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THIS ANNOUNCEMENT SHOULD BE READ IN ITS ENTIRETY. IN PARTICULAR, IF YOU WISH TO PARTICIPATE IN THE UK PLACING, YOU SHOULD READ AND UNDERSTAND THE INFORMATION PROVIDED IN THE APPENDIX.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014, WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN.

### **Amaroq Minerals Ltd.**

**("Amaroq" or the "Company")**

### **Proposed Fundraising**

**TORONTO, ONTARIO - 19 October 2022** - Amaroq Minerals Ltd. (AIM, TSX-V: AMRQ), an independent mining company with a substantial land package of gold and strategic energy transition mineral assets in Greenland, announces its intention to conduct a placing and subscription of new common shares ("**Common Shares**") to raise proceeds of approximately £30 million (equivalent to C\$46.4 million or ISK4.9 billion) (the "**Fundraising**"), in addition to the £18 million (equivalent to C\$27.9 million or ISK 2.9 billion) in relation to the ACAM Joint investment. The books are covered on the Fundraising at a price of 35 pence (C\$0.54 or approximately ISK 57 at the closing exchange rate on 18 October 2022) per new Common Share (the "**Placing Price**"), with the proceeds being used to expand the Company's resource base and accelerate exploration activities.

### **Highlights**

- The approximately £30 million Fundraising will consist of:
  - A proposed placing of new Common Shares (the "**UK Placing Shares**") with new and existing institutional investors (the "**UK Placing**"), at the Placing Price, including a £5 million commitment from an existing family office shareholder;
  - An oversubscribed ISK 2.4 billion (equivalent to £15 million or C\$23.2 million) underwritten proposed placing of new depositary receipts representing new Common Shares (the "**Icelandic Placing Shares**") with new and existing institutional investors (the "**Icelandic Placing**"), at the Placing Price; and
  - A proposed private placement of new Common Shares (the "**Canadian Subscription Shares**", together with the UK Placing Shares and the Icelandic Placing Shares, the "**Fundraising Shares**") by certain new and existing institutional investors, directors and senior management

of the Company at the Placing Price (the "**Canadian Subscription**"). Directors and senior management have committed to subscribe for £1.75 million (equivalent to C\$2.71 million or ISK 285 million) in the Fundraising.

- The Fundraising complements the joint venture between the Company and ACAM, LP ("**ACAM**"), announced on 10 June 2022. In addition to the Fundraising, the Company has now executed final documentation in relation to the ACAM joint venture, with closing and receipt of the initial £18 million funding now only subject to certain regulatory conditions precedent;
- Net proceeds from the Fundraising will be used to expand and delineate the resource base at the Company's cornerstone Nalunaq gold project ("**Nalunaq**") in south Greenland and progress the asset towards mine construction, as well as provide funding to accelerate exploration across the Company's significant portfolio of gold assets and other corporate purposes, and sits alongside ACAM's joint venture investment;
- The Company is applying for listing of the Icelandic depository receipts, representing the Icelandic Placing Shares (the "**Icelandic Depository Receipts**"), on the Nasdaq First North Growth Market in Iceland ("**Icelandic Exchange**"), a multilateral trading facility (the "**Icelandic Listing**"), with admission to Icelandic Exchange expected to become effective on 1 November 2022, subject to completion of the Fundraising and obtaining the necessary approvals from the TSX Venture Exchange (the "**TSX-V**").

### **Details of the Fundraising**

- Stifel Nicolaus Europe Limited ("**Stifel**") is acting as sole bookrunner, nominated adviser and broker on the UK Placing and Panmure Gordon (UK) Limited ("**Panmure Gordon**"; together with Stifel, the "**UK Banks**") is acting as manager and broker in relation to the UK Placing;
- Arion banki hf. ("**Arion Bank**") and Landsbankinn hf. ("**Landsbankinn**") are acting as joint bookrunners and underwriters on the Icelandic Placing;
- In relation to the UK Placing:
  - The UK Placing will be conducted through an accelerated bookbuild process (the "**Bookbuild**") to be conducted by the UK Banks, which will launch immediately following the release of this announcement and will be made available to eligible institutional investors subject to the terms and conditions set out in the Appendix to this announcement. The Bookbuild is expected to close no later than 8.00 a.m. on 20 October 2022, however the UK Banks and the Company reserve the right to close the Bookbuild earlier or later, without further notice;
  - The UK Placing is subject to the terms and conditions set out in the Appendix to this announcement (collectively, the "**Announcement**");
  - The UK Placing is conditional amongst other things upon the Icelandic Placing completing and the Icelandic Listing. The Icelandic Placing is conditional, amongst other things, upon the UK Placing not having been terminated prior to the subscription for the Icelandic Placing Shares and the receipt of final approval from the TSX-V for the listing of the Fundraising Shares, but is not conditional upon the UK Placing being completed;
- In relation to the Icelandic Placing:

- Arion Bank has agreed to underwrite the purchase by placees procured by it of such number of Icelandic Placing Shares which at the Placing Price (converted into ISK on the day of close of the Bookbuild) have an aggregate subscription price of ISK 1.846 billion (equivalent to £11.3 million and C\$17.6 million) pursuant to the terms and conditions agreed between Arion Bank and the Company;
- Landsbankinn hf. has further agreed to underwrite the purchase by placees procured by it such number of Icelandic Placing Shares which at the Placing Price (converted into ISK on the day of close of the Bookbuild) have an aggregate subscription value of ISK 875 million (equivalent to £5.38 million and C\$8.32 million) pursuant to the terms and conditions agreed between Landsbankinn and the Company;
- Allocations are at the absolute discretion of Stifel, in consultation with the Company and Panmure Gordon. The number of Fundraising Shares will be determined following completion of the Bookbuild by agreement between the Company and Stifel. Details of the number of Fundraising Shares will be announced as soon as practicable after the close of the Bookbuild.

