financial means already available to the Group. Further, the Group does not expect that production at the Cape Lambert mine will start short term and thus the Group will not start to receive royalties short term, if at all. Royalties from the Cape Lambert project, if any, are then forecasted to finance further development of the sites covered by the Group's exploration licenses. The Company will thus most likely not be able to distribute a dividend and does not plan to distribute a dividend in the foreseeable future.

***Major shareholders may enforce their interests to the detriment of other shareholders.***

The interest of the Company's major shareholders may conflict with the interest of the other shareholders, and they might enforce their interest to the detriment of the interest of the other shareholders or the Group. Decisions in a Swiss stock corporation general meeting require in most cases (unless otherwise provided by law or the articles of association) the simple majority of the voting rights represented or, for more important decisions, a qualified majority of two-thirds of the voting rights represented and the simple majority of the nominal value of shares represented. The Company's current three major shareholders hold together approx. 48% of all Shares. If all or some of them act in concert, this may give them the voting power to determine resolutions of the general meeting and/or to have a veto position allowing them to block resolutions of the general meeting.

***The sale, or perceived sale, of shares by the existing shareholders could adversely affect the market price of the Company's shares.***

A sale of all or a substantial number of the Shares by the existing shareholders may increase the volume of Shares offered on an exchange on which the Shares are listed and thus result in a material pressure on the market price for the Shares when offer materially exceeds demand for the Shares. In particular, on expiry of the current lock-up arrangements in 1 February 2022 a material number of Shares may be offered for sale. In case such risk materializes, the market price for the Shares will deteriorate and investors may not be able to sell Shares at previous levels or at all.

***Any future equity offerings or offerings of instruments convertible into equity or any merger with another entity may dilute investors' shareholdings in the Company.***

The Company may in the future seek to raise capital through public or private debt or equity financings by issuing additional ordinary shares or other shares, debt or equity securities convertible into shares or rights to acquire these securities or may potentially seek to merge with another entity and exclude preemptive rights pertaining to the then outstanding shares. Any additional capital raised through the issue of additional shares may dilute an investor's shareholding interest in the Company if the investor does not exercise, or is excluded from exercising, subscription rights. Any additional offering of shares or of instruments giving similar commercial rights by the Company, or the public perception that an offering may occur, could also have a negative impact on the trading price of the Shares or increase the volatility in the trading price of the Shares.

### III. GENERAL INFORMATION

#### 1. Responsibility Statement

SunMirror AG with its registered office at Steinhauserstrasse 74, 6300 Zug, Switzerland is responsible for the content of this Prospectus. SunMirror AG declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

Where a claim relating to the information contained in this prospectus is brought before a court, the plaintiff investor might, under the national law of the Member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

#### 2. Forward-looking Statements

This Prospectus includes forward-looking statements. Forward-looking statements are all those statements which are not based on historical or current facts and events. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions. That includes statements in the *Section II Risk Factors* and *Section VII Business Overview* and any information in the Prospectus regarding future financial earning capacity, plans and expectations in relation to SunMirror AG's business, growth and profitability and the economic conditions which SunMirror AG is subject to. Forward-looking statements are based on a current assessment which is made to the best of the Company's knowledge. Such forward-looking statements are based on assumptions and influencing factors and are therefore subject to risks and uncertainties.

The forward-looking statements are based on current plans, estimates, forecasts and expectations of SunMirror AG and also on certain assumptions which, although reasonable at the current time in the opinion of the Company, may subsequently prove to be false. Countless factors that are explicitly or implicitly assumed in the forward-looking statements could result in the Company's actual development or its profit or performance deviating significantly from the development, profits or performance. These factors include, amongst others:

- changes to the general economic, commercial or legal conditions,
- political or regulatory changes,
- changes in the competitive environment of the Company,
- other factors, which are explained in greater detail in the *Section II Risk Factors*; and
- factors which are not known to the Company at the current time.

If risks or uncertainties arise in one or more instances as a result of these factors or if the underlying assumptions made by the Company prove to be false, it cannot be ruled out that the actual results may differ significantly from those which are assumed, believed, estimated or expected in this Prospectus. As a result, the Company could be inhibited in achieving its financial and strategic goals.

Beyond its statutory obligations, the Company does not intend to update forward-looking statements and/or to adapt them in light of future events or developments. Pursuant to Art. 23 Regulation (EU) 2017/1129 ("**Prospectus Regulation**"), the Company is obliged to produce and publish a supplement to the Prospectus in case of a significant new factor, a material mistake or a material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the securities and which arises or is noted between the time when the Prospectus is approved and the time when trading on a regulated market begins.

### **3. Statutory Auditor and Experts**

The Company's consolidated financial statements for the (short) financial year ended 30 June 2020 in accordance with IFRS ("**Financial Statements 2020**") and for the financial year ended 31 December 2019 ("**Financial Statements 2019**") were each audited by Grant Thornton AG, Claridenstrasse 35, 8002 Zürich, Switzerland ("**Grant Thornton**") and each given an unqualified auditor's report. Grant Thornton is recognized by the Swiss Federal Audit Oversight Authority (FAOA) member of EXPERT-Suisse.

The audited consolidated annual financial statements of SunMirror Luxembourg S.A. for the financial year ended 30 June 2020 in accordance with IFRS ("**Lux Consolidated Financial Statements 2020**") were audited by Grant Thornton Audit & Assurance Société anonyme, 13, rue de Bitburg, L-1273 Luxembourg ("**Grant Thornton Lux**") and given an unqualified auditor's report. Grant Thornton Lux is recognized by the Commission de Surveillance du Secteur Financier.

The Company's consolidated financial statements for the financial year ended 30 June 2021 in accordance with IFRS ("**Consolidated Financial Statements 2021**") were audited by Deloitte AG, Pfingstweidstrasse 11, 8011 Zürich, Switzerland ("**Deloitte**") who expressed an unqualified audit opinion and also noted that the internal control system is not in accordance with Swiss law and accordingly Deloitte was unable to confirm the existence of the internal control system for the preparation of the financial statements. Deloitte is recognized by the Swiss Federal Audit Oversight Authority (FAOA) member of EXPERT-Suisse. The Consolidated Financial Statements 2021 together with the Consolidated Financial Statements 2020, the Financial Statements 2019, the Lux Financial Statements 2020 and the Lux Financial Statements 2019 are defined as the "**Financial Statements**".

At the request of the Group, the Moolyella project, the Cape Lambert project and the Kingston-Keith project were evaluated. The results of these evaluations have been incorporated by reference in this Prospectus with the consent of the respective expert, see *Section XVII Incorporation by Reference*.

The Moolyella project was evaluated by Sandy M. Archibald, P. Geo., consulting geologist at Aurum Exploration Services (Canada) Limited, Durham Corporate Centre, 105 Consumers Drive, Whitby, Ontario, Canada pursuant to a National Instrument 43-101 Technical Report on the Moolyella Lithium Property, Western Austria, dated 16 June 2021 (the "**Moolyella Competent Person Report**"). He graduated with a B.Sc. (Hons) degree in Geology from University of Glasgow in 1992, was awarded an M.Sc. degree in Geology from Memorial University of Newfoundland in 1995, and a Ph.D. in Economic Geology from McGill University, Montreal, Canada in 2002. He is a member of the European Federation of

Geologists (Title No. 873), a Professional Geologist (Title No. 193) associated with the Institute of Geologists of Ireland, and a Professional Geologist (Title No. 2860) associated with Professional Geoscientists Ontario. Sandy M. Archibald is also a Fellow of the Society of Economic Geologists, and a Member of the Society for Geology Applied to Mineral Deposits. By reason of his education, affiliation with a professional association and past relevant work experience, he fulfils the requirements to be a "Qualified Person" for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Neither Sandy M. Archibald nor Aurum Exploration Services (Canada) Limited have a material interest in the Company. In addition, an evaluation letter in relation to the Moolyella Project was issued by Baker Khudeira, who is a geology consultant at Ashgill Australia Pty. Ltd with its business address PO Box 700 Brentford Square VIC 3131 Australia. Neither Mr. Khudeira nor Ashgill Australia Pty. Ltd have a material interest in the Company.

The Kingston-Keith project was evaluated by Baker Khudeira and Arnel Mendoza, who are Geology Consultants at Ashgill Australia Pty. Ltd with its business address PO Box 700 Brentford Square VIC 3131 Australia, pursuant to the Independent Geologist Report on the Kingston-Keith Gold Project, Western Australia, compiled by Geonomik Pty. Ltd and revised by Ashgill Australia Pty. Ltd dated 17 May 2021 (the "**Kingston-Keith Competent Person Report**"). Mr. Khudeira is a Member of the Australian Institute of Geoscientists (AusIMM) and has sufficient experience of relevance to the styles of mineralization and the types of deposits under consideration, and to the activities undertaken, to qualify as a "Competent Person" as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("**JORC Code**"). Mr. Mendoza, Principal Geologist BSc, Grad Dip (Geology), MAIG. Arnel Mendoza has over 25 years of experience in minerals geology, including senior management, consulting, exploration, resource estimation and development. He is a member of the Australian Institute of Geoscientists (AIG Member No 4037) and thus holds the relevant qualifications and professional associations and membership required by the ASX, JORC and Valmin to qualify as a "Competent Person" as defined in the JORC Code. Neither Mr. Khudeira nor Mr. Mendoza nor Ashgill Australia Pty. Ltd have a material interest in the Company.

The Cape Lambert project was evaluated by Mr. Allen J. Maynard, who is a Geologist at AL MAYNARD & ASSOCIATES Pty Ltd with its business address 2A Marian Street, Leederville, WA, 6007 Australia, pursuant to the Independent Geologist Report of the Cape Lambert Iron Project Assets held by Pharlap Holdings dated 3 May 2021 (the "**Cape Lambert Competent Person's Report**"). Mr. Maynard is a geologist with over 40 continuous years in the industry and 35 years in mineral asset valuation. Mr. Maynard holds the appropriate qualifications, experience and independence to qualify as an independent Expert under the definitions of the JORC Code. Neither Allen J. Maynard nor AL MAYNARD & ASSOCIATES Pty Ltd have a material interest in the Company.

#### **4. Presentation of certain Financial Information and of Currency Data**

The financial data contained in this Prospectus are mainly taken from the Company's audited consolidated financial statements as of and for the periods ended 30 June 2021, 30 June 2020, 31 December 2019 and 31 December 2018 in accordance with the International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board (IASB).

This Prospectus contains currency information in Euros, U.S. Dollars, Australian Dollars and Swiss Francs. Currency information in Euros is identified with the abbreviation "EUR" before the amount. Currency information in U.S. Dollars is identified with the abbreviation "USD" before the amount. Currency information in Australian Dollars is identified with the abbreviation "AUD" before the amount. Currency information in Swiss Franc is identified with the abbreviation "CHF" before the amount. Currency information in British Pound is identified with the abbreviation "GBP" before the amount. Individual figures in this Prospectus (including percentages) have been rounded in accordance with standard commercial practice. In tables, such figures which are rounded in accordance with standard commercial practice may in some circumstances not add up exactly to the relevant total amounts also specified in the tables.

## 5. Documents available

For the duration of validity of this Prospectus, the up-to-date articles of association of the Company ("**Articles of Association**") may be inspected on the website of the Company at [www.sunmirror.com](http://www.sunmirror.com):

This Prospectus, including all documents incorporated into this Prospectus by reference, will remain publicly available in electronic form on the website of the Company at [www.sunmirror.com](http://www.sunmirror.com) for at least 10 years after its publication. This encompasses the following documents:

- (i) this Prospectus;
- (ii) the Consolidated Financial Statements 2021;
- (iii) the Financial Statements 2020;
- (iv) the Financial Statements 2019;
- (v) the Lux Consolidated Financial Statements 2020;
- (vi) the Moolyella Competent Person's Report, the Kingston-Keith Competent Person's Report and the Cape Lambert Competent Person's Report, and
- (vii) the Field Assessment Report on E45/5573 Moolyella Lithium Property, Western Australia dated 24 August 2021 by Geonomik Pty Ltd.

The Consolidated Financial Statements 2021, the Financial Statements 2020 and the Lux Consolidated Financial Statements 2020 together are referred to as the "**Financial Statements**".

## 6. Statements regarding the Prospectus

This Prospectus has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "**FMA**") in its capacity as competent authority under the Prospectus Regulation. The accuracy of the information contained in this Prospectus does not fall within the scope of examination by the FMA. The FMA examines and approves this Prospectus only in respect of its completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company and the quality of the Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.

## 7. Sources of Information

Information in this Prospectus which is derived from third party studies on the market environment, market developments, growth rates, market trends and competitive situation has not been verified by

SunMirror AG. The Company has accurately reproduced any such third-party information and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Moreover, information on market environment, market developments, growth rates, market trends and the competitive situation in the segments in which SunMirror AG is active is based on estimates by the Company. Any information derived as a result does not come from impartial sources and could therefore deviate from assessments by competitors of SunMirror AG or future inquiries by independent sources.

Technical terms used in this Prospectus are explained in a glossary at the end of this Prospectus.

In preparing this Prospectus, reference has been made to the sources mentioned in the text or in the footnotes. These sources do not form part of the Prospectus. Information on any website referenced in this Prospectus does not form part of the Prospectus and has not been scrutinized or approved by the competent authority. Furthermore, statistical and other data provided in this Prospectus have been extracted from reports and other documents, available as of the date hereof:

- Bellevue Gold Limited, Bellevue Gold Project; retrievable under: <https://www.bellevuegold.com.au/bellevue-gold-project>
- Cape Lambert Iron Ore Limited, ASX Release [January 2008]; retrievable under: <https://cyclonemetals.com/wp-content/uploads/2020/10/00806832.pdf>
- Department of Primary Industries and Regional Development; retrievable under: <http://www.drd.wa.gov.au/regions/Pages/Pilbara.aspx>
- Finnish Safety and Chemicals Agency (Tukes), Mining activity; retrievable under: <https://tukes.fi/en/mining>
- Gold Fields Australia Group, Agnew Gold Mine; retrievable under: <https://careers.goldfields.com.au/australian-locations/agnew/>
- Investopedia, How the Iron Ore Market Works [January 2020]; retrievable under: <https://www.investopedia.com/articles/investing/030215/how-iron-ore-market-works-supply-market-share.asp>
- K. Evans (2014): Lithium, in: G. Gunn (Ed.): Critical Metals Handbook, John Wiley & Sons, pp. 230–260
- Kamienski, Conrad W.; McDonald, Daniel P.; Stark, Marshall W.; Papcun, John R. (2004). "Lithium and Lithium compounds", in: Kirk-Othmer Encyclopedia of Chemical Technology, John Wiley & Sons
- Krebs, Robert E. (2006). The History and Use of Our Earth's Chemical Elements: A Reference Guide. Westport, Conn.: Greenwood Press, retrievable under: <https://en.wikipedia.org/wiki/Lithium>
- Mineralogy Pty Ltd, Austeel Mill Project; retrievable under: <https://mineralogy.com.au/projects/austeel/>
- Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 33 [June 2021]; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>

- Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 35 [June 2021]; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>
- Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 92 – 93 [June 2021]; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>
- Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 93 [June 2021]; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>
- Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 94 [June 2021]; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>
- Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 140 [June 2021]; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>
- Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 140 – 141 [June 2021]; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>
- Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 141 [June 2021]; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>
- Pilbara Minerals, Pilgangoora Operation; retrievable under: <http://www.pilbaraminerals.com.au/site/our-business/pilgangoora-lithium-tantalum-project>
- Ramelius Resources Ltd; retrievable under: <https://www.rameliusresources.com.au/>
- The Business Research Company, Iron Ore Market [August 2020]; retrievable under: <https://www.thebusinessresearchcompany.com/report/iron-ore-market>
- United States Geological Survey, Gold [January 2021]; retrievable under <https://pubs.usgs.gov/periodicals/mcs2021/mcs2021-gold.pdf>
- United States Geological Survey, Iron Ore [January 2020]; retrievable under <https://pubs.usgs.gov/periodicals/mcs2020/mcs2020-iron-ore.pdf>
- United States Geological Survey, Iron Ore [June 2021]; retrievable under <https://prd-wret.s3.us-west-2.amazonaws.com/assets/palladium/production/atoms/files/mis-202106-feore.pdf>
- United States Geological Survey, Lithium [January 2021], retrievable under <https://pubs.usgs.gov/periodicals/mcs2021/mcs2021-lithium.pdf>
- Wiener Börse AG; retrievable under: <https://wienerborse.at>
- Wiluna Mining Corporation; retrievable under: <https://wilunamining.com.au/>

The Company confirms that such information has been accurately reproduced and, as far as it is aware and is able to ascertain from the sources of such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### IV. APPLICATION TO ADMISSION TO TRADING

##### 1. No Offer

The Shares have not been and are not being offered to the public within the meaning of a public offer requiring a prospectus (*prospektpflichtiges Angebot*) pursuant to the Prospectus Regulation, and no offering of the Shares was or is subject to the obligation to publish a prospectus under the Prospectus Regulation. No action has been taken by the Company to permit an offer of Shares to the public subject to a prospectus within the meaning of the Prospectus Regulation. Consequently, there is no selling shareholder.

##### 2. Application to Admission to Trading

The 2,000,000 par value bearer shares of SunMirror AG, each with a nominal amount of CHF 1 and carrying full dividend rights as from 1 July 2020, have been created under Swiss law. Any shares created under the authorized capital (*genehmigtes Kapital*) or contingent capital (*bedingtes Kapital*), if any, will also be par value bearer shares with a nominal amount of CHF 1 each and be created under Swiss law.

At the date of this Prospectus, all 2,000,000 Shares are listed on the unofficial market segment (*Freivkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*) and on the Vienna MTF (market segment direct market) of Vienna Stock Exchange (*Wiener Börse*).

The Company has filed an application for the admission of the existing 2,000,000 Shares to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) in the Standard Market Continuous segment. Thereof, 325,000 Shares are subject to a lock-up arrangement (see below – *Lock-up agreements*) and application for admission to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) for such Shares will be made conditional on expiry of such lock-up arrangement on 1 February 2022.

Whether such application is approved will be in the discretion of the Vienna Stock Exchange (*Wiener Börse*) in accordance with the provisions of the Austrian Stock Exchange Act (*Börsegesetz*). The period of review by the Vienna Stock Exchange (*Wiener Börse*) is in their discretion in accordance with the provisions of the Austrian Stock Exchange Act (*Börsegesetz*). In case the Vienna Stock Exchange (*Wiener Börse*) approves admission of the Shares to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*), it will also decide on the date of commencement of trading of the Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*). In case of admission to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*), admission of the Shares to trading on the Vienna MTF (market segment direct market) of Vienna Stock Exchange (*Wiener Börse*) will end concurrently. The Company expects that admission to trading will be approved and trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) to commence in the course of November 2021.

Wiener Privatbank SE, Parkring 12, 1010 Vienna, Austria, company register number FN 84890p, LEI 529900VYY1MRNR59PN57, acts as listing agent (“**Listing Agent**”). Baader Bank Aktiengesellschaft, Weihestephaner Str. 4, 85716 Unterschleißheim, Germany, company register number HRB

121537Amtsgericht München, LEI 529900JFOPPEDUR61H13, has given a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates as a "market maker".

There will be no stabilization in the context of the application to admission trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) and no over-allotment or green shoe applies in such context. There will be no subscription or private placement of shares of the Company in the context of the application to admission of the Shares to trading on Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*).

### **3. Interests of natural and legal persons involved**

The Listing Agent has an interest in the admission to trading as it receives a fee for its services. Further interests of natural and legal persons involved are not known. There are no conflicts of interest that are material to the proposed application for admission to trading.

### **4. Reasons for the Application to Admission to Trading**

The Company intends to file an application to have all Shares admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) to improve liquidity in the market for the Shares. Also, several investors who have expressed an interest to invest in the Company have made any investment dependent on the Shares being admitted to trading on a regulated market pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended (Markets in Financial Instruments Directive II – "MiFID II").

### **5. Use of Proceeds**

There will be no proceeds to the Company as there is no issue of new shares.

### **6. ISIN/WKN/Ticker Symbol, Paying Agent**

International Securities Identification Number (ISIN):	CH0396131929
Securities Code (WKN):	A2JCKK
Ticker Symbols:	ROR (Düsseldorf Stock Exchange) ROR1 (Vienna Stock Exchange)

flatexDEGIRO Bank AG, Rotfeder-Ring 7, 60327 Frankfurt am Main, Germany, (LEI: 529900IRBZTADXJB6757) acts as paying agent (*Zahlstelle*) of the Company.

### **7. Share Certificates**

Each Share is a bearer share of and represents a nominal value of CHF 1.00 per share and with full dividend rights as from 1 July 2020. Each Share grants one vote at the general meeting. The Shares participate in any liquidation surplus in proportion to their arithmetical proportion of the share capital. There are no restrictions on the free transferability of the Shares under the Articles of Association. The Shares were created in accordance with the provisions of Swiss Code of Obligations.

The form of the share certificates is determined by the board of directors (*Verwaltungsrat*) of the Company ("**Board of Directors**"). A certificate (global certificate) may be issued for several shares of a

shareholder. Only global certificates will be issued for all shares of the Company. In accordance with the Articles of Association of the Company, shareholders are not entitled to individual or multiple share certificates, to the extent permitted by law. However, the Company is entitled to issue share certificates representing one or more shares against reimbursement of costs. All Shares are represented by currently four global certificates deposited with SIX SIS AG, Pfingstweidstrasse 110, 8021 Zurich, Switzerland. The Company has issued its shares as certificates and has registered them as intermediated securities (*Bucheffekten*) within the meaning of FISA. The investors will receive a credit entry for their shares in their collective custody account.

## 8. Dilution

As no new shares will be issued in the context of this Prospectus, there will be no dilution of the commercial participation or voting right of existing shareholders.

## 9. Costs of the Application to Admission

The estimated total cost of the application to trading of the Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) is approximately USD 350,000, including preparation of all ancillary documents.

## 10. Lock-up agreements

In lock-up agreements covering in total 325,000 Shares (the "**Locked Shares**") several shareholders have undertaken with Small & Mid Cap Investmentbank AG, Munich, Germany, and the Company not to dispose of Locked Shares until and including 1 February 2022. Each of the respective shareholders shall neither offer, sell, transfer, encumber, assign or grant options on the Locked Shares nor otherwise dispose of them (a "**Disposal**") nor announce such Disposal or to take other measures, the economic effect of which would correspond to a Disposal (the "**Lock-Up Obligation**") during the lock-up period. The Lock-Up Obligation does not apply to any Disposal to related parties (*nahestehende Personen*) within the meaning of Section 111 para. 1 sentence 2 German Stock Corporation Act (*AktG*). However, also a Disposal under such exemption is only permitted (i) if such related party enters into an undertaking similar to the Lock-Up Obligation and (ii) with the prior written consent of Small & Mid Cap Investmentbank AG.

For the term of the Lock-Up Obligation, the Locked Shares therefore may only be offered or sold with the prior consent of Small & Mid Cap Investmentbank AG. The same applies to any other measures that would have a corresponding economic effect.

In order to secure compliance with the Lock-Up Obligations, the Locked Shares have been booked on the separate ISIN CH0579199743. On expiry of the Lock-Up Obligation on 2 February 2022, the Locked Shares will again be transferred to the ISIN CH0396131929 and be freely transferable.

## 11. Selling restrictions

### General

No action has been taken by the Company that would permit an offer of the Shares or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required. The distribution of this Prospectus in certain jurisdictions may be restricted by law, and therefore persons into whose

possession this Prospectus comes should inform themselves about and observe any such restrictions, including those in the paragraphs that follow. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Shares in any jurisdiction in which such offer or invitation would be unlawful. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

### **United States of America and its Territories**

The Shares have not, are not and will not be registered pursuant to the provisions of the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with the securities regulators of the individual states of the United States. The Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of U.S. persons, except pursuant to an exemption from the registration and reporting requirements of the United States securities laws and in compliance with all other applicable United States legal regulations.

### **United Kingdom**

This Prospectus is for distribution only to persons who (i) are outside the United Kingdom, or (ii) within the United Kingdom (a) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**")), or (b) are persons falling within Article 49(2)(a) to (d) ("*high net worth companies, unincorporated associations etc.*") of the Order, or (c) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the United Kingdom Financial Services and Markets Act 2000 in connection with the issue and sale of any securities) may otherwise lawfully be communicated or caused to be communicated, (all such persons together being referred to as "**relevant persons**"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available to relevant persons only and will be engaged in with relevant persons only.

### **Switzerland**

This document as well as any other material relating to the Shares does not constitute a prospectus or offer within the meaning of Article 35 of the Swiss Federal Financial Services Act ("**FinSA**"), detailed in the implementing Financial Services Ordinance ("**FinSO**"), other than pursuant to an exemption under Article 36(1) FinSA or where such offer or distribution does not qualify as a public offer in Switzerland. Neither does this document constitute advertisement within the meaning of art. 68 FinSA. The Shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the Shares, including this document, do not claim to comply with the FinSA, FinSO or the listing rules of the SIX Swiss Exchange. This document as well as any other related material is personal and confidential and does not constitute an offer to any person. This document may not be used in connection with any offer and shall in particular not be copied or distributed to the public in (or from) Switzerland.

