

1 September 2025

## Positive Underground Mining Conceptual Study for Hennes Bay Project

*"Potential for large scale underground mining operation confirmed"*

### **Study Highlights:**

- Underground Mining Conceptual Study ("Study") has confirmed the technical viability for a large-scale underground mining operation at the Hennes Bay Project ("Hennes Bay" or the "Project")
- Study was undertaken by independent global mining experts, Deswik Mining Consultants, as part of the ongoing Preliminary Economic Study ("PEA")
- Study was conducted on the maiden 'starter' Mineral Resource Estimate ("MRE") for Hennes Bay which was based solely on the Dingelvik deposit and totalled 55.39Mt at 1.0% Copper Equivalent ("CuEq")
- Primary stoping method proposed in the Study is Room and Pillar, allowing the incorporation of equipment and technologies aimed at setting a new benchmark for the "Underground Mine of the Future":
  - a modern mechanised mining fleet allowing high-speed and high-volume mining through an abundance of available working fronts
  - tight control on dilution by mining to the natural limits of the sediment-hosted stratiform copper mineralisation
  - very high standards in safety, energy and cost efficiency
- Detailed mine design has sub-divided the MRE into four separate mining areas, each with its own twin-decline access/haulage and ventilation system:
  - the shallow dip of the mineralisation has allowed each twin-decline to be designed in 'ore', maximising utilisation of stoping equipment and allowing a significantly faster pay-back on capital
  - provides greater operational flexibility and reliability
- For the purpose of the Study, each haulage decline has been benchmarked as being limited to a haulage rate of 0.75-1.0 million tonnes per annum ("Mtpa") which, in combination with potential mine plan stope widths and stoping methods, would provide for a maximum haulage rate of between 3.0 and 4.0 Mtpa
  - each haulage decline has the potential to be expanded to allow for the use of bigger equipment and/or conveyor systems should larger volumes of ore movement be required
- Planned work to progress the PEA includes:
  - Preliminary metallurgical test work to confirm historical recoveries and ore characteristics
  - Process flowsheet design studies
  - Geotechnical and hydrogeological studies
  - Preliminary infrastructure studies
  - Tailings storage facility design and location studies
  - Infill drilling to convert the Inferred MRE at Dingelvik into the Indicated category

Arctic Minerals' focus is to build on the very solid foundation provided by the 'starter' MRE and conceptual underground mining study at Dingelvik and systematically demonstrate the full potential and value of Hennes Bay through targeted work programs and drilling.

In addition to the PEA, activities or planning are underway in four additional workstreams with the aim of advancing the Project's development and realising its immense resource growth and exploration potential. These workstreams include Stakeholder Engagement; Environmental, Heritage and Cultural Investigations; Resource Expansion; and Testing the Exploration Model through the application of modern geophysics and discovery drilling.

**Executive Director Peter George commented:**

*"Study results from the independent mining experts at Deswik Mining Consultants clearly demonstrate the potential for a large-scale underground mining operation at Hennes Bay. The conceptual mining study is a critical component of the ongoing PEA work program.*

*The Study has confirmed the technical viability of mining the Dingelvik deposit and presented the Company with the fantastic opportunity to develop the "Underground Mine of the Future" utilising a combination of proven technologies and modern energy efficient equipment.*

*Combine this with the massive resource growth and exploration upside potential at Hennes Bay and I strongly believe that the Project has the potential to be a multi-decade mining operation that will benefit the local communities of Dalsland and Sweden long into the future".*

## Introduction

Arctic Minerals AB (STO: ARCT) (“Arctic Minerals” or the “Company”) 100% owned Hennes Bay copper-silver project (“Hennes Bay” or the “Project”) is located in the province of Dalsland in Sweden, a Tier 1 mining jurisdiction and currently one of the largest mining economies in Europe (Figure 1).

A maiden Mineral Resource Estimate (“MRE”) was reported for Hennes Bay in March 2025. The Inferred MRE is 55.39Mt at 1.0% CuEq (0.8% Cu & 20.8g/t Ag) for a total 543,000t CuEq contained metal (above a 0.8% CuEq cut-off). The total metal content comprises 447kt of copper and 37Moz of silver. The MRE was prepared and reported in accordance with the JORC Code (2012) by an independent Competent Person from Cube Consulting, a highly regarded Australian independent consulting firm.

