

Date: December 19, 2024
News Release: 24-11
Ticker Symbols: TSXV: MOON



BLUE MOON METALS CLOSES C\$30 MILLION IN EQUITY FINANCING WITH LEAD ORDERS FROM HARTREE PARTNERS, WHEATON PRECIOUS METALS AND LNS, AND SIGNS DEFINITIVE AGREEMENTS TO ACQUIRE TWO NORWEGIAN BROWNFIELD COPPER PROJECTS

TORONTO, Ontario – December 19, 2024 – Blue Moon Metals Inc. (“**Blue Moon**” or the “**Company**”) (TSXV: MOON), Nussir ASA (“**Nussir**”) and Nye Sulitjelma Gruver AS (“**NSG**”) are pleased to announce that the parties have entered into separate definitive agreements (the “**Definitive Agreements**”), each dated December 19, 2024, pursuant to which Blue Moon has agreed to acquire all of the issued and outstanding shares of Nussir and NSG (the “**Acquisitions**”). Both Nussir and NSG are private Norwegian companies with properties in northern Norway (the “**Nussir Property**” and the “**NSG Property**,” respectively). Pursuant to the Definitive Agreements, Blue Moon has agreed to acquire a 99.5% interest in Nussir and a 100% interest in NSG, to be satisfied by the issuance to Nussir and NSG shareholders of up to 313,142,828 common shares of Blue Moon (the “**Blue Moon Shares**”) at a deemed price of C\$0.30 per Blue Moon Share. NSG shareholders will also receive US\$3 million in cash milestone payments related to the receipt of permitting for tailings discharge and receipt of the operating permit for the NSG Property. Further details about the Acquisitions are disclosed in Blue Moon’s news release dated November 27, 2024.

Blue Moon has also closed its previously announced brokered private placement in tandem with entering into the Definitive Agreements, raising C\$30 million (the “**Concurrent Financing**”). More details on the Concurrent Financing can be found below. The implied equity value of the Acquisitions and the Concurrent Financing, collectively, is approximately US\$100 million on a fully-diluted in-the-money basis. At closing of the Acquisitions, existing Blue Moon, Nussir and NSG shareholders are expected to own 12%, 55% and 12%, respectively, of Blue Moon Shares outstanding on a fully-diluted in-the-money basis. No one shareholder is expected to own more than 20% of the Blue Moon Shares. The Concurrent Financing has received conditional TSX Venture Exchange (“**TSXV**”) approval and is subject to final TSXV approval. The Acquisitions are subject to acceptance by the TSXV in all respects, as they are each considered a “Reviewable Transaction” under the policies of the TSXV. As per TSXV requirements, trading of the Blue Moon Shares is halted and will resume after the TSXV has received all required documentation, including a technical report on the Nussir Property prepared in accordance with National Instrument 43-101, among other customary items. Closing of the Acquisitions is expected by the end of February 2025, at which point the maiden preliminary economic assessment on the Company’s existing Blue Moon property (the “**Blue Moon Property**”) is also anticipated to be released. Blue Moon looks forward to communicating its new plan for the Norwegian assets once the stock starts trading again in 2025.

Concurrent Financing

Pursuant to the first tranche closing of the Concurrent Financing, Blue Moon issued 10,000,031 units (the “**Units**”) of the Company at a price of C\$3.00 per Unit for gross proceeds C\$30,000,093. The Concurrent Financing is co-led by Cormark Securities Inc. and Scotiabank on behalf of a syndicate of investment dealers including National Bank Financial Inc., Haywood Securities Inc., Raymond James Ltd. and CIBC World Markets Inc. (collectively, the “**Agents**”). The Company may close additional tranches of the Concurrent Financing, for up to cumulative total gross proceeds of C\$50,000,000.

Each Unit issued in the Concurrent Financing consists of 1 common share of Blue Moon (each, a “**Unit Share**”) and 9 subscription receipts (each, a “**Subscription Receipt**”), with 10% of the price per Unit allocated to the Unit Share underlying each Unit and 90% of the price per Unit allocated to the Subscription Receipts underlying each Unit. The net proceeds allocated to the Unit Shares were released to Blue Moon upon closing of the Concurrent Financing and will not be returned to the subscribers in the event the Escrow Release Conditions (as defined below), which include the completion of the Acquisitions, are not met.