## V. GENERAL INFORMATION ON THE COMPANY

### 1. Registered Office, Financial Year, duration of the Company, Corporate Purpose

SunMirror AG is a stock corporation (*Aktiengesellschaft*) incorporated and operating under Swiss law. Its registered office is in Zug, Switzerland and it is registered with the commercial register office of the canton of Zug under CHE 395.708.464. The Company's address is Steinhauserstrasse 74, 6300 Zug, Switzerland, telephone number +41 43 505 14 00. The Company's website is [www.sunmirror.com](http://www.sunmirror.com). Information on the website does not form part of the Prospectus unless it is incorporated by reference into the Prospectus.

The Company's legal name is "SunMirror AG". The Company and its subsidiaries operate on the market under the commercial name "SunMirror". The Company is established for an unlimited period of time. The Company's legal entity identifier (LEI) is 894500R3EZWT4CYDM933. The financial year of the Company runs from 1 July of a calendar year until 30 June of the next calendar year.

According to Article 2 of the Company's Articles of Association, the statutory purpose of the Company is to promote the long-term value of the subsidiaries, affiliated companies or participation through uniform administration and centralized services and to provide the associated financing. In addition, the Company may buy, sell, broker, manage and exploit real estate, securities, participations and intellectual property rights, establish subsidiaries and branches in Switzerland and abroad and carry out all commercial activities related to the purpose of the Company.

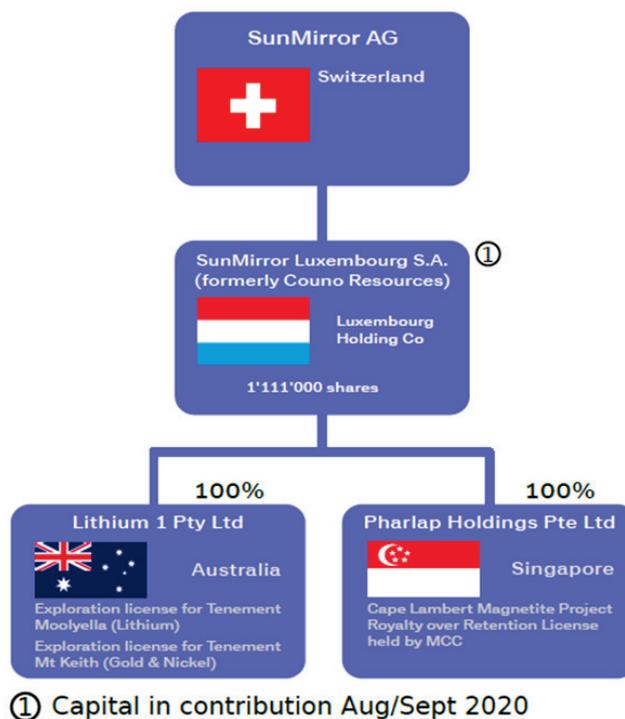
### 2. The Creation and Historical Development of the Company

The Company was first incorporated under the name Dynastar AG on 24 September 2014 with its registered office in Erlenbach ZH, Switzerland, and was registered with the commercial register office of the Canton of Zurich under CHE-395.708.464.

In 2018, the Company's shares were admitted to listing on the regulated unofficial market segment (*Freiverkehr*) of Düsseldorf Stock Exchange (*Börse Düsseldorf*).

On 31 August 2020 the Company's general meeting resolved to acquire all shares of Couno Resources S.A. (today, SunMirror Luxembourg S.A.- "**SunMirror Luxembourg**") by means of a contribution in kind, to change the Company's name to SunMirror AG and to move its registered office from the Canton of Zurich to the Canton of Zug. The acquisition of Couno Resources S.A. (today, SunMirror Luxembourg) completed on 7 September 2020.

Thereby, also the subsidiaries of Couno Resources S.A. (today, SunMirror Luxembourg), Lithium 1 Pty Ltd ("**Lithium 1**") and Pharlap Holdings Pte Ltd ("**Pharlap**"), became part of the Group, resulting in the following structure:



Couno Resources S.A. (today, SunMirror Luxembourg) acquired all shares of Lithium 1 by means of a share purchase agreement dated 14 February 2020. Lithium 1 is an Australian company which holds an exploration license for the tenements Moolyella (Lithium) and Kingston-Keith (Gold and Nickel), both located in Western Australia.

Couno Resources S.A. (today, SunMirror Luxembourg) acquired all shares of Pharlap by means of a share purchase agreement dated 12 August 2020, amended on 18 December 2020. Pharlap is a Singapore company whose main asset is composed of a royalty agreement relating to future royalties payable in relation to the Cape Lambert magnetite project.

On 30 November 2020, the Shares were included for trading on the Vienna MTF (market segment direct market) of Vienna Stock Exchange (*Wiener Börse*).

On 26/27 August 2021, the Group entered into a conditional agreement with Latitude 66 Cobalt Limited, Australia, to acquire 100 percent of the shares of Finnish cobalt company Lat 66. Lat 66's business focus is exploration and mine development with its business operations located in Finland.

### 3. Significant Subsidiaries

The significant subsidiaries of the Company are SunMirror Luxembourg, incorporated in Luxembourg, Lithium 1, incorporated in Australia, and Pharlap, incorporated in Singapore. The Company holds, directly or indirectly, 100% of all shares and all votes in each such company.

## **VI. INDUSTRY**

### **1. The 5 Stages of the Mining Life Cycle**

Mining operations are complex. Complexity results from various interconnected projects, operating simultaneously to deliver refined commodities. Though every new mining project has its own requirements and needs an individual, tailored plan to take it from discovery into production, virtually all miners follow the same general process that forms the backbone of mine development, including in relation to the commodities targeted by the Group.

#### **a) Exploration and prospecting**

Any mining project begins with the exploration stage. Exploration companies enlist geologists and others to get general information regarding the characteristics of the land and prospect remote areas in search of mineral deposits. Methods such as geological surface mapping and sampling, geophysical measurements and geochemical analysis is often applied at an early stage to pin out potential deposits.

Companies test water and soil and start to consider the socio-economic effects that a new mine would have on the area. This is followed by prospecting which includes more detailed surveys, including airborne or ground geophysical surveys that read the Earth's magnetic field, radiation, and electrical conductivity underground. These surveys help identify possible targets and allow a company to start drilling to find out more about what lies underneath. The drilling and sampling work usually provides the first glimpse of the type of ore being mined and the grade it could yield; this allows miners to draw up a very preliminary outline of the potential size of the deposits found using 2D or 3D models of the geological ore.

#### **b) Mine-site design and planning**

Once mapping and mineral resource data is collected and miners are confident that there is an opportunity, the project can move forward to the design and planning stage. This typically consists of companies evaluating various options with multiple plans that could be used to identify the best available one. For example, a company may draw up one plan proposing to mine all the estimated material in the ground over 20 years and one plan over 10 years to estimate different financial implications. This allows the miners to outline the possible profitability of its future project and to determine how the project can be carried out in a safe, environmentally sound, economically viable and socially responsible manner.

#### **c) Construction**

Once a miner has addressed all the regulatory, funding, and technical aspects of the project it can finally start construction. This process can be different depending on the mineral being mined and the size of the project and will often take longer than exploratory and design stages. Construction of mining sites involves building roads, processing facilities, environmental management systems, employee housing, and other facilities.

#### **d) Production**

Eventually, the project is constructed and ready to begin production. The two most common methods of mining are surface and underground mining. The method is determined mainly by the characteristics of

the mineral deposit and the limits imposed by safety, technology, environmental, and economic concerns.

- The first step in the production stage is recovering the minerals, this is the process of extracting the ore from rock using a variety of tools and machinery.
- The second step is processing. The recovered minerals are processed through huge crushers or mills to separate commercially valuable minerals from their ores.
- Once processed, the ore is then transported to smelting facilities.
- The final step is smelting. This process involves melting the concentrate in a furnace to extract the metal from its ore. The ore is then poured into molds, producing bars of bullion, which are then ready for sale.

#### **e) Closure and reclamation**

The fifth and final stage in mining operations is closure and reclamation. Many mines may be capable of producing economically for decades, but mining is still a temporary activity. The vast majority of companies now have to formulate their plan on how to close their operation before they even build it, as governments require assurances that operators have a plan and the funds needed to close the mine before they are willing to issue permits.

The detailed environmental studies that are conducted during the process form a major part of the plan on how the mine site will be closed and rehabilitated. A comprehensive mine rehab (rehabilitation) program has many clearly stated objectives which may include:

- ensuring public health and safety;
- minimizing environmental effects;
- removing waste and hazardous material;
- preserving water quality;
- stabilizing land to protect against erosion; and
- establishing new landforms and vegetation.

## **2. The legal framework for the exploration and exploitation of minerals in Western Australia**

### **a) General**

In Western Australia, the general rule under statute is that the Crown (in the right of the State of Western Australia) owns all minerals. With limited exceptions, mining proponents must apply to be granted mining tenements under the Mining Act 1978 (WA) and its associated regulations ("**Mining Act**") in order to be able to mine minerals. The Mining Act provides the core regulatory framework for mining proponents in exploring and exploiting minerals. This framework includes:

- Process of applying for and being granted mining tenements and applying for extensions and conversions of mining tenements, including exploration tenements (exploration licenses and prospecting licenses), production tenements (mining leases) and infrastructure tenements (general leases and miscellaneous licenses). Any process may include third parties objecting to a mining tenement application and may be materially impacted by how such objections are resolved.

- Requirements for maintaining mining tenements in good standing, including obligations to pay rent, annually expend minimum amounts in connection with reportable activities on the mining tenements, obtaining approvals prior to conducting ground disturbing activities (including programs of work, mining proposals, mine closure plans), annual reporting and environmental reporting and general conditions on mining tenements.
- Process for the potential forfeiture of mining tenements if they are not maintained in good standing (non-payment of rent and/or annual minimum expenditure not being met) or there are breaches of the Mining Act.

In addition to the Mining Act, mining tenements and mining activities are affected by other State of Western Australia and Commonwealth of Australia legislation and regulatory frameworks.

#### **b) Conduct of exploration and mining activities**

Exploration activities may be conducted based on exploration licenses and prospecting licenses. These mining tenements have short terms (5 and 4 years, respectively) with extensions available. Programs of work must be approved in relation to exploration work proposed. The holder of an exploration license may not undertake commercial mining on an exploration license. A mining lease is required for that purpose. However, the holder of an exploration license has, subject to the Mining Act, the right to apply for and to have granted mining lease over the land which is the subject of the exploration license.

Subject to various conditions, a mining lease granted under the Mining Act authorizes the holder to mine for and dispose of any minerals on the land in respect of which the lease was granted, including doing all acts and things necessary to effectively carry out mining operations. The term of a mining lease is 21 years, which can be renewed for a further 21 years at the option of the holder. Mining lease applications must be accompanied by a mineralization statement identifying a mineral resource or a mining proposal setting out proposed mining operations. Prior to mining activities commencing, there must be an approved mining proposal in place.

Where a mineral resource has been identified but is not able to be mined (for reasons including that the resource is later in a proponent's mine life; the resource is presently uneconomic; more time is required to establish a project), the holder of an existing exploration license, prospecting license or mining lease can apply for a retention license in accordance with the Mining Act. A retention license can only be granted over an area of land that, in the opinion of the Minister, is sufficient to include:

- the land in, on or under which an identified mineral resource is located; and
- such other land as may be required for future mining operations in respect of that identified mineral resource.

Where an application for a retention license is made, the Geoservices division of the Department of Mines, Industry Regulation and Safety reviews the application and the application area to advise the Minister what land fits into the above categories. Retention licenses are only granted over land that fits into the above criteria.

Retention licenses can be granted for terms of up to five years and can be renewed for one further period not exceeding five years. Retention licenses can be converted into mining leases, general purpose leases, exploration licenses or prospecting licenses as may be required once active operations are ready to proceed.

**c) Royalties**

Under the Mining Act, royalties are payable to the State of Western Australia on all minerals mined. Royalty rates are set out in the Mining regulations. Royalty rates can be varied by the State of Western Australia from time to time. There are no royalties payable to the Commonwealth of Australia or other interest holders in the land, unless agreed by private agreement.

**d) Environmental and Water**

The Environmental Protection Act 1986 (WA) and accompanying regulations (“**EP Act**”) is the core regulatory framework in relation to environmental oversight and approvals in Western Australia. The EP Act establishes the process from works approvals (for specific activities) through to public environmental impact assessments (for development proposals that may have a significant impact on the environment).

In addition to State legislation, the Environment Protection and Biodiversity Conservation Act 1999 (“**EPBC Act**”) is the Commonwealth’s key environmental legislation. The EPBC Act is focused on the protection of ‘matters of national environmental significance’. Actions that are likely to have a significant impact on a matter of national environmental significance undergo environmental assessment and require approval from the Commonwealth Environment Minister.

The Rights in Water and Irrigation Act 1914 (WA) (“**RIWI Act**”) provides for the regulation, management, use and protection of water resources. The RIWI Act provides for a licensing system for taking water; and a permitting system for activities that may damage, obstruct or interfere with water flow or the beds and banks of watercourses and wetlands in proclaimed rivers, surface water management areas and irrigation districts.

**e) Native Title**

Australian laws via the Native Title Act (1993) (Cth) (“**NTA**”) recognize and protect a form of native title which reflects the entitlements of Aboriginal people to their traditional land in accordance with their traditional laws and customs. The content and nature of native title must be proved and will vary from place to place and group to group. Native title may include a right to possession of land.

The NTA provides a regulatory framework for:

- how native title claims may be made and determined in the Federal Court;
- confirming a right to compensation for impacts of acts which affect native title rights and interests; and
- the process required for the valid grant of future rights and interests which affect native title rights, including the grant of mining tenements.

The processes required for the valid grant of mining tenements include notification of the proposed grant of mining tenements by the State to requirements to negotiate in good faith with native title parties to

secure agreement (failing which parties can seek determination from the National Native Title Tribunal). It is necessary for mining tenements to be granted in accordance with the relevant procedures under the NTA in order to be validly granted.

As part of negotiating agreements with native title parties, it is common for the parties to agree compensation associated with the grant of mining tenements, which can include royalty-based payments.

On 3 February 2021, the Native Title Legislation Amendment Bill 2020 (Cth) was enacted. The bill introduced reforms to the NTA which seek to improve the efficiency of the native title system for all parties. The amendments validated most section 31 'right to negotiate agreements' which might be invalid due to non-execution by any persons comprising the native title claimant, a technical requirement arising from the Federal Court's decision in *McGlade v Registrar National Native Title Tribunal* [2017] FCAFC 10. Further, parties to section 31 agreements that engage in the right to negotiate process must now provide notice to the National Native Title Tribunal of any ancillary agreements in existence. Additionally, the amendments allow historical extinguishment of native title to be disregarded on park areas, including those extinguished by public works and have also extended the objection period to eight months for the creation of a right to mine for the purpose of an infrastructure facility associated with mining and to some compulsory acquisitions of native title.

#### **f) Aboriginal Heritage**

Native title and Aboriginal heritage, particularly the spiritual and cultural significance of sites, are closely linked in Aboriginal tradition, but have separate statutory regulatory regimes.

The Aboriginal Heritage Act 1972 (WA) ("**AHA**") protects archaeological and ethnographic sites which are of significance to Aboriginal people in Western Australia. Although the AHA encourages the registration of Aboriginal sites, the AHA protects all Aboriginal sites, whether registered or not. Under the AHA, it is an offence to disturb an Aboriginal site without consent under the AHA.

The great majority of sites are not registered. The AHA does not provide a mechanism for determining the existence of Aboriginal sites, although the register enables developers to identify some sites. Accordingly, to ensure that there are no Aboriginal sites in a target area the practice has developed for mineral explorers and miners to undertake Aboriginal heritage surveys with Aboriginal traditional owners to identify ethnographic sites and to undertake archaeological surveys to identify archaeological sites.

The AHA is currently under review in Western Australia and new draft legislation has been prepared for public comment. The new legislation seeks to establish a modern approach to protecting Aboriginal cultural heritage in Western Australia that will reset the relationship between land users and traditional owners and transform how Aboriginal cultural heritage is identified, managed and conserved.

Aboriginal sites may also be protected under the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth).

### 3. Operating in Finland

While the Group does currently not operate in Finland, information on the operation of mining activity in Finland is presented with a view to the envisaged acquisition by the Group of Lat 66, whose business focus is on exploration and mine development with business operations located in Finland.

#### a) Mining activity

A mining permit and a mining safety permit are required for the establishment of a mine and the undertaking of mining activity. Other permits are also required for undertaking mining activity, of which the environmental permit is the most essential. The environmental permit is granted by the environmental authority.

#### b) Mining permit

A mining permit is the prerequisite for the establishment of a mine and the undertaking of mining activity. The mining permit applicant is most often a company registered in Finland, with mining as line of business. A natural person is also eligible to apply for a mining permit.

A mining permit entitles the holder:

- to exploit the mining minerals found in the mining area;
- to exploit the organic and inorganic surface materials, excess rock, and tailings generated as a by-product of mining activities as well as other materials belonging to the bedrock and soil of the mining area to the extent that their use is necessary for the purposes of mining operations in the mining area;
- to perform ore prospecting within the mining area.

The Finnish Safety and Chemicals Agency (*Turvallisuus- ja kemikaalivirasto*, Tukes) normally issues mining permits to be valid until further notice, but the permit can also be granted for a fixed term.

The mining permit grants the applicant rights to a mining area and auxiliary area of a mine, if necessary. The borders of a mining area are read vertically in depth.

The mining area rights granted prior to 2011 were called mining concessions. As proof of mining rights and the entry of the mining area in the mining register, the holder of mining rights received a mining concession certificate. Almost all mines in Finland operate on mining concessions, but in such a manner that as a rule and at least essentially the provisions of the Finish Mining Act of 2011 apply to these mines as well.

In mining operations, the extraction of minerals is divided as follows:

- metallic minerals – metallic mineral mines
- industrial minerals – limestone mines
- other industrial minerals – talc, rockwool mineral, feldspar and quartz mines
- commercial stones – soapstone and precious stone mines.

A mining permit can also be altered by either reducing or expanding the mining area.

It is also possible to apply for an extension to a fixed-term mining permit. The permit holder may apply for extending a mining permit's validity if mining activity has not been initiated or the operations have been interrupted for five years.

A mining permit, or mining right, may be assigned to another party. The assignee shall fulfil requirements corresponding to those applicable to the permit holder under the Mining Act.

The permit holder can pledge the right to exploit mining minerals, based on a mining permit. The right to pledge becomes effective when the mining authority receives written notification of the pledging from the permit holder.

### **c) Mining permit holder's obligations**

The mining permit holder is obliged to ensure that mining activities do not cause

- damage to people's health;
- danger to public safety;
- significant harm to public or private interests;
- infringement of public or private interests;
- obvious wasting of mining minerals;
- endangerment or encumbering of potential future use and excavation work at the mine and deposit.

In order to secure essential public or private interests, Tukes reviews the necessary regulations for every mine in accordance with the interval for review specified in Tukes' decisions. In the procedure related to the review of regulations, the landowners of the mining area or the adjacent areas, or other parties involved have an opportunity to lodge complaints if the mining operations cause, for example, infringement of public or private interests. Furthermore, in this connection Tukes checks that the quantity of mining collateral is sufficient. The purpose of mining collateral is to ensure that once the mining operations are terminated the mining area is restored to the condition required by public safety.

The mining permit holder is obliged to submit an annual report to the mining authority on the extent and results of the exploitation of the deposit and to inform of any essential changes in the information on mineral resources.

### **d) The mining area and auxiliary area to a mine**

The mining area shall be a continuous area of a size and shape that facilitates compliance with requirements concerning safety, location of mining activities, and mining technology. The mining area shall not be larger than necessary for the purposes of mining activity. However, areas where it may be possible to find additional mineral deposits can be included in the mining area.

An area located in the vicinity of the mining area, indispensable as regards mining activity and necessary for the purposes of road access, transport equipment, power lines or water pipes, sewers, treatment of waters, or a transport route to be excavated to a sufficient distance from the surface, can be designated as an auxiliary area to the mine.

The mining area and auxiliary area to the mine may only be used for the purpose for which the right of use or another right has been granted.

**e) Prerequisites for and impediments to granting a mining permit**

The prerequisite for granting a mining permit is that the deposit is exploitable in terms of size, ore content, and technical characteristics.

Tukes cannot grant a mining permit if there is good cause to doubt, for reasons that have emerged in connection with the handling of the application, that the applicant meets the prerequisites or has any apparent intention to see to the commencement of mining activity or if the applicant has previously fundamentally neglected obligations based on the Mining Act. When assessing the fundamental nature of said negligence, Tukes shall give particular consideration to the systematic nature of the negligence, its duration and recurrence, and the quantity of damage caused by the negligence.

Tukes examines the relationship of the mining area and any auxiliary area to other usage of land. The mining area must not be in conflict with other usage of land in the area.

Tukes shall not grant a mining permit if the mining activity causes one of the following and the said danger or impacts cannot be remedied through permit regulations

- causes danger to public safety;
- causes highly significant detrimental environmental impacts;
- substantially weakens the protection grounds of a Natura site located in the vicinity;
- substantially weakens the living conditions and industrial conditions of the locality.

**f) Proceedings establishing a mining area**

The proceedings establishing a mining area give the holder of a mining permit or the holder of a redemption permit for a mining area to use the mining area for mining operations.

A land survey office initiates the proceedings establishing a mining area once Tukes has granted a mining permit.

The holder of a mining permit may acquire the right to possess or use the area required for mining operations either by agreement or by applying for a redemption permit for a mining area from the Government. The redemption of rights of use to land areas and other special rights are executed in the proceedings establishing a mining area performed by the National Land Survey of Finland. If the National Land Survey of Finland cannot grant the redemption permit in the proceedings establishing a mining area, the Government can grant the right to utilize an area in the possession of another party as a mining area.

The possession of the area is not transferred to the mining permit holder.

The landowner is entitled to demand that the mining permit holder redeem the real property if

- the mining area causes substantial inconvenience or

- the local detailed plan designates the area for mining activity.

In the proceedings establishing a mining area, the compensation for right of use or property redeemed shall be specified. Compensation shall also be ordered if

- inconvenience or damage is caused to the property because of the redemption or
- if buildings, warehouses, or equipment or trees, a growing harvest, or other vegetation must be removed or transferred from the area that is to be assigned or already has been assigned for mining activities.

Further information on the proceedings establishing a mining area can be found on the address [www.maanmittauslaitos.fi](http://www.maanmittauslaitos.fi) and chapter 8 of the Finish Mining Act.

#### **g) Compensations paid to landowners pursuant to the Mining Act**

The mining permit holder shall pay annual compensation, or excavation fee, to the owners of land included in the mining area. The obligation to pay an excavation fee commences when the mining permit has become legally valid. Tukes confirms the amount of the excavation fee paid to landowners annually by its decision.

The annual amount of the excavation fee per property is EUR 50 per hectare. If the permit authority has postponed the expiry of the mining permit in accordance with the Mining Act, the compensation shall be EUR 100 per hectare until mining activities commence or resume. The obligation to pay elevated compensation commences when the decision on the new time for commencing mining activity, or continuing activities, has become legally valid.

In addition, the following shall be paid as an excavation fee:

- on metallic mineral mines: 0.15 per cent of the calculated value of metallic mining minerals, excavated and exploited during the year; considering the average price of the exploited metals included in the ore during the year, and the average value of other products exploited from the ore during the year
- on other mining minerals than metallic minerals: reasonable compensation for excavated and exploited mining minerals, taking into consideration grounds influencing the financial value of the mining mineral. The permit holder shall pay compensation in accordance with an agreement between the property owner and the holder of the mining permit, or confirmation by the mining authority as applied for by the property owner or holder of the mining permit. If the grounds influencing the value of the mining mineral have substantially changed, the property owner or mining right holder may demand that the mining authority revise the compensation.

For the purpose of confirming the excavation fee, the mining permit holder shall submit the relevant information to Tukes no later than 15 March in the year following the year for which the fee is to be paid. The mining authority confirms the amount of the excavation fee annually by its decision.

The excavation fee shall be paid no later than on the 30th day from the entry into force of the mining authority's decision on the excavation fee.

The mining permit holder shall pay annual property-specific compensation (by-product fee) to each landowner in the mining area for the benefit gained from by-products of mining activities that are used for purposes other than mining activity (Mining Act 621/2011, section 101).

**h) Validity of a mining permit**

A mining permit shall remain valid until further notice. Tukes shall review the regulations of a mining permit valid until further notice at the maximum interval of 10 years. A mining permit can also be granted for a fixed term. A fixed-term mining permit shall expire at the end of the designated fixed term.

Tukes shall decide that the mining permit will expire if the permit holder has not, within the time limit specified in the permit, initiated mining activity or such preparatory work as indicates that the permit holder is seriously aiming at actual mining operations. Tukes shall also decide that the mining permit will expire if mining activities have been interrupted because of a factor dependent on the permit holder continuously for a minimum of five years, or mining activities can be considered to have actually ended.

However, Tukes may postpone the expiry of the mining permit and specify a new deadline for commencing mining activity.

**i) Termination of mining activity**

Mining activity ends when the mining permit expires or is cancelled.