***Eldur Olafsson, CEO of Amaroq, commented:***

*“This Fundraising will be instrumental to driving growth throughout our exciting portfolio in Greenland, where we occupy a leading position in what is one of the last frontiers for Western governments and companies to secure the strategic minerals that will prove vital in the coming decades. On completion of the Fundraising, the funds raised will enable us to progress the development of our flagship Nalunaq gold project, one of the highest-grade gold deposits in the world, whilst accelerating exploration of our strategic minerals assets to provide raw materials needed for the energy transition.”*

**Enquiries:**

**Amaroq Minerals Ltd.**

Eldur Olafsson, Executive Director and CEO

+354 665 2003

[eo@amaroqminerals.com](mailto:eo@amaroqminerals.com)

Eddie Wyvill, Investor Relations

+44 (0)7713 126727

[ew@amaroqminerals.com](mailto:ew@amaroqminerals.com)

**Stifel Nicolaus Europe Limited (Joint Bookrunner, Nominated Adviser and Joint Broker)**

Callum Stewart

Simon Mensley

Ashton Clanfield

+44 (0) 20 7710 7600

**Arion banki hf. (Joint Bookrunner)**

Hreidar Mar Hermannsson  
Elka Osk Hrolfsdottir  
Erlendur Magnus Hjartarson  
+354 444 7000

**Landsbankinn hf. (Joint Bookrunner)**

Ellert Arnarson  
Sigurður Kári Tryggvason  
Júlíus Fjeldsted  
+ 354 410 4000

**Panmure Gordon (UK) Limited (Manager, Joint Broker)**

John Prior  
Hugh Rich  
James Sinclair-Ford  
+44 (0) 20 7886 2500

**Camarco (Financial PR)**

Billy Clegg  
Elfie Kent  
Charlie Dingwall  
+44 (0) 20 3757 4980

**Background to and Reasons for the Fundraising**

The Company's strategy is to leverage its first mover advantage in Greenland, underpinned by the previously producing Nalunaq project, to build a full-cycle mining company in Greenland, delivering long term shareholder value and providing significant upside potential through its land bank of high-impact gold and strategic minerals exploration assets. Amaroq has been listed on the TSX-V since July 2017 and the AIM Market of the London Stock Exchange plc ("AIM") since 31 July 2020.

The Company acquired the Nalunaq gold project in 2015 and has made significant progress since this time in expanding the extent of the resource base through drilling, incorporating a new geological model (the Dolerite Dyke model) to better understand the distribution of the high-grade ore, building a new 50-person winterized camp to allow full-year activities, and acquiring and otherwise progressing much of the infrastructure required to bring Nalunaq into production. During this time, Amaroq has also been able to acquire the largest package of mineral rights in southern Greenland, covering 7,866.85 km<sup>2</sup>, and the third largest in the whole of Greenland, with a number of assets that are highly prospective for gold and strategic minerals. The addition of strategic minerals into the portfolio provides significant growth potential, as these metals and minerals, such as copper, nickel, titanium and graphite, are critical for increased electrification as part of the world's decarbonisation strategy and as independent supply continues to become an increasing focus for nations globally.

As previously announced, the Nalunaq development was required to be put on temporary hold in February 2021 due to unforeseen and material cost increases associated with the impacts of COVID. As a result, the Company redirected its focus, continued to advance and de-risk the Nalunaq project ahead of development and has conducted successful regional exploration across its portfolio targeting gold and strategic minerals and resulting in a material increase in the Company's reserve base.

Key developments at Nalunaq since AIM admission in 2020 include:

- **Infrastructure:** since admission, Amaroq has completed a significant proportion of Nalunaq's required infrastructure, with 60% of major processing plant equipment procured, a 50-person all weather exploration camp constructed and commissioned, critical surface mobile equipment purchased and supporting infrastructure either purchased or commercially and technically evaluated.
- **Third Party Engineering Study:** Halyard Inc. (Halyard) was engaged to complete a third party engineering study on Nalunaq's development costs including the process plant, mobile equipment, surface infrastructure, permanent camp and associated logistics and engineering. The study concluded that the advanced engineering of the overall project is now to Feasibility Study level based on the Canadian requirements of National Instrument 43-101 - *Standards of Disclosure for Mineral Project ("NI 43-101")*.
- **The Dolerite Dyke Model:** Amaroq has worked with SRK Consulting to develop the most robust Mineral Resource estimation technique for Nalunaq possible. This included the development of the Dolerite Dyke Model to account for the high-grade variability from core sampling (the 'nugget effect') in order to better reflect the full resource potential at Nalunaq. The model allows the geological results to be incorporated into the Halyard engineering study in order to move the project towards independent technical studies to support further development.
- **Resource Growth through Drilling:** Amaroq has drilled approximately 22,373 metres at Nalunaq since it listed on AIM and, incorporating learnings from the new Dolerite Dyke model, has identified two new high-grade zones, namely Valley Block and Welcome Block, taking the total number of identified high grade zones at the asset to five. The Valley Block is now expected to be one of the key targets for initial development. As a result of drilling in the 2020 and 2021 field seasons, Amaroq announced on 6 September 2022 that it had increased its total Inferred Mineral Resource by 30% contained gold, with a 50% increase in average grade, since the previous estimate reported in 2020. The resource now sits at 355 Kt @ 28.0 g/t Au for 320 Koz gold, putting the project in the top 2% of projects globally in terms of reported gold resource grade.
- **Delivering on our ESG mandate:** The Company has worked hard over the period to update its Environmental Impact Assessment ("EIA") and Social Impact Assessment ("SIA"), and will continue to do so over the coming months in line with the terms of its exploitation licence.

Going forwards, the Company has laid out a clear plan for bringing Nalunaq back into production, with further drilling planned to expand the resource base and infill drilling to support resource confidence and delineation. The Company is currently conducting an option study before moving towards initial development. Material produced from this initial development, which is expected to be in the Valley Block, will provide the Company the optionality to complete a bulk sample, potentially for toll-treatment offsite, and is expected to facilitate the recognition of reserves to underpin a pre-feasibility study on the asset. A bulk sample, and the associated infrastructure, would be dual purposed and would also provide the initial construction required to commence redevelopment of Nalunaq. A pre-feasibility study would outline the

move to full scale underground construction and mining and demonstrate a significant de-risking of the development plan for Nalunaq and be used to support external debt and external investment. Amaroq will look to commence full mine construction and operations following the bulk sample and pre-feasibility study, subject to securing appropriate financing.

### **ACAM Joint Venture**

The Fundraising complements the joint venture between the Company and ACAM, announced on 10 June 2022, under which the Company will establish a new subsidiary (the "**JV Company**") to hold certain licences in which the majority of resource is expected to relate to non-gold products (the "**Initial JV Company Licences**").