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Upon completion of the Acquisitions, and subject to certain customary conversion conditions for a transaction of this nature (collectively, “**Escrow Release Conditions**”), each Subscription Receipt will convert into one common share of Blue Moon (each, an “**Underlying Share**”) without payment of additional consideration or further action on the part of the holder.

Blue Moon has agreed to pay to the Agents a commission equal to 6.0% of the gross proceeds from the Concurrent Financing (reduced in connection with subscriptions by certain strategic, institutional and retail investors, and by insiders of Blue Moon and shareholders of Nussir and NSG), 50% of which has been placed in escrow (the “**Escrowed Commission**”) as described below.

The proceeds of the Concurrent Financing, other than those proceeds allocated to the Unit Shares, and the Escrowed Commission (the “**Escrowed Proceeds**”), will be held in escrow pending satisfaction of the Escrow Release Conditions. Provided that the Escrow Release Conditions are satisfied or waived (where permitted) prior to 5:00 p.m. (Toronto time) on February 27, 2025, or prior to April 30, 2025 if Blue Moon shareholder approval to the Acquisitions is required by the TSXV, (the “**Escrow Release Deadline**”): (i) the Escrowed Commission will be released to the Agents from the Escrowed Proceeds, (ii) the balance of the Escrowed Proceeds will be released to or as directed by Blue Moon, and (iii) the Subscription Receipts shall be automatically converted into Underlying Shares, without payment of any additional consideration or further action on the part of the subscribers. In the event that the Escrow Release Conditions are not satisfied by the Escrow Release Deadline, the Escrowed Proceeds, together with interest earned thereon, if any, will be returned to the holders of the Subscription Receipts and such Subscription Receipts will be cancelled.

The net proceeds from the Unit Shares will be used for general corporate purposes and advancement of the Blue Moon project, along with costs related to the Acquisitions. The net proceeds from the Subscription Receipts will be primarily utilized for exploration decline development, underground exploration, and optimization studies at the Nussir Property, exploration permitting at the Blue Moon Property and the NSG Property, and general corporate purposes and working capital.

The securities issued under the first tranche of the Concurrent Financing are subject to a statutory hold period of four months and a day from the closing date in accordance with applicable securities laws.

Certain insiders of the Company participated in the Concurrent Financing and subscribed for a total of 187,000 Units for aggregate gross proceeds of C\$0.56 million. Participation by the insiders in the Concurrent Financing constitutes a related party transaction within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company has relied on the exemptions from the valuation and minority shareholder approval requirements contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, on the basis that neither the fair market value of the securities issued under the Concurrent Financing to the insiders, nor the fair market value of the consideration paid by the insiders, exceeded 25% of the Company’s market capitalization.

The securities referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any securities laws of any state of the United States, and may not be offered or sold in the United States absent registration under the U.S. Securities Act and applicable securities laws of any state of the United States or compliance with the requirements of an exemption therefrom. This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. “United States” is as defined in Regulation S under the U.S. Securities Act.

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Strategic Investors

As part of the Concurrent Financing, the Company welcomes several strategic investors: Hartree Partners LP ("**Hartree**"), Leonhard Nilsen & Sønner AS ("**LNS**") and Wheaton Precious Metals Corp. ("**Wheaton**," TSX: WPM, NYSE: WPM), which, together, subscribed for over 50% of the total Units sold under the first tranche of the Concurrent Financing.

