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Arctic Minerals completes a directed issue of units, raising proceeds of approximately SEK 13.6 million

The Board of Directors of Arctic Minerals AB (publ) (“Arctic Minerals” or the “Company”) has, based on the authorisation from the Annual General Meeting on June 28 2024 and in accordance with what the Company indicated in a press release earlier today, decided to carry out a directed issue of 28,319,981 units, consisting of shares and warrants of series TO5, at a subscription price of SEK 0.48 per unit, corresponding to SEK 0.24 per share (the “Directed Issue”). Through the Directed Issue, Arctic Minerals will obtain approximately SEK 13.6 million before issue costs. The Directed Issue is directed to a number of current and new investors, including shareholders of Rare Earth Energy Metals Pty Ltd (“REEM”), the exploration company that Arctic Minerals has entered an agreement to acquire, as announced earlier today in a separate press release (the “Acquisition”). In connection with the Directed Issue, a set-off issue of approximately SEK 2 million to the Company’s Board and Management, and a directed cash issue of SEK 0.5 million to Arctic Minerals’ chairman, is proposed.

The Directed Issue

- The Directed Issue brings in proceeds of approximately SEK 13.6 million before issue costs.
- The subscription price in the Directed Issue amounts to SEK 0.48 per unit, corresponding to SEK 0.24 per share. The warrants are issued free of charge. One unit consists of two (2) new shares and one (1) warrant of series TO5.
- The subscription price has been determined through an accelerated bookbuilding procedure performed by Augment Partners AB (“**Augment**”).
- Each (1) warrant of series TO5 entitles the holder to subscribe for one (1) new share in the Company at a subscription price of SEK 0.31, corresponding to approximately 130 per cent of the subscription price per share in the Directed Issue, during the subscription period commencing on 15 September 2025 and ending on 26 September 2025.
- In the event of full exercise of all the warrants of series TO5 issued in the Directed Issue, the Company can receive additional proceeds of approximately SEK 8.8 million before issue costs.

The Directed Issue is directed to a number of current and new private and institutional investors, including shareholders of REEM. Subscribers in the Directed Issue include Longbow Resources Ltd, Evli Silver and Gold (Mutual Fund) and the Behet Family Trust. Given the bookbuilding procedure, it is the Board of Directors’ assessment that the subscription price has been set at market terms and accurately reflects current market conditions and demand. The price corresponds to a discount of approximately 11.4 per cent to the volume-weighted average price (VWAP) in the Company’s share price during the period of thirty trading days prior to the Directed Issue.

Directed issue of units to the Board and Management

In connection with the Directed Issue, Arctic Mineral’s Board of Directors proposes that the Company resolves on a separate directed issue of units corresponding to approximately SEK 2 million with payment through set-off to the Company’s Board members and Management, at the same terms as in the Directed Issue (the “**Set-Off Issue**”). The proposed subscribers in the Set-Off Issue are Peter Walker, 2,957,693 units, Krister Söderholm (Through company), 571,627 units and Risto Pietilä (through company), 637,345 units. Furthermore, Arctic Minerals Board of Directors also propose that the Company resolves on a directed cash issue of SEK 0.5 million to the Company’s chairman, Peter Walker, of 1,041,666 units, at the same terms as in the Directed Issue. Subscription and payment for units subscribed for in the Set-Off Issue and the

directed cash issue to Peter Walker shall be completed no later than five banking days after the extraordinary general meeting has resolved to carry out the respective issue.

If the general meeting resolves in accordance with the Board of Directors' proposals, it will entail the issuance of an additional 5,208,331 units, consisting of 10,416,662 shares and 5,208,331 warrants of series TO5. The Set-Off Issue and the proposed directed cash issue to the Company's chairman presupposes decision of an Extraordinary General Meeting (the "EGM"), which is intended to be held during the fourth quarter of 2024. A separate notice will be published regarding the EGM.

Share capital and dilution

Through the Directed Issue, the number of shares in the Company will increase by 56,639,962 to 223,125,253 shares. The Company's share capital will increase by SEK 226,559.848 to SEK 892,501.012, which implies a dilution of approximately 25.4 per cent. If the EGM in the Company resolves on the Set-Off Issue and the directed cash issue to the Company's chairman, the number of shares in the Company will increase by an additional 10,416,662 shares and the share capital by SEK 41,666.648, implying an incremental dilution of approximately 4.5 per cent.