Whilst the initial MRE is already of a significant scale, the Project has immense resource growth and exploration upside potential, and the Company believes the opportunity to expand on the MRE in the near to medium term is substantial.

The “starter” MRE was based solely on the Dingelvik prospect, where mineralisation remains open in all directions.

Extensive zones of mineralisation defined by historical drilling at several other prospects, namely Asselbyn, Hennevik, Baldersnäs, Åsnebo and Härserud Norra, have not been included in the maiden MRE. With limited further drilling, these prospects have the potential to be upgraded to the Inferred Resource category and added to the Hennes Bay MRE.

The zones of mineralisation drilled at these prospects, located in the northern portion of the Company’s extensive ground holding at Hennes Bay, are interpreted to represent the distal part of a sediment-hosted stratiform copper (“SSC”) mineral system.

SSC mineral systems favour the formation of very large deposits and mineral districts with consistent mineralisation, represent the most important source of copper produced in the world after porphyry copper deposits, and account for 20-25% of the global production and reserves.

Within Arctic Minerals’ tenement package at Hennes Bay, which covers 402km<sup>2</sup>, less than 5% of the aerially extensive SSC target horizon has been drill tested to date.

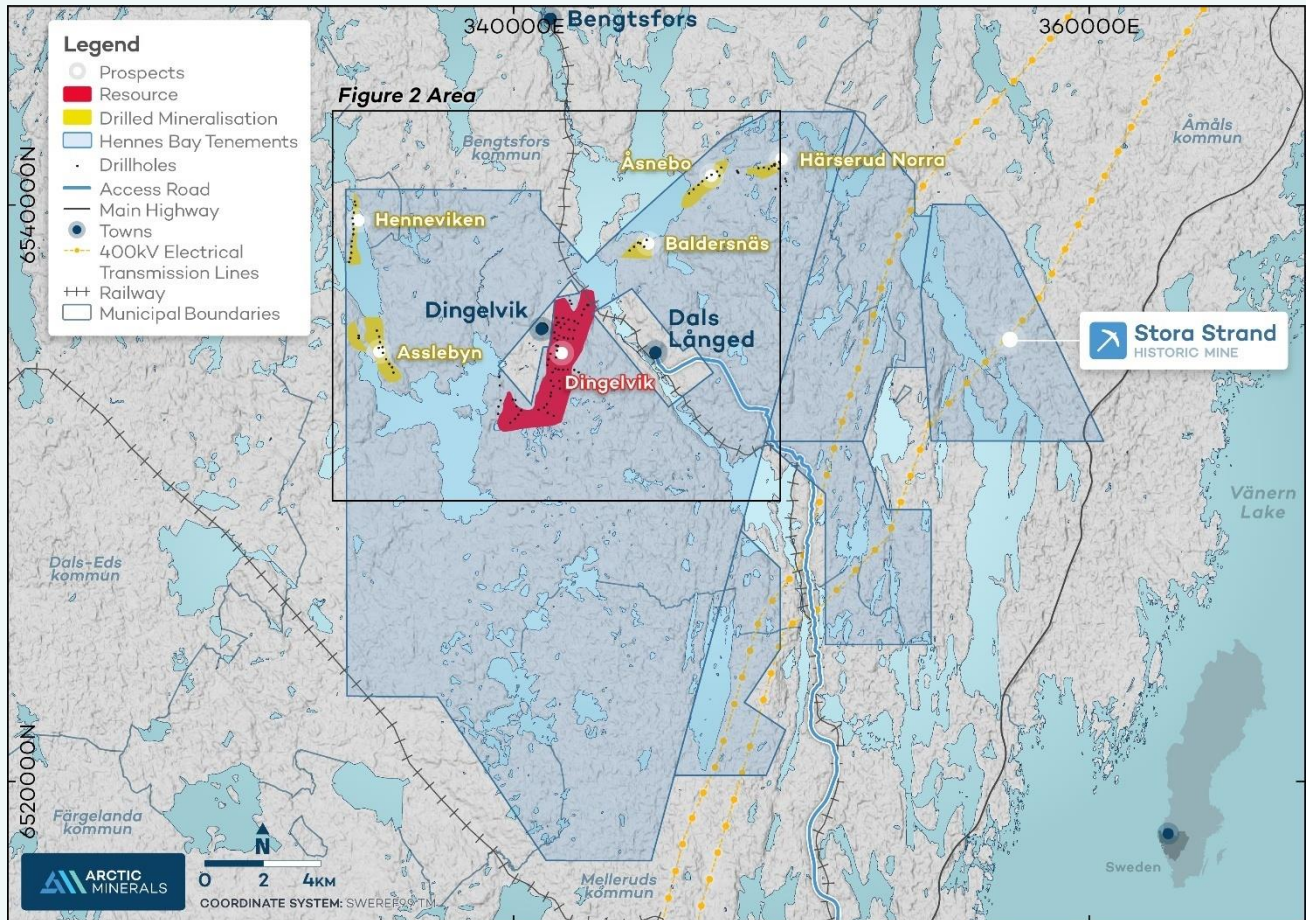


Figure 1: Hennes Bay Project - Location map showing Dingelvik prospect (included in MRE), other drilled prospects, and local infrastructure. Black square identifies the focus area for the Study as represented in Figure 2.

## Underground Mining Conceptual Study (Dingelvik)

The Underground Mining Conceptual Study (the “Study”) was conducted on the maiden Hennes Bay MRE which comprises the Dingelvik deposit only.

The objective of the Study was to confirm the technical viability of underground (“UG”) mining of the Dingelvik deposit utilising modern, readily available mining equipment, a proven mining method, and with the application of technologies aimed at setting a new benchmark for the “Underground Mine of the Future”.

