

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**ITEM 1. Name and Address of Company**

Blue Moon Metals Inc. (“**Blue Moon**” or the “**Company**”)  
555 – 220 Bay Street  
Toronto, Ontario  
M5J 2W4

**ITEM 2. Date of Material Change**

December 19, 2024

**ITEM 3. News Release**

A news release relating to the material change was issued and disseminated on December 19, 2024 via Cision PR Newswire, a copy of which was subsequently filed under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**ITEM 4. Summary of Material Change**

On December 19, 2024, Blue Moon announced:

- (a) The Company has entered into separate definitive agreements with each of Nussir ASA (“**Nussir**”), and Nye Sulitjelma Gruver AS (“**NSG**”) (the “**Definitive Agreements**”), pursuant to which the Company has agreed to acquire all of the issued and outstanding shares of Nussir and NSG (the “**Acquisitions**”), in exchange for common shares of Blue Moon (“**Blue Moon Shares**”). NSG shareholders will also receive cash milestone payments related to permitting for tailings discharge and receipt of the operating permit for the NSG Property.
- (b) The Company closed its previously announced brokered private placement by issuing 10,000,031 units (the “**Units**”) of Blue Moon at a price of C\$3.00 per Unit for gross proceeds of C\$30,000,093 (the “**Concurrent Financing**”).

**ITEM 5. Full Description of Material Change**

**Overview**

On December 19, 2024, Blue Moon entered into separate Definitive Agreements with Nussir and NSG, pursuant to which Blue Moon has agreed to acquire all of the issued and outstanding shares of Nussir and NSG. 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 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.

Blue Moon has also closed the Concurrent Financing in tandem with entering into the Definitive Agreements, raising C\$30 million. 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.

### **Concurrent Financing**

Pursuant to the first tranche closing of the Concurrent Financing, Blue Moon issued 10,000,031 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 Scotia Capital Inc. 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.

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.

### **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 outstanding common shares of Blue Moon, 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.

**ITEM 5.2. Disclosure of Restructuring Transactions**

Not applicable.

**ITEM 6. Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**ITEM 7. Omitted Information**

There are no significant facts required to be disclosed herein which have been omitted.

**ITEM 8. Executive Officer**

For further information, please contact:

Christian Kargl-Simard, CEO and Director  
T: +1 (416) 230 3440

**ITEM 9. Date of Report**

December 27, 2024

### **Cautionary Note Regarding Forward-Looking Information**

*This material change report 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 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 material change report represents expectations as of the date of this material change report 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 material change report 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 material change report. 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](http://www.sedarplus.ca).*