

**SUNMIRROR AG
(FORMERLY DYNASTAR AG),
ZUG**

Financial Statements for the year ended
June 30, 2021 and Report of the Statutory Auditor

Statutory Auditor's Report

To the General Meeting of
SUNMIRROR AG, ZUG

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SunMirror AG, which comprise the balance sheet as at June 30, 2021 and the income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion the accompanying financial statements as at June 30, 2021 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 18 to the financial statements describing the material uncertainty around future funding required by SunMirror AG in order to continue as a going concern. This fact together with other matters disclosed in Note 18 indicates the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the entity may be unable to realize its assets and discharge its liabilities in the normal course of business and at amounts stated in the financial statements. Our opinion is not qualified in respect of this matter.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse:<http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

Other Matter

The financial statements of the company for the year ended June 30, 2020 were examined under limited statutory scope by another auditor. In their report, dated October 1, 2020, they expressed an unqualified examination conclusion on those financial statements.

Report on Other Legal and Regulatory Requirements

In the course of our audit performed in accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we noted that an internal control system for the preparation of financial statements designed according to the instructions of the Board of Directors was not adequately documented in all material respects.

In our opinion the internal control system is not in accordance with Swiss law and accordingly we are unable to confirm the existence of the internal control system for the preparation of the financial statements.

Furthermore we draw attention to the fact that SunMirror AG is overindebted as per article 725 paragraph 2 CO. Due to the fact that the company's creditors exercised their right to convert the loan amounting to CHF 6.7 million (EUR 6.0 million) into equity, the Board of Directors has refrained from notifying the court. Please refer to Note 19.

We recommend that the financial statements submitted to you be approved. **Deloitte AG**

Matt Sheerin
Licensed Audit Expert
Auditor in Charge

David Reichel
Licensed Audit Expert

Zurich, October 15, 2021
MSH/DRE/axh

Enclosures

- Financial statements (balance sheet, income statement and notes)

SunMirror AG

Zug

FINANCIAL STATEMENTS

for the fiscal year 2020/ 21

consists of

- Statement of financial position as of June 30, 2021 and June 30, 2020
- Statement of profit and loss for the periods ended June 30, 2021 and June 30, 2020
- Notes to the financial statements

STATEMENT OF FINANCIAL POSITION

		CHF	CHF
	(Notes)	<u>June 30, 2021</u>	<u>June 30, 2020</u>
ASSETS			
Cash and cash equivalents	1	411'564	221'605
Marketable securities	2	4'013'334	0
Other short term receivables	3	1'163'377	1'116
Prepaid expenses and deferred charges	4	42'171	278
Total current assets		<u>5'630'446</u>	<u>222'999</u>
Financial assets	5	2'770'900	0
Participations	6	1'175'000	0
Intangible assets	7	11'962	0
Total non-current assets		<u>3'957'862</u>	<u>0</u>
Total assets		<u><u>9'588'308</u></u>	<u><u>222'999</u></u>
EQUITY AND LIABILITIES			
Trade accounts payable	8	850'272	1'904
Short-term interest bearing liabilities	9	9'394'449	0
Other short-term liabilities	10	14'776	0
Deferred income and accrued liabilities	11	400'907	5'500
Total short-term liabilities		<u>10'660'404</u>	<u>7'404</u>
Total liabilities		<u>10'660'404</u>	<u>7'404</u>
Share capital		2'000'000	325'000
Statutory retained earnings		92	92
Accumulated losses		-3'072'188	-109'497
Total equity	12	<u>-1'072'096</u>	<u>215'595</u>
Total equity and liabilities		<u><u>9'588'308</u></u>	<u><u>222'999</u></u>

FINANCIAL STATEMENTS 2020/ 21
SunMirror AG, Zug

STATEMENT OF PROFIT AND LOSS

		CHF	CHF
		2020/ 21	Previous period
	(Notes)	(12 months)	(6 months)
Personnel expenses	13	-172'234	0
Other operating expenses	14	-2'897'503	-20'259
Earnings before interest and taxes		-3'069'737	-20'259
Financial income	15	1'016'242	0
Financial expenses	16	-909'196	-108
Loss for the year/ period		-2'962'691	-20'367

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

Company name, registered office and legal form

Company name and registered office:	SunMirror AG, Zug, Switzerland
UID:	CHE-395.708.464
Legal form:	Aktiengesellschaft (AG)

SIGNIFICANT ACCOUNTING POLICES

Basis of preparation

These financial statements have been prepared in accordance with the provisions of the Swiss Code of Obligations (CO), commercial accounting and financial reporting (Art. 957 ff. CO). Disclosures on the principles and accounting options applied, unless they are required by law.

The financial statements are prepared on a going concern basis at cost and are presented in Swiss francs (CHF).