The Company engaged Deswik Mining Consultants (“Deswik”), a highly regarded Australian independent consulting firm to undertake the study based upon the following Scope of Work:

- Select an appropriate UG mining method that allows the maximisation of mining rate and minimisation of mining dilution through the use of modern and energy efficient UG mining equipment
- Design stopes based on the Hennes Bay MRE (Dingelvik deposit) and a realistic cut-off grade benchmarked against other UG mining operations in the Nordic region



- Design the decline and ventilation access with the aim of maximising capital development inside of the orebody that can be developed with the stope mining fleet
- Sub-divide the MRE into independent mining areas that could either be mined concurrently or one after another
- Design the size of decline that matches the stoping capabilities of each independent mining area

The design process followed by Deswik was to initially analyse the Dingelvik MRE, with a focus on the dip and thickness of the mineralisation, and decide on where to sub-divide the deposit into independent mining areas. Based upon these initial findings, the mining, orebody access, and ventilation methods were chosen.

Stoping design followed, with a focus on the cut-off grade determined through the benchmarking of other Nordic UG mining operations.

## Description of Geology and Anticipated Rock Conditions at Dingelvik

The stratiform Cu-Ag mineralisation at Dingelvik is either outcropping or under very thin (<5m) cover. The mineralisation occurs at the contact between quartzites and overlying graphitic shales and mudstones, with disseminations of Cu and Ag occurring up to several meters into both lithologies (Figures 2 and 3). The mineralisation which consists mainly of chalcocite, chalcopyrite, bornite and covellite, strikes NNE-SSW with a dip of 10-30 degrees.