In addition to a C\$7.25 million subscription in the Concurrent Financing, Hartree has been granted the right to subscribe for between C\$5.25 million and C\$7.75 million worth of Blue Moon Shares at pre-agreed conditions based on the market price up to May 9, 2025. Hartree will also receive pro-rata pre-emptive rights in respect of future equity issuances of Blue Moon, as long as Hartree owns 5% of the issued and common shares, have the right to appoint a board member by the end of 2025, and the right to participate on a technical committee. Hartree's additional Blue Moon Share subscriptions are subject to approval of the TSXV. The Company has also agreed to enter into a long term offtake agreement with Hartree for Nussir concentrate production, along with a right of last offer for a portion of the off-take volumes at the Blue Moon and NSG projects. In addition to the above, Hartree and Blue Moon have entered into an MOU for an up to US\$20 million secured bridge loan facility to provide financial flexibility during construction of the Nussir Property. Hartree and Blue Moon will continue to advance discussions, and details will be made available should the transaction advance and definitive terms be reached. The facility would be subject to customary conditions precedent including completion of due diligence, satisfactory documentation, and final approvals by Hartree, amongst others.

Wheaton participated in the Concurrent Financing for C\$4.95 million. In addition, an affiliate of Wheaton has acquired a corporate-wide right of first refusal ("**ROFR**") on any precious metals streams on Blue Moon's properties for C\$50,000.

In addition to a C\$4.2 million subscription in the Concurrent Financing, LNS has agreed to subscribe for another C\$2.2 million of Blue Moon Shares upon two milestones, the first being the start of decline construction at the Nussir Property, and the second 10 months after the start of decline construction. The acquisition of these Blue Moon Shares is subject to approval of the TSXV. Nussir has entered into a mining contract with LNS for the Nussir Property for LNS to provide comprehensive services to the Company during construction and operations.

Disclosure by Monial AS and Baker Steel Trust Resources Limited

As a result of the signing of the Definitive Agreement in respect of the acquisition of the shares of Nussir (the "**Nussir SPA**"), Monial AS ("**Monial**"), an existing Nussir shareholder, will, on completion of the Nussir SPA, beneficially own and control 82,922,061 Blue Moon Shares, resulting in Monial having an ownership interest of 17.8% of the issued and outstanding shares of Blue Moon Metals, on closing, and assuming an aggregate fundraising by Blue Moon Metals of C\$30,000,093. Prior to signing the Nussir SPA, Monial did not own or control any securities of Blue Moon. The aggregate value of the Blue Moon Shares to be issued to Monial on closing of the Nussir SPA is C\$24,876,618 (or C\$0.30 per Blue Moon Share, which is the equivalent of NOK4.25 per Nussir Share to be purchased by Blue Moon Metals, using the exchange rate in the Nussir SPA of NOK1:C\$0.1253). Monial entered into the Nussir SPA to sell its Nussir Shares to Blue Moon in exchange for Blue Moon Shares and to acquire the Blue Moon Shares for investment purposes. Depending on market conditions and other factors, Monial may from time to time acquire and/or dispose of securities of Blue Moon or continue to hold its current position.

To obtain a copy of the early warning report to be filed by Monial in connection with this press release, please contact: Halvor Holta at +47 907 21 036. Monial's address is Dicks vei 12, N-1366 Lysaker, Norway.

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As a result of the signing of the Nussir SPA, Baker Steel Resources Trust Limited (“BSRT”), an existing Nussir shareholder, will, on completion of the Nussir SPA, beneficially own and control 57,895,552 Blue Moon Shares, comprised of 55,728,882 Blue Moon Shares which it will receive as consideration under the Nussir SPA and 2,166,670 Unit Shares which it is subscribing for under the Concurrent Financing, resulting in BSRT having an aggregate ownership interest of 12.4% of the issued and outstanding shares of Blue Moon Metals, on closing, and assuming an aggregate fundraising by Blue Moon Metals of C\$30,000,093. Prior to signing the Nussir SPA and the Concurrent Financing, BSRT did not own or control any securities of Blue Moon. The aggregate value of the Blue Moon Shares to be issued to BSRT on closing of the Nussir SPA and closing of the Concurrent Financing is C\$17,368,666 (or C\$0.30 per Blue Moon Share, which is the equivalent of NOK4.25 per Nussir Share to be purchased by Blue Moon Metals, using the exchange rate in the Nussir SPA of NOK1:C\$0.1253). BSRT entered into the Nussir SPA to sell its Nussir Shares to Blue Moon in exchange for Blue Moon Shares and subscribed for Subscription Receipts under the Concurrent Financing for investment purposes. Depending on market conditions and other factors, BSRT may from time to time acquire and/or dispose of securities of Blue Moon or continue to hold its current position.