Valuation at market values

As an exception to the basis of preparation, marketable securities held on a short-term basis are valued at the quoted market price and foreign currency rate provided by the relevant bank. Unrealized gains and losses related to marketable securities are recorded in the statement of profit and loss for the period.

Comparability

In the previous year, the Board of Directors decided to change the balance sheet date for the annual financial statements to 30 June 2020 (previously 31 December 2019), which is why a comparison of the current year figures with the previous period is only possible to a limited extent. The figures of the statement of profit and loss in the previous period correspond to a shortened financial year and include only 6 months (i.e. January 1, to June 30, 2020). The figures of the statement of profit and loss in the current year include 12 months (i.e. July 1, 2020 to June 30, 2021).

Presentation of the statement of profit and loss

The statement of profit and loss is presented in accordance with the nature of expense method.

Currency and roundings

Foreign currency items in the statement of financial position are valued at the closing date, long-term items are valued at the lower of cost or market. Corresponding gains and losses are recognized in the statement of profit and loss for the period. Foreign currency items in the statement of profit and loss are recognized at the transaction date.

Individual figures in the annual financial statements are rounded. In tables, such commercially rounded figures may not add up exactly to the respective totals also shown in the tables.

DISCLOSURES ON ITEMS IN THE STATEMENT OF FINANCIAL POSITION AND THE STATEMENT OF PROFIT AND LOSS

1	Cash and cash equivalents			CHF
			June 30, 2021	June 30, 2020
	Cash in bank		411'564	221'605
	Total		411'564	221'605
2	Marketable securities			CHF
			June 30, 2021	June 30, 2020
	Securities at market price		4'013'334	0
	Total		4'013'334	0
3	Other short term receivables			CHF
			June 30, 2021	June 30, 2020
	Third parties		4'714	0
	Government agencies		27'431	1'116
	Advance payments		5'685	0
	Shareholders (direct or indirect)		362'346	0
	Participations (direct or indirect)		763'201	0
	Total		1'163'377	1'116
4	Prepaid expenses and deferred charges			CHF
			June 30, 2021	June 30, 2020
	Prepaid expenses		41'564	278
	Deferred charges		607	0
	Total		42'171	278
5	Financial assets			CHF
			June 30, 2021	June 30, 2020
	Advance payment for future acquisition	EUR 2'500'000	2'770'900	0
	Total		2'770'900	0

As part of the negotiations for the acquisition of a new subsidiary, an interest-free, non-refundable advance payment on the final purchase price was made to the sellers.

FINANCIAL STATEMENTS 2020/ 21

SunMirror AG, Zug

6 Participations

					CHF		
	Local currency	Share of votes	Share of capital	Share capital in local currency	Opening balance	Additions/ disposals	Closing balance
SunMirror Luxembourg SA, LU-Luxembourg (direct shareholding)	EUR	100%	100%	1'110'000	0	1'175'000	1'175'000
Lithium 1 Pty Ltd, AU-Subiaco Western Australia (indirect shareholding)	AUD	100%	100%	10			
Pharlap Holdings Pte. Ltd., SG-Singapore (indirect shareholding)	SGD	100%	100%	4'172'472			
End of the period June 30, 2021					0	1'175'000	1'175'000

7 Intangible assets

CHF						
	Opening balance	Additions	Disposals	Total before amortization	Amortization	Closing balance
Domains	0	11'962	0	11'962	0	11'962
End of the period June 30, 2021	0	11'962	0	11'962	0	11'962

8 Trade accounts payable

	CHF	
	June 30, 2021	June 30, 2020
Third parties (accounts payable)	793'617	1'904
Board members	56'655	0
Total	850'272	1'904

9 Short-term interest bearing liabilities

	CHF	
	June 30, 2021	June 30, 2020
Other interest-bearing liabilities to third parties	EUR 8'410'429	9'394'449
Total	9'394'449	0
due within 12 months	9'394'449	0
due after 12 months	0	0

On April 8, 2021, SunMirror AG issued two convertible loans in the total amount of EUR 8'410'429. The interest rate is 8% per annum and the term is fixed with a maturity date of May 30, 2022. Until maturity, the loans can be converted into a fixed number of shares at a fixed price per share of SunMirror AG at any time upon request of the lender (total 133'305 shares at a price of CHF 70.00 per share at a fixed conversion ratio of CHF 1.1095/ EUR).