ACAM, through its affiliate company GCAM, LP, will invest an initial amount of £18.0 million under a subscription and shareholders' agreement (the "**Subscription and Shareholders' Agreement**") in return for shares in the JV Company representing up to 49% of the JV Company, to fund work programmes on the Initial JV Company Licences. The Company will invest £5.0 million under the Subscription and Shareholders' Agreement, with such amount to be set-off against costs incurred by Nalunaq A/S as the JV Company's project manager.

The Subscription and Shareholders' Agreement has been signed and placed into escrow, and will be released (and will become effective) subject to satisfaction of certain conditions, expected to be satisfied by Q1 2023, including (a) written approval by the Government of Greenland pursuant to section 88(1) of the Mineral Resources Act of the transfer of the Initial JV Company Licences by Nalunaq A/S to the JV Company; (b) written confirmation from the Greenland Tax Agency that the demerger and transfer of the Initial JV Company Licences to the JV Company will be treated as tax neutral and not result in a tax charge; (c) execution of a novation agreement by Nalunaq A/S, the Company, the JV Company, Orano Mining and GCAM, LP in relation to the novation of the existing transfer and option agreement between Nalunaq A/S and Orano Mining; and (d) receipt of final acceptance from the TSX-V in connection with the transactions outlined in the Subscription and Shareholders' Agreement. In the event that a takeover of the Company becomes effective before the conditions precedent are satisfied and the bidder notifies the Company, the JV Company or Nalunaq A/S that (a) it does not want to proceed to completion of the Subscription and Shareholders' Agreement; or (b) the conditions precedent are not satisfied or waived by 31 March 2023, GCAM will have the right to terminate the escrow and a break fee will be payable by the Company to GCAM. The break fee will be calculated based on a daily rate of £4,932 and the number of days elapsed since 19 October 2022, and is subject to a cap of £941,918.

Under the Subscription and Shareholders' Agreement, the JV Company has agreed to grant a right of first refusal to the Company in relation to any of the JV Company's licences in Greenland which it does not wish to progress, wishes to withdraw from or on which material gold assets are discovered, and the Company has agreed to grant a right of first refusal to the JV Company in relation to any of the Company's mineral licences which it does not wish to progress, wishes to withdraw from or on which material non-gold assets are discovered.

### **Sources and Uses of Proceeds**

Existing cash will be used to fund exploration drilling and the JV deal means there is no spending requirement on the wider strategic assets in the short term, beyond the £5.0 million under the Subscription and Shareholders' Agreement, with such amount to be set-off against costs incurred by Nalunaq A/S as the JV Company's project manager.

The use of proceeds of the Fundraising includes £14.1 million to fund initial development at Nalunaq, including underground development costs and bulk sampling. In addition to this the Company plans to spend a further £1.3 million to conduct a further approximately 3,000 meters of drilling to expand the resource. Coupled together this Fundraising aims to increase both the size and the confidence level of the resource base. The increased confidence is aimed at to facilitating the conversion of Mineral Resources to Mineral Reserves and the bulk sample will possibly provide initial cash flows from Nalunaq which would be used to progress the project through a pre-feasibility study, as well as completing its EIA and SIA, moving the asset towards full scale mining.

<b>Sources of Proceeds (million)</b>	<b>Total</b>
Proceeds from ACAM transaction	£18.0
Gross fundraising	£30.0
Transaction costs	£(2.4)
<b>Net Sources of Proceeds (approximately)</b>	<b>£45.6</b>

<b>Uses of Net Proceeds (£ million)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
Strategic minerals 3-year exploration program	1.0	5.0	12.0	18.0
Nalunaq drilling (~3,000 meters)	-	1.3	-	1.3
Nalunaq resources and reserve development (~1,100 meters)	-	14.1	-	14.1
Regional exploration (drilling and geophysics)	-	3.0	-	3.0
Camp support & labour	-	2.0	2.4	4.4
General & administrative expenses	-	4.6	-	4.6
EIA / SIA	-	0.2	-	0.2
<b>Total Uses of Net Proceeds</b>	<b>1.0</b>	<b>30.2</b>	<b>14.4</b>	<b>45.6</b>

In the unlikely event that the Icelandic Placing completes but the UK Placing does not, the Company would adjust the uses of proceeds to reflect a smaller resource development program as well as making other less material reductions to the wider exploration program.

## **Bookbuild**

Stifel is acting as sole bookrunner, nominated adviser and broker on the UK Placing and Panmure Gordon is acting as manager and broker on the UK Placing. Arion Bank and Landsbankinn are acting as joint bookrunners and joint underwriters on the Icelandic Placing.

The Bookbuild for the UK Placing will launch immediately following the release of this Announcement. The Bookbuild is expected to close no later than 8.00 a.m. on 20 October 2022, but the UK Banks and the Company reserve the right to close the Bookbuild earlier or later, without further notice.

The UK Placing is subject to the terms and conditions set out in the Appendix to this Announcement.

The number of Fundraising Shares will be determined following completion of the Bookbuild by agreement between the Company and Stifel. Allocations are at the absolute discretion of Stifel, in consultation with the Company and Panmure Gordon, and will be confirmed orally or by email following the close of the Bookbuild. Details of the Fundraising Shares will be announced as soon as practicable after the close of the Bookbuild.

By choosing to participate in the UK Placing and by making an oral and legally binding offer to acquire UK Placing Shares, investors will be deemed to have read and understood this Announcement in its entirety (including the Appendices) and to be making such offer on the terms and subject to the conditions of the UK Placing contained here, and to be providing the representations, warranties and acknowledgements contained in the Appendix.

Application will be made to the London Stock Exchange plc ("**London Stock Exchange**") for the Icelandic Placing Shares to be admitted to trading on AIM. Application will also be made to the TSX-V for admission of the Icelandic Placing Shares to trading on the TSX-V, with listing subject to the approval of the TSX-V and the Company satisfying all of the requirements of the TSX-V, and to the Icelandic Exchange for the admission of the Icelandic Depository Receipts. It is currently expected that admission of the Icelandic Placing Shares to the TSX-V will occur on at 9:30 a.m. ET on 1 November 2022 and admission of the Icelandic Placing Shares to trading on AIM will occur on at 8.00 a.m. GMT on 1 November 2022 (or in each case such other date as may be agreed between the Company and the UK Banks). It is expected that the Icelandic Listing will become effective, and that dealings in the Icelandic Depository Receipts will commence on Icelandic Exchange at 9:30 a.m. GMT on 1 November 2022 (or such other date as may be agreed between the Company and the UK Banks).