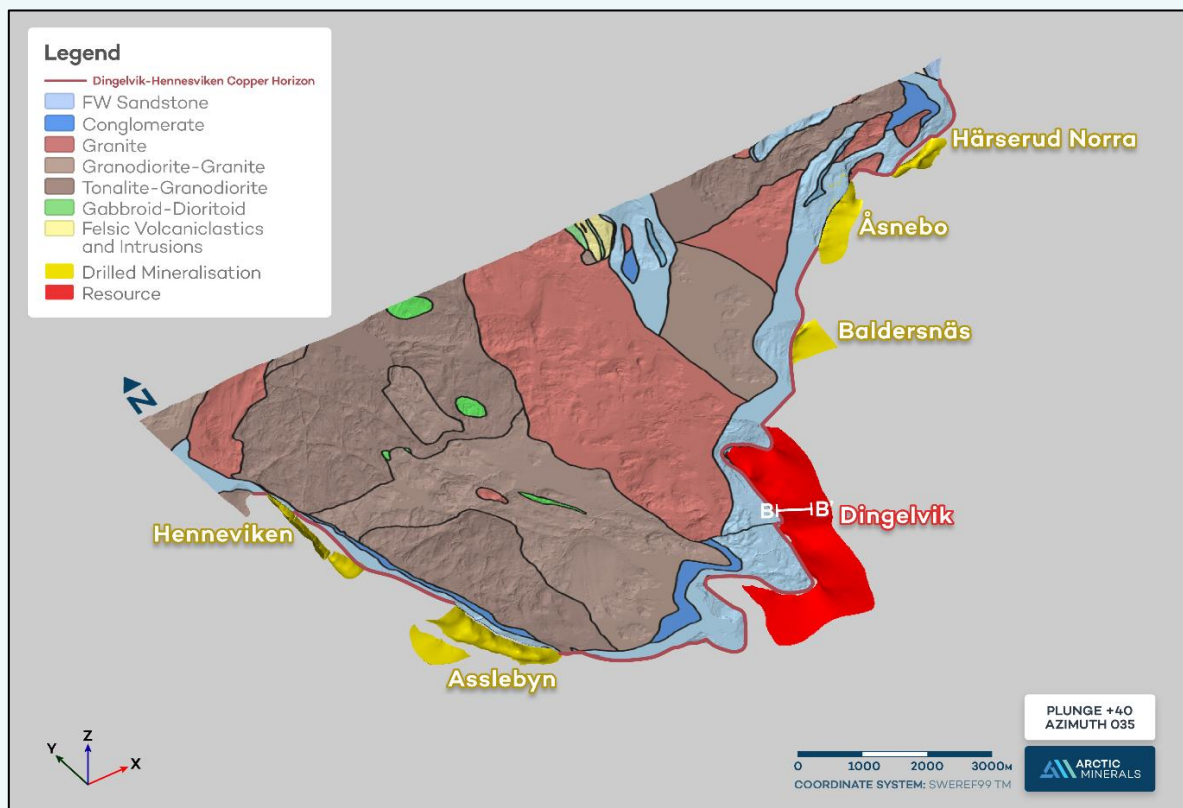


Figure 2 – Oblique view of Dingelvik MRE and surrounding prospects. Note all identified zones of mineralisation remain open