No later than within two years of the termination of mining activity, the mining operator shall restore the mining area and the auxiliary area to the mine to a condition complying with public safety; ensure their restoration, cleaning, and landscaping; and perform the measures specified in the mining permit and the mining safety permit. The mining operator may leave in place the mining minerals excavated from the mine, and the buildings and other constructions on the ground for up to two years after termination of mining activity. Thereafter, they shall be transferred, free of charge, to the landowner, who may demand their removal at the operator's cost.

The mining operator shall submit notification in writing to Tukes immediately after the restoration of the mining area has been completed. Having received the notification, Tukes shall arrange a final inspection unless this can be regarded prima facie as unnecessary. In the final inspection, Tukes shall establish whether the fundamental bulk of the measures have been completed, and assess the elements necessary for protection of public and private interests.

The parties invited to the final inspection include the operator and other parties involved that the matter particularly concerns, landowners in particular, representatives of the local authority concerned, the Centre of Economic Development, Transport and the Environment in the operating area and, if necessary, other authorities supervising public interests in their fields. An inspection report shall be compiled on the final inspection, including a report of the course of the inspection and observations made during the inspection, alongside the key parts of any reminders and opinions issued.

Tukes shall make a decision to terminate mining activity once the measures related to the termination of mining activity have been completed.

**j) Returning possession of a mining area**

Once a decision to terminate mining activity has become legally valid, the mining operator's right of use and right of possession to the mining area shall be terminated alongside the right of use and other rights to the auxiliary area of the mine. At the same time, the areas in question will be returned to the possession of the landowner, free of charge.

After termination of mining activity, the mining operator shall remain responsible for monitoring of the mining area and auxiliary area to the mine, in compliance with the orders issued in the mining permit, or those in the decision to terminate mining activity, alongside the necessary corrective measures and the costs incurred therein. The operator is entitled to access the mining area and auxiliary area to the mine in order to fulfil these obligations. The mining operator shall inform Tukes of all significant detrimental impacts on public safety detected during monitoring, and implement, without delay, the necessary corrective measures. Tukes may issue orders concerning the corrective measures necessary.

Should the mining operator no longer exist, should it be unavailable, or if it cannot be made to comply with the obligation, where monitoring of the mining area or auxiliary area to the mine is necessary for reasons related to public safety, the possessor of the area shall be responsible for the monitoring and corrective measures required. However, the possessor of the area shall be held responsible for monitoring only if the possessor knew or should have known the condition of the area when acquiring it and the responsibility for monitoring and required corrective measures is not apparently unreasonable. When the possessor of the area cannot be obliged to assume responsibility, or the area in question is one for which the right of possession and use have been returned to the landowner, Tukes shall nevertheless be responsible for monitoring and corrective measures (Source: <https://tukes.fi/en/mining>).

**4. Relevant Commodity Markets**

**a) Gold**

As a relatively rare element, gold is a precious metal that has been used for coinage, jewelry, and other arts throughout recorded history.

To date, gold is used in jewelry, technology (e.g., medicine, engineering, environmental management) as well as by central banks and investors (World Gold Council; retrieved from: <https://www.gold.org/about-gold/gold-demand/sectors-of-demand>). By the end of 2019, the above ground-stocks amounted to a total of 197,576 metric tons; of which, approximately 47% were used for jewelry, 21.6% as private investments, 17.2% as official holdings and 14.2% for other uses (World Gold Council; retrieved from: <https://www.gold.org/about-gold/gold-supply/gold-mining/how-much-gold>).

In 2020, global mine production of gold dropped to 3,200 metric tons from 3,300 metric tons in 2019 (one metric ton or 1,000 kilograms is equivalent to 32,150.7 troy ounces). In 2020, China stayed the

world's largest gold producer (380 metric tons), followed by Australia (320 metric tons), Russia (300 metric tons), and the United States (190 metric tons). According to United States Geological Survey, estimated global reserves (i.e., known deposits only) of approximately 50,000 metric tons are available (Source for this paragraph: United States Geological Survey (2021), retrievable under <https://pubs.usgs.gov/periodicals/mcs2021/mcs2021-gold.pdf>).

Global gold consumption is forecast to increase by 6.6% to 4,056 metric tons in 2021, as steady gold prices and the roll-out of COVID-19 vaccines help to drive up sales of gold jewelry. Jewelry demand has been revised up by 5.3% to 1,858 metric tons in 2021, higher than the forecast in the March 2021 Resources and Energy Quarterly (REQ). The revision reflects higher than expected Chinese gold jewelry demand in the March quarter 2021. In the US, gold jewelry consumption grew by 6.4% in the March quarter 2021, and is expected to remain strong over the rest of 2021, driven by an effective COVID-19 vaccine rollout, improved consumer sentiment and high household savings. In Europe, jewelry consumption is expected to be weak, due to a slow COVID-19 vaccine rollout and less vigorous economic recovery. On 21 May 2021, the Russian government introduced legislation that allows the country's national wealth fund to buy and hold gold with the Russian central bank (the Bank of Russia). This latest development is expected to boost gold consumption in Russia from 2021. The most significant risk to global gold consumption in 2021 is the rise of COVID-19 cases in India. India recorded a 39% jump in jewelry demand in the March quarter 2021, but the latest wave of the COVID-19 pandemic is likely to dampen Indian jewelry demand for the remainder of 2021 (Source for this paragraph: Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 92 - 93; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>).

World gold consumption is forecast to grow at an average annual rate of 5.8% in 2022 and 2023, to 4,537 metric tons in 2023. The growth is expected to be largely driven by jewelry consumption, which is forecast to rise by nearly 12% a year in 2022 and 2023, to 2,313 metric tons in 2023. Jewelry demand from China is expected to remain strong, supported by rising consumer sentiment and income. Demand from India is expected to recover in 2022 and 2023, as more people are vaccinated and the economy recovers. Gold retail investment is expected to help global gold consumption, with demand for gold bars and coins forecast to rise at an average annual rate of 1.0% between 2022 and 2023, to 1,137 metric tons by 2023. This is supported by a forecast pull-back in gold prices. The official sector is expected to add to gold demand in 2022 and 2023. Many central banks are expected to shift their focus from accommodative liquidity requirements — to support economic growth during the COVID-19 pandemic — to reserves diversification — to help protect their wealth. As a result, the pace of central bank gold buying is forecast to increase by an average 12% a year over the outlook period, reaching 440 metric tons in 2023 (Source for this paragraph: Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 93; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>).

In 2021, world gold supply is forecast to increase by 3.6% to 4,788 metric tons, driven by higher gold mine production in Australia, the US and Canada. Propelled by higher mine production, world gold supply is forecast to rise at an average annual rate of 1.1% between 2022 and 2023, reaching 4,890 metric

tons by the end of the outlook period (Source for this paragraph: Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 94; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>). .

## **b) Lithium**

Being an essential metal with widespread applications in next generation technologies, lithium and its compounds are an integral component of high-energy density, rechargeable lithium batteries and lithium-ion batteries, commonly used for portable electronics and full-electric, plug-in hybrid, and hybrid vehicles (EVs, PEV, and HEVs), respectively. Due to the growth in EV technology as well as due to concerns over increased CO<sub>2</sub> pollution from combustion engines and rising fuel costs, lithium has been put into widespread use in EV (electric vehicles) batteries. As compounds, Lithium is used in a broad variety of industries as glass, enamel, and ceramic, lubricating greases, pharmaceutical products, or aluminum (Source for this paragraph: K. Evans (2014): Lithium, in: G. Gunn (Ed.): Critical Metals Handbook, John Wiley & Sons, pp. 230–260).

Although Lithium is widely distributed on Earth, it does not naturally occur in elemental form due to its high reactivity (Source: Krebs, Robert E. (2006). The History and Use of Our Earth's Chemical Elements: A Reference Guide. Westport, Conn.: Greenwood Press, retrievable under: (<https://en.wikipedia.org/wiki/Lithium>)). With estimates for the Earth's crustal content ranging from 20 to 70 ppm by weight (Sources: Kamienski, Conrad W.; McDonald, Daniel P.; Stark, Marshall W.; Papcun, John R. (2004). "Lithium and Lithium compounds", in: Kirk-Othmer Encyclopedia of Chemical Technology, John Wiley & Sons) constitutes about 0.002% of Earth's crust (Atkins, Peter (2010): Shriver & Atkins' Inorganic Chemistry, 5th ed., New York: W. H. Freeman and Company. p. 296).

According to United States Geological Survey, estimated global reserves (i.e., known deposits only) of approximately 21 m metric tons are available. Worldwide resources (i.e., confirmed and estimated deposits) are considerably greater and have increase substantially in recent years to approximately 86 m metric tons. (Source for this paragraph: United States Geological Survey (2021), retrievable under <https://pubs.usgs.gov/periodicals/mcs2021/mcs2021-lithium.pdf>).

World demand for lithium is forecast to increase from 305,000 metric tons lithium carbonate equivalent (LCE) in 2020 to 452,000 metric tons in 2021. Demand is then forecast to reach 675,000 metric tons by 2023, as global EV uptake rises further. The very strong demand increase in 2021 is based on increasing EV uptake - driven by prices, model choice and government measures (Source for this paragraph: Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 140; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>).

The Company believes that in particular the developments in the EV-sector will be critical for the Group's prospects. In the view of the Company, one of the driving forces will be Volkswagen, which is in particular pursuing the following plans (Source for this paragraph: Office of the Chief Economist, Resources and

Energy Quarterly – June 2021, page 140 - 141; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>):

- According to Volkswagen the key to success for the electrification of their product range will be large volume production of a 'unified cell' covering 80% of their range. The 'unified cell' will have a nickel manganese cathode and progressively minimize use of cobalt. Meanwhile, LG will be 'thrifting' cobalt from July 2021 with their NCMA (nickel, cobalt, manganese and aluminum) battery for Tesla. Transitions out of cobalt will take time to implement. Volkswagen anodes will use synthetic graphite with silicon. The silicon aids in faster charging. Typically, lithium will be in the electrolyte as well as impregnating the cathodes. Volkswagen assessed that the 'unified cell' would lead to a 50% reduction in battery costs via cell construction, dry coating technology for electrodes, raw materials / manganese chemistry and removing the module stage with cell to pack technology. The batteries are also to be fully recycled via a hydrometallurgy process.
- Volkswagen is morphing from an automotive manufacturer into a power company. They are planning on doing this by using the 'unified cells' as home storage and grid storage devices. The ID.3 vehicle, similar to the Golf, has a 77kWhr battery. This has the capacity to power a home for five days, in addition to commuter driving. The bidirectional charging to and from the car will facilitate power usage in the house; all 'app / cloud' controlled to optimize performance. In Europe in 2020, 6500 GW of renewable power was lost due to curtailment which could have been reduced with more energy storage. The implementation of a cheap 'unified cell' via the ID.3 and other vehicles could be a significant development for Europe in terms of energy storage, utilization and emissions reduction. Volkswagen are constructing four giga-factories in Europe over 2023 to 2027 to manufacture these batteries.
- The Volkswagen recycling plant for lithium batteries in Salzgitter, Germany, will be essential to delivering on its ESG credentials and supplying recycled materials vital to its supply chain. The plant is small scale, but will be used to develop and scale up technology in this area, as large lithium batteries become available for end-of-life recycling. Statutory requirements covering battery life cycle and supply chain in Europe may come into effect by 1 January 2022.

Worldwide output in 2021 is forecast at 441,000 metric tons LCE, while production is forecast at 538,000 metric tons LCE in 2022, and 679,000 metric tons by 2023. At this stage, supply may fall short of demand unless mine and brine operations are expanded beyond initial projections (Source for this paragraph: Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 141; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>).

### c) **Iron Ore**

Iron ore is an essential component for the global iron and steel industries, since iron ore is the raw material used to make pig iron, which is one of the main raw materials to make steel. Almost 98% of mined iron ore is used in steel making (Source for this paragraph: <https://www.investopedia.com/articles/investing/030215/how-iron-ore-market-works-supply-market-share.asp>).

World resources are estimated to be greater than 800 billion metric tons of crude ore containing more than 230 billion metric tons of iron (Source for this paragraph: United States Geological Survey (2020), retrievable under <https://pubs.usgs.gov/periodicals/mcs2020/mcs2020-iron-ore.pdf>).

About 50 countries mine iron ore, with Australia and Brazil dominating the market share for export. The global iron ore market is valued at USD 182.1 bn in 2020. It is expected that the global iron ore market should reach USD 333.0 bn by the end of 2026. This forecast is equivalent with a compound annual growth rate (CAGR) 2021-2026 of 8.9%. Going forward, according to the iron ore market outlook, government policies, emerging markets growth, increase in construction activities and in production capacities, improved logistics infrastructure, and increasing automobiles manufacturing are expected to be the main drivers of the market. Major factors that could hinder the growth of the iron ore market in the future include skills shortages, environmental impacts of iron ore mining, reduction in free trade, rising interest rates, the coronavirus pandemic, fluctuating prices, uncertain demand for iron ore, and overcapacity of steel which is underutilized (Sources for this paragraph: <https://prd-wret.s3.us-west-2.amazonaws.com/assets/palladium/production/atoms/files/mis-202106-feore.pdf> and <https://www.the-businessresearchcompany.com/report/iron-ore-market>).

Global trade remains dominated by Australia, which exported more than half of all seaborne iron ore in 2020. However, growing output from Brazil and Africa may provide some pushback to Australia's dominance over the coming years (Source for this paragraph: Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 35; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>).

Tightness in supply from the world's two major producers — Australia and Brazil — has contributed to the substantial rally in iron ore prices. This is due to safety-related mine closures and COVID-19 disruptions in Brazil, and seasonal weather disruptions in both countries in the March quarter 2021. (Source for this paragraph: Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 33; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>).

Global iron ore markets are expected to remain tight, with slow growth in both supply and demand over the next few years. Market structure is not expected to alter significantly, with Australia's market share expected to hold up. A recovery in Brazilian supply is likely in the short-term, but a number of high-cost mines in Brazil and China are also expected to face closure or depletion over the next 10 years (Source for this paragraph: Office of the Chief Economist, Resources and Energy Quarterly – June 2021, page 35; retrievable under: <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2021/documents/Resources-and-Energy-Quarterly-June-2021.pdf>).

## VII. BUSINESS OVERVIEW

### 1. Overview

The Group invests into pre-production mineral exploration assets with a focus on battery metals, iron ore and gold deposits in developed markets for the purpose of evaluation and exploration with the aim, should any of the assets of the Group prove commercially viable, to either produce minerals at a later stage or sell those properties. Currently, the Group holds three assets all of which are in Western Australia:

- **Moolyella:** The Group holds an exploration license granted on 23 December 2020 for a term of five years for an area of approx. 92.773 square kilometers in Moolyella, located in Northwestern Australia, which the Group believes has a robust potential for lithium-bearing pegmatites. The property is an early-stage exploration project with no mineral resources defined.
- **Kingston-Keith:** The Group holds an exploration license granted on 9 March 2020 for a period of five years for an area of approx. 152 square kilometers in the Kingston-Keith/Mt. Keith area, situated in a prolific gold and nickel production district in central Western Australia, which the Group believes have good potential for gold and nickel. The property is an exploration project with no mineral resources defined.
- **Cape Lambert:** The Group holds a royalty on future mine production from the MCC Australia Sanjin Mining Pty Ltd's retention license on their Cape Lambert magnetite project covering an area of approx. 83.68 square kilometers in the Cape Lambert region in Western Australia.

The Group assets located at Moolyella and Kingston Keith are in an exploration phase and do not produce any revenue for the time being. The Group plans to continue exploration based on these two exploration licenses for the next two years funded by financial means already available to the Group as well as other financing provided by investors. The Cape Lambert mine conducted a pre-feasibility study and is now at the mine site design and planning stage. The Group expects that production at the Cape Lambert mine will not start short term. Royalties from the Cape Lambert project are then forecasted to finance further development of the sites covered by the Group's exploration licenses.

In addition, the Group has been continuously looking out for other promising assets on an opportunistic basis. Any future acquisition will depend on the Group being able to obtain additional equity funding. In August 2021, the Group entered into a conditional binding agreement with Latitude 66 Cobalt Limited to acquire 100 percent of the shares of Finnish cobalt company Lat 66 from its parent company Latitude 66 Cobalt Limited. Lat 66's business focus is exploration and mine development with its business operations located in Finland.

### 2. Corporate Strategy

Within the Group's overall strategy to invest into pre-production mineral exploration assets with a focus on battery metals, iron ore and gold deposits in developed markets, i.e. Australia, Europe and North America, for the purpose of evaluation and exploration with the aim to either produce minerals at a later stage or sell those properties, the Group's strategy is:

- **Developed Countries:** The Group has decided to limit its investment universe to exploration assets in developed countries, namely Australia, parts of Europe and North America, with a view to avoid the material political and other business risks associated with many natural resources rich developing countries.
- **Focus on Western Australia and Northern Europe:** The Group has targeted the Northwestern regions of Western Australia and Northern Europe for precious and base metals mineralization on the basis that it believes that whilst these regions host world-class mineral deposits they remain substantially underexplored, as compared to other developed countries.
- **Relying on historical data:** The Group seeks to acquire exploration assets that have seen at least some work from the previous owners and operators. The Group believes this strategy provides it with baseline information to estimate the likelihood of encountering further encouraging results as well as a starting point from which to direct the next phases of work. Thereby, the Group aims at reducing the risk of exploration activities showing no encouraging results, according to the management. All of the Group's current projects were identified and acquired on the basis of prior knowledge and exhaustive research as well as on field appraisals.
- **In-depth analysis of geological data:** The Group believes it is worth investing additional efforts and time into an in-depth analysis and interpretation of existing geological data and reports before starting drilling programs. Thereby, the Group expects to be able to structure drilling more efficiently and reduce the risk of drilling with no results resulting in stranded costs.
- **Monetization strategy:** The Group plans to fund exploration based on its two existing exploration licenses for the next two years by financial means already available to the Group. The Group does not expect that production at Cape Lambert will start short term and thus the Group will not start to receive royalties short term. Royalties from the Cape Lambert project are then forecasted to finance further development of the sites covered by the Group's exploration licenses.
- **Acquisitions:** It is also the strategy of the Group to pursue an opportunistic acquisition strategy of new exploration assets. All current projects are held 100% by the Group. The Group's acquisition strategy is to continue to only acquire sole ownership or controlling interests (save for potential royalty opportunities). Any decision on the acquisition of additional exploration assets will only be made after successful due diligence, negotiations/commercial agreement and securing any required financing.
- **Development plan:** For the two exploration projects held by the Group (Moolyella and Kingston-Keith), there are 24 months development plans. They all follow a similar process. First, data collection and review of historical information. Then, there are field campaigns, mapping, rock sampling, soil sampling and electromagnetic and induced polarization studies on selected areas, either with drones or with on-surface equipment. These stages – when successful - result

in multiple drill-ready targets being identified and the next step is then exploration drilling campaigns to follow-up the selected targets. After the exploration drilling campaigns, the Group expects to be able to convert targets into inferred/indicated mineral resources. The Group expects to have this first phase ended (first drilling campaign done, results being interpreted and first deposits being identified and located at both exploration projects) earliest in 24 months from start but it may take longer.

### 3. Competitive Strengths

The Company considers the Group's competitive strengths to be the following:

- **Quick and effective structures:** The Group has created structures that it believes enable it to identify, acquire and execute suitable exploration projects more quickly and efficiently than its peers in junior exploration. Amongst others, the Group takes advantage of technological progress by preparing the decisions required in this context on a computerized basis and using artificial intelligence. In addition, the Group has established a so-called "rapid response" team, which takes care of the most important steps in the identification of new exploration opportunities and the supervision of the current projects. This includes, amongst others, visiting the exploration sites, applying for the necessary authorizations for the exploration activities as well as decisions regarding the exploration and initiating the further technical steps required within the scope of the exploration.
- **Target identification:** The Group believes that its dedicated management with complementary financial and mining know-how puts it at an advantage to many peers of comparable size to identify and acquire new assets at an attractive early exploration stage. Thereby, the Group believes it is able to achieve a significant cost advantage over many competitors' strategies of acquiring existing projects at a mature exploration stage.
- **Mineral know-how:** The Group believes that the mining know-how and experience of its management puts the Group in a better position to evaluate the prospects and risks of exploration assets as compared to competitors of comparable size managed by financial experts only.
- **Spreading exploration risks:** Within a short period of time, the Group has acquired the Moolyella and Kingston-Keith exploration licenses, a royalty on Cape Lambert and has signed a conditional contract to acquire Lat 66. Focusing on identifying and acquiring new targets and selling early-stage exploration projects to buyers (if such an opportunity arises) creates a relatively fast production cycle, allowing SunMirror Group to handle several projects at the same time.
- **Cross-financing exploration activities:** While traditional peers in junior exploration do not generate revenues and need to fund operating and exploration costs from issuing additional shares or other sources of financing, the Group aims to achieve a situation in the mid-term to generate substantial free cash flows from royalties from the Cape Lambert project, which it intends to use to fund further exploration expenses of other assets. Thereby, the Group expects

it will be able to finance exploration and administrative costs from recurring revenues without a need to rely on continued external funds potentially diluting shareholders' investment.

#### **4. Principal Activities**

In the following, the three assets currently held by the Group are presented in more detail.

Public reports and technical assessments prepared in accordance with the Australasian Code for Public Reporting of technical assessments and valuations of mineral assets ("**VALMIN Code**"), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("**JORC Code**") or the Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects are available for the exploration assets of the Group. See *Section XVII Incorporation by Reference*.

The VALMIN Code and the JORC Code both provide a set of fundamental principles, mandatory requirements and supporting recommendations accepted as representing good professional practice to assist in the preparation of public reports, technical assessment or valuation of mineral assets. The National Instrument 43-101 requires substantially more technical disclosure to the market than the equivalent JORC Code, because the JORC Code is primarily a code for reporting the status of a mineral resource, whereas the National Instrument 43-101 is a code of securities disclosure. The JORC Code is derived from the Joint Ore Reserves Committee, an independent mineral industry body formed from industry professional associations. The National Instrument 43-101 is a code derived from the Canadian Securities Authorities.

No feasibility study or pre-feasibility study has been published on the exploration assets of the Group (Moolyella and Kingston-Keith). The Cape Lambert mine conducted a pre-feasibility study and is now at the mine site design and planning stage. Pre-feasibility studies are intended to determine whether a mineral resource is likely to support a viable mining project and is a key intermediate step in the assessment of a mining project. Feasibility studies determine whether to proceed with a mining project into the detailed engineering and construction stage. Feasibility studies generally concentrate on mine size and configuration, seeking to establish technical and economic viability within the accuracy limits (20-30%) of the available data.

##### **a) Moolyella**

Lithium 1, an indirect fully owned subsidiary of the Company, holds an exploration license granted on 23 December 2020 for a term of five years for an area of approx. 92.773 square kilometers in Moolyella. There is a committed expenditure of AUD 29,000 for each 12 months period from December to December. In addition, there is a rent of approx. AUDS 4,000 per annum. The license was issued primarily for lithium (Li) and tin (Sn) and associated elements including beryllium (Be), niobium (Nb), rubidium (Rb), tantalum (Ta) and rare earth elements (REE), and secondary mineralization for zinc (Zn), lead (Pb), silver (Ag), and gold (Au). If the project proves to be economic, the government will levy a royalty on the project of 2.5% for tin, and 5.0% for Li and Ta (and the metallic minerals if sold as a concentrate).

Moolyella is located in the Pilbara Mineral Field 18km east of Marble Bar and 157km southeast of Port Hedland in the Northwest of Western Australia ("**Pilbara**"). One of the largest regions in Western Australia, the Pilbara covers approximately 508,000 square kilometers. The Pilbara's iron ore and liquefied

natural gas industries are valued at over AUD 70 bn, representing more than 70% of mineral and energy production in Western Australia (Source: Department of Primary Industries and regional Development, retrieved from <http://www.drd.wa.gov.au/regions/Pages/Pilbara.aspx> ).