Application will be made to the London Stock Exchange for the UK Placing Shares and the Canadian Subscription Shares to be admitted to trading on AIM and to the TSX-V for the UK Placing Shares and the Canadian Subscription Shares to be admitted to trading on the TSX-V, with listing subject to the approval of the TSX-V and the Company satisfying all of the requirements of the TSX-V. It is currently expected that admission will become effective, and that dealings in the UK Placing Shares and Canadian Subscription Shares will commence on AIM, at 8.00 a.m. GMT on 2 November 2022 and on the TSX-V at 9:30 a.m. ET on 2 November 2022 (or in each case such other date as may be agreed between the Company and the UK Banks).

### **Related Party Transaction**

Certain of the Directors and members of the Company's senior management team have indicated their intention to participate in the Canadian Subscription for approximately £1.75 million (equivalent to ISK 285 million, or C\$2.71 million) in aggregate. As such, the Canadian Subscription will constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") and within the meaning of Policy 5.9 of the TSX-V rules.

Related party transactions require the Company to obtain a formal valuation and minority shareholder approval unless exemptions from these requirements are available under applicable Canadian securities

laws. With respect to the Canadian Subscription, the Company is relying on the exemption from the formal valuation requirements in section 5.5(b) of MI 61-101 (as a result of the Common Shares being listed on the TSX-V and being admitted for trading on AIM) and is relying on the exemption from minority approval requirements in section 5.7(1)(a) of MI 61-101, as the fair market value of the securities distributed to, and the consideration received from, interested parties does not exceed 25% of the Company's market capitalization. The Company did not file a material change report at least 21 days prior to the closing of the Canadian Subscription as participation of the insiders had not been confirmed at that time and the Company wished to close on an expedited basis for business reasons.

Unless stated otherwise, all amounts are based on ISK:GBP of 0.0061 and C\$:GBP of 0.6459 and as at 19 October 2022.

### **About Amaroq**

Amaroq's principal business objectives are the identification, acquisition, exploration and development of gold properties in Greenland. The Company's principal asset is a 100% interest in the Nalunaq project, an advanced exploration stage property with an exploitation licence including the previously operating Nalunaq gold mine. The Company has a portfolio of gold assets covering 7,866.85 km<sup>2</sup>, the largest portfolio of gold assets in Southern Greenland covering the two known gold belts in the region. Amaroq is incorporated under the *Canada Business Corporations Act* and wholly owns Nalunaq A/S, incorporated under the *Greenland Public Companies Act*.

### **Qualified Person Statement**

The Mineral Resource Estimate was prepared by Dr Lucy Roberts, MAusIMM (CP), Principal Consultant (Resource Geology), SRK Consulting (UK) Limited an independent Qualified Person in accordance with the requirements of NI 43-101. Dr Roberts has approved the disclosure herein.

The technical information presented in this press release has been approved by James Gilbertson CGeol, VP Exploration for the Company and a Chartered Geologist with the Geological Society of London, and as such, is a Qualified Person as defined by NI 43-101.

### **Use of a Standard**

The resource information included within this announcement is reported in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards on Mineral Resources and Mineral Reserves (May 2014) as required by CIM Definition Standards.

### **Inside Information**

The information contained within this Announcement is considered to be inside information prior to its release, as defined in Article 7 of the Market Abuse Regulation No. 596/2014 as it forms part of the law of England and Wales by virtue of section 3 of the European Union (Withdrawal) Act 2018, and is disclosed in accordance with the Corporation's obligations under Article 17 of that Regulation. Upon the publication of this Announcement, this inside information is now considered to be in the public domain and will no longer constitute inside information.

### **IMPORTANT NOTICES**

This Announcement does not constitute, or form part of, a prospectus relating to the Company, nor does it constitute or contain an invitation or offer to any person, or any public offer, to subscribe for, purchase or otherwise acquire any shares in the Company or advise persons to do so in any jurisdiction, nor shall it, or

any part of it form the basis of or be relied on in connection with any contract or as an inducement to enter into any contract or commitment with the Company.

This Announcement is not for publication or distribution, directly or indirectly, in or into the United States of America, Iceland, Australia, The Republic of South Africa ("**South Africa**"), Japan or any other jurisdiction in which such release, publication or distribution would be unlawful. This Announcement is for information purposes only and does not constitute an offer to sell or issue, or a solicitation of an offer to buy, subscribe for or otherwise acquire any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia (collectively, the "**United States**")), Iceland, Australia, Canada, South Africa, Japan or any other jurisdiction in which such offer or solicitation would be unlawful or to any person to whom it is unlawful to make such offer or solicitation.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States, except pursuant to an applicable exemption from the registration of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States, or under the securities laws of Iceland, Australia, Canada, South Africa, Japan, or any state, province or territory thereof or any other jurisdiction outside the United Kingdom, except pursuant to an applicable exemption from the registration requirements and in compliance with any applicable securities laws of any state, province or other jurisdiction of Iceland, Australia, Canada, South Africa or Japan (as the case may be). No public offering of securities is being made in the United States, Iceland, Australia, Canada, South Africa, Japan or elsewhere.

No action has been taken by the Company, Stifel, Panmure Gordon, Arion Bank, Landsbankinn or any of their respective affiliates, or any of its or their respective directors, officers, partners, employees, consultants, advisers and/or agents (collectively, "**Representatives**") that would permit an offer of the Fundraising Shares or possession or distribution of this Announcement or any other publicity material relating to such Fundraising Shares in any jurisdiction where action for that purpose is required. Persons receiving this Announcement are required to inform themselves about and to observe any restrictions contained in this Announcement. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any action. Persons distributing any part of this Announcement must satisfy themselves that it is lawful to do so.