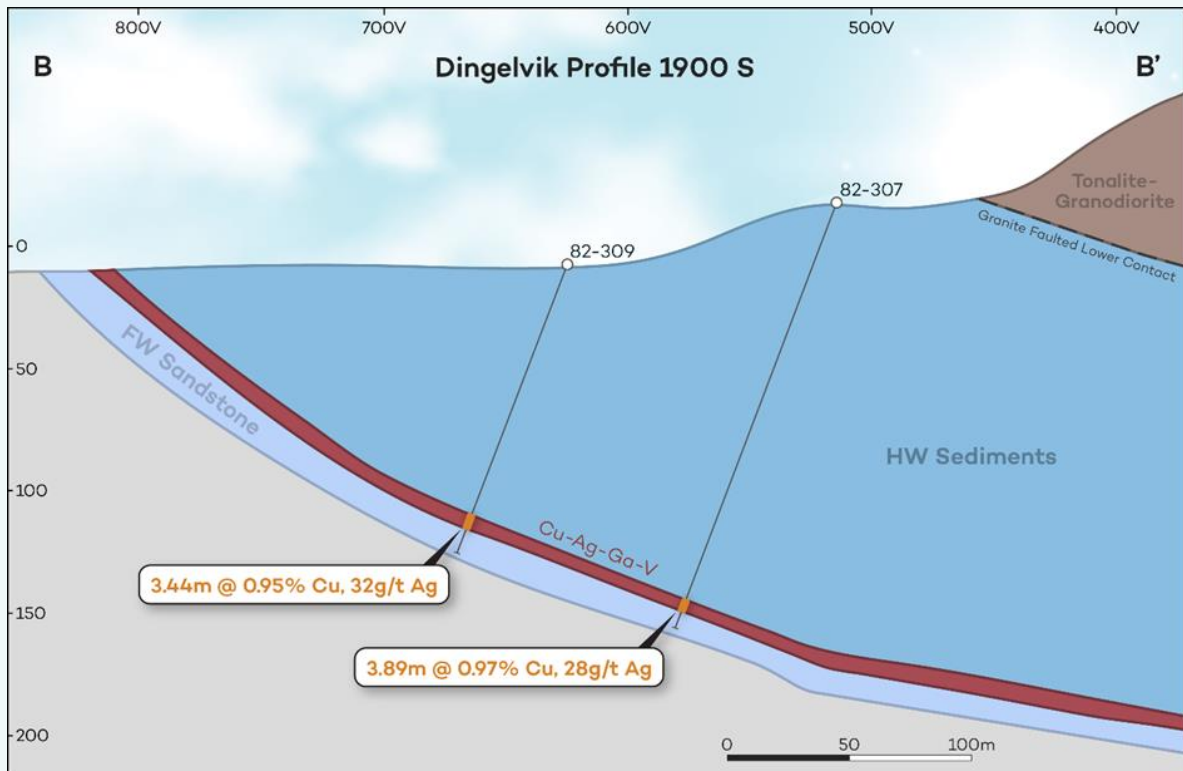


Figure 3: Dingelvik Prospect – Geological Cross Section 1900S (refer Figure 2 for location).

A similar mineralisation style can be observed at Stora Strand, several kilometers to the east within the broader Hennes Bay Project area, where historic mining (250kt @ 1.3% Cu, 25g/t Ag, 0.8g/t Au) of the stratiform mineralisation took place in the early 20<sup>th</sup> century.

At Stora Strand, the majority of the UG mining stopes and tunnels are observed to be stable well over 100 years after being excavated, and without the benefit of any modern rock reinforcement. The orebody at Stora Strand is characterised as being tabular, with parallel sediment zones being a natural surface to break towards. This allowed for good dilution control.

## Underground Mining Cut-Off Grade Calculation

A cut-off grade was estimated (Table 1) with UG mining costs of 203 SEK/tonne of ore mined based upon benchmarking against similar scale UG mining operations in the Nordic region.

Costs for processing and administration were also derived from benchmarking of similar sized projects within the Nordic region.

A 21% contingency was applied to the costs to allow for potential uncertainties in long-term metal prices, mining costs, metallurgical recoveries, and state royalties.

A copper price of US\$9,500/tonne was used, representing the spot price on the London Metal Exchange on 31 July 2025. An overall metallurgical recovery of 90% was assumed based upon historical results from the Stora Strand mine.

Based on these assumptions, the cut-off grade was estimated at 0.56% CuEq and rounded up to 0.6% CuEq for the purpose of the Study.

*Table 1 - Dingelvik Underground Cut-Off grade calculation*

Item	Unit	Estimate
Underground mining	SEK/t	203
Milling (Processing/Stockpile rehandle/Infrastructure)	SEK/t	132
Admin (ESG/G&A/Royalties)	SEK/t	32
Contingency (21%)	SEK/t	100
<b>Total mining costs</b>	<b>SEK/t</b>	<b>467</b>
Copper Price	SEK/t	92,625
Recovery	%	90
<b>Full cut-off grade</b>	<b>% CuEq</b>	<b>0.6</b>

Note that no modern investigations into the geotechnical properties of the Dingelvik orebody have been undertaken to date, although indications from historical mining at Stora Strand suggested solid rock conditions, the proof of which can be observed in UG stopes that have been open since the early 1900's and containing little to no rock reinforcement.

## Decline, Ventilation Access, and Mining Method

For the purpose of maximising production and reducing UG tramming and ventilation distances, the Dingelvik MRE was sub-divided into four independent mining areas, each with its own twin-decline; one decline for materials/personnel transport and the second decline for ventilation.

The shallow dip of the mineralisation allowed each twin-decline to be designed in 'ore', maximising utilisation of stoping equipment, providing greater operational flexibility and reliability, and allowing significantly faster payback on capital.

Access from surface to the Dingelvik MRE was selected from four sites that allow the twin-declines to be in ore where possible. This unique opportunity permits ore production from Day 1 and minimisation of costly development in waste that detracts from ore production.

The proposed locations of the four twin-declines are shown in Figures 4 and 5.