Based on the Moolyella Competent Person's Report, data in respect of the area covered by the Moolyella exploration license is summarized as follows:

- Alluvial cassiterite ( $\text{SnO}_2$ ) was first identified in the Moolyella area in 1898 during exploration for alluvial and bedrock gold. Mining took place from 1898 until 1986 in the ore field, with a few brief hiatuses, and it is estimated that nearly 8,000 tons of tin concentrate was recovered. The tin grades at Moolyella, 2.40 kg/m<sup>3</sup>, represent some of the highest alluvial tin grades in the world. Approx. 141 tons of tantalite [(Fe,Mn)Ta<sub>2</sub>O<sub>6</sub>] ore and concentrates were also recovered in these operations, confirming the presence of tantalum in the area. Mining and exploration focused exclusively on tin.
- In 2011, the first exploration for lithium on the license was conducted while exploring for tin. Lithium-bearing pegmatites were identified in outcrops at Pegmatite Gully and Eluvial Gully with the two highest lithium concentrations of 1.25% and 1.06% Li<sub>2</sub>O. A 19-hole follow-up reverse circulation (RC) drilling program in 2012 in the same area confirmed the presence of lithium pegmatites at depth. Most holes contained short (1 to 6 m) intercepts of mineralization greater than 0.15% Li<sub>2</sub>O, with the highest-grade interval being 3 m @ 0.30% Li<sub>2</sub>O (from 55 m) in drill-hole NERC005. In 2014, limited exploration was conducted, including reanalysis of earlier reject samples, and outcrop sampling of lepidolite-bearing pegmatites. The best assay results returned 1.98%, 0.75% and 0.15% Li<sub>2</sub>O from the Pegmatite Gully area. The last exploration on the license was in 2018, when the license holder reported the results from pegmatite outcrop sampling that returned one sample with 0.98% Li<sub>2</sub>O.
- Since being awarded the Moolyella license in December 2020, the Group has not performed any exploration work on the property.
- Based on reviews of historic exploration, the Moolyella license is considered highly prospective for the presence of additional lithium-bearing pegmatites. A two-stage, contingent, work program has been recommended for the property. A work program consisting of remote sensing structural/alteration study, geological mapping, mineralogical studies, litho-geochemical sampling, airborne geophysical (magnetic, radiometric) surveying, and limited auger drilling are proposed for phase one. Additional reverse circulation (RC) drilling has been proposed for phase two.
- No mineral resource estimate is included, and no mineral resource is defined.
- The settlement of Marble Bar (population of approx. 172 in 2020) is located 18 km to the east of the license and is on the paved 138 highway. This highway bisects the southern part of the license, and the access to the western and southern parts are via unpaved tracks. Marble Bar boasts a 1,200 m paved runway, which is generally used for charter flights to service the nearby

goldfields. The distance from Marble Bar is approx. 200 km to the deep-water port and container terminal at Port Hedland via the paved 138 highway and National Highway 1.

In May 2021, the Group purchased the entire geological database from the previous exploration company that held the Moolyella project. Just under 1 GB of data is currently being reviewed and will be used to plan and execute a detailed exploration program moving forward.

In July 2021, a field visit was carried out by a geological team from Geonomik Pty. Ltd. The team spent just under two weeks on the license, collecting rock and soil samples, as well as mapping the various outcropping pegmatite horizons. Geonomik Pty. Ltd. issued a field assessment report dated 24 August 2021 which includes assays and a mineralogical report on samples collected and includes updated recommendations for further exploration work. Such report is incorporated into this Prospectus by reference – see *Section XVII Incorporation by Reference*.

**b) Kingston-Keith**

Lithium 1, an indirect fully owned subsidiary of the Company, holds an exploration license granted on 9 March 2020 for a period of five years for an area of approx. 152 square kilometers in the Kingston-Keith/Mt. Keith area, situated in a prolific gold and nickel production district in central Western Australia, 450km north of Kalgoorlie. The exploration license was granted to the previous owner Duketon Consolidated Pty Ltd., which was acquired by Lithium 1 in September 2019. There is an annual expenditure commitment of AUD 60,000

Based on the Kingston-Keith Competent Person's Report, information on the area covered by the Kingston Keith exploration license is summarized as follows:

- The project is at the exploration stage of development with no mineral resources defined.
- Several prospects have been defined including the Kingston and Enterprise gold workings. Total production of these is recorded as 5,222 ounces of gold. Underground geological mapping and sampling of old gold workings by previous exploration companies determined that the historical mining followed north plunging high grade ore shoots within a north trending steeply dipping siliceous and ferruginous shear zone within a mafic volcanic, intrusive and sedimentary sequence where gold is hosted within quartz veins and splays off the main veins. Gold is structurally controlled, occupying northerly-trending, steeply west-dipping shear zones. Gold is present in both quartz lenses and in sheared sedimentary rocks, with multiple ore shoots.
- In addition to its gold endowment, the Agnew-Wiluna Greenstone Belt is also host to world class nickel deposits; including the Mount Keith, Honeymoon Well, Jericho, Cliffs, Yakabindie, Cosmos, Rockys Reward, Harmony and Perseverance nickel sulphide deposits. These are all located in a narrow band of ultramafic rocks which occurs immediately west of the project's western boundary. Both open cut and underground nickel mines have exploited these deposits since the 1970's with nickel processing plants located at Mount Keith and Leinster. For much of the last 50 years, nickel companies have held most of the ground in the area, so gold explorers have been generally unable to peg tenements within the belt. Nickel miners have focused on

nickel exploration, generally ignoring gold. This has resulted in less gold exploration work being undertaken on the project tenement than most areas of the greenstone belt in the Yilgarn region. Geonomik Pty. Ltd considers the project is underexplored for gold.

- Since acquiring the project in 2020, Lithium 1 has undertaken compilation of past exploration data. Past exploration on the project has seen drill holes return interesting gold grades at several locations, however much more exploratory drilling is required to determine the continuity of mineralization and to define mineral resources. Most of the drilling to date within the Kingston-Keith project has not tested the down-dip and down-plunge potential of the defined anomalies. Most of the tenement has not been drill-tested to depth.
- The Group has indicated that they will undertake a systematic approach with respect to their exploration program focusing on gold. A four phased approach is planned. Stage 1 is to involve compilation of previous exploration data, regional synthesis using public domain data, aeromagnetic and structural interpretation, geological target generation followed by geological mapping of targeted locations. Stage 2 is to involve geochemical assessment of the whole property involving the regolith mapping, broad geochemical sampling, multielement geochemistry, geophysical surveys of specific target areas and auger geochemistry of specific target areas. Stage 2 would also involve an initial testing of generated targets using air core drilling. Stage 3 is to involve reverse circulation (RC) drilling of the high priority prospects, and air core drilling of new targets. Stage 4 would involve close spaced reverse circulation (RC) and diamond drilling to define mineral resources where appropriate, and reverse circulation (RC) drilling of new target areas.
- Geonomik Pty. Ltd. considers that the exploration strategy proposed by the Group is consistent with the mineral potential and status of the Kingston-Keith project. An exploration budget of AUD5.0 million is estimated for implementing the proposed exploration strategy which includes AUD 4.7 million on the Kingston-Keith project and AUD 0.3 million for the development of additional mineral projects in the region. Significant funds are planned to be directed to geochemical and geophysical exploration programs in year 1, with the focus changing to drilling in years 2 and 3. A total of AUD 2.75 million is directed to drilling programs representing 55% of the total budget.
- The nearest towns to the property are Wiluna, 60km to the northwest, and Leinster, 80 km to the south. The project area occurs immediately east of the Goldfields Highway, a major sealed road which tracks north from Kalgoorlie to Meekatharra. Easy access is obtained from the highway to the project via several mining and bore field access roads. Infrastructure in the local district surrounding the project is very good and includes a national highway, gas pipeline, mining towns, and airfields. In the local area there are also a number of gold mineral processing plants situated relatively close to the project tenements at the Wiluna, Jundee, Agnew, Bronzewing (closed) and Darlot gold mines. In addition, a nickel mineral processing plant is located at Mount Keith nickel mine immediately south of the project area.
- A field visit by a geological team from Geonomik Pty. Ltd is scheduled to take place in September 2021 to collect soil and rock samples and map the locations of outcropping mineralization.

A field visit report is expected by the end of October 2021 which will include assays on all samples collected.

**c) Cape Lambert**

Pharlap, an indirect wholly owned subsidiary of the Company, holds a royalty on future mine production from the MCC Australia Sanjin Mining Pty Ltd's ("**MCC**") retention license on their Cape Lambert magnetite project covering an area of approx. 83.68 square kilometers in the Cape Lambert region in Western Australia. Under the royalty agreement, Pharlap is entitled to AUD 0.50 per ton of all extracted minerals up to a maximum of 50 million tons per year (for more details on the royalty agreement see below. - *Material Agreements - Royalty Deed of Pharlap regarding the Cape Lambert Magnetite Project.*

Based on the Cape Lambert Competent Person's Report, information on the area covered by the MCC Australia Sanjin Mining Pty Ltd's retention license is as follows:

- The tenement discussed in this report covers Banded Iron Formation ("**BIF**") units within the Cleaverville Formation including the 1.9 billion tons with an average grade of 30.7% Fe.
- The publicly quoted resources by MCC on their retention license R47/18 total 1.9 billion tons, of which there are 1.4 billion tons of indicated mineral resource (as defined in the JORC Code) and approximately 0.5 billion tons inferred mineral resource (as defined in the JORC Code) at an average grade of 30.7% Fe.
- In 2008, a pre-feasibility study compliant with the reporting standards, costs and revenues at the time was carried out on the project. The results of the pre-feasibility study indicated that the BIF ore at Cape Lambert can be mined using conventional open cut mining methods at a rate of 50 million tons BIF ore per year over a 30-year mine life from which a magnetite concentrate produced that after magnetic beneficiation is a high value marketable product.

The Group does not expect any royalties in the short term. This expectation is based on the following assumptions: Currently, MCC holds a so-called retention license for the Cape Lambert project. A retention license is a license at an intermediate licensing stage between exploration license and mining lease which allows the holder to retain but not to develop a mining project, e.g. because of pending commercial feasibility or the development of required transportation infrastructure. The term of the retention license of MCC is for three years until 21 March 2022. Such a retention license may only be granted if the Geoservices division of the Department of Mines, Industry Regulation and Safety as the responsible authority and the mining minister of the relevant Australian state are satisfied that the exploration stage has been successfully completed and mineral resources have been proven. Taking into account the publicly quoted proven resources at Cape Lambert (Source: <https://cyclonemetals.com/wp-content/uploads/2020/10/00806832.pdf>) and pursuant to the Cape Lambert Competent Person's Report as well as that the Group estimates MCC has already spent about AUD 490 m on the Cape Lambert magnetite project and the current favorable iron ore price and market demand, the Company believes there is a likelihood that MCC will convert the retention license to a mining license. However, this is outside the Company's control and cannot be guaranteed.

## **5. Material Agreements**

### **a) Contribution in kind agreement with shareholders of SunMirror Luxembourg**

On 31 August 2020, the Company concluded a contribution in kind agreement under Swiss law with all shareholders of SunMirror Luxembourg pursuant to which all shareholders in SunMirror Luxembourg transferred all shares in SunMirror Luxembourg to the Company in exchange for total 1,175,000 newly issued shares in the Company.

### **b) Royalty Deed of Pharlap regarding the Cape Lambert Magnetite Project**

With regard to a mining license with Retention License R47/18, covering an area of 8,368,000.00 hectares situated in Cape Lambert South, Western Australia (starting point situated at GDA94, Zone 50 at coordinates 510196.154mE 7704667.803mN, this tenement, the “**Cape Lambert Tenement**”), Pharlap is entitled to royalty payments for future mine production of MCC Australia Sanjin Mining Pty Ltd. The royalty owed is AUD 0.50 per ton of all minerals produced on the Cape Lambert Tenement.

Pharlap’s entitlement to royalty payments with regard to the Cape Lambert mining project is based on a royalty deed dated 15 December 2005 (the “**Cape Lambert Royalty Deed**”) made by and between Cape Lambert Iron Ore Limited (as original obligor) and Power United Limited, Waterloo Australia Pty Ltd, Sandalwood Resources Pty Ltd, Brutus Investments Pty Ltd and Rodney John Whitbread as original royalty interest holders (the “**Original Royalty Interest Holders**”). In a deed of covenant dated 31 July 2008 (the “**2008 Covenant Deed**”) regarding the Cape Lambert Royalty Deed, the royalty rights were assigned by the Original Royalty Interest Holders as assignors to Pharlap as assignee. According to the recitals of the 2008 Covenant Deed, Cape Lambert Iron Ore Limited and MCC Mining (Western Australia) entered into an agreement pursuant to which Cape Lambert Iron Ore Limited agreed to sell and MCC Mining (Western Australia) agreed to purchase the Cape Lambert tenement on 11 June 2008. The royalty obligations under the Cape Lambert Royalty Deed were assigned by Cape Lambert Iron Ore Limited as assignor to MCC Mining (Western Australia) as assignee. On 22 December 2009, Pharlap as continuing party and MCC Mining (Western Australia) as assignor and MCC as assignee entered into a covenant deed (the “**2009 Covenant Deed**”).

The Cape Lambert retention license is currently rented by MCC for a period of three years, ending on 21 March 2022. According to the Western Australia Mining License Register, a retention license with regard to the Cape Lambert mining license is currently held by MCC and is encumbered to the benefit of Pharlap as a caveator under a consent caveat with number 337919.

### **c) Acquisition of Lithium 1**

With a share purchase agreement dated 14 February 2020, SunMirror Luxembourg acquired Lithium 1 PTY Ltd., an Australian proprietary company limited by shares from the former shareholder Perfect Summit Holding Ltd. The purchase price was GBP 12,500,000.00. Lithium 1 holds two exploration licenses for Lithium, Gold and Nickel (Kingston-Keith and Moolyella Projects, both in Northwest of Western Australia). The purchase price was granted as a shareholder loan at that time. On 4 May 2020 the shareholder loan was converted into equity without the issuance of new shares.

**d) Acquisition of Pharlap**

On 6 August 2020 Exchange Minerals Limited and Perfect Summit Holdings Limited entered into a sale and purchase agreement, amended by an agreement as of 18 December 2020, in which Exchange Minerals Limited agreed to sell Pharlap in return for shares in SunMirror Luxembourg. The sale and purchase agreement gave Perfect Summit Holdings Limited the right to assign the benefit of the sale and purchase agreement to SunMirror Luxembourg and direct that the Pharlap shares be transferred to SunMirror Luxembourg rather than to Perfect Summit Holdings Limited. On completion on 9 August 2020 Exchange Minerals Limited executed a stock transfer in favor of SunMirror Luxembourg. On 12 August 2020 Perfect Summit Holdings Limited and SunMirror Luxembourg entered into a sale and purchase agreement, amended by an agreement as of 18 December 2020 in which SunMirror Luxembourg purchased the rights of Perfect Summit Holdings Limited under the sale and purchase agreement in consideration of payment of EUR 23,090,000 and acknowledged that Perfect Summit Holdings Limited had already procured that the Pharlap shares be transferred directly to SunMirror Luxembourg by way of the stock transfer. The fact of the assignment by Perfect Summit Holdings Limited in favor of SunMirror Luxembourg was notified to Exchange Minerals Limited by Perfect Summit Holdings Limited also on 12 August 2020. The registration of SunMirror Luxembourg as the owner of the shares in Pharlap was completed on 16 October 2020 after payment of stamp duty on the transfer.

The purchase price of the Pharlap shares has been agreed for 19% (212,004) shares in SunMirror Luxembourg. At the time of the transaction this was valued equal to EUR 108.91 per share, resulting in a total purchase price for the acquisition of EUR 23,090,000 (equivalent to USD 27,179,239). The value per share was determined with reference on the share price of SunMirror Luxembourg at the time of the acquisition. The SunMirror Luxembourg shares for payment of the purchase price were provided by the major shareholder and recorded as a capital contribution by this shareholder without issuing new shares at SunMirror Luxembourg. Therefore, SunMirror Luxembourg did not incur any cash outflow or liability on the acquisition of Pharlap.

**e) Acquisition of Lat 66**

On 26/27 August 2021, SunMirror Luxembourg entered into a share purchase agreement with Latitude 66 Cobalt Limited, Australia, on the acquisition of 100% of the shares in Lat 66 for a consideration of EUR 45,000,000 (adjusted by the addition of LAT 66's operating costs funded by Latitude 66 Cobalt Limited since 1 March 2021 and minus net debt of Lat 66). Further, as part of the overall consideration SunMirror Luxembourg shall pay to Finroy Limited, a subsidiary of Latitude 66 Cobalt Limited, a 2% net smelter royalty on Lat 66's existing exploration assets' future production, if any. The Company guarantees the obligations of SunMirror Luxembourg.

The share purchase agreement is, amongst others, subject to the condition precedent that the Company has successfully raised EUR 70,000,000 in additional capital. If the conditions precedent are not fulfilled on or before 30 November 2021, either party may rescind the share purchase agreement. Provided that the conditions precedent are fulfilled or waived on or prior to 30 November 2021, SunMirror Luxembourg is obliged to pursue a takeover bid for all of the issued shares in Latitude 66 Cobalt Limited or to agree with Latitude 66 Cobalt Limited on a scheme of arrangement under which SunMirror Luxembourg will acquire all of the issued shares in Latitude 66 Cobalt Limited. . If the takeover offer is not declared

unconditional or the scheme of arrangement is not accepted, closing of the share purchase agreement must be pursued. If the acquisition proceeds by way of private sale of Lat 66 by Latitude 66 Cobalt Limited, Latitude 66 Cobalt Limited will give SunMirror Luxembourg certain agreed warranties relating to the business and assets of Lat 66. Warranties will not be given by the shareholders of Latitude 66 Cobalt Limited if the acquisition completes as the result of a successful takeover offer for Latitude 66 Cobalt Limited.

SunMirror Luxembourg paid to Latitude 66 Cobalt Limited a non-refundable exclusivity fee of EUR 2,500,000 which is credit against the consideration due under the share purchase agreement (if it completes) or forfeited (if the share purchase agreement does not complete).

In performing the share purchase agreement, SunMirror Luxembourg also entered into a royalty deed with Lat 66, Latitude 66 Cobalt Limited and Latitude 66 Cobalt Limited's subsidiary Finroy Limited, Australia, on a 2% net smelter royalty on Lat 66's existing exploration assets' future production, if any, payable to Finroy Limited. The obligations under the royalty agreement are subject to either (i) the closing of the share purchase agreement, (ii) the takeover bid in relation to all shares in Latitude 66 Cobalt Limited being declared unconditional or (iii) the scheme of arrangement in relation to all shares in Latitude 66 Cobalt Limited becoming effective. Until 26 August 2024, SunMirror Luxembourg can opt to reduce the royalty fee to 1.00% against a one-off payment of EUR 7,500,000 to Finroy Limited. Latitude 66 Cobalt Limited may, prior to completion under the share purchase agreement, distribute the shares in Finroy Limited to its shareholders (or enter into any equivalent arrangements to award Latitude 66 Cobalt Limited's shareholders the benefits from the royalty agreement).

In performing the obligation under the share purchase agreement to fund the operating costs of Lat 66 until closing, SunMirror as lender also entered into a limited recourse loan agreement with Latitude 66 Cobalt Limited for EUR 1,300,000 to be used by Latitude 66 Cobalt Limited for the maintenance and development of Lat 66's mining projects in Finland and ancillary purposes. The loan amount is to be disbursed in three tranches, EUR 500,000 on 10 September 2021, EUR 500,000 on 10 October 2021 and EUR 300,000 on 10 November 2021. The loan bears interest of 3% p.a. Repayment of the loan is only provided for, essentially, on completion of the direct or indirect acquisition of Lat 66 by SunMirror Luxembourg or termination of the share purchase agreement by SunMirror Luxembourg for certain causes. Otherwise, the loan and interest will not be repayable.

#### **f) Convertible Loans**

In April 2021, the Company entered into two convertible loan agreements for a total amount of EUR 8,410,429.00 (the loans are Euro denominated, equivalent of USD 10,000,000). Net proceeds were EUR 7,906,429. The loans bear interest at an annual rate of 10%. The term is fixed until 30 May 2022. Lenders have the right, but no obligation, to convert the loan into in total 133'305 shares in the Company at any time. The agreed conversion price is CHF 70 with an agreed conversion rate of EUR 1.1095 per CHF. The amount of the unconverted loan shall be paid by the Company in cash instead of issuing fractions of shares. If the conversion right is exercised, the shares shall be newly issued shares from conditional capital (see below *Section XIII Information about the Company's Share Capital and Articles of Association – Conditional Capital*). The lenders have agreed not to sell the newly issued shares for a period not exceeding 3 months following the date of conversion or the admittance of the

converted shares on the stock exchange XETRA in Frankfurt, whatever occurs later, but at the latest until 30 November 2021.

In October 2021, the Company received a conversion notice for the conversion of a nominal of EUR 6,000,000 into 95,100 shares. The settlement date is 1 March 2022. Thus, the relevant shares have to be delivered by the Company on 1 March 2022 only. The Company intends to create relevant shares from the existing contingent capital (*bedingtes Kapital*) immediately before such date.

## 6. Current and expected market competitors

The Company believes that the mineral exploration business is a competitive polypoly, with many companies competing for the limited number of precious and base metals acquisition and exploration opportunities that are economic under current or foreseeable metals prices. In the search for and the acquisition of attractive mineral properties, companies compete with numerous other companies and individuals, including competitors with significant financial and technical resources. The Company believes competitive factors are the ability to select and acquire suitable prospects for mineral exploration or development as well as to attract skilled personnel such as experienced geologists, engineers, field personnel and other contractors. Within this market environment, the Group considers itself to be in a competitive position since the Group has access to two professional exploration and development teams in Australia and Northern Europe ready for immediate mobilization.

The Group estimates that there are currently more than 160 companies listed on the Australian Stock Exchange operating in the same business area as the Group (<https://www.listcorp.com/asx/sectors/materials/materials/metals-mining/gold>). Worldwide, there are hundreds of potential competitors. The following competitors hold projects that are geographically situated close to the projects of the Group:

- **Pilbara Minerals:** Pilbara Minerals' 100%-owned Pilgangoora project and operation is located 120km from Port Hedland in Western Australia's resource-rich Pilbara region. The Pilgangoora ore body is considered one of the largest hard rock lithium deposits in the world. The operation consists of two processing plants. The Pilgan Plant, located on the northern side of the Pilgangoora area, produces a spodumene concentrate and a tantalite concentrate, and the Ngungaju Plant is located to the south produces a spodumene concentrate. Following first shipment in October 2018, start of commercial production was achieved in April 2019. (Source for the information provided on Pilbara Minerals: <http://www.pilbaraminerals.com.au/site/our-business/pilgangoora-lithium-tantalum-project>).
- **Wiluna Mining Corporation:** The Wiluna Mining Corporation ("WMC") is a gold mining company based in Perth, that controls about 1,600 square kilometers of the Yilgarn Craton, in the Northern Goldfields of Western Australia. WMC produced 61,885 ounces of gold in the 2020 financial year at an all-sustaining cost of AUD 1,950 per ounce (Source for the information provided on WMC: <https://wilunamining.com.au/>).
- **Bellevue Gold Limited:** Bellevue Gold Limited is a listed company that holds the Bellevue gold project. The Bellevue gold project is situated 400km northwest of Kalgoorlie in Western Australia

and sits within a high-grade gold and nickel district on the prolific Wiluna-Norseman gold belt. Bellevue is within 100km of numerous producing gold mines and in close proximity to world-class nickel mines. The Leinster area is a world class mining district and hosts more than 40 mega ounces of endowment. The Bellevue gold project covers new discoveries adjacent to the mine that historically produced about 800,000 ounces, closing in 1997. The new discoveries are from the surface and have significantly extended the footprint of the Bellevue system both along strike and at depth. The gold discovery includes 2.4 mega ounces at 10.0 gram gold per ton, including a maiden probable ore reserve of 2.7 megatons at 8.0 gram gold per ton for 690,000 ounces (Source for the information provided on Bellevue Gold Limited: <https://www.bellevuegold.com.au/bellevue-gold-project>).

- **Ramelius Resources Ltd:** Ramelius Resources Ltd acquired the high grade Kathleen Valley Gold Project from Xstrata Nickel Australasia Operations Pty Limited (XNAO), a subsidiary of Glencore plc, in 2014. The Kathleen Valley tenements are located 50km north of Leinster in Western Australia and contains a mineral resource of 130,000 ounces of gold in three deposits. It is located close to the Group's Vivien gold project. The Vivien gold deposit is located near the Agnew Gold Mine, 15km west of the town of Leinster. Historical underground production from the Vivien leases between 1902 and 1911 totaled 76,000 ounces at an average grade of 12.4 gram gold per ton. The Vivien open pit was mined between 1997 and 1998 and produced 410,000 tons at 2.70 gram gold per ton for 35,600 ounces (Source for the information provided on Ramelius Resources Ltd: <https://www.rameliusresources.com.au/>).
- **Gold Fields Australia Group:** The Gold Fields Australia Group has an attributable mineral reserve of around 6.2 million ounces and mineral resources of around 16 million ounces. Situated in the Eastern Goldfields region, the Agnew mine site is 23km west of Leinster, 375km north of Kalgoorlie and nearly 1,000km north-east of Perth. Acquired in 2001, Agnew Gold Mine produces over 250,000 ounces of gold per year (Source for the information provided on Gold Fields Australia Group: <https://careers.goldfields.com.au/australian-locations/agnew/>).
- **Mineralogy Pty Ltd:** Mineralogy Pty Ltd also has a royalty agreement with a Chinese state-owned company, CITIC ([https://www.citic.com/en/our\\_business/resources\\_energy/](https://www.citic.com/en/our_business/resources_energy/)). CITIC Limited, through CITIC Mining International, has the right to mine two billion tons of magnetite ore at Cape Preston in Western Australia's Pilbara region, and has exercised the option to acquire another one billion tons of magnetite ore. With a mine life of approximately 30 years, Sino Iron is the largest magnetite mining and processing operation in Australia. More than 74 million tons of concentrate have been shipped since exports commenced. Sino Iron is the largest sea-borne supplier of magnetite concentrate to China by traded volume. In 2019, Sino Iron again achieved record production levels, shipping more than 20 million wet metric tons to CITIC's special steel plants and other Chinese and Asian steel mills. However Cape Preston is over 100km away from customers/suppliers the port compared to 4km (Cape Lambert) (Source for the information provided on Mineralogy Pty Ltd: <https://mineralogy.com.au/projects/austeel/>).