This Announcement is directed at and is only being distributed to: (a) if in a member state of the EEA, persons who are qualified investors ("**EEA Qualified Investors**"), being persons falling within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"); or (b) if in the United Kingdom, persons who are qualified investors ("**UK Qualified Investors**"), being persons falling within the meaning of Article 2(e) of Prospectus Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"), and who are (i) persons falling within the definition of "investment professional" in Article 19(5) of the Financial Services And Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) persons who fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order, or (c) persons to whom it may otherwise be lawfully communicated (all such persons referred to in (a), (b) and (c) together being referred to as "**Relevant Persons**").

The Fundraising Shares have not been qualified for distribution by prospectus in Canada and may not be offered or sold in Canada except in reliance on exemptions from the requirements to provide the relevant purchaser with a prospectus and, as a consequence of acquiring securities pursuant to this exemption or exemptions, certain protections, rights and remedies provided by the applicable Canadian securities laws

will not be available to the relevant purchaser. The Fundraising Shares will be subject to statutory resale (hold) restrictions for a period of four months and one day in Canada under the applicable Canadian securities laws and any resale of the Common Shares must be made in accordance with such resale restrictions or in reliance on an available exemption therefore. Such restrictions shall not apply to any Fundraising Shares acquired outside of Canada.

No other person should act on or rely on this Announcement and persons distributing this Announcement must satisfy themselves that it is lawful to do so. By accepting the terms of this Announcement, you represent and agree that you are a Relevant Person. This Announcement must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Announcement or the Fundraising relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

No offering document or prospectus will be made available in any jurisdiction in connection with the matters contained or referred to in this Announcement or the UK Placing or the Fundraising and no such prospectus is required (in accordance with either the EU Prospectus Regulation, the UK Prospectus Regulation or Canadian securities laws) to be published.

Stifel, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom is acting exclusively for the Company and for no one else in connection with the UK Placing and will not regard any other person (whether or not a recipient of this Announcement) as a client in relation to the UK Placing and will not be responsible to anyone other than the Company in connection with the UK Placing or for providing the protections afforded to their clients or for giving advice in relation to the UK Placing, the Fundraising or any other matter referred to in this Announcement. The responsibilities of Stifel, as nominated adviser, are owed solely to the London Stock Exchange and are not owed to the Company or to any director or any other person and accordingly no duty of care is accepted in relation to them. No representation or warranty, express or implied, is made by Stifel as to, and no liability whatsoever is accepted by Stifel in respect of, any of the contents of this Announcement (without limiting the statutory rights of any person to whom this Announcement is issued).

Panmure Gordon, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom is acting exclusively for the Company and for no one else in connection with the UK Placing and will not regard any other person (whether or not a recipient of this Announcement) as a client in relation to the UK Placing and will not be responsible to anyone other than the Company in connection with the UK Placing or for providing the protections afforded to their clients or for giving advice in relation to the UK Placing, the Fundraising or any other matter referred to in this Announcement.

Arion Bank, which is authorised and regulated by the Financial Supervisory Authority of the Central Bank of Iceland, is acting exclusively for the Company and for no one else in connection with the Icelandic Placing and will not regard any other person (whether or not a recipient of this Announcement) as a client in relation to the Icelandic Placing and will not be responsible to anyone other than the Company in connection with the Icelandic Placing or for providing the protections afforded to their clients or for giving advice in relation to the Icelandic Placing, the Fundraising or any other matter referred to in this Announcement.

Landsbankinn, which is authorised and regulated by the Financial Supervisory Authority of the Central Bank of Iceland, is acting exclusively for the Company and for no one else in connection with the Icelandic Placing and will not regard any other person (whether or not a recipient of this Announcement) as a client in relation to the Icelandic Placing and will not be responsible to anyone other than the Company in connection with the Icelandic Placing or for providing the protections afforded to their clients or for giving advice in relation to the Icelandic Placing, the Fundraising or any other matter referred to in this Announcement.

This Announcement is being issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by or on behalf of Stifel, Panmure Gordon, Arion Bank and/or Landsbankinn (apart from in

the case of Stifel and Panmure Gordon the responsibilities or liabilities that may be imposed by the Financial Services and Markets Act 2000, as amended ("**FSMA**") or the regulatory regime established thereunder) and/or by any of their respective affiliates and/or any of their respective Representatives as to, or in relation to, the accuracy, adequacy, fairness or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or their respective advisers or any other statement made or purported to be made by or on behalf of Stifel, Panmure Gordon, Arion Bank and/or Landsbankinn and/or any of their respective affiliates and/or by any of their respective Representatives in connection with the Company, the UK Placing Shares, the UK Placing, the Common Shares or any part of the Fundraising and any responsibility and liability whether arising in tort, contract or otherwise therefor is expressly disclaimed. No representation or warranty, express or implied, is made by Stifel, Panmure Gordon, Arion Bank and/or Landsbankinn and/or any of their respective affiliates and/or any of their respective Representatives as to the accuracy, fairness, verification, completeness or sufficiency of the information or opinions contained in this Announcement or any other written or oral information made available to or publicly available to any interested party or their respective advisers, and any liability therefor is expressly disclaimed.

The information in this Announcement may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution, reproduction or disclosure of this Announcement, in whole or in part, is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

This Announcement does not constitute a recommendation concerning any investor's options with respect to the UK Placing or any part of the Fundraising. Recipients of this Announcement should conduct their own investigation, evaluation and analysis of the business, data and other information described in this Announcement. 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 UK Placing Shares or the Common Shares. The price and value of securities can go down as well as up and investors may not get back the full amount invested upon the disposal of the shares. Past performance is not a guide to future performance. The contents of this Announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult his or her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

Any indication in this Announcement of the price at which the Company's shares have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser. No statement in this Announcement is intended to be a profit forecast or profit estimate for any period and no statement in this Announcement should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Company for the current or future financial periods would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for the Company.

All offers of the Fundraising Shares will be made pursuant to an exemption under the EU Prospectus Regulation and the UK Prospectus Regulation from the requirement to produce a prospectus. This Announcement is being distributed and communicated to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply.

The Fundraising Shares to be issued pursuant to the Fundraising will not be admitted to trading on any stock exchange other than AIM, the TSX-V and the Icelandic Exchange.