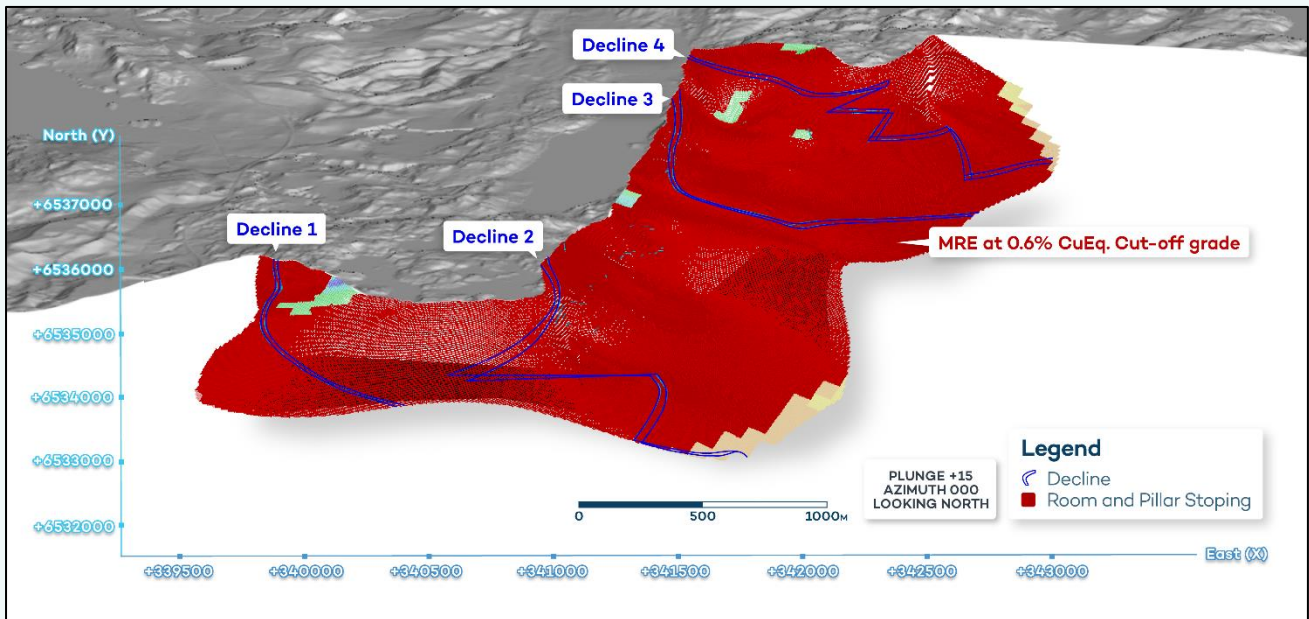


Figure 4 – Oblique view of conceptual Twin Decline locations (blue) and stoping area (red) with reference to the surface (grey)

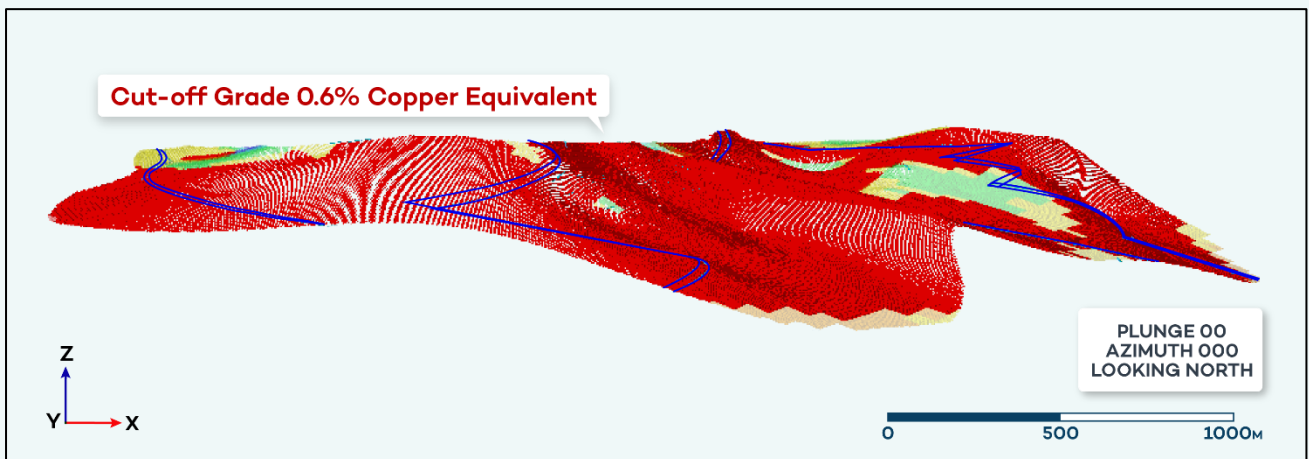


Figure 5 – Cross section view looking north of the conceptual Twin Declines (blue) and stoping locations (red) at Dingelvik.