## **7. Dependence on a limited number of customers/suppliers**

Since the projects of the Group have not reached the mining stage yet, so far the Group has no customers and therefore is not dependent on a limited number of customers. Therefore, there are also no new products / services.

The Group has not itself carried out onsite exploration work on its project sites since it owns its respective projects. Therefore, the Group currently has only one supplier, Geonomik Pty Ltd based in Perth, Australia. Geonomik Pty Ltd processes and analyzes data gathered in the course of the exploration activities at the Kingston Keith project. Since a high number of companies in the region provide similar or the same services as Geonomik Pty Ltd, the Group believes it is not dependent on Geonomik Pty Ltd and therefore not dependent on a limited number of suppliers.

## **8. Assets required for production that are not owned by the Group, Environment**

There are no assets currently required for production not owned by the Group as the Group does not operate at this stage. A potential future production would need to be built from scratch and all assets required for this would need to be purchased.

As the Group is not yet in the production stage, there are no environmental issues that may affect the Group's use of tangible assets.

## **9. Legal and Arbitration Proceedings**

From time to time, the Group may be affected by claims and lawsuits in connection with its ordinary business activities. During the previous twelve months the Group has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past significant effects on the Company's financial position or profitability.

## **10. Employees and Key Individuals**

The Company and the Group currently have 4 employees, including the key individuals Dr Heinz Rudolf Kubli, Lester Kemp and Simon Griffiths. Other individuals operate on the basis of service agreements.

## **11. Research and Development, Patents, Licenses and Trademarks**

Since the business model of the Group does not require any research and development activities as it can mainly operate adopting commonly used best practices in its core business areas, there are no current research and development activities of the Group.

There are no dependencies on patents, licenses and trademarks or other intellectual property rights. However, the Group is dependent on the rights it owns in exploration assets.

## **12. Recent Developments and Outlook**

On 26/27 August 2021, the Group has entered into a conditional binding agreement with Latitude 66 Cobalt Limited to acquire 100 percent of the shares of Finnish cobalt company Lat 66 from its parent

company Latitude 66 Cobalt Limited. Lat 66's business focus is exploration and mine development with its business operations located in Finland.

Founded four years ago, the Group believes Lat 66 is one of the leading explorers of cobalt in Europe and the Group believes that Lat 66 controls the largest exploration tenement package of any single company in Finland, currently surpassing 9,000 square kilometers. Lat 66's most advanced mine development project is, in Latitude 66's view, the fourth largest known cobalt deposit in the European Union and the second largest not yet in production. In addition, Lat 66 has an extensive exploration portfolio with over 100 targets identified for further exploration.

The expected purchase price payable to Latitude 66 Cobalt Limited will be EUR 45 million (adjusted by the addition of Lat 66's operating costs funded by Latitude 66 Cobalt Limited since 1 March 2021 and minus net debt of Lat 66), payable in cash on closing, and a 2% net smelter royalty on future production to Latitude 66 Cobalt Limited's subsidiary Finroy Limited. The agreement in respect of the acquisition of Lat 66 contains an alternative completion structure which, subject to satisfaction of certain conditions (including the capital raising referred to below completing), places an obligation on the part of SunMirror Luxembourg to propose a takeover offer for the shares in Latitude 66 Cobalt Limited in accordance with applicable Australian laws at a price of EUR 42.5 million. If that takeover offer is not accepted by the required majority of the Latitude 66 Cobalt Limited shareholders, Latitude 66 Cobalt Limited will be obliged to sell Lat 66 to SunMirror Luxembourg for the consideration outlined at the beginning of the paragraph. The making of a takeover offer (and the acquisition of Lat 66 by SunMirror Luxembourg if that takeover offer is not accepted) are subject to completion by the Company of a capital raising of not less than EUR 70,000,000 and other customary conditions to be met by 30 November 2021.

If the takeover offer is made and is accepted by the required majority of 90% of shares on issue which entitles SunMirror Luxembourg to acquire the shares of any shareholders in Latitude 66 Cobalt Limited who do not accept the offer, their shares in Latitude 66 Cobalt Limited may be compulsorily acquired under Australian laws at the same price per share payable to the shareholders who accepted the takeover offer. If a takeover offer is made which is only accepted to an extent which would not entitle SunMirror Luxembourg to compulsorily acquire the shares of non-accepting shareholders, then the acquisition would proceed to completion by way of a private sale of Lat 66 by Latitude 66 Cobalt Limited.

If the acquisition proceeds by way of private sale of Lat 66 by Latitude 66 Cobalt Limited, Latitude 66 Cobalt Limited will give SunMirror Luxembourg certain warranties relating to the business and assets of Lat 66. Warranties will not be given by the shareholders of Latitude 66 Cobalt Limited if the acquisition completes as the result of a successful takeover offer for Latitude 66 Cobalt Limited. See also *Section VII Business Overview – Material Agreements – Acquisition of Lat 66*.

The Company intends, based on the resolution of the Board of Directors on 7 January 2021, to raise the total of not less than EUR 70 million required to be able to proceed with the proposed acquisition of Lat 66 through a capital increase in the volume of up to EUR 70 million by issuing up to 1 million new shares from authorized capital (*genehmigtes Kapital*) at an issue price of presumably EUR 70 per share with a lock-up period of one year excluding the subscription rights of shareholders. This capital raise is

intended to take place in November 2021. The Company has obtained verbal commitments from potential investors that the investors to whom the new shares are allotted under the aforementioned planned share capital increase will grant the shareholders of the Company the opportunity to acquire shares from the respective investors at the placement price agreed as part of the share capital increase. This is intended to place the existing shareholders essentially in the same position retrospectively as if they had been granted a pro rata subscription right.

In addition, the Company has announced plans to also issue mandatory convertible notes with gross proceeds of approx. EUR 20 million after the capital increase from authorized capital mentioned above, excluding shareholders' subscription rights, to further strengthen the Group's financial resources and provide scope for further acquisitions. For the existing authorized capital see *Section XIII.3 – Information about the Company's Share Capital and Articles of Association – Authorized Capital*, for the existing conditional capital see *Section XIII.4 - Information about the Company's Share Capital and Articles of Association – Conditional Capital*.

## VIII. OPERATING AND FINANCIAL REVIEW

*The following discussion and analysis of the Group's financial condition and results of operations is based on and should be read in conjunction with the Financial Statements and other financial information contained in this Prospectus. The review includes forward-looking statements, which are subject to risks and uncertainties, which could cause actual events or conditions to differ materially from those expressed or implied herein. For a discussion of some of those risks and uncertainties, see Section III General Information - Forward-Looking Statements and Section II Risk Factors.*

The Group invests into pre-production mineral exploration assets with a focus on battery metals, iron ore and gold deposits for the purpose of evaluation and exploration with the aim, should any of the assets of the Group prove commercially viable, to either produce minerals at a later stage or sell those properties. Currently, all mineral exploration assets of the Group are in Western Australia. All assets of the Group are in an (early) exploration phase and do not produce any revenue for the time being. As of 30 June 2021, the Group held exploration and evaluation assets with a total balance sheet value of USD 3,835,160 and a royalty entitlement with a balance sheet value of USD 28,599,490.

### 1. Key Factors Affecting Results of Operations

In the management's view, the following are the key factors that affected the Group's results of operations over the past three years, and are likely to continue to affect its results of operations:

#### a) Exploration expenditure

All assets of the Group are in an (early) exploration phase. They do not produce any revenue. Rather, the exploration assets held by the Group (the Moolyella and Kingston-Keith tenements) will require ongoing exploration expense. The Group has incurred exploration expenditure of USD 7,480 in the financial year ended 30 June 2020 and of USD 0 in the financial year ended 30 June 2021. The Group has budgeted approx. USD 1,200,000 in exploration expense for the pending current financial year for these tenements. Exploration expenditure affected the Group's results of operations over the past financial years and is likely to continue to affect its results of operations.

#### b) Funding, advisory and personnel expense

In the last two financial years, the Group incurred material expenses in the context of achieving admission to listing of its shares, to obtain financing and for corporate advisory services, all of which are included in general and administrative expense. In the pending financial year, the Group will also incur material expenses in the context of its effort to have the Shares admitted to listing on a regulated market, the intended acquisition of Lat 66 and a related share capital increase. In such context and in scaling-up its operations, the Group requires more qualified personnel whether employed (such as Lester Kemp and Simon Griffiths) or assisting based on a consultancy contract and in such context will continue to incur personnel expense in excess of historic personnel expense.

#### c) Losses from fair value adjustments and impairments

The exploration assets and the royalty entitlement of the Group are reviewed annually for impairment indicators in accordance with IFRS 6. Respective impairments are recognized in the statement of profit and loss for the period in which they arise. While no impairment expense accrued in relation to the

exploration assets and the royalty entitlement in the financial years ended 30 June 2020 (based on a restatement of the accounting treatment of the acquisition of Lithium 1) and 30 June 2021, any future impairment may have a material impact of the results of operations of such period.

**d) Currency Translation effects**

The Group's financial statements are presented in USD, which is different to the functional currency of the Company (CHF). The functional currency of SunMirror Luxembourg is EUR, the functional currency of Lithium 1 and Pharlapp is AUD. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Gains and losses arising on the translation of assets and liabilities of members of the Group whose functional currency is different from the Group's presentation currency (USD) are recorded as other comprehensive income. Gains and losses on currency translation recognized in other comprehensive income are accumulated in the statement of financial position line item foreign currency translation reserve (as part of total shareholders' equity) until the relevant member of the Group is disposed of – at such time they may be reclassified to profit or loss. Recorded as other comprehensive income/loss, the Group incurred currency translation gains of USD 1,770,540 in the financial year ended 30 June 2021, a loss of USD 12,700 in the financial year ended 30 June 2020 and a loss of USD 1,034 in the financial year ended 31 December 2019. This results in a foreign currency translation reserve (recorded as part of equity) of USD 1,754,546 as of 30 June 2021.

**2. Segment Reporting**

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

**3. Factors Affecting the Comparability of Financial Information**

**a) The financial year ended 30 June 2020 consisted of six months only**

The (consolidated) financial statements for the periods ended 31 December 2019 and 30 June 2021 each present the results of operations and cash flows for a period of 12 months. The consolidated financial statements as of and for the period ended 30 June 2020 present the results of operations and cash flows for a period of six months only due to the change in the reporting date made in 2020, resulting in limited comparability.

**b) Reverse takeover**

On 31 August 2020, SunMirror AG performed a capital increase from CHF 325,000 (USD 327,030) to CHF 2,000,000 (USD 2,161,816) by means of a cash contribution of CHF 500,000 (USD 540,522) and a contribution in kind of all 1,111,000 shares in SunMirror Luxembourg resulting in an increase of the share capital of CHF 1,175,000 (USD 1,294,264). The contribution in kind of SunMirror Luxembourg into the Company was accounted for as a reverse takeover of SunMirror AG and is thus not within the scope of IFRS 3 as a business combination as the Company as acquiree for accounting purposes does not meet the definition of a business in accordance with IFRS 3. Therefore, the transaction was ac-

counted for within the scope of IFRS 2 as a share-based payment in the consolidated financial statements of the Group as a continuation of the financial statements of SunMirror Luxembourg and a capital reorganization of SunMirror AG so that, after the transaction, the consolidated financial statements represent the continuation of the financial statements of SunMirror Luxembourg (legal subsidiary) except for its share capital. Comparative information was retroactively adjusted to reflect SunMirror AG's legal capital as the legal parent of the group. As a consequence, the figures for the results of operations and the financial position for the financial years ended 30 June 2020 and 31 December 2019 are those of SunMirror Luxembourg and taken from the Lux Consolidated Financial Statements 2020 (considering a restatement of prior period amounts as included in the Consolidated Financial Statements 2021) and the Lux Financial Statements 2019 (rather than from the financial statements of the Company, namely the Consolidated Financial Statements 2020 and the Financial Statements 2019).

The reorganization is accounted for as a recapitalization, with SunMirror Luxembourg being the accounting predecessor and the Company is accounted for as acquiree. SunMirror Luxembourg's historical share capital of USD 1,247,727 is presented as share capital of the Company by USD 327,030 and capital reserve by USD 920,697 as per 1 January 2020. The Company's prior legal reserves of USD 93, prior accumulated loss of USD 275,030 and prior foreign currency translation reserve of USD 13,919 are eliminated. The difference between the fair value of issued shares and The Company's identifiable net assets at point of the reverse acquisition are reflected in the Consolidated Financial Statements 2021 as non-cash listing expenses of USD 531,064.

**c) Restatement of prior period amounts**

On 14 February 2020, SunMirror Luxembourg acquired 100% of the share capital of Lithium 1 for approx. USD 16,307,500 (original amount GBP 12'500'000). The transaction was under common control, because Lithium 1 and the Group are owned by the same investor (Perfect Summit Holdings Ltd). At the time of the acquisition Lithium 1 held exploration and development licenses for Moolyella site. The purchase price was granted as a shareholder loan at that time. Subsequently the shareholder loan was converted into equity without the issuance of new shares at its nominal value.

The transaction was accounted for as an asset acquisition and the costs were allocated to the assets acquired and liabilities assumed, based on their relative fair values at the date of purchase. The valuation report, which was used for the determination of the purchase consideration, was not intended for accounting purposes and therefore it could not be used to determine the fair value of the acquired exploration and development licenses. Instead, their values were determined as the difference amount between the purchase consideration and fair value of the only other asset obtained (cash). On 30 June 2020, an alternative valuation based on comparative market transactions was performed which resulted in an impairment of USD 13,054,900 that was recorded as an expense in the Lux Financial Statements 2020.

In the financial year ended 30 June 2021, management reassessed the accounting treatment and concluded that there was no triggering event resulting in an impairment of the exploration and evaluation asset under IFRS 6. Instead, the downward adjustment of the fair value of the exploration and development licenses should be accounted for as a reduction in the purchase price on day 1.

The adjustment results in a restatement of the components of equity, while the total equity remains unchanged, as well as in the profit and loss statement and in the calculation of earnings per share as presented in more detail in Consolidated Financial Statements 2021 (Note 2.4 Restatement of prior year period amounts).

#### **4. Significant Accounting Policies**

The following section summarizes such of the Group's accounting policies which, in the opinion of management, are important for the presentation of the financial condition and results of operations of the Group, and whose application necessarily entails judgments, assumptions or estimates, which require subjective or complex assessments to be made. These assessments could subsequently prove to be inaccurate and therefore result in changes in the relevant financial information. For additional information, see note 2.5 (Significant accounting judgements, estimates and assumptions) in the Consolidated Financial Statements 2021.

##### **a) Impairment**

The royalty agreement (Cape Lambert project) as well as the exploration and evaluation assets of the Group (the Moolyella project and the Kingston-Keith project) have been basically valued at cost. As of 30 June 2021, the carrying amount of the Group's royalty agreement was USD 28,599,490 and of the Group's exploration and evaluation assets was USD 3,835,160.

The Cape Lambert royalty agreement was valued with reference to its acquisition costs. The royalty agreement is not yet available for use and is therefore tested for impairment at each reporting date.

The Group's exploration and evaluation assets are classified as intangible assets in line with IFRS 6. Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortization of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. An asset's recoverable amount is the higher of (i) an asset's fair value less costs of disposal and (ii) its value in use.

##### **b) Exploration and evaluation**

Pre-license costs relate to costs incurred before the Group has obtained legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analyzing that data. Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Such costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures in relation to each separate area of interest are recognized as an exploration and evaluation asset (and thus capitalized rather than expensed) in the year in which they are incurred, provided the rights to tenure of the area of interest are current and at least one of the following conditions is met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- the exploration and evaluation activities in the area of interest have not at the balanced date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortization of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

In the financial year ended 30 June 2021, the Group incurred exploration and valuation expenditure of USD 0 (financial year ended 30 June 2020: USD 7,480). For exploration and evaluation costs capitalized as an asset as of 30 June 2021, see the Consolidated Financial Statements 2021, Note 4.11.

**c) Functional currency**

The Group's financial statements are presented in USD, which is different to the functional currency of the Company (CHF). The Group intends to expand its activities within the mineral sector, whose main currency is the USD. For each subsidiary, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to the statement of profit or loss reflects the amount that arises from using this method.

**d) Tax losses carried forward**

As of 30 June 2021, the Group has USD 18'255'204 (30 June 2020: USD 15,048,590) of tax losses carried forward. The Group neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognize deferred tax assets on the tax losses carried forward.

**5. Results of Operation**

The following provides an overview of the Group's results of operations for the financial years ended 31 December 2019, 30 June 2020 and 30 June 2021:

	Financial year ended		
	30 June 2021	30 June 2020 <sup>1) 2)</sup>	31 Dec 2019 <sup>1)</sup>
	(audited) in USD	(audited) in USD	(audited) in USD
Revenue .....	0	0	0
Exploration expenditure .....	0	-7,480	0
Personnel expense .....	-441,758	-27,551	0
General and administrative expense .....	-3,711,414	-296,276	-682,604
Impairment expense .....	0	0	-559,737
<b>Operating loss .....</b>	<b>-4,153,172</b>	<b>-331,307</b>	<b>-1,242,342</b>
Finance income .....	1,280,920	0	0
Finance expense .....	-536,619	-85	0
<b>Financial result .....</b>	<b>744,301</b>	<b>-85</b>	<b>0</b>
<b>Loss for the period .....</b>	<b>-3,408,871</b>	<b>-331,392</b>	<b>-1,242,342</b>
Other comprehensive income/loss .....	1,770,540	-12,700	-1,034
<b>Total comprehensive loss for the period</b>	<b>-1,638,331</b>	<b>-334,092</b>	<b>-1,243,376</b>
<b>Loss per share .....</b>	<b>-1.83</b>	<b>-0.28</b>	<b>N/A</b>

(Sources: Consolidated Financial Statements 2021, Lux Consolidated Financial Statements 2020)

(1) As the contribution in kind of all shares in SunMirror Luxembourg to the Company in August 2020 was accounted for as a reverse takeover, financial information for the financial years ended 30 June 2020 and 31 December 2019 has been taken from the (consolidated) financial statements of SunMirror Luxembourg (the Lux Consolidated Financial Statements 2020) rather than the financial statements of the Company.

(2) Financial information for the financial year ended 30 June 2020 is presented as restated in the Consolidated Financial Statements 2021.

All assets of the Group are in an (early) exploration phase and do not produce any revenue. Thus, the Group achieved no revenues in its financial years ended 30 June 2021, 30 June 2020 and 31 December 2019.

Exploration expenditure amounted to USD 0 in the financial year ended 30 June 2021. All expenses relate to the Group's tenements Moolyella and Kingston-Keith. No material exploration expense was incurred before, so exploration expense was USD 7,480 in the financial year ended 30 June 2020 and USD 0 in the financial year ended 31 December 2019.

Personnel expense amounted to USD 441,758 in the financial year ended 30 June 2021 and was thus substantially higher than in the financial year ended 30 June 2020 (USD 27,551) and in the financial year ended 31 December 2019 (USD 0). This was due to a scale-up of the administrative organization of the Group undertaken in the financial year ended 30 June 2021. Board of Director fees are the main expense item.

General and administrative expense substantially increased in the financial year ended 30 June 2021 to USD 3,711,414 from USD 296,276 in the financial year ended 30 June 2020 and USD 682,604 in the financial year ended 31 December 2019. In the financial year ended 30 June 2021, a substantial part of such expense related to the listing of the shares in the Company on the unofficial market segment (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*) and on the Vienna MTF (market

segment direct market) of Vienna Stock Exchange (*Wiener Börse*). In such context, the Group also incurred material advisor expenses, including for accounting, tax, audit and legal services.

General and administrative expense in the financial year ended 30 June 2021 also includes USD 275,107 of advisory fees paid to Opus Capital Switzerland AG, a corporate advisory firm, or Opus Capital Asset Management GmbH. Such firms are a related party as Dr Heinz Kubli, member of the Board of Directors, is also a director of Opus Capital Switzerland AG. Fees paid to Opus Capital Switzerland AG in the financial year ended 30 June 2020 amounted to USD 205,237. In the financial year ended 31 December 2019, general and administrative expense professional fees were paid to the owner of the company of USD 628,025 (who is no related party anymore).

Impairment expense in the financial year ended 31 December 2019 relates to an intangible asset acquired which did not give rise to future economic benefits to the Group and was therefore impaired.

The absence of revenues and the incurred expenses resulted in an operating loss of USD 4,153,172 in the financial year ended 30 June 2021, USD 331,307 in the financial year ended 30 June 2020 and USD 1,242,342 in the financial year ended 31 December 2019.

In the financial year ended 30 June 2021, the Group for the first time incurred financial income, essentially from gains on marketable securities and foreign exchange currency gains. No financial income was incurred in the financial years ended 30 June 2020 and 31 December 2019. Financial expense in the financial year ended 30 June 2021 consisted mainly of interest expense and foreign exchange currency losses. Minor financial expenses in the financial year ended 30 June 2020 related to foreign exchange currency loss. No financial expense was incurred in the financial year ended 31 December 2019.

In each of the financial years ended 30 June 2021, 30 June 2020, and 31 December 2019 the Group did not incur income tax expense. All the above resulted in a loss for the period of USD 3,408,871 in the financial year ended 30 June 2021, mainly driven by the substantially increased general and administrative expense in the context of preparing for listing. In the financial year ended 30 June 2020, the Group incurred a loss for the period of USD 331,392. In the financial year ended 31 December 2019, again general and administrative expense and impairment expense were the drivers of the loss for the period of USD 1,242,342

## **6. Liquidity and Capital Resources**

### **a) Overview of Capital Resources**

The Group's primary sources of liquidity are cash at banks, a credit line provided by a shareholder and convertible loans issued by the Company. In addition, the Group holds marketable securities of USD 4,343,632 as of 30 June 2021 which it may sell at any time to generate liquidity, if needed. Liquidity required for operational purposes is made available to the members of the Group mainly via intra-group financing agreements.

The funding structure of the Company currently is majority equity based. There is also a credit line of EUR 3.0 m as a liquidity reserve (convertible loan) made available by a shareholder. Following a utilization which was repaid since, currently EUR 2,265,165 are available to the Company under such credit

line. In April 2021, the Company entered into two convertible loan agreements with total gross proceeds of EUR 8,410,429.00 (the loans are Euro denominated, equivalent of USD 10,000,000). Investments scheduled for the pending financial year (exploration costs for the Moolyella and the Kingston-Keith projects) are covered by liquidity available to the Group.

There are no restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Group's operations. Management regularly monitors the Company's cash position on an ongoing basis. The Group has the capacity, if necessary, to defer discretionary expenditure in the current cash flow forecast period or take steps to moderate the cash outflows of the business as needed to ensure that the Group maintains expenditure in line with the level of funding available. No significant change in the financial position of the Group occurred since the end of the last financial year.

## b) Cash flow

The following table shows certain information related to the cash flows of the Group in the indicated periods (cash and cash equivalents as of the end of the indicated periods):

	Financial year ended		
	30 June 2021 (audited) in USD	30 June 2020 <sup>1) 2)</sup> (audited) in USD	31 Dec 2019 <sup>1)</sup> (audited) in USD
Loss of the period .....	-3,408,871	-331,393	-1,242,342
Net cash flow from operating activities .....	-2,821,269	2,137	-56,363
Net cash flow from investing activities .....	-6,670,557	-42,170	0
Net cash flow from financing activities.....	9,962,777	45,642	0
Net foreign exchange differences.....	-25,515	-5,602	-1,034
Net change in cash and cash equivalents .....	445,436	7	-57,397
Cash and cash equivalents at the beginning of the period .....	7	0	57,397
Cash and cash equivalents at the end of the period .....	445,443	7	0

(Sources: Consolidated Financial Statements 2021, Lux Consolidated Financial Statements 2020)

(1) As the contribution in kind of all shares in SunMirror Luxembourg to the Company in August 2020 was accounted for as a reverse takeover, financial information for the financial years ended 30 June 2020 and 31 December 2019 has been taken from the (consolidated) financial statements of SunMirror Luxembourg (the Lux Consolidated Financial Statements 2020 and the Lux Financial Statements 2019) rather than the financial statements of the Company.

(2) Financial information for the financial year ended 30 June 2020 is presented as restated in the Consolidated Financial Statements 2021.

**Cash flow from operating activities:** In the financial year ended 30 June 2021, cash flow from operating activities was at USD -2,821,269. It is based on the loss for the period and was affected by an increase in trade payables by a total of EUR 941,316. Cash flow from operating activities was at USD 2,137 in the financial year ended 30 June 2020 and at USD -56,363 in the financial year ended 31 December 2019.

**Cash flow from investing activities:** In the financial year ended 30 June 2021, cash flow from investing activities amounted to an outflow of USD 6,670,557. The investment into marketable securities was the most substantial factor, amounting to an outflow of USD 4,764,922. In addition, the Group made a deposit to gain exclusivity for the acquisition of Lat 66 of USD 2,970,914 (original amount EUR 2,500,000). Proceeds from such marketable securities accounted for an inflow of total USD 1,465,909. Cash flow from investing activities amounted to an outflow of USD 42,170 in the financial year ended 30 June 2020 (payment of exploration expense) and USD 0 in the financial year ended 31 December 2019.