**The Appendix to this Announcement sets out the terms and conditions of the Fundraising (and for the avoidance of doubt, not the Icelandic Placing or Canadian Subscription). By participating in the UK Placing, each Placee will be deemed to have read and understood this Announcement (including the Appendix) in its entirety, to be participating in the UK Placing and making an offer to acquire and acquiring UK Placing Shares on the terms and subject to the conditions set out in the Appendix to this Announcement and to be providing the representations, warranties, undertakings and**

**acknowledgements contained in the Appendix to this Announcement. Members of the public are not eligible to take part in the UK Placing and no public offering of UK Placing Shares is being or will be made.**

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this Announcement.

This Announcement has been prepared for the purposes of complying with applicable law and regulation in the United Kingdom and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK MiFIR Product Governance Requirements) may otherwise have with respect thereto, the UK Placing Shares have been subject to a product approval process, which has determined that the UK Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in paragraphs 3.5 and 3.6 of COBS; and (ii) eligible for distribution through all permitted distribution channels (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the UK Placing Shares may decline and investors could lose all or part of their investment; the UK Placing Shares offer no guaranteed income and no capital protection; and an investment in the UK Placing Shares 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 any contractual, legal or regulatory selling restrictions in relation to the UK Placing. Furthermore, it is noted that, in relation to the UK Placing, notwithstanding the Target Market Assessment, Stifel and Panmure Gordon 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 Chapters 9A or 10A respectively of COBS; 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 UK Placing Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the UK Placing Shares and determining appropriate distribution channels.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

### **Forward-Looking Information**

This Announcement includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "aims", "anticipates", "believes", "could", "envisages", "estimates", "expects", "intends", "may", "plans", "projects", "should", "targets" or "will" or, in each case, their negative or other variations or comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and factors which are beyond the Company's control. The actual results, performance or

achievements of the Company or developments in the industry in which the Company operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this Announcement. The forward-looking statements contained in this Announcement speak only as at the date of this Announcement. The Company undertakes no obligation to update or revise publicly the forward-looking statements contained in this Announcement, except as required in order to comply with its legal and regulatory obligations.

## **TERMS AND CONDITIONS OF THE UK PLACING**

IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE UK PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "**ANNOUNCEMENT**") ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (A) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("**EEA**"), PERSONS WHO ARE QUALIFIED INVESTORS ("**EEA QUALIFIED INVESTORS**"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(e) OF REGULATION (EU) 2017/1129 (THE "**EU PROSPECTUS REGULATION**"); OR (B) IF IN THE UNITED KINGDOM, PERSONS WHO ARE QUALIFIED INVESTORS ("**UK QUALIFIED INVESTORS**"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(e) OF PROSPECTUS REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "**UK PROSPECTUS REGULATION**"), AND WHO ARE (I) PERSONS FALLING WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONAL" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") OR (II) PERSONS WHO FALL WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC) OF THE ORDER, OR (C) (D) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS REFERRED TO IN (A), (B) AND (C) TOGETHER BEING "**RELEVANT PERSONS**").

NO OTHER PERSON SHOULD ACT OR RELY ON THIS ANNOUNCEMENT. BY ACCEPTING THE TERMS AND CONDITIONS OF THIS ANNOUNCEMENT YOU REPRESENT AND AGREE THAT YOU ARE A RELEVANT PERSON. THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS, ACCOUNTING AND RELATED ASPECTS OF AN INVESTMENT IN THE UK PLACING SHARES.

THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION

OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OR TO, PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NO PUBLIC OFFERING OF THE SECURITIES ARE BEING MADE IN THE UNITED STATES OR ELSEWHERE.

This Announcement, and the information contained herein, is for information only and does not itself constitute or form part of an offer to sell or issue or the solicitation of an offer to buy or subscribe for securities referred to herein in any jurisdiction including, without limitation, the United States, Iceland, Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction where such offer or solicitation is unlawful (each a "**Restricted Territory**"). No public offering of securities will be made in connection with the shares referred to in this Announcement in the United Kingdom, any Restricted Territory or elsewhere.

This Announcement, and the information contained herein, is not for release, publication or distribution, directly or indirectly, to persons in any Restricted Territory or in any jurisdiction in which such release, publication or distribution is unlawful. The distribution of this Announcement and the UK Placing and/or the offer or sale of the UK Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or by Stifel Nicolaus Europe Limited ("**Stifel**") or Panmure Gordon (UK) Limited ("**Panmure Gordon**"; and, together with Stifel, the "**UK Banks**") or any of their respective Affiliates, or any of their or their respective Affiliates' directors, officers, members, employees, agents or advisers which would permit an offer of the UK Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such UK Placing Shares in any jurisdiction where action for that purpose is required. Persons distributing any part of this Announcement must satisfy themselves that it is lawful to do so. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any such action. Persons into whose possession this Announcement comes are required by the Company and each of the UK Banks to inform themselves about, and to observe, any such restrictions.

All offers of the UK Placing Shares will be made pursuant to an exemption under the EU Prospectus Regulation or the UK Prospectus Regulation, as applicable, from the requirement to produce a prospectus. This Announcement is being distributed and communicated to persons in the UK only in circumstances to which section 21(1) of the Financial Services and Markets Act 2000, as amended ("**FSMA**") does not apply.

The UK Placing Shares have not been qualified for distribution by prospectus in Canada and may not be offered or sold in Canada except in reliance on exemptions from the requirements to provide the relevant purchaser with a prospectus and, as a consequence of acquiring securities pursuant to this exemption or exemptions, certain protections, rights and remedies provided by the applicable Canadian securities laws will not be available to the relevant purchaser. The UK Placing Shares will be subject to statutory resale (hold) restrictions for a period of four months and one day in Canada under the applicable Canadian securities laws and any resale of the Common Shares must be made in accordance with such resale restrictions or in reliance on an available exemption therefore. Such restrictions shall not apply to any UK Placing Shares acquired outside of Canada.

The UK Placing has not been approved and will not be approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission or any other regulatory authority in the United

States, nor have any of the foregoing authorities passed upon or endorsed the merits of the UK Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is unlawful.

Subject to certain exceptions, the securities referred to in this Announcement may not be offered or sold in any Restricted Territory or in any other jurisdiction where such offer or sale is unlawful or to, or for the account or benefit of, a citizen or resident, or a corporation, partnership or other entity created or organised in or under the laws of a Restricted Territory or in any other jurisdiction where such offer or sale is unlawful.