To obtain a copy of the early warning report to be filed by BSRT in connection with this press release, please contact: Tino Isnardi, +44 20 7389 0009. BSRT’s address is East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP.

About Blue Moon

Blue Moon Metals is advancing its Blue Moon polymetallic deposit which contains zinc, gold, silver and copper. The property is well located with existing local infrastructure including paved highways three miles from site; a hydroelectric power generation facility a few miles from the site, a three-hour drive to the Oakland port and a four-hour drive to the service center of Reno. Zinc and copper are currently on the USGS list of metals critical to the US economy and national security. More information is available on the Company’s website (www.bluemoonmetals.com).

For further information

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CAUTIONARY DISCLAIMER - FORWARD LOOKING STATEMENTS

This news release includes “forward-looking statements” and “forward-looking information” within the meaning of applicable Canadian and U.S. securities laws relating to, among other things, the holdings of the existing Blue Moon, Nussir and NSG shareholders at closing of the Acquisitions; completion of the proposed Acquisitions and the expected timing thereof; the receipt of final TSXV acceptance in respect of the Concurrent Financing; the receipt of TSXV acceptance in all aspects in respect of the Acquisitions; that no single shareholder will own 20% of Blue Moon at closing of the Acquisitions; the publication of a maiden preliminary economic assessment on the Blue Moon Property and the timing thereof; the potential closing of additional tranches of the Concurrent Financing; the satisfaction of the Escrow Release Conditions; the conversion of the Subscription Receipts into Underlying Shares; the conversion of the

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Subscription Receipts and the anticipated timing thereof; the anticipated use of the proceeds from the Concurrent Financing; the availability of the Hartree Facility; the project financing package at Nussir and the timing thereof; the ROFR; LNS' right to subscribe for additional Blue Moon Shares; the completion of formal mining construction and operations contracts with LNS in respect of the NSG Property and the Blue Moon Property and the timing thereof; and the right to raise additional funds from Hartree. Forward-looking information may in some cases be identified by words such as "will", "anticipates", "expects", "intends" and similar expressions suggesting future events or future performance.

We caution that all forward-looking information is inherently subject to change and uncertainty and that actual results may differ materially from those expressed or implied by the forward-looking information. A number of risks, uncertainties and other factors could cause actual results and events to differ materially from those expressed or implied in the forward-looking information or could cause our current objectives, strategies and intentions to change. Accordingly, we warn investors to exercise caution when considering statements containing forward-looking information and that it would be unreasonable to rely on such statements as creating legal rights regarding our future results or plans. We cannot guarantee that any forward-looking information will materialize and you are cautioned not to place undue reliance on this forward-looking information. Any forward-looking information contained in this news release represents expectations as of the date of this news release and are subject to change after such date. However, we are under no obligation (and we expressly disclaim any such obligation) to update or alter any statements containing forward-looking information, the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law. All of the forward-looking information in this news release is qualified by the cautionary statements herein.

Forward-looking information is provided herein for the purpose of giving information about the Concurrent Financing and the Acquisitions referred to herein and their expected impact. Readers are cautioned that such information may not be appropriate for other purposes. Completion of the Acquisitions is subject to customary closing conditions, termination rights and other risks and uncertainties. Accordingly, there can be no assurance that the Acquisitions will occur, or that they will occur on the terms and conditions contemplated in this news release. The Acquisitions could be modified, restructured or terminated. There can also be no assurance that the strategic benefits expected to result from the Acquisitions will be fully realized. In addition, if the Acquisitions are not completed, and each of the parties continues as an independent entity, there are risks that the announcement of the Acquisitions and the dedication of substantial resources of each party to the completion of the Acquisitions could have an impact on such party's current business relationships (including with future and prospective employees, customers, distributors, suppliers and partners) and could have a material adverse effect on the current and future operations, financial condition and prospects of such party.

A comprehensive discussion of other risks that impact Blue Moon can also be found in its public reports and filings which are available at www.sedarplus.ca.