Upon full exercise of all warrants of series TO5 issued in connection with the Directed Issue, the Set-Off Issue and the directed cash issue to the Company's chairman, the number of shares in the Company will increase by an additional 33,528,312 shares and the share capital by SEK 134,113.248, implying an incremental dilution of a maximum of 12.6 per cent.

The Acquisition of REEM will be paid in the form of seller promissory notes, which shall be offset against 166,485,291 newly issued shares in Arctic Minerals. Following the Directed Issue, the Set-Off Issue, the directed cash issue to the Company's chairman and the Acquisition, the number of shares in the Company will amount to 400,027,206 shares and the share capital to approximately SEK 1,600,108.824, before the exercise of warrants of series TO5.

Use of proceeds

The purpose of the Directed Issue is to provide Arctic Minerals with the necessary funding to finance the project advancement of the combined assets after the Acquisition. The Acquisition will add two highly prospective copper projects in Sweden to Arctic Minerals' project portfolio including one with historical mineral resources exceeding 25 million tonnes of copper-silver ore, complimenting existing gold-copper and copper projects in Norway and Finland and establishing Arctic Minerals as a significant exploration company in the copper space, with four high quality assets at different stages of the development cycle.

Deviation from the shareholders' preferential right

The Board of Directors of Arctic Minerals has carefully evaluated the possibility of raising the required capital through a rights issue. In this evaluation, the Board of Directors has considered several factors, including that the Company must secure the necessary funds to finance exploration and development activities in the combined company's assets in close proximity to the Acquisition. Furthermore, the Board of Directors considers it necessary to secure the needed funds promptly to avoid any financial shortfall or complications, which could jeopardise the Acquisition. This underscores the importance of a swift and efficient capital-raising process to ensure the successful completion of the Acquisition and to safeguard the interest of Arctic Minerals and its shareholders. In this regard, the Board of Directors has concluded that a rights issue would be significantly more time-consuming, and, thereby, not fulfil the requirements of urgency in this situation. Also, a rights issue would incur higher total costs for Arctic Minerals. A rights issue would also expose Arctic Minerals to market volatility as set out above, potentially resulting in a lower subscription price to the disadvantage of Arctic Minerals' shareholders. Given these considerations, the Board of Directors has assessed that the Directed Issue and the directed cash issue to the Company's chairman, with deviation from shareholders' pre-emptive rights, is in the best interest of Arctic Minerals and its shareholders.

Lock-up

The shares issued to REEM in connection with the Acquisition will have a 12-month lock-up, starting the day the EGM resolves to amend the limits of the number of shares and share capital in the articles of association and to authorize the Board of Directors of Arctic Minerals to resolve on the set-off issue to the sellers in the Acquisition. Furthermore, the Board of Directors and Management have entered into lock-up undertakings in the Company for their current holdings, effective from the start date of the agreement until 12 months after the day of the EGM.

Advisors

Augment is acting as the financial advisor and Schjødt is acting as the legal advisor to the Company in connection with the Directed Issue.

Certified Advisor

UB Corporate Finance Ltd, of Helsinki, Finland, (www.unitedbankers.fi) is the Company's Certified Advisor on Nasdaq First North Growth Market, Stockholm.

Other

The Company's shares are listed on Nasdaq First North Growth Market, Stockholm under the trade designation "ARCT".

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About Arctic Minerals AB (publ)

Arctic Minerals is a Nordic mineral exploration company exploring for copper, zinc, gold and battery metals in the Nordics.

This information is information that Arctic Minerals AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of contact person set out above, at 22:15 CEST on October 7, 2024.

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Augment. Augment is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Directed Issue or any other matter referred to herein.

This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Directed Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to

risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or Nasdaq First North Growth Market's rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Artic Minerals have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in Artic Minerals may decline and investors could lose all or part of their investment; the shares in Artic Minerals offer no guaranteed income and no capital protection; and an investment in the shares in Artic Minerals is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Augment will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Arctic Minerals.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Arctic Minerals and determining appropriate distribution channels.