The primary UG mining method proposed in this Study is the Room and Pillar (Figure 6), allowing the incorporation of equipment and technologies aimed at setting a new benchmark for the “Underground Mine of the Future”:

- a modern mechanised mining fleet allowing high-speed and high-volume mining through an abundance of available working fronts
- tight control on dilution by mining to the natural limits of the sediment-hosted stratiform copper mineralisation
- very high standards in safety, energy and cost efficiency



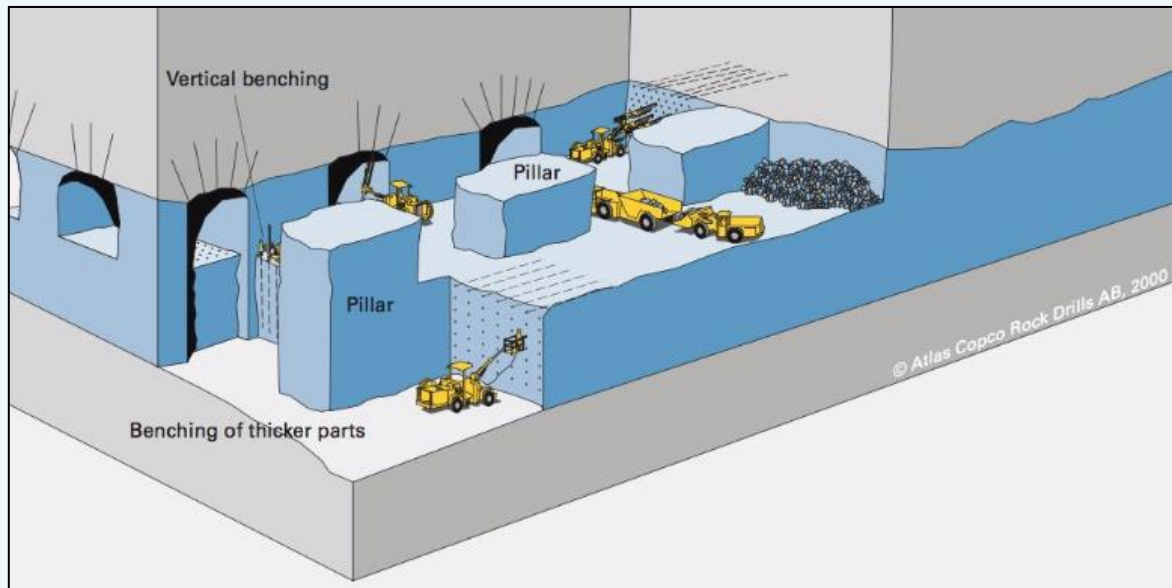


Figure 6 – Room and Pillar mining method

Stope heights vary from a minimum of 2m to a maximum of 12m, with the majority (86%) of the ore stope heights being between 2m and 5m.

Each decline has a nominal size of 4m (height) x 5m (width) and has been estimated by Deswik as being limited to delivering a maximum of between 0.75 and 1.0Mtpa using conventional UG haulage fleet. In combination with potential mine plan stope heights and stoping methods, this would provide for an estimated haulage rate of between 3.0 Mtpa and 4.0 Mtpa.

Each haulage decline has the potential to be expanded to allow for the use of bigger equipment and/or conveyor systems should larger volumes of ore movement be required.

The existing 'starter' MRE at Dingelvik could support the estimated annual haulage rate from the Study for an initial 10-year period. Future work will focus on optimising the mining method and design to maximise ore recovery.