**Cash flow from financing activities:** In the financial year ended 30 June 2021, cash flow from financing activities amounted to USD 9,962,777, mostly due to a net inflow of funds in the context of the issue of convertible loans of total USD 10,011,775 and the issue of shares of USD 540,522 (original amount CHF 500,000). Cash flow from financing activities amounted to an inflow of USD 45,642 in the financial year ended 30 June 2020 (loan from a related party) and USD 0 in the financial year ended 31 December 2019.

As of 30 June 2021, the Group had cash and cash equivalents of USD 445,443 (USD 7 as of 30 June 2020 and USD 0 as of 31 December 2019).

### c) Liabilities

The following table summarizes the Group's liabilities as of 30 June 2021, 30 June 2020 and 31 December 2019.

	As of		
	30 June 2021 (audited) in USD	30 June 2020 <sup>1)</sup> (audited) in USD	31 Dec 2019 <sup>1)</sup> (audited) in USD
<b>Non-current liabilities</b> .....	<b>0</b>	<b>0</b>	<b>0</b>
Financial liabilities .....	9,635,799	50,499	0
Trade and other payables.....	1,300,030	358,714	37,395
Other non-financial liabilities.....	7,106	6,590	1,202
<b>Total current liabilities</b> .....	<b>10,942,935</b>	<b>415,803</b>	<b>38,597</b>
<b>Total liabilities</b> .....	<b>10,942,935</b>	<b>415,803</b>	<b>38,597</b>

(Sources: Consolidated Financial Statements 2021, Lux Consolidated Financial Statements 2020)

(1) As the contribution in kind of all shares in SunMirror Luxembourg to the Company in August 2020 was accounted for as a reverse takeover, financial information for the financial years ended 30 June 2020 and 31 December 2019 has been taken from the (consolidated) financial statements of SunMirror Luxembourg (the Lux Consolidated Financial Statements 2020) rather than the financial statements of the Company.

As of 30 June 2021, the outstanding financial liabilities of the Group consisted of financial indebtedness from convertible loans of USD 9,568,127 and a loan from a related party of USD 67,672. For more information on the relevant agreements, see above *Section VII Business Overview – Material Agreements – Convertible Loans* for more information.

### d) Equity

The following table presents the equity of the Group as of 30 June 2021, 30 June 2020 and 31 December 2019.

	As of		
	30 June 2021 (audited) in USD	30 June 2020 <sup>1)3)</sup> (audited) in USD	31 Dec 2019 <sup>2)</sup> (audited) in USD
Share capital .....	2,161,816	327,030	327,030
Capital reserves .....	30,888,085	4,244,116	920,697
Accumulated losses .....	-4,995,631	-1,586,760	-1,255,368
Foreign currency translation reserve .....	1,754,546	-15,994	-3,294
<b>Total shareholders' equity .....</b>	<b>29,808,816</b>	<b>2,968,392</b>	<b>-10,935</b>
Total assets .....	40,751,751	3,384,195	27,664
Equity ratio <sup>4)</sup> (unaudited).....	73.1%	87.7%	N/A

(Sources: Consolidated Financial Statements 2021, Lux Consolidated Financial Statements 2020)

- (1) Reconciled for the contribution in kind of all shares in SunMirror Luxembourg to the Company in August 2020 which was accounted for as a reverse takeover. Figures taken from the Consolidated Financial Statements 2021, in which they are included as comparative figures as of 30 June 2020.
- (2) Reconciled for the contribution in kind of all shares in SunMirror Luxembourg to the Company in August 2020 which was accounted for as a reverse takeover. Figures taken from the Consolidated Financial Statements 2021, in which they are included as starting point of the statement of changes in equity (restated).
- (3) Financial information for the financial year ended 30 June 2020 is presented as restated in the Consolidated Financial Statements 2021.
- (4) Equity ratio is derived from figures in the audited consolidated financial statements and thus unaudited. It expresses total shareholders' equity as a percentage of total assets. The Company presents equity ratio as an alternative performance indicator to reflect its reliance on equity funding.

As of 31 December 2019, shareholders' equity amounted USD -10,935.

As of 30 June 2020, total shareholders' equity amounted to USD 2,968,392. The increase in capital reserves resulted from the contribution in kind of the purchase price payable by the Group for all shares in Lithium 1. See above *Section VII Business Overview – Material Agreements - Contribution in kind agreement with shareholders of SunMirror Luxembourg* for more information on the acquisition of Lithium 1.

As of 30 June 2021, total shareholders' equity amounted to USD 29,808,816. The material increase in capital reserves resulted mainly from the contribution in kind of the purchase price payable by the Group for all shares in Pharlap. See above *Section VII Business Overview – Material Agreements – Acquisition of Pharlap* for more information on the acquisition of Pharlap. In addition, the cash share capital increase resulted in an increase of share capital by USD 540,522. Reconciliations for the contribution of kind to the Company of all shares in SunMirror Luxembourg resulted, on balance, in an increase of shareholders' equity of USD 590,187.

## 7. Management of Market and Operating Risks

The assets, liabilities and planned transactions of the Group are exposed to risks arising from changes in creditworthiness, financial markets, liquidity and foreign exchange rates and currency translation. The goal of financial risk management is to limit these market risks through regular operating and financing activities. The Group does not engage in hedging activities and off-balance sheet transactions. See the Consolidated Financial Statements 2021, note 5.1 (*Disclosure on financial instruments*) on management of such risks by the Group.

## **8. Material Investments**

### **a) Material Investments in the financial years 2018 and 2019**

In the financial years 2018 and 2019, the Group made no material investments.

### **b) Material Investments in the (short) financial year from 1 January to 30 June 2020**

The following material investments have been made by the Group in the (short) financial year from 1 January to 30 June 2020:

- Couno Resources S.A. (today SunMirror Luxembourg) acquired Lithium 1 Pty. Ltd for a purchase price of GBP 12,500,000. For details on the acquisition, see above *Material Agreements - Acquisition of Lithium 1*.
- The Kingston-Keith project in Australia was acquired by Lithium 1 for a purchase price of approximately AUD 56,045, which was financed by a shareholder loan.

### **c) Material Investments in the financial year from 1 July 2020 to 30 June 2021**

SunMirror Luxembourg acquired Pharlapp Holdings Pte. Ltd, a Singapore company whose main asset is the royalty entitlement in relation the Cape Lambert magnetite project in Australia, for a total purchase price of EUR 23,090,000 (equivalent to USD 27,179,239) effective December 2020. For details on the acquisition, see above *Material Agreements - Acquisition of Pharlapp*.

### **d) Material Investments that are in progress or for which firm commitments have already been made**

For the current financial year, the Group has approved an exploration budget of approx. EUR 1,200,000 for the Moolyella and Kingston Keith projects.

**IX. CAPITALIZATION AND INDEBTEDNESS; WORKING CAPITAL**

**1. Capitalization and indebtedness**

The following table provides an overview of the capitalization and indebtedness of the Company as of 31 August 2021 (Source: consolidated unaudited data from the Company's accounting department). The information was compiled in accordance with IFRS.

	31 August 2021 in USD
Total current debt .....	4,091,051
of which guaranteed .....	0
of which secured .....	0
of which unguaranteed/unsecured .....	4,091,051
Total non-current debt (excluding current portion of long- term debt) .....	6,825,902
of which guaranteed .....	0
of which secured .....	0
of which unguaranteed/unsecured .....	6,825,902
Shareholder's equity .....	29,304,666
Share capital .....	2,168,498
Legal reserve .....	0
Other reserves .....	27,136,168
<b>Capitalization (total) .....</b>	<b>40,221,619</b>

## 2. Liquidity and Net Financial Debt

The following table shows the Company's consolidated liquidity and net financial debt as of 31 August 2021 (Source: consolidated unaudited data from the Company's accounting department). This information was compiled in accordance with IFRS.

	31 August 2021 in USD
A. Cash .....	681,624
B. Cash equivalent .....	0
C. Trading securities .....	3,570,669
<b>D. Liquidity (A)+(B)+(C) .....</b>	<b>4,252,293</b>
<b>E. Current financial receivables .....</b>	<b>550,815</b>
F. Current bank debt .....	0
G. Current portion of non-current debt .....	0
H. Other current financial debt .....	4,091,051
<b>I. Current financial debt (F)+(G)+(H) .....</b>	<b>4,091,051</b>
<b>J. Net current financial indebtedness (I)-(E)-D .....</b>	<b>-712,057</b>
K. Non-current bank loans .....	0
L. Bonds issued .....	0
M. Other non-current loans .....	6,825,902
<b>N. Non-current financial indebtedness (K)+(L)+(M) .....</b>	<b>6,825,902</b>
<b>O. Net financial indebtedness (J)+(N) .....</b>	<b>6,113,845</b>

## 3. Indirect liabilities and contingent liabilities

The Group did not have any indirect liabilities or contingent liabilities as of 31 August 2021.

## 4. Working Capital Statement

The Company is of the opinion that it is in a position to meet its payment obligations that become due within at least the next twelve months from the date of this Prospectus.

## **X. DIVIDEND POLICY**

Shareholders are entitled to a pro rata share of the Company's profits based on the number of Shares they hold, unless otherwise resolved by the Company's general meeting. The resolution concerning the distribution of a dividend for a given financial year is adopted by the ordinary general meeting of the subsequent financial year based on a proposal submitted by the Board of Directors. A dividend becomes immediately due unless the general meeting resolves otherwise in a specific case. The right to receive payment of a dividend lapses after five years, with the five-year period commencing as of the close of the calendar year in which the dividend resolution was adopted. Dividends which have lapsed are retained by the Company.

Dividends may only be paid from the balance sheet profit and from reserves for this purpose recorded in the financial statements of the Company prepared in accordance with the Swiss Code of Obligations. When determining the amount available for distribution, the result for the financial year (annual net profit loss) must be adjusted for profit/loss carry-forwards of the previous year and releases of or allocations to reserves. Certain reserves are required to be set up by law. When the Board of Directors is adopting the annual financial statements, they have to allocate 5% of the annual profit to the general reserve until such reserve amounts to 20% of the paid-up share capital (art. 671 (1) Swiss Code of Obligations). Even after the general reserve has reached such threshold, 10% of the amounts distributed exceeding 5% of the share capital must be allocated to the general reserve (art. 671 (2) Swiss Code of Obligations). To the extent it does not exceed one-half of the share capital, the general reserve may be used only to cover losses or for measures designed to sustain the company through difficult times, to prevent unemployment or to mitigate its consequences (art. 671 (3) Swiss Code of Obligations). The dividend may be determined only after the allocations to reserves required by the law and the articles of association have been deducted (art. 674 (1) Swiss Code of Obligations). There are no dividend restrictions and procedures for non-resident holders.

The Company has not distributed any dividends during the past three financial years.

In the future, the Company is striving towards a dividend policy which considers the interests of both shareholders and the Group's general situation. Future dividend payments will be dependent on the Company's profit situation, financial situation, liquidity requirements, the business situation and the markets in which the Group operates, as well as the tax and regulatory environment.

As the Group does not generate revenue to date and will continue not to generate revenues for at least two more financial years, the Company does not expect to distribute any dividend for the pending or the next financial year.

## XI. MANAGEMENT

### 1. Board of Directors

#### a) Voting, Structure and Representation

The Board of Directors is elected by the general meeting of the Company. It may consist of one or more members, constitutes itself and determines the powers of representation. Re-election by the general meeting is possible.

All members of the Board of Directors must be elected individually and may only be removed by a resolution of the general meeting. The term of office corresponds to the legally permitted maximum term of one year and ends at the end of the next ordinary general meeting. Re-election is permitted under the Articles of Association. If the chair position is vacant, the Board of Directors shall appoint a substitute for the time period until the conclusion of the next annual general meeting. Currently, the entire Board of Directors fulfills the functions of the remuneration committee.

The Board of Directors' responsibilities include the duty to select carefully, to instruct properly and to supervise diligently persons to whom the management of the Company has been delegated. The Board of Directors exercises management, supervision and control over the conduct of the Company's business. The Board of Directors may appoint an executive board, whereby no executive board has been appointed until today. The Board of Directors represents the Company vis-à-vis third parties and resolves on all matters that are not reserved to another body of the Company.

In accordance with the Articles of Association, the Board of Directors may, if in line with the organizational regulations, delegate fully or partially the executive management (*Geschäftsführung*) of the Company to certain of its members or to other natural persons. The organizational regulations are intended to organize the management, determine the positions required, define their duties and regulate reporting. The Board of Directors is vested with the following non-transferable and unalienable tasks:

- the Company's supervisory management and giving the necessary directives;
- laying down its organization;
- the structuring of the accounting system and of the financial controls as well as the financial planning insofar as this is necessary to manage the Company;
- preparation of the remuneration report;
- the appointment and dismissal of the persons entrusted with the management of the Company and its representation;
- the supervision in respect of the persons vested with the Company's management, in particular regarding compliance with legal provisions, the articles of association, in-house rules and regulations as well as directives;
- preparation of the business report as well as of the general meeting of shareholders, including implementation of its resolutions;
- notification of the competent judge in case of excessive indebtedness;
- adopting resolutions regarding sub-sequent paying in of contributions to share capital concerning shares not fully paid up;

- adopting resolutions regarding the increase in share capital to the extent the Board of Directors is competent (article 651 para. 4 Swiss Code of Obligations) as well as the statements on capital increases, including the pertinent amendment of the articles of association.

According to Article 17 of the Articles of Association, the number of mandates in the supreme management and administrative bodies of legal entities outside the Company and its subsidiaries which are to be entered in the Swiss Commercial Register or a comparable foreign register is limited as follows:

- Members of the Board of Directors may not hold more than fifteen (15) additional mandates in other companies, of which no more than four may be in other publicly listed companies.
- Members of the executive board may not hold more than five additional mandates in other companies, of which no more than one (1) may be in another publicly listed company.

This restriction does not apply to mandates in other legal entities such as associations, foundations, and occupational pension institutions; these may not exceed a total of twenty mandates. If mandates are exercised in different units of one and the same group or on behalf of this one group or legal entity, they shall be counted as one mandate in total.

#### **b) Members**

The Company's Board of Directors is currently composed of:

- **Dr Heinz Rudolf Kubli** (\*3 December 1969), resident in Uitikon-Waldegg, Switzerland, Swiss citizen; and
- **Lester Kemp** (\*30 November 1965), resident in Devon, United Kingdom, British citizen.

**Dr Heinz Rudolf Kubli** studied business administration at the University of Zurich from 1989 to 1995 and wrote his PhD Thesis in finance at the University of Zurich from 1998 to 2000. He has worked at Opus Capital Asset Management GmbH since June 2003. The focus of his work is on independent financial engineering and asset management. Since 12 August 2020, Dr Kubli has been a member of the Board of Directors and Chief Operating Officer and was last appointed until the next ordinary annual general meeting in 2021.

**Lester Kemp** studied at the University of Portsmouth from 1986 to 1989, graduating with a Bachelor of Science (BSc) in Geology. From 1989 to 1990, Mr Kemp went on to complete his master's degree in mineral exploration at The Royal School of Mines, Imperial College (University of London). In 2002, he completed a master's degree in business administration (MBA). Mr Kemp has worked for a variety of mining and exploration companies around the world and has been involved in listing companies on the London Stock Exchange. Mr Kemp also worked in the pharmaceutical sector. He was employed between 2000 and 2003 in the viral division of the medical affairs team at F Hoffman La-Roche in Welwyn Garden City, where he was responsible for managing trials in HIV and Hepatitis C. Since February 2018 he has been Chief Operating Officer of Century Cobalt Corp., a US-registered company exploring cobalt in the United States of America. Since April 2019 he has been non-executive director of Levin Sources Ltd, Cambridge, United Kingdom, a consultancy and social venture company involved in advising clients

on responsible mining and sourcing. Mr Kemp has been a member of the Board of Directors as Chief Operating Officer since 9 August 2021 for term expiring on the next ordinary general meeting.

Both members can be contacted at the Company's registered address, at Steinhauserstrasse 74, 6300 Zug, Switzerland.

**c) Additional Information on Dr Heinz Rudolf Kubli**

The following overview shows the functions Dr Kubli has performed in the last five years as a member of an administrative, management or supervisory body or as a partner (i.e., shareholder of a partnership) in companies outside the Company:

<b>Company</b>	<b>Function</b>	<b>From - to</b>
Agricolae AG	Member of the Board	01/2021 – date
Opus Capital Switzerland AG	Member of the Board	03/2020 – date
ESA-ESG GP Ltd	Executive Director	08/2019 – date
TTC SICAV PLC	Director	02/2013 – date
Lepolus AG in Liquidation	Member of the Board	12/2013 – date
Sensalis GmbH	Managing Director	06/2003 – date
Opus Capital Asset Management GmbH	Managing Director	06/2003 – date
European Islamic Advisors' Association	Chairman of the Board	05/2009 – 07/2016
Eko Green Power Ltd	Director	08/2014 – 02/2016
Sensalis (Delaware) LLC	Director	10/2006 – 12/2017

(Source: The Company's internal unaudited information)

In the last five years, Dr Kubli has not been subject to any sanctions for violation of domestic or foreign provisions of criminal or capital market law; in particular, he has not been found guilty of fraudulent crimes. In the last five years, Dr Kubli has been involved in bankruptcies, insolvency proceedings or liquidations in the context of voluntary dissolutions, save that he had been involved in the voluntary dissolutions of:

- Sensalis (Delaware) LLC: Sensalis (Delaware) LLC was a special purpose vehicle and subsidiary of Sensalis GmbH for investments in tax liens and residence housing in the United States. After more than ten years of existence, and as yields in tax liens decreased, it was decided to voluntarily dissolve the company and reallocate the investments to other activities of Sensalis GmbH. Dr Kubli was a director of the company and the indirect sole shareholder.
- Eko Green Power Ltd: Eko Green Power Ltd was incorporated for the construction of a waste-to power plant utilizing catalytic depolymerization technology and end of life tires as a feedstock. The plant was planned to be built in the United Kingdom. During the fund-raising process a potential investor asked for the plant to be built in a non-developed country instead of the United Kingdom. The majority of the directors voted for the change of strategy, while Dr Kubli opposed resigned as a director of the company in February 2016. The company was voluntarily dissolved by the remaining directors in September 2017.

- **European Islamic Finance Advisors' Association:** The association was set up to promote financial engineering expertise in Islamic finance out of Zurich, Switzerland. Despite a number of structuring requests by different parties, the members of the association decided on a voluntary dissolution of the association. Dr Kubli was the chairman of the board.
- **Courantel Ltd:** Courantel Ltd. was a special purpose vehicle and a subsidiary of Lepolus AG. Dr Kubli was an indirect minority shareholder and a director of the company. It was the intention to build a small CHP and anaerobic digester in Northern Ireland. As negotiations with the land-owners and approval authorities dragged on for too long for various reasons, shareholders decided to cut losses and voluntarily dissolve the company.

He has not been the subject of any public allegations and/or sanctions by any governmental or regulatory authority (including designated professional associations), nor has he ever been held unfit to serve on any court of law as a member of any administrative, managerial or supervisory body of a company, or as a member of the management or of the affairs of a company.

No loans were granted to Dr Kubli in the past financial year. Dr Kubli has no shareholding (direct or indirect) in the Company and no options related to the shares of the Company. Dr Kubli is a member of the Board of Opus Capital Switzerland AG being an advisor to SunMirror AG. Due to this constellation, conflicts of interest may arise for Dr Kubli between his obligations as a member of the board at Opus Capital Switzerland AG and his position as a member of the Company's Board of Directors. Besides this potential conflict of interest, there are no further potential conflicts of interest between Dr Kubli's private interests or other obligations with respect to his obligations to the Company.

**d) Additional Information on Lester Kemp**

The following overview shows the functions Mr Kemp has performed in the last five years as a member of an administrative, management or supervisory body or as a partner (i.e., shareholder of a partnership) in companies outside the Company:

<b>Company</b>	<b>Function</b>	<b>From - to</b>
Arabian Nubian Resources, a private Guernsey-registered company	Director	04/2005 – May 2020
Technology Minerals Ltd, a US-registered company	Chief Operating Officer	02/2018 – present
Levin Sources Ltd., a UK-registered company	Non-Executive Director	04/2019 – 01/07/2021
NanoPhagix, a US-registered company	Non-Executive Director	05/2020 - present

(Source: The Company's internal unaudited information)

In the last five years, Lester Kemp has not been subject to any sanctions for violation of domestic or foreign provisions of criminal or capital market law; in particular, he has not been found guilty of fraudulent crimes. In the last five years, Lester Kemp has not been involved in any bankruptcies, insolvency proceedings or liquidations in the context of voluntary dissolutions.

He has not been the subject of any public allegations and/or sanctions by any governmental or regulatory authority (including designated professional associations), nor has he ever been held unfit to serve on any court of law as a member of any administrative, managerial or supervisory body of a company, or as a member of the management or of the affairs of a company.

No loans were granted to Mr Kemp in the past financial year. Mr Kemp has no shareholding (direct or indirect) in the Company and no options related to the shares of the Company. No potential conflicts of interest arise between Mr Kemp's private interests or other obligations with respect to his obligations to the Company.

#### e) **Employment Contracts and Remuneration**

For information on the requirements of the Ordinance against Excessive Remuneration in Public Companies dated 20 November 2013 (the "**Compensation Ordinance**") and relevant provisions of the Articles of Association, see *Section XIII.12 - Information about the Company's Share Capital and Articles of Association – Compensation*.

Dr Kubli has an employment contract with the Company dated 1 July 2021. He is a member of the Board of Directors, Dr Kubli and employed under a separate employment contract, which provides for an annual compensation of CHF 120,000, as an interim CEO of the Company until a new CEO is hired. In addition, his employment contract provides for a discretionary bonus payment. In exercising its discretion, the Company may in particular take into account its business performance as well as the individual performance and personal conduct of Dr Kubli, without being bound by these criteria. Dr Kubli is not entitled to pension or retirement benefits or benefits in the event that the service relationship is terminated.

Lester Kemp has an employment contract with the Company dated 26 April 2021. Apart from his role as a member of the Board of Directors, Lester Kemp is employed as Chief Operating Officer (COO) of the Company which provides for an annual compensation of CHF 212,259. Lester Kemp is not entitled to any benefits in the event that the service relationship is terminated. Lester Kemp is not entitled to pension or retirement benefits or benefits in the event that the service relationship is terminated.

#### 2. **Other Senior Management / Simon Griffiths**

In addition to the members of the Board of Directors, senior management includes Simon Griffiths who acts technically as a director but is in formal terms not member of any corporate body of the Company.

**Simon Griffiths** is a consulting economic geologist with 28 years of mineral exploration experience in major mining companies in varied commodities (including copper, gold, silver, tin, nickel, diamonds, coal and coal bed methane). Simon holds a B.Sc. (HONS) in Geology from The University of Liverpool and an M.Sc. in Mineral Exploration from Imperial College (RSM) and is a fluent Spanish speaker. Simon has worked in countries in North America, South America, Australia, Asia and Africa. For more than 10 years, he served as chief geochemist and chief geologist at Barrick group. These roles included significant contributions to mid and long-term exploration strategy planning at Barrick group. Technical support (in geology or geochemistry) included contributing to discoveries such as La Herradura (gold, Mexico), Peñasquito (gold, Mexico), Nochebuena (gold, Mexico), Resolution (copper, USA), Goldrush (gold,

USA) and Alturas (gold, Chile). Accountability for continent-scale grass-roots programs in South America led to generation of several drillable targets at Barrick and Simon led a team to a grass-roots discovery in Mexico (porphyry copper- molybdenum cluster). He also worked as pre-feasibility project manager for Rio Tinto group on a thermal coal property on indigenous lands in the United States.

Simon Griffiths can be contacted at the Company's registered address, at Steinhauserstrasse 74, 6300 Zug, Switzerland.

The following overview shows the functions Mr Griffiths has performed in the last five years as a member of an administrative, management or supervisory body or as a partner (i.e., shareholder of a partnership) in companies outside the Company:

Company	Function	From - to
Third Planet Exploration Services Ltd	Director and sole owner	11/2018 - present

(Source: The Company's internal unaudited information)

In the last five years, Simon Griffiths has not been subject to any sanctions for violation of domestic or foreign provisions of criminal or capital market law; in particular, he has not been found guilty of fraudulent crimes. In the last five years, Mr Griffiths has not been involved in any bankruptcies, insolvency proceedings or liquidations in the context of voluntary dissolutions.

Simon Griffiths has not been the subject of any public allegations and/or sanctions by any governmental or regulatory authority (including designated professional associations), nor has he ever been held unfit to serve on any court of law as a member of any administrative, managerial or supervisory body of a company, or as a member of the management or of the affairs of a company.

No loans were granted to Simon Griffiths in the past financial year. Simon Griffiths has no shareholding (direct or indirect) in the Company. No potential conflicts of interest arise between Simon Griffiths' private interests or other obligations with respect to his obligations to the Company.

Simon Griffiths has an employment agreement with the Company dated 2 September 2021. He serves as a non-executive director (without formal board appointment) and technical adviser. His work commitment amounts to four days per month and he receives an annual compensation of British Pounds (GBP) 60,000. Simon Griffiths is not entitled to any termination or pension benefits. In case of termination, a non-compete and non-solicitation covenant apply for a term of 12 months.