10 Other short-term liabilities

	CHF	
	June 30, 2021	June 30, 2020
Social securities	9'433	0
Shareholders (direct or indirect)	5'343	0
Total	14'776	0

11 Deferred income and accrued liabilities

	CHF	
	June 30, 2021	June 30, 2020
Accrued liabilities	400'907	5'500
Total	400'907	5'500

12 Total equity

	CHF	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Share capital		
Share capital	<u>2'000'000</u>	<u>325'000</u>
Total Share capital	<u>2'000'000</u>	<u>325'000</u>
Statutory retained earnings		
General statutory reserve	<u>92</u>	<u>92</u>
Total Statutory retained earnings	<u>92</u>	<u>92</u>
Accumulated losses		
Accumulated losses - opening balance	-109'497	-89'130
Loss for the year/ period	<u>-2'962'691</u>	<u>-20'367</u>
Total Accumulated losses	<u>-3'072'188</u>	<u>-109'497</u>
Total equity	<u><u>-1'072'096</u></u>	<u><u>215'595</u></u>

	in % of votes	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Major Shareholders		
Konstantin Fleischer	0.0%	100.0%
Starpole Investments Limited	19.1%	0.0%
Gravner Limited	18.3%	0.0%
Seras Capital Finance Limited	9.9%	0.0%
Zero Carbon Limited	9.6%	0.0%
Herlequin Investments Limited	7.8%	0.0%
Mirador FZE	5.5%	0.0%
MSM GmbH	5.0%	0.0%

13 Personnel expenses

	CHF	
	2020/ 21 (12 months)	Previous period (6 months)
Wages and salaries	-39'883	0
Third-party services	-124'111	0
Social security	-5'677	0
Other personnel expenses	-2'563	0
Total	-172'234	0

14 Other operating expenses

	CHF	
	2020/ 21 (12 months)	Previous period (6 months)
Rent	-5'500	-1'200
Insurances, duties, fees, permits	-1'969	0
Administration and IT	-10'469	-848
Accounting and consolidation	-172'139	-2'500
Professional consulting	-306'980	0
Legal and tax consulting	-354'170	-4'943
Admission expenses	-983'341	0
Board of Directors and General Meeting	-258'070	-6'000
Audit	-656'076	-4'768
Advertising, Investor and Public Relation	-148'789	0
Total	-2'897'503	-20'259

15 Financial income

	CHF	
	2020/ 21 (12 months)	Previous period (6 months)
Interest income	607	0
Gains on marketable securities - realized	228'581	0
Gains on marketable securities - unrealized	736'721	0
Gains on currency translation - realized	47'685	0
Gains on currency translation - unrealized	2'648	0
Total	1'016'242	0

16 Financial expenses

	CHF	
	2020/ 21 (12 months)	Previous period (6 months)
Interest	-200'490	0
Bank fees	-23'030	-108
Losses on currency translation - realized	-116'887	0
Other financial expenses	-568'789	0
Total	-909'196	-108

OTHER DISCLOSURES REQUIRED BY LAW**17 Full-time equivalents (average per year/ period)**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
The number of full-time equivalents is	not above 10	not above 10

18 Going concern

When preparing the financial statements of SunMirror AG on a going concern, the Board of Directors have identified material uncertainties that may cast significant doubt upon SunMirror's ability to continue as a going concern.

During the year ended 30 June 2021, the Company incurred a net loss for the period of CHF 3.0 million (2020: CHF 0.0 million), which led to an over-indebtedness of CHF 1.1 million as of June 30, 2021 (Art. 725 para. 2 CO). There was no capital loss or over-indebtedness in the previous period. Due to the fact that the Company's creditors exercised their right to convert the loan amounting to CHF 6.7 million (EUR 6.0 million) into equity (see Note 19), the Board of Directors has refrained from notifying the court.

In order to continue as a going concern and to complete the acquisition of Latitude 66 (see Note 19), SunMirror AG is planning to raise additional capital in the amount of EUR 70 million for which it has verbal commitments, subject to the Company successfully listing on a regulated market.

An alternative scenario involves continuing without the acquisition of Latitude 66. In order to continue as a going concern in this scenario additional capital in the amount of USD 20 million is required to be raised. The Company has received a letter of intent from an external investor, to contribute USD 20 million subject to the successful listing on a regulated market.

The process to list on a regulated market is in progress and the Company expects to complete a capital raising by November 30, 2021. Completion of the successful listing and capital raising for either of the above scenarios is outside the control of the Company and depends on regulatory approval. Therefore, material uncertainty exists in relation to the successful listing and completion of a capital raising.

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

19 Events after the balance sheet date

On 27 August 2021 SunMirror Luxembourg entered into an agreement to purchase 100% of the issued shares in Latitude 66 Cobalt Oy (Latitude 66), a limited liability company primarily engaged in mineral exploration and the potential development of polymetallic mining operations across Northern Finland, for consideration of EUR 45 million plus reimbursement costs and minus net debt. In this share purchase agreement SunMirror AG acts as guarantor for the financing of the purchase price. The exclusivity fee of EUR 2.5 million, which is part of the consideration, was already paid by SunMirror AG in 2020 (see Note 5).

On October 8, 2021, a lender of the convertible loan of April 2021 has exercised its right and committed to convert an amount of EUR 6.0 million into shares of SunMirror AG by March 2022 in accordance with the contractual conditions.