## PEA Work Program

To progress the PEA, the planned work program includes:

- Preliminary metallurgical testwork and process flowsheet design studies to confirm historical recoveries, ore characteristics, and process equipment requirements
- Geotechnical and hydrogeological studies to enable detailed mine design and water management requirements
- Preliminary infrastructure studies to define corridors for road, rail, power, communications, and water
- Tailings storage facility design and location studies
- Infill drilling to convert the Inferred MRE at Dingelvik into the Indicated category

## Additional Workstreams

In addition to the PEA, the planned work program at Hennes Bay comprises a further four workstreams over the next two years with the aim of rapidly advancing the Project's development and realising its immense resource growth and exploration upside potential:

- **Stakeholder Engagement**
  - Effective ongoing communication with stakeholders at a local, kommun, and federal level
- **Environmental, Heritage and Cultural Investigations:**
  - Desktop and fieldwork to determine the current baseline status of the Flora and Fauna, Historical and Cultural sites within the potentially affected areas
- **Resource Expansion:**
  - Drill testing of the peripheries of the Dingelvik prospect, which remains open in multiple directions
  - Infill and extension drilling at the other five prospects with extensive zones of mineralisation defined by historical drilling. With limited further drilling, the Asselbyn, Henneviken, Baldersnäs, Åsnebo and Härserud Norra prospects may be added to the MRE
- **Testing of the Exploration Model Through the Application of Modern Geophysics and Discovery Drilling:**
  - Extensive airborne magneto-telluric ("MMT") survey focusing on the MRE area (Dingelvik) and additional areas of interest along the prospective copper horizon
  - Inversion modelling of historical airborne magnetic data covering the Project area
  - Structural field mapping within same area covered by the MMT survey, to aid with interpretation
  - Generation and ranking of regional targets, and regional exploration drilling to discover higher grade zones of mineralisation in the proximal parts of the SSC mineral system
  - Arctic Minerals' highly prospective tenement package at Hennes Bay covers 402km<sup>2</sup>, with <5% of the aerially extensive target horizon drill tested

## Study Conclusions and Summary

The findings of the Study have clearly demonstrated the potential for a large-scale UG mining operation at Hennes Bay.

The Study has confirmed the technical viability of mining the Dingelvik MRE via decline access and UG Room and Pillar stoping, with an estimated haulage rate of between 3.0 Mtpa and 4.0 Mtpa.

The Study has presented the Company with the opportunity to develop the “Underground Mine of the Future” utilising a combination of proven technologies and modern energy efficient equipment, and maintaining very high standards in safety, energy and cost efficiency.

The UG conceptual mining study is a critical component of the ongoing PEA which comprises several additional technical studies including metallurgical testwork, geotechnical and hydrogeological studies.

In addition to the PEA, the planned work program over the next two years comprises a further four workstreams with the objective of advancing the Project’s development and realising its immense resource growth and exploration upside potential. These workstreams include stakeholder engagement; environmental, heritage and cultural investigations; resource expansion; and testing of the exploration model through the application of modern geophysics and discovery drilling.

Arctic Minerals’ focus is to build on the very solid foundation provided by the ‘starter’ MRE and UG mining conceptual study at Hennes Bay and systematically demonstrate the full potential and value of the Project through these targeted work programs and drilling.

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## Competent Persons Statement

The information in this announcement that relates to Exploration Results and Mineral Resource Estimates is extracted from announcements dated 26 March 2025, 27 May 2025 and 30 July 2025 respectively, which are available to view at [www.arcticminerals.se](http://www.arcticminerals.se) and is based on, and fairly represents information compiled by the relevant Competent Persons, Mr Erik Lundstam (Exploration Results) and Mr Brian Fitzpatrick (Mineral Resource Estimates).

The Company confirms that: (a) it is not aware of any new information or data that materially affects the information included in the original announcements; (b) all material assumptions included in the original announcements continue to apply and have not materially changed; and (c) the form and context in which the relevant Competent Persons' findings are presented in this announcement have not been materially changed from the original announcements.

## Forward Looking Statements

Statements regarding plans with respect to Arctic Minerals' projects are forward-looking statements. There can be no assurance that the Arctic Minerals' plans for development of its projects will proceed as currently expected. There can also be no assurance that Arctic Minerals will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Arctic Minerals' mineral properties. These forward-looking statements are based on the Arctic Minerals' expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Arctic Minerals, which could cause actual results to differ materially from such statements. Arctic Minerals makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.