### **3. Stock Options**

There are currently no stock option or similar programs to involve management in the capital of the Company.

## XII. MAJOR SHAREHOLDERS, RELATED PARTY TRANSACTIONS

### 1. Major Shareholders

As far as the Company is aware from voting notifications, at the date of the Prospectus the following shareholders hold interests or voting rights in the Company's share capital:

Name	Number of shares	in %
Starpole Investments Ltd.	381,254	19.06
Gravner Limited	365,090	18.26
Seras Capital Finance Limited	197,871	9.89
Zero Carbon Ltd.	191,560	9.58
Herlequin Investments Limited	156,179	7.81
Mirador FZE	110,000	5.50
Paul Hartley Watts	86,679	4.33
Paragon SICAV PLC	86,679	4.33
Freefloat (< 4%)	424,688	21.23
<b>Total</b>	<b>2,000,000</b>	<b>100.00</b>

(Source: The Company's internal unaudited information)

The Company's major shareholders do not have different voting rights. There are no different voting rights for individual shares in the Company. As far as the Company is aware, no shareholder currently controls the Company. The Company is not aware of any arrangements which may result in a change of control of the Company.

### 2. Related Party Transactions

Until August 2020, Perfect Summit Holdings Ltd., Hong Kong, had control over SunMirror Group. Therefore, the acquisition of Pharlap (see *Section VII Business Overview – Material Agreements - Acquisition of Pharlap*) and prior year's acquisition of Lithium 1 (see *Section VII Business Overview – Material Agreements - Acquisition of Lithium 1*) are related party transactions.

Opus Capital Asset Management GmbH provided key management personnel services to the Group and received a consideration of USD 316,192 in the financial year ended 30 June 2021 (USD 33,765 in the financial year ended 30 June 2020). In addition, Opus Capital Switzerland AG performed corporate advisory services and received a consideration of USD 275,107 in the financial year ended 30 June 2021 (USD 205,237 in the financial year ended 30 June 2020). Opus Capital Switzerland AG is a related party as Dr Heinz Kubli is a director of Opus Capital Switzerland AG and member of the Board of Directors of the Company. Opus Capital Asset Management GmbH is an affiliate of Opus Capital Switzerland AG.

On 20 April 2020, the Company's largest shareholder Starpole Investments Ltd. made available an unsecured convertible loan in the maximum amount of EUR 3,000,000.00 at an interest rate of 8% p.a. to SunMirror Luxembourg. The loan has a term of 3 years. As of the date of this Prospectus, the SunMirror Luxembourg had drawn down and subsequently repaid a principal amount of EUR 734,834,90. As

amounts repaid cannot be re-borrowed, the available facility currently amounts to EUR 2,265,165.10. The parties have agreed to terminate the originally agreed option for the lender to convert its claim into shares in SunMirror Luxembourg.

On 26 April 2021, the Company granted an unsecured short-term loan to Gravner Limited, a material shareholder in the Company, of AUD 500,000.00 at an interest rate of 1% falling due 12 months from the date of the agreement. Gravner Limited assist the Company in identifying investment opportunities, no fees are paid for such assistance. The loan made by the Company to Gravner Limited is based on such assistance by Gravner to the Group and Gravner Limited is to use the proceeds from such loan to acquire an exploration license for on-transfer to the Group without mark-up where the Group believes that Gravner Limited will be in a position to achieve better terms than the Group. The loan is secured by a pledge on Shares held by Gravner Limited.

The Group has not provided collateral to related parties and, save as stated above, no related party has provided collateral to members of the Group.

### **XIII. INFORMATION ABOUT THE COMPANY'S SHARE CAPITAL AND ARTICLES OF ASSOCIATION**

#### **1. Current Share Capital**

The Company's share capital is currently CHF 2,000,000. It is divided into 2,000,000 bearer shares with a par value of CHF 1.00 each. All shares were created and have been fully paid up in accordance with the provisions of art. 620 et seq. Swiss Code of Obligations.

#### **2. Development of the Share Capital since 1 January 2017**

As at 1 January 2017, the Company's share capital was CHF 100,000 divided into by 1,000,000 shares with a par-value of CHF 0.10 per share. By resolution of the general meeting on 5 December 2017, the share capital of the Company was increased from CHF 100,000 by CHF 225,000 to CHF 325,000 by way of a capital increase against cash contribution by issuing 2,250,000 new bearer shares, each with a par-value of CHF 0.10 per share. The general meeting's resolution was entered into the commercial register office of the canton of Zurich on 6 December 2017.

By resolution of the general meeting on 15 January 2020, the 3,250,000 bearer shares with a par-value of CHF 0.10 per share were re-grouped in accordance with the provisions of art. 623 Swiss Code of Obligations into 325,000 bearer shares with a par-value of CHF 1 per share.

By resolution of the general meeting on 31 August 2020, the share capital of the Company was increased from CHF 325,000.00 by CHF 1,675,000 to CHF 2,000,000, by way of a capital increase against (in part) cash contributions and (in part) contributions in kind and by issuing 1,675,000 new bearer shares with a par value of CHF 1.00 per share. Thereof, 500,000 shares were issued against a cash contribution of CHF 1 per share and 1,175,000 shares were issued against the contribution in kind of all shares in Couno Ressources S.A. (now SunMirror Luxembourg).

#### **3. Authorized Capital**

By resolution of the general meeting of the Company on 31 August 2020 and in accordance with Article 3a of the Articles of Association of the Company, the Board of Directors is authorized to increase the Company's share capital in the period up to 31 August 2022 by a total of up to CHF 162,500 by means of a single, or multiple, issue(s) of new shares in return for cash ("**Authorized Capital August 2020**"). The Board of Directors was authorized to decide on an exclusion of the subscription rights of shareholders. Such exclusion is permissible only in certain cases, namely to facilitate the participation of employees, mergers, the financing of the Company, financing and refinancing of the takeover of companies, parts of companies or holdings, contributions in kind as well as the placement of shares on national or international stock exchanges.

By resolution of the general meeting of SunMirror AG on 29 December 2020 and in accordance with Article 3a of the Articles of Association of the Company, the Board of Directors is authorized to increase the Company's share capital in the period up to 29 December 2022 by a total of up to CHF 837,500 by means of a single, or multiple, issue(s) of new shares in return for cash ("**Authorized Capital December 2020**"). The Board of Directors was authorized to decide on an exclusion of the subscription rights of

shareholders. Such exclusion is permissible only in certain cases, namely to facilitate the participation of employees, mergers, the financing of the Company, financing and refinancing of the takeover of companies, parts of companies or holdings, contributions in kind as well as the placement of shares on national or international stock exchanges.

On 7 January 2021, the Board of Directors resolved to exercise the entire Authorized Capital August 2020 and the entire Authorized Capital December 2020 and to increase the share capital by CHF 1,000,000 to CHF 3,000,000 by means of issuing 1,000,000 new shares at an issue price of EUR 70 per share. The Board of Directors also resolved to exclude subscription rights of shareholders based on the authorization to so do in relation to financing of the Company. SunMirror AG intended to offer such new shares to selected institutional and strategic investors for subscription in a private placement. The Company planned to use the funds from the capital increase for an acquisition, which though did not materialize at that stage. Thus, such share capital increase is still pending and not effective.

The Company intends, based on the resolution of the Board of Directors on 7 January 2021, to raise the total of not less than EUR 70 million required to be able to proceed with the proposed acquisition of Lat 66 through a capital increase in the volume of up to EUR 70 million by issuing up to 1 million new shares from authorized capital (*genehmigtes Kapital*) at an issue price of presumably EUR 70 per share with a lock-up period of one year excluding the subscription rights of shareholders. This capital raise is intended to take place in November 2021. The Company has obtained verbal commitments from potential investors that the investors to whom the new shares are allotted under the aforementioned planned share capital increase will grant the shareholders of the Company the opportunity to acquire shares from the respective investors at the placement price agreed as part of the share capital increase. This is intended to place the existing shareholders essentially in the same position retrospectively as if they had been granted a pro rata subscription right.

#### **4. Conditional Capital**

By resolutions of the general meeting of the Company on 31 August 2020 and 29 December 2020 and in accordance with Article 3b of the Articles of Association of the Company, the share capital has been conditionally increased by a total of up to CHF 1,000,000 through the exercise of conversion and option rights granted to creditors of new notes or similar debt instruments issued by the Company under one or more participation plans to be established by the Board of Directors.

On 13 April 2021, the Board of Directors resolved to assign conversion rights for 133,305 shares to the lenders of the EUR 8,410,429.00 convertible loans (the loans are Euro denominated, equivalent of USD 10,000,000) made in April 2021. For the convertible loans, see *Section VII Business Overview – Material Agreements - Convertible Loans*. In October 2021, the Company received a conversion notice under a convertible loan for the conversion of a nominal of EUR 6,000,000 into 95,100 shares. The settlement date is 1 March 2022. Thus, the relevant shares have to be delivered by the Company on 1 March 2022 only. The Company intends to create relevant shares from the existing contingent capital (*bedingtes Kapital*) immediately before such date.

Thus, as of the date hereof a conditional capital of CHF 866,695 is available for future utilization. The Company plans to issue a mandatory convertible note with intended gross proceeds of EUR 20 million

by the end of 2021. The conversion price is expected to be in the range of approximately EUR 70 per share. The volume is to be subscribed to by selected institutional investors as part of a private placement with subscription rights of shareholders being excluded.

## **5. General Provisions relating to an Increase of the Share Capital**

In accordance with the Swiss Code of Obligations, the share capital of a company may be increased by a resolution of the general meeting, with the absolute majority of the votes represented, unless the articles of association stipulate other majority requirements (Art 703 Swiss Code of Obligations).

The general meeting can also create authorized capital. The creation of authorized capital requires a resolution which requires a qualified majority consisting of two-thirds of the voting rights represented and the simple majority of the nominal value of shares represented. The board of directors may be entitled to issue new shares for a particular amount within a period not exceeding two years (Art 651 (1) Swiss Code of Obligations). The nominal amount of the authorized capital must not exceed 50% of the registered and issued share capital at the time when the authorization is resolved (Art 651 (2) Swiss Code of Obligations).

Furthermore, the general meeting may create conditional capital for the purpose of the issuance:

- of shares to holders of convertible notes or notes with warrants, or
- of shares which are granted to executives and employees in the way of granting subscription rights.

Approval of a resolution to create conditional capital requires a qualified majority consisting of both two-thirds of the voting rights represented and the simple majority of the nominal value of shares represented. The nominal amount of the conditional capital must not exceed 50% of the share capital in the company at the time when the authorization is resolved.

## **6. General Provisions relating to Subscription Rights**

According to the Swiss Code of Obligations, each shareholder is basically entitled to a pro rata subscription right in the case of a share capital increase as well as in the cases of newly issued convertible notes, option notes, profit participation rights or profit participating notes. Subscription rights are, in principle, freely transferable.

The general meeting may, by resolution with a qualified majority consisting of both two-thirds of the voting rights represented and the simple majority of the nominal value of shares represented, for cause exclude or restrict the statutory subscription right of the shareholders. In case the general meeting delegates the authority to exclude subscription rights for cause to the Board of Directors, it must define the cause for the exclusion and relevant restrictions at the time the resolution is adopted.

During a specified period prior to the end of the reference period, the trading of subscription rights on the German stock exchanges is permitted. The company is not obliged to organize such a trade of subscription rights and is not responsible for ensuring that such trading takes place. Subscription rights not exercised during the exercise period expire and lead to the loss of the claim to subscription rights. The company may freely dispose of the unsubscribed shares, option bonds, convertible notes, profit

participation rights or participating notes, by offering them to third parties; the offer must not result in more favorable conditions than the offer to the shareholders.

## 7. General Meetings

Under Swiss law and pursuant to Article 7 of the Articles of Association, the general meeting must take place annually within six months after the end of the financial year. Extraordinary shareholders' meetings are called for if the Board of Directors or the auditors or liquidators deem it necessary or if the general meeting so resolves. Further, one or more shareholders representing together at least 10% of the total share capital outstanding at the time may in writing, by indicating the agenda items and the associated motions with the Board of Directors, request that an extraordinary general meeting be called. Such request must be submitted to the Board of Directors, which must fix a date within a reasonable time by stating the items of the agenda and the associated motions. One or more shareholders holding Shares with an aggregate nominal value of at least CHF 1.0 million may request items to be included in the agenda.

The notices of any general meeting are to be made by the Board of Directors by way of official publication in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*) not less than 20 days prior to the date of the meeting. The invitation states the day, time and place of the meeting, the agenda items as well as the motions of the Board of Directors and of the shareholders who have requested the holding of the general meeting or the inclusion of an item in the agenda.

The Articles of Association do not prescribe that a quorum of shareholders is required to be present at a general meeting. Each Share has one vote. Unless otherwise required by law or the Articles of Association, the general meeting passes resolutions and carries out elections by simple majority of the votes cast. Elections are to be held separately. The following actions require the approval of the shareholders holding at least two-thirds of the votes represented at such meeting and the absolute majority of the nominal share value represented at such meeting:

- modification of the Company's purpose;
- introduction of voting shares;
- restriction of the transferability of registered shares;
- an authorized or contingent increase of share capital;
- an increase of capital out of equity (*Kapitalerhöhung aus Eigenkapital*), against contributions in kind (*Sacheinlage*), or for the purpose of the acquisition of assets (*Sachübernahme*) and the granting of special benefits (*Gewährung besonderer Vorteile*);
- a restriction or suspension of subscription rights;
- relocation of the registered office of the Company; and
- the dissolution of the Company.

Decisions on merger, demerger and conversion are regulated by the provisions of the Swiss Mergers Act (*Fusionsgesetz*).

The general meeting also has the power to vote by a simple majority of the votes cast on amendments to the Articles of Association, to elect and remove the members of the Board of Directors, the chairman

of the Board of Directors, the members and the chairman of the Compensation Committee, the independent proxy and the auditors and to approve the annual report and financial statements as well as to pass resolutions regarding the use of the balance sheet profit, in particular to declare dividends, to discharge the members of the Board of Directors from liability for matters disclosed to the general meeting, to pass resolutions as to all matters which have been submitted to the general meeting for its decision by the Board of Directors and to approve the aggregate amounts of the maximum compensation of the members of the Board of Directors and the executive board (if any). Furthermore, the general meeting, by a simple majority of the votes cast, has the power to order an independent investigation into specific matters proposed to the general meeting (*Sonderprüfung*).

At shareholders' meetings, shareholders may be represented by their legal representative, an independent proxy or any other person who needs not be a shareholder. The Board of Directors determines the requirements regarding proxies and voting instructions.

Resolutions and elections are carried out openly, unless a written ballot is resolved by the general meeting or is ordered by the chairman of the meeting or resolved by the general meeting. The chairman of the meeting may also arrange for resolutions and elections to be carried out by electronic means. Resolutions and elections carried out by electronic means are deemed to have the same effect as written ballots.

#### **8. Shareholder's Inspection Rights**

A shareholder may review the minutes of the general meeting at the registered office of the Company. In accordance with Swiss law, the Company makes its annual report, annual financial statements, compensation report and the auditors' report available for inspection by shareholders at its registered address at least twenty days prior to each general meeting. Any shareholder may request a copy of these reports in advance of or after the annual general meeting. In addition, at a general meeting, a shareholder may request information from the Board of Directors concerning the business and operations of the Company and may request information from the auditors concerning the performance and results of their examination of the financial statements. The Company may refuse to provide that information to a shareholder if, in its opinion, the disclosure of the requested information would reveal business secrets or infringe upon other protected interests of the Company.

#### **9. Shareholders' Right to Bring Derivative Actions**

Under the Swiss Code of Obligations, an individual shareholder may bring an action in the shareholder's own name, for the benefit of the company, against the company's directors, officers or liquidators, which seek to allow the company to recover any damages it has suffered due to the intentional or negligent breach by such directors, officers or liquidators of their duties.

#### **10. Dissolution and Liquidation**

The Articles of Association do not limit the Company's duration. Under Swiss law, the Company may be dissolved at any time by a resolution of a general meeting which must be passed by a supermajority of two-thirds of the votes represented and the absolute majority of the nominal value of the Shares represented at such general meeting. Dissolution and liquidation by court order is possible if (i) a company becomes bankrupt; or (ii) shareholders holding at least 10% of a company's share capital so request for

valid reasons. After all debts have been satisfied, the net proceeds will be distributed to shareholders in proportion to the paid-in nominal value of Shares held.

## **11. Treasury Shares**

Swiss law limits the right of a company to purchase and hold its own shares. A company and its subsidiaries may purchase shares only if and to the extent that (i) the company has freely distributable reserves in the amount of the purchase price; and (ii) the aggregate nominal value of all shares held by that company does not exceed 10% of the company's share capital (or 20% in specific circumstances). Shares held by the company or its subsidiaries are not entitled to vote at general meetings, but are entitled to the economic benefits, including dividends, subscription rights in the case of share capital increases, applicable to the shares generally. Furthermore, under Swiss law, upon the purchase of shares, the company must create a special reserve on its balance sheet in the amount of the purchase price of the acquired shares.

The Company currently holds no treasury shares. There is no authorization by the general meeting to purchase or sell treasury shares.

## **12. Compensation**

On 29 December 2020, the Company's general meeting approved an amendment to the Company's Articles of Association to give effect to the requirements of the Compensation Ordinance. The amendments became effective by entry in the Commercial Register on 30 December 2020.

The Compensation Ordinance contains a "say on pay" approval mechanism for the remuneration of the Board of Directors and management pursuant to which the general meeting must vote on the compensation of the Board of Directors and the management on an annual basis and with binding effect. In accordance therewith, the Articles of Association provide that the shareholders' meeting of the Company must, each year, vote separately on the proposals by the Board of Directors regarding the maximum aggregate amount of (i) the total remuneration of the Board of Directors for the period until the next ordinary general meeting and (ii) the total remuneration of the executive board for the financial year following the ordinary general meeting. Where the general meeting refuses approval, the Board of Directors decides on the further procedure. In particular, it has the right to convene an extraordinary general meeting.

The Compensation Ordinance further requires the Company to set forth in its Articles of Association the principles for the determination of the remuneration of the Board of Directors and the executive board. These principles have been included in Articles 22b and 22c of the Articles of Association. Pursuant to Article 22b of the Articles of Association, the Board of Directors may decide to pay part of the remuneration in the form of shares. In this case, the Board of Directors determines the conditions. Pursuant to Article 22c of the Articles of Association, the remuneration of the executive board consists of fixed and variable remuneration elements, social security contributions and contributions to welfare, pension and savings plans as well as similar institutions and insurance contributions. The fixed remuneration comprises the basic remuneration and other fringe benefits that qualify as remuneration. The variable remuneration may include short-term and long-term remuneration elements. The following principles must be observed for variable remuneration:

- The short-term performance-related remuneration elements are based on individual performance targets and/or the economic success of the Company. The achievement of the targets is usually measured over a one-year period.
- The long-term remuneration elements are based on objective performance values that are aligned with the strategic goals and the achievement of which is usually measured over a period of several years.

Executive remuneration may be paid in the form of cash, shares, comparable instruments or units, or in kind or services. With regard to the shares or comparable instruments and units granted as remuneration, the Board of Directors shall determine appropriate exercise conditions and periods, blocking periods, adjustment and possible recall mechanisms as well as forfeiture conditions.

The Compensation Ordinance also contains remuneration disclosure rules. Pursuant to these rules, the Company will be required to prepare an annual remuneration report for the first time for the financial year ending December 31, 2021. The remuneration report shall be presented annually to the general meeting.

The Compensation Ordinance generally prohibits certain types of remuneration to the members of the Board of Directors and the executive board. The Compensation Ordinance broadly prohibits severance payments in any form. In addition, excessive termination notice periods in employment contracts (i.e., longer than one year) and long-term employment contracts for a fixed term of for more than one year are viewed as types of prohibited severance payments. However, post-employment non-competition covenants and consultancy agreements are not subject to the Compensation Ordinance's severance pay prohibition, unless because of their terms they are deemed to be disguised severance payments. The Compensation Ordinance also restricts certain forms of advance compensation. The decisive element in distinguishing prohibited advance payments from certain types of other advance payments, such as signing bonuses, is the point in time at which such payment is made. Consequently, signing bonuses compensating benefits and other entitlements that executives forfeit from their previous employers continue to be permissible whereas genuine prepayments of salary (i.e., if the contractual salary is paid in advance) are not permitted. The Compensation Ordinance also prohibits transaction bonuses.

The Compensation Ordinance requires that the members of the board of directors, its chairman, the members of the compensation committee (who may only be selected among the members of the board of directors) and one or several independent proxies be elected by a company's shareholders at the general meeting on an individual basis for a term ending at the next ordinary general meeting. Re-election in all instances is permitted.

The Compensation Ordinance prohibits the representation of shareholders by corporate proxies (i.e., officers or other company representatives) as well as by proxies of deposited shares. The provisions of the Compensation Ordinance further provide that the board of directors must ensure that the shareholders are able to electronically grant proxies and instruct the independent proxy on both (i) agenda items included in the invitation to the general meeting and (ii) new motions which were not disclosed in the invitation to the general meeting. The independent proxy is required to exercise the voting rights granted

by shareholders only in accordance with shareholder instructions. Furthermore, absent express voting instructions, the independent proxy is required to abstain from voting.

The criminal provisions of the Compensation Ordinance penalize intentional non-compliance by any member of the board of directors, executive management and advisory board who acted against his or her “better knowledge” (*wider besseres Wissen*) and pays out or receives impermissible forms of compensation. The Compensation Ordinance also stipulates criminal liability for certain prohibited actions by a Swiss public company’s board of directors. Intentional violations of the Compensation Ordinance can result in imprisonment of up to three years and a fine of up to six times the individual offender’s annual salary.

### **13. Squeeze-out Mergers**

The Swiss Federal Merger Act (*Fusionsgesetz*) allows a squeeze-out of minority shareholders by way of a squeeze-out merger. To the extent that at least 90% of the shareholders of the target company who are entitled to vote give their consent, the target company may be merged into the surviving company and the minority shareholders of the target company may be compensated in cash or other consideration (e.g., securities from another company) instead of receiving shares in the surviving company. However, it is unclear and disputed whether the 90% approval relates to the total number of votes represented by all shares of the target company outstanding, or the total number of shareholders of the target company entitled to vote.

### **14. Corporate Governance**

The Swiss Code of Best Practice (see [https://www.economiesuisse.ch/sites/default/files/publications/economiesuisse\\_swisscode\\_e\\_web\\_2.pdf](https://www.economiesuisse.ch/sites/default/files/publications/economiesuisse_swisscode_e_web_2.pdf)), in its current version, contains recommendations and suggestions on managing and monitoring companies listed stock exchanges, with regard to shareholders, shareholders’ meetings, the board of directors, the supervisory board, transparency, accounting and auditing. There is no obligation to follow the recommendations and suggestions laid out in the Swiss Code of Best Practice. SunMirror AG complies with the provisions of the Swiss Code of Best Practice, with the exception of the following recommendations:

- No 12: The Swiss Code of Best Practice requires a balanced composition of the Board of Directors. At SunMirror AG, the Board of Directors currently consists of male members only.
- No 20 et seq.: The Swiss Code of Best Practice sets out that the Board of Directors should provide internal control and risk management systems that are suitable for the company. Risk management refers to financial, operational and reputation-based risks. At the Company, there is neither an internal auditor nor an audit committee.
- No 22 et seq.: The Swiss Code of Best Practice sets out that the Board of Directors should form committees to perform defined tasks. The Board of Directors has no committees.

In the context of the Financial Statements 2021, Deloitte as auditor who expressed an unqualified audit opinion also noted that the internal control system is not in accordance with Swiss law and accordingly Deloitte was unable to confirm the existence of the internal control system for the preparation of the financial statements. The Company has started the process to implement an internal control system

with the assistance of an external adviser and will implement the internal control system by the end of January 2022.

#### **15. Swiss Corporate Law Reform**

On June 19, 2020, the Swiss Parliament approved legislation that will modernize certain aspects of Swiss corporate law. Most relevantly, the legislative reform addresses, among other topics, (i) the modernization and increased flexibility for a stock corporation's capital base, (ii) corporate governance and executive compensation matters, (iii) the strengthening of shareholder rights and the protection of minorities, (iv) financial distress / restructuring measures and (v) certain socio-political topics (e.g., gender representation and disclosure requirements for companies active in the raw materials sector). Other than with respect to the new rules on gender representation and disclosure requirements for companies active in the raw materials sector, which, subject to transitional periods, came into effect on 1 January 2021, the effective date of the new legislation has not yet been announced; however, the new legislation is not expected to come into force before 2023 (with certain transitional periods as provided for therein). In light of these reforms, certain sub-sections discussed in more detail below will be subject to the changes and modifications pursuant to this new legislation.

#### **XIV. APPLICABLE SECURITIES LAWS**

The German and Austrian securities markets are regulated by a number of laws and regulations. The most important Austrian federal law is the Stock Exchange Act 2018 (*Börsegesetz 2018*) and the Capital Market Act 2019 (*Kapitalmarktgesetz 2019*). Most of relevant provision do not yet apply to the company as it is not listed on a regulated market as defined in MiFiD II. Furthermore, a number of EU regulations apply directly, most importantly the Market Abuse Regulation (Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/16/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, "MAR"), and the implementing regulations of MAR.

##### **1. Currently Applicable Securities Laws**

###### **a) Inside Information and Ad Hoc Publicity, Insider Dealing,**

Art 7 MAR defines inside information as information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. Information is deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments or the related derivative financial instrument, the related spot commodity contracts, or the auctioned products based on the emission allowances. In this respect in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information.

Pursuant to Art 17 MAR, issuers are required to inform the public as soon as possible of inside information which directly concerns that issuer. The inside information is to be made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public. Issuers must not combine the disclosure of inside information to the public with the marketing of its activities. All inside information must be posted and maintained on an issuer's website for a period of at least five years.

Pursuant to Art 8 MAR, insider dealing arises where a person possesses inside information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates. The use of inside information by canceling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information, is also considered to be insider dealing. Insider dealing is strictly prohibited.

Recommending that another person engage in insider dealing, or inducing another person to engage in insider dealing, arises where the person possesses inside information and (a) recommends, on the basis

of that information, that another person acquire or dispose of financial instruments to which that information relates, or induces that person to make such an acquisition or disposal, or (b) recommends, on the basis of that information, that another person cancel or amend an order concerning a financial instrument to which that information relates, or induces that person to make such a cancellation or amendment.

**b) Market Manipulation**

Market manipulation refers to transactions, trade orders or any other behavior which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, secures, or is likely to secure, the price of one or several financial instruments at an abnormal or artificial level (unless such transaction, order or behavior have been carried out for legitimate reasons, and conform with an accepted market practice). Furthermore, market manipulation also comprises i) entering into a transaction, placing an order to trade or any other activity or behavior which affects or is likely to affect the price of one or several financial instruments, which employs a fictitious device or any other form of deception or contrivance; ii) disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for or price of, a financial instrument, or is likely to secure, the price of one or several financial instruments at an abnormal or artificial level, including the dissemination of rumors, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading, iii) transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or ought to have known that it was false or misleading, or any other behavior which manipulates the calculation of a benchmark. Market manipulation is strictly prohibited.

**c) Sanctions**

Insider dealings with a value of more than EUR 1million (sale or purchase of financial instruments to which the respective inside information relates) constitute a criminal offence and may be fined by the criminal courts with imprisonment between six months and five years. Market manipulation (transactions or trade orders) for more than EUR 1 million also constitute a criminal offence and may be fined by the criminal courts with imprisonment between six months and five years.

Insider dealings and market manipulation below the threshold of EUR 1million constitute administrative offences. The FMA may impose fines against individuals of up to EUR 5 million or three times the amount of the benefit from the violation of the respective provisions, whatever amount is higher. In case of sanctions against legal persons, the fines may amount up to EUR 15 million or 15% of the consolidated net turnover of the previous financial year or three times the amount of the benefit from the violation of the respective provisions, whatever amount is higher.

Furthermore, the FMA is entitled to publish any sanctions imposed on individuals and legal persons on its website (naming and shaming).

**d) Manager's Transactions**

Art 19 MAR obliges persons discharging managerial responsibilities in a company (as defined in Art. 3 para. 1 No. 25 MAR, hereinafter referred to as "**Managers**") and persons closely associated with Managers (as defined in Art. 3 para. 1 No. 26 MAR) to notify details of their own transactions relating to shares in the company or related financial instruments, in particular derivatives, to the company and to BaFin ("**Managers' Transactions**"). Such a notification shall be made promptly and no later than three business days after the date of the transaction. The company is obliged to publish such a notification no later than three business days after the transaction and to send a copy of the publication to BaFin. The obligation only applies to any subsequent transaction once a total amount of EUR 20,000.00 has been reached within a calendar year (the threshold of EUR 20,000.00 shall be calculated by adding without netting all transactions referred to in Art. 19 para. 1 MAR in accordance with Art. 19 para. 8 MAR). In the event of an infringement of the disclosure requirements for Managers' Transactions, multiple sanctions, e.g. a fine and publication of the violation, may be imposed.

Managers are the members of the management, administrative or supervisory body of the Company and other senior executives who regularly have access to insider information (within the meaning of the MAR) relating directly or indirectly to that entity and who have the power to take managerial decisions affecting the future developments and business prospects of that entity.

The following persons are deemed to be closely associated with a Manager: (a) spouses and registered civil partners, (b) dependent children, (c) other relatives, who, at the time of the reportable transaction, shared the same household for at least one year and (d) legal persons, trusts or partnerships, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to in point (a), (b) or (c), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

**e) Takeover Laws**

The German Securities Acquisition and Takeover Act (*WpÜG*) is currently not applicable, as the statutory seat of the Company is located outside of Germany and the European Economic Area (EEA). The Swiss Financial Market Infrastructure Act (FIMA) is currently not applicable as the shares in the Company are not listed (*kotiert*) at a Swiss stock exchange.

**f) Short Selling**

In accordance with Art. 5 et seq of the Statutory Ordinance on Short Selling and Certain Aspects of Credit Default Swaps (VO (EU) 236/2012) in conjunction with Sec. 53 German Securities Trading Act, significant net short positions, which either reach, exceed or fall below the threshold of 0.2% of the issued shares in a company licensed for regulated trading on a German stock exchange and each 0.1% above that must be reported by the owner to BaFin by 3.30 p.m. on the following trading day at the latest. Net short positions, which either reach, exceed or fall below the threshold of 0.5% must additionally be published by the owner in the German Federal Gazette. For the purposes of assessing whether a threshold value is affected, only the exact unrounded values will be taken into account. Following this, however, the values rounded to two decimal places must also be notified or published.

## 2. Changes to Applicable Securities Laws

The Company intends to file an application for the admission to trading of the Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*), which is a regulated market for purposes of MiFID II, shortly following the date of this Prospectus. Admission to trading of the Shares on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) will also affect applicable securities laws as it will establish Austria as "home member state" for purposes of the Austrian Stock Exchange Act 2018 (*Börsegesetz 2018*).

### a) Inside Information and Ad Hoc Publicity, Insider Dealing, Market Manipulation, Manager's Transactions

The provisions of MAR set out above will continue to apply. The obligation to notify manager transactions in accordance with Art 19 MAR will also continue to apply as set out above, however, the FMA rather than the German BaFin will be the competent authority (Art 19 Para 2 second paragraph MAR).

### b) Major Shareholding Disclosure

Admission to trading of the Shares to the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) will cause the major shareholding disclosure obligations pursuant to the Austrian Stock Exchange Act 2018 (*Börsegesetz 2018*) to apply to the Company.

If natural persons or legal entities, directly or indirectly, acquire or sell shares in a stock corporation for which Austria is the home member state, then these persons or entities are obliged to notify the FMA, the Vienna Stock Exchange (*Wiener Börse*) as well as the Company within two trading days after the acquisition or disposal of a major shareholding, provided that the proportion of the voting rights held reaches, exceeds or falls below a threshold of 4%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 75% or 90%, respectively, as a consequence of the acquisition or disposal. The two trading days begin to run when the shareholder of a major shareholding gains, or should have gained, knowledge of the acquisition or sale.

The notification requirements of the Austrian Stock Exchange Act (*Börsegesetz 2018*) also apply to persons entitled to exercise voting rights in the following cases:

- voting rights of the other parties to a share pooling agreement with that person for the purpose of adopting a lasting common policy towards the management of a company by voting shares in concert;
- voting rights attaching to shares that such person pledged as collateral or has an usufruct interest (*Nießbrauch*) in, provided, that such person may exercise voting rights without the express instruction of the pledgee or can influence the pledgee's voting rights;
- voting rights exercised by an undertaking in which that person holds a direct or indirect controlling interest (as defined in the Takeover Act) or attributed to that person pursuant to the Austrian Takeover Act (*Übernahmegesetz*); and
- voting rights which may be exercised by that person without being a shareholder or as proxy at its own discretion in the absence of specific instructions from the shareholders.

In addition, the disclosure requirements also apply to any person who directly or indirectly reaches, exceeds or falls below the just mentioned thresholds by holding certain financial or comparable instruments such as option rights, convertible notes, futures or contracts for difference or certain swaps. In each case, rules on the aggregation of various positions in voting rights and financial instruments need to be observed.

The notification by the shareholder to a company needs to include the number of voting rights held after the acquisition or disposal of shares, the chain of controlled undertakings through which voting rights are effectively exercised, the date on which the threshold was reached or exceeded as well as the identity of the shareholder and proxy. The above thresholds are calculated based on all shares carrying voting rights even if the exercise thereof is suspended. The notification requirements of the Austrian Stock Exchange Act 2018 (*Börsegesetz 2018*) also apply to voting shares of the same class or if the thresholds are reached through an event causing a decrease in voting rights. To this extent, the listed company is required to publish in a community-wide electronic information system the total number of voting rights and share capital at the end of any given calendar month in which an increase or decrease of voting rights or capital occurs.

The Company is required to disclose all information notified by a shareholder having reached or exceeded the above thresholds within two trading days of being notified thereof.

In case the disclosure requirements are not complied with, voting rights may be temporarily suspended and material administrative fines may be imposed.

### **c) Takeover Laws**

As the Company is not incorporated under Austrian law, neither the German Securities Acquisition and Takeover Act (*WpÜG*) nor the Swiss Financial Market Infrastructure Act (FIMA) nor the Austrian Takeover Act (*Übernahmegesetz*) will apply to the Company.

## **XV. THE VIENNA STOCK EXCHANGE**

The information relating to the Vienna Stock Exchange (*Wiener Börse*) set out below is derived from information obtained from the Vienna Stock Exchange, in particular from the website of the Vienna Stock Exchange ([www.wienerbörse.at](http://www.wienerbörse.at)). The website of the Vienna Stock Exchange contains further information about the Vienna Stock Exchange as well as a range of special services, such as quotations and Ad Hoc Information about the companies listed on the Vienna Stock Exchange. The information contained on the website of the Vienna Stock Exchange is not part of or incorporated by reference into this Prospectus.

### **1. General**

The Vienna Stock Exchange is operated by an independent, privately owned stock corporation, Wiener Börse AG, based on a license under the Stock Exchange Act 2018 issued by the Federal Ministry of Finance. Members of the Vienna Stock Exchange include banks, foreign investment firms and other firms trading in securities, derivatives and money market instruments, registered either inside or outside the European Economic Area (EEA). In addition to a securities exchange, Wiener Börse AG also operates a commodities exchange.

The Vienna Stock Exchange is supervised by the FMA. The FMA is responsible, in particular for the supervision of reporting requirements for reportable instruments in accordance with the Austrian Securities Supervision Act 2018 (*Wertpapieraufsichtsgesetz 2018* – "**WAG 2018**"), the supervision of market participants and the clarification and investigation of infringements against the ban on insider trading and the ban on market manipulation, the monitoring of securities analyses concerning the issue and dissemination of recommendations in Austria, the regularity and fairness of securities trading, the clarification and investigation of price manipulation, stock exchange supervision in compliance with the Stock Exchange Act 2018 and the monitoring of issuers and shareholders with respect to their duties of publication (in particular with regard to the reporting and disclosure obligations contained in the MAR).

The FMA, via the stock exchange commissioner, ensures the lawfulness of resolutions by the executive bodies of the Vienna Stock Exchange. The stock exchange commissioner and his deputy are appointed by the Minister of Finance but act on behalf of the FMA and are bound by instructions of the FMA. The stock exchange commissioner is invited to every important meeting of the stock exchange operator. He or she reviews all resolutions and decisions of the Vienna Stock Exchange and is entitled to object to any resolutions or decisions which he or she considers to be in violation of the law. A resolution or decision becomes void if the FMA upholds the objection of the stock exchange commissioner. Currently there are one stock exchange commissioner and two deputies.

### **2. The Markets of the Vienna Stock Exchange**

According to the Stock Exchange Act 2018, for listing purposes the Austrian securities market consists of one statutory market, the Official Market (*Amtlicher Handel*). The Official Market is recognized as a "regulated market" pursuant to Directive 2014/1651/EU on markets in financial instruments (MiFID II). In December 2004, the US Securities Exchange Commission granted the Vienna Stock Exchange the status of a "Designated Offshore Securities Market" in accordance with the Securities Act.

In addition to the regulated market, the Vienna MTF (previously referred to as "Third Market") has been in existence since November 2007, in the form of a multilateral trading facility pursuant to the WAG 2018 and the Stock Exchange Act 2018. The multilateral trading facility is not a regulated market. Rather, it is a trading facility. With the FMA's approval, the operator of a regulated market is authorized to operate a multilateral trading facility. At present, the Vienna MTF is operated by Wiener Börse AG, which stipulates the "Rulebook Vienna MTF" as amended from time to time applicable to all participants of the unregulated market. Securities are admitted to trading on the Vienna Stock Exchange if they meet the statutory listing requirements. To be traded in a specific segment, certain non-statutory criteria must be met by the securities, in addition to the statutory listing requirements.

The equity market is divided into the segments "Prime Market", "Standard Market", "Direct Market Plus", "Direct Market" and "Global Market". The Prime Market segment represents the highest ranking market segment of the Vienna Stock Exchange and is comprised of shares in companies that agree to fulfil more stringent reporting, quality and disclosure requirements set out in the prime market rulebook (*Regelwerk Prime Market*), a private law contract between the relevant issuer and Wiener Börse AG.

### **3. Trading and Settlement**

Shares and other equity securities listed on the Vienna Stock Exchange are quoted in euro per share. Officially listed shares are traded on the Vienna Stock Exchange and OTC. The electronic trading system used by the Vienna Stock Exchange is XETRA (Exchange Electronic Trading). XETRA is the electronic trading system of Deutsche Börse AG. Through XETRA, all market participants have the same access to trading on the Vienna Stock Exchange regardless of their location. The settlement system uses automated netting procedures and daily mark-to-market evaluation of collateral requirements to further reduce transfer costs. The settlement of transactions concluded on the Vienna Stock Exchange takes place outside the stock exchange through CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH. These transactions are carried out T+2 on a delivery versus payment basis, with OeKB CSD GmbH acting on behalf of CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH as central custodian and settlement bank. In case of non-delivery the defaults of delivery mechanisms are set out in the Rules for the Clearing and Settlement of Exchange Trades by CCP Austria (separation procedure, covering procedure and cash settlement) apply. Settlement terms of OTC transactions depend on bilateral agreements between the trading counterparties.

Trading can be suspended by the Vienna Stock Exchange if orderly stock exchange trading is temporarily endangered or if suspension is necessary to protect the public interest. To avoid undesired significant price fluctuation, the electronic system provides for automatic volatility interruptions and market order interruptions during auctions, and for automatic volatility interruptions during continuous trading.

## **XVI. WARNING ON TAX CONSEQUENCES**

The tax legislation of the investor's Member State and of the Company's country of incorporation (Switzerland) may have an impact on the income received from the securities.

With its taxable income in Switzerland, the Company is subject to Swiss tax. A withholding tax on dividends might apply.

Shareholders are subject to taxation in particular in connection with the holding of shares (taxation of dividends), the sale of shares and subscription rights (taxation of capital gains) as well as the free transfer of shares and subscription rights (inheritance and gift tax).

Foreign shareholders are required and obliged to declare and pay the taxes applicable to the tax law of their tax residence.

## XVII. INCORPORATION BY REFERENCE

The following information, which have previously or simultaneously been published electronically by the Company and submitted to the FMA in a searchable electronic format, are included in this Prospectus by reference pursuant to Art. 19 (1) of the Prospectus Regulation and form part thereof:

- a) **The Consolidated Financial Statements 2021 by reference to the document "SunMirror AG (formerly Dynastar AG), Zug, Consolidated Financial Statements for the year ended 30 June 2021 and Report of the Statutory Auditor"**

An electronic version of the information incorporated by reference is also available on the Company's website (www.sunmirror.com) and can be accessed via the following hyperlink

[https://sunmirror.com/pdfs/Financial%20FS%20IFRS%20ISA%20Audit%20SunMirror%202021%20\(signed\).pdf](https://sunmirror.com/pdfs/Financial%20FS%20IFRS%20ISA%20Audit%20SunMirror%202021%20(signed).pdf)

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Statement of profit and loss and comprehensive income ..... page 9 of the document  
Statement of changes in equity ..... page 11 of the document  
Statement of cash flow ..... page 12 of the document  
Notes to the financial statements ..... pages 13 to 46 of the document  
Auditor's report ..... pages 2 to 5 of the document

- b) **The Company's Management Report for the financial year ended 30 June 2021 by reference to the document "SunMirror AG Management Report for the year ended 30 June 2021"**

An electronic version of the information incorporated by reference is also available on the Company's website (www.sunmirror.com) and can be accessed via the following hyperlink

[https://sunmirror.com/pdfs/20211015\\_SunMirror%20AG\\_Management\\_Report\\_final.pdf](https://sunmirror.com/pdfs/20211015_SunMirror%20AG_Management_Report_final.pdf)

- c) **The Financial Statements 2020 by reference to the document "SunMirror AG, Zug (former Dynastar AG, Zurich) Independent Auditor's Report on the Financial Statements for the period from 1 January to 30 June 2020"**

An electronic version of the information incorporated by reference is also available on the Company's website (www.sunmirror.com) and can be accessed via the following hyperlink

[https://sunmirror.com/pdfs/IFRS%20as%20adopted%20by%20the%20European%20Union%20Audit%20Report\\_SunMirror%20AG.pdf](https://sunmirror.com/pdfs/IFRS%20as%20adopted%20by%20the%20European%20Union%20Audit%20Report_SunMirror%20AG.pdf)

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Statement of cash flow ..... page 7 of the document  
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Auditor's report ..... pages 2 to 3 of the document

- d) **The Company's Management Report for the financial year ended 30 June 2020 by reference to the document "SunMirror AG Management Report for the year ended 30 June 2020"**

An electronic version of the information incorporated by reference is also available on the Company's website (www.sunmirror.com) and can be accessed via the following hyperlink

[https://sunmirror.com/prospectus-docs/210329\\_SunMirror\\_Management\\_Report\\_%2030\\_June\\_20.pdf](https://sunmirror.com/prospectus-docs/210329_SunMirror_Management_Report_%2030_June_20.pdf)

- e) **The Financial Statements 2019 by reference to the document "Dynastar AG Zürich Report of the Independent Auditor on the Financial Statements for the Year ended 31 December 2019"**

An electronic version of the information incorporated by reference is also available on the Company's website (www.sunmirror.com) and can be accessed via the following hyperlink

[https://sunmirror.com/pdfs/Dynastar\\_2019\\_Audit-Report\\_IFRS-for-SME\\_29.1.20.pdf](https://sunmirror.com/pdfs/Dynastar_2019_Audit-Report_IFRS-for-SME_29.1.20.pdf)

Statement of financial position .....	page 5 of the document
Statement of profit and loss and comprehensive income .....	page 4 of the document
Statement of changes in equity .....	page 6 of the document
Statement of cash flow .....	page 7 of the document
Notes to the financial statements .....	pages 8 to 11 of the document
Auditor's report .....	pages 2 to 3 of the document

- f) **The Lux Financial Statements 2020 by reference to the document "SunMirror Luxembourg S.A. Société anonyme Report of the Reviseur D'Enterprises Agréé & Consolidated Financial Statements for the Period from 1 January 2020 to 30 June 2020"**

An electronic version of the information incorporated by reference is also available on the Company's website (www.sunmirror.com) and can be accessed via the following hyperlink

[https://sunmirror.com/pdfs/210329\\_SunMirrorLux\\_Financial\\_Staements\\_%2030\\_June\\_20.pdf](https://sunmirror.com/pdfs/210329_SunMirrorLux_Financial_Staements_%2030_June_20.pdf)

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Statement of cash flow .....	page 10 of the document
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- g) **Competent person's report of Moolyella Project by reference to the document "Moolyella Lithium Project Pre-JORC Evaluation in accordance with JORC-2012 Table-1 Standards"**

An electronic version of the information incorporated by reference is also available on the Company's website (www.sunmirror.com) and can be accessed via the following hyperlink

[https://www.sunmirror.com/pdfs/210326\\_SunMirror\\_CPR\\_Moolyella.pdf](https://www.sunmirror.com/pdfs/210326_SunMirror_CPR_Moolyella.pdf)

**h) Competent person's report of Cape Lambert Project by reference to the document "Independent Geologist Report of the Cape Lambert Iron Project Assets held by Pharlap Holdings"**

An electronic version of the information incorporated by reference is also available on the Company's website ([www.sunmirror.com](http://www.sunmirror.com)) and can be accessed via the following hyperlink  
[https://sunmirror.com/pdfs/210326\\_SunMirror\\_CPR\\_Cape\\_Lambert.pdf](https://sunmirror.com/pdfs/210326_SunMirror_CPR_Cape_Lambert.pdf)

**i) Competent person's report of Kingston Keith Project by reference to the document "Independent Geology Report Kingston-Keith Gold Project Western Australia"**

An electronic version of the information incorporated by reference is also available on the Company's website ([www.sunmirror.com](http://www.sunmirror.com)) and can be accessed via the following hyperlink  
[https://www.sunmirror.com/pdfs/210326\\_SunMirror\\_Kingston\\_Keith.pdf](https://www.sunmirror.com/pdfs/210326_SunMirror_Kingston_Keith.pdf)

**j) Field Assessment Report on E45/5573 Moolyella Lithium Property, Western Australia dated 24 August 2021 by Geonomik Pty Ltd**

An electronic version of the information incorporated by reference is also available on the Company's website ([www.sunmirror.com](http://www.sunmirror.com)) and can be accessed via the following hyperlink  
<https://sunmirror.com/pdfs/MOOLYELLA%20FIELD%20ASSESSMENT%20REPORT%2025082021%20Version%2007.pdf>

## XVIII. GLOSSARY

<b>BIF</b>	banded ironstone formations (BIF) are distinctive units of sedimentary rock consisting of alternating layers of iron oxides and iron-poor chert
<b>Cassiterite (SnO<sub>2</sub>)</b>	Cassiterite is a tin oxide mineral. It is the most important source of tin today.
<b>ESG</b>	Environmental, Social and Governance
<b>EV</b>	short for electric vehicle
<b>HEV</b>	hybrid electric vehicle
<b>JORC Code</b>	is the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves.
<b>Lepidolite</b>	a lilac-gray or rose-colored member of the mica group of minerals
<b>Li<sub>2</sub>CO<sub>3</sub></b>	lithium carbonate (Li <sub>2</sub> CO <sub>3</sub> ) is the lithium salt of carbonate
<b>Li<sub>2</sub>O</b>	lithium oxide (Li <sub>2</sub> O) is an inorganic chemical compound
<b>Lithium</b>	chemical element with the symbol Li, widely used for lithium and lithium ion batteries
<b>Magnetite</b>	a rock mineral and one of the main iron ores
<b>Market Maker</b>	a market participant who commits to the issuer and the relevant stock exchange to provide binding offers for the purchase and the sale of a security during the entire trading time. The market maker thereby ensures a minimum liquidity in the market for the relevant security.
<b>Mining tenements</b>	A license, permit or lease providing rights to explore for and/or extract minerals under the surface of an area of land.
<b>National Instrument 43-101</b>	National Instrument 43-101 is a national instrument for the Standards of Disclosure for Mineral Projects within Canada. It requires a company to file a technical report at certain times on properties material to the company, prepared in a prescribed format.

<b>Ore body</b>	an accumulation of a solid and fairly continuous mass of ore with gangue, distinctly distinguishable by form and character from the enclosing host rocks
<b>Pegmatite</b>	a magmatic rock, formed underground, with interlocking crystals
<b>PEV</b>	short for plug-in electric vehicle
<b>Platinum group metals</b>	a group of six noble, precious metallic elements (ruthenium, rhodium, palladium, osmium, iridium, and platinum)
<b>Rare Earths</b>	rare earth elements are a set of seventeen metallic elements, which include the fifteen lanthanides on the periodic table plus scandium and yttrium.
<b>Spodumene</b>	a pyroxene mineral consisting of lithium aluminum inosilicate and is a source of lithium
<b>Tantalite [(Fe,Mn)Ta<sub>2</sub>O<sub>6</sub>]</b>	the mineral group tantalite is the primary source of the chemical element tantalum.
<b>Tantalum</b>	chemical element with the symbol Ta
<b>VALMIN Code</b>	code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports

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	Unterzeichner	Österreichische Finanzmarktaufsichtsbehörde
	Datum/Zeit-UTC	2021-11-09T08:07:11Z
	Aussteller-Zertifikat	CN=a-sign-corporate-light-02,OU=a-sign-corporate-light-02,O=A-Trust Ges. f. Sicherheitssysteme im elektr. Datenverkehr GmbH,C=AT
	Serien-Nr.	532114608
	Methode	urn:pdfsigfilter:bka.gv.at:binaer:v1.1.0
Prüfinformation	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: <a href="http://www.signaturpruefung.gv.at">http://www.signaturpruefung.gv.at</a>	
Hinweis	Dieses Dokument wurde amtssigniert. Auch ein Ausdruck dieses Dokuments hat gemäß § 20 E-Government-Gesetz die Beweiskraft einer öffentlichen Urkunde.	