This Announcement has been issued by, and is the sole responsibility of, the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by any UK Bank or any of their respective Affiliates, nor any of its or their respective Affiliates' directors, officers, employees, agents or advisers as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any party or its advisers, and any liability therefore is expressly disclaimed.

The UK Banks are acting exclusively for the Company and no-one else in connection with the UK Placing and are not, and will not be, responsible to anyone (including the Placees) other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the UK Placing and/or any other matter referred to in this Announcement.

None of the Company or the UK Banks or any of their respective Affiliates or Representatives nor any of its or their respective Affiliates' directors, officers, employees, agents or advisers makes any representation or warranty, express or implied to any Placees regarding any investment in the securities referred to in this Announcement under the laws applicable to such Placees. Each Placee should consult its own advisers as to the legal, tax, business, financial and related aspects of an investment in the UK Placing Shares.

Any information that a prospective Placee provides in documents in relation to the UK Placing or subsequently by whatever means which relates to the prospective investor (if they are an individual) or a third party individual ("**personal data**") will be held and processed by the Company and/or any of the UK Banks for the following purposes: (a) verifying the identity of the prospective Placee to comply with statutory and regulatory requirements in relation to anti-money laundering procedures; (b) contacting the prospective Placee with information about products and services, or its Affiliates, which may be of interest to the prospective Placee; (c) carrying out the business of the Company or any of the UK Banks and the administering of interests in the Company; (d) meeting the legal, regulatory, reporting and/or financial obligations of the Company and/or any of the UK Banks; and (e) disclosing personal data to other functionaries of, or advisers to, the Company or any of the UK Banks to operate and/or administer its business. In providing such personal data, prospective Placees will be deemed to have agreed to the processing of such personal data in the manner described above.

**By participating in the UK Placing, Placees (including individuals, funds or otherwise) by whom or on whose behalf a commitment to subscribe for UK Placing Shares has been given will (i) be deemed to have read and understood this Announcement, in its entirety and (ii) be making any such offer on the Terms and Conditions contained in this Appendix, including being deemed to be providing (and shall only be permitted to participate in the UK Placing on the basis that they have provided) the representations, warranties, indemnities, acknowledgements and undertakings set out herein.**

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things) that:

- 1 it has read and understood this Announcement in its entirety (including the Appendices) and acknowledges that its participation in the UK Placing will be governed by, and subject to, the Terms and Conditions of the UK Placing as referred to and included in this Announcement;
- 2 it undertakes that it will acquire, hold, manage or dispose of any UK Placing Shares that are allocated to it for the purposes of its business;
- 3 in the case of a Relevant Person in a member state of the EEA which is subject to the EU Prospectus Regulation (each a "**Relevant Member State**") who acquires any UK Placing Shares pursuant to the UK Placing:
  - (a) it is an EEA Qualified Investor; and
  - (b) in respect of any UK Placing Shares acquired by it as a "financial intermediary", as that term is used in Article 5(1) of the EU Prospectus Regulation:
    - (i) the UK Placing Shares acquired by and/or subscribed for by it in the UK Placing will not be acquired and/or subscribed for on a non-discretionary basis on behalf of, nor will they be acquired or subscribed for with a view to their offer or resale to persons in any Relevant Member State other than to EEA Qualified Investors, or in circumstances which may give rise to an offer of securities to the public other than an offer or resale in any Relevant Member State to EEA Qualified Investors, or in circumstances in which the prior consent of the UK Banks has been given to each such proposed offer or resale; or
    - (ii) where UK Placing Shares have been acquired or subscribed for by it on behalf of persons in any Relevant Member State other than EEA Qualified Investors, the offer of those UK Placing Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;
- 4 in the case of a Relevant Person in the United Kingdom who acquires any UK Placing Shares pursuant to the UK Placing:
  - (a) it is a UK Qualified Investor;
  - (b) in respect of any UK Placing Shares acquired by it as a "financial intermediary", as that term is used in Article 5(1) of the UK Prospectus Regulation:
    - (i) the UK Placing Shares acquired by and/or subscribed for by it in the UK Placing will not be acquired and/or subscribed for on a non-discretionary basis on behalf of, nor will they be acquired or subscribed for with a view to their offer or resale to persons in the United Kingdom other than to UK Qualified Investors, or in circumstances which may give rise to an offer of securities to the public other than an offer or resale in the United Kingdom to UK Qualified Investors, or in circumstances in which the prior consent of the UK Banks has been given to each such proposed offer or resale; or

- (ii) where the UK Placing Shares have been acquired or subscribed for by it on behalf of persons in the United Kingdom other than UK Qualified Investors, the offer of those UK Placing Shares to it is not treated under the UK Prospectus Regulation as having been made to such persons;
- 5 it is acquiring the UK Placing Shares for its own account or is acquiring the UK Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement;
- 6 it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Announcement;
- 7 except as otherwise permitted by the Company and the UK Banks and subject to any available exemptions from applicable securities laws, it (and each person, if any, for whose account or benefit it is acquiring the UK Placing Shares) is either:
  - (a) outside the United States acquiring the UK Placing Shares in an “offshore transaction” as defined in, and in accordance with, Regulation S under the Securities Act (“**Regulation S**”); or
  - (b) a “qualified institutional buyer” as defined in Rule 144A under the Securities Act (a “**QIB**”); and
- 8 it understands that the allocation of UK Placing Shares to it if it is in the United States shall be conditional on the execution by it of an investor representation letter in the form provided to it;
- 9 in the case of a Relevant Person in Australia who acquires any UK Placing Shares pursuant to the UK Placing:
  - (a) it is a “sophisticated investor” meeting the criteria in section 708(8) of the Corporations Act 2001 (the “**Corporations Act**”) or a “professional investor” meeting the criteria in section 708(11) of the Corporations Act (in each case as defined in the Corporations Act) or does not otherwise require disclosure pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the UK Placing Shares without disclosure to investors under Chapter 6D of the Corporations Act; and
  - (b) it is not acquiring the UK Placing Shares for the purposes of selling or transferring them, or granting, issuing or transferring interests in, or options or warrants over, them, within Australia within the period of 12 months after the date of allotment except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or where the offer is made pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act.

**IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE UK PLACING**

## **Bookbuild**

Following this Announcement, the UK Banks will commence a bookbuild process in respect of the UK Placing (the "**Bookbuild**") to determine demand for participation in the UK Placing by Placees. The book will open with immediate effect following release of this Announcement. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the UK Placing. No commissions will be paid to Placees or by Placees in respect of any UK Placing Shares.

The UK Banks and the Company shall be entitled to effect the UK Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.

## **Details of the Placing Agreement and the UK Placing Shares**

The UK Banks are acting as placing agents in connection with the UK Placing. The UK Banks have entered into a placing agreement (the "**Placing Agreement**") with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, the UK Banks, as agents for and on behalf of the Company, have severally (and not jointly or jointly and severally) agreed to use their respective reasonable endeavours to procure Placees for the UK Placing Shares at a price of 35 pence per UK Placing Share (the "**Placing Price**"). The number of UK Placing Shares in the UK Placing will be determined following completion of the Bookbuild and set out in a term sheet to be entered into between the UK Banks and the Company (the "**Term Sheet**"). The final number of UK Placing Shares, Canadian Subscription Shares and the number of Icelandic Placing Shares will be decided at the close of the Bookbuild. The timing of the closing of the book and allocations will be at the discretion of the UK Banks. Details of the number of UK Placing Shares, Canadian Subscription Shares and the number of Icelandic Placing Shares will be announced as soon as practicable after the close of the Bookbuild.

In accordance with the terms and subject to the conditions in the Placing Agreement, the UK Placing is not underwritten by the UK Banks and in the event that subscribers are not obtained for all or any of the UK Placing Shares (being the "**Unplaced Shares**") or in the event of a default to make payment by any subscribers procured by the UK Banks, there will be no obligation on any UK Bank to subscribe for any Unplaced Shares or defaulted UK Placing Shares.

The UK Placing Shares will, when issued, be subject to the constitutional documents of the Company and credited as fully paid and will rank *pari passu* in all respects with the existing issued Common Shares in the capital of the Company, including the Canadian Subscription Shares and the Icelandic Placing Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such Common Shares after the date of issue of the UK Placing Shares.

Alongside the UK Placing, the Company has proposed a placing in Iceland of new Common Shares at the Placing Price, being the "**Icelandic Placing Shares**". Arion and Landsbankinn are acting as joint bookrunners in connection with the Icelandic Placing. The Company has entered into a placing agreement with Arion and Landsbankinn in relation to the Icelandic Placing ("**Icelandic Placing Agreement**"). As part of the Icelandic Placing, Arion has agreed to underwrite the purchase by placees procured by it of such number of Icelandic Placing Shares which at the Placing Price (converted into ISK on the day before their issue) have an aggregate subscription price of ISK 2.721 billion (approximately £16.7 million as at the date of this Announcement) pursuant to the terms and conditions agreed between Arion and the Company. Landsbankinn has further agreed to underwrite the purchase by placees procured by it of such number of Icelandic Placing Shares which at the Placing Price (converted into ISK on the day before their issue) have

an aggregate subscription value of ISK 875 million (approximately £5.38 million as at the date of this Announcement) pursuant to the terms and conditions agreed between Landsbankinn and the Company.

Pursuant to the Fundraising, the Company is seeking, in aggregate, to raise gross proceeds of approximately £30 million (equivalent to C\$47 million or ISK 4.9 billion), to expand its resource base and accelerate exploration. Alongside the UK Placing and Icelandic Placing, the Company has also procured certain subscriptions of Canadian Subscription Shares at the Placing Price, being the Canadian Subscription. For the avoidance of doubt, these Terms and Conditions set out in this Appendix apply to the UK Placing, but do not apply to the Icelandic Placing or the Canadian Subscription.

As set out under “Conditions of the UK Placing”, the UK Placing is conditional upon, amongst other things, completion of the Icelandic Placing and listing of the Icelandic Depositary Receipts representing Common Shares on the Icelandic Exchange and the Canadian Subscription Agreements being wholly unconditional, save for Admission. The Icelandic Placing is conditional upon, amongst other things, the Placing Agreement not having been terminated prior to the subscription for the Icelandic Placing Shares, and the approval of the TSX-V and the Company satisfying all of the requirements of the TSX-V, for the listing of the Fundraising Shares. The Icelandic Placing is not conditional upon completion of the UK Placing or the Canadian Subscriptions. The UK Placing is conditional upon completion of the Icelandic Placing and the Canadian Subscriptions.

### **Applications for admission to trading**

Application will be made to the London Stock Exchange for admission of the UK Placing Shares to trading on AIM (“**Admission**”).

It is expected that Admission will become effective at 8.00 a.m. (London time) on 2 November 2022 (or such later date as may be agreed between the Company and Stifel, and as notified to Panmure Gordon).

The Company will apply for approval of the TSX-V, with respect to the UK Placing Shares, subject to the satisfaction by the Company of any conditions imposed by the TSX-V. It is expected that admission of the UK Placing Shares on the TSX-V will become effective on or around 9.30 a.m. (Toronto time) on 2 November 2022 (or such later date as may be agreed between the Company and Stifel, and as notified to Panmure Gordon).

The Company has applied for listing of the Icelandic Depositary Receipts representing Icelandic Placing Shares on the Icelandic Exchange, with admission expected to become effective at 9.30 a.m. (Reykjavik time) on 1 November 2022.

### **Participation in, and principal terms of, the UK Placing**

- 1 Stifel is acting as sole bookrunner, nominated adviser and broker in connection with the UK Placing. Panmure Gordon is acting as manager and broker in connection with the UK Placing. The UK Banks are acting severally, and not jointly, nor jointly and severally, as agents of the Company. Participation in the UK Placing will only be available to persons who may lawfully be, and are, invited by the UK Banks to participate. Each of the UK Banks and their respective Affiliates are entitled to enter bids as principal in the Bookbuild.
- 2 The Bookbuild, if successful, will establish the number of UK Placing Shares to be issued and allotted by all Placees whose bids are successful. The number of UK Placing Shares and the

aggregate proceeds to be raised through the UK Placing will be agreed between the UK Banks and the Company following completion of the Bookbuild. The number of UK Placing Shares will be announced on a Regulatory Information Service ("**Placing Results Announcement**") following the completion of the Bookbuild and entry into the Term Sheet by the Company and the UK Banks.

- 3 To bid in the Bookbuild, Placees should communicate their bid by telephone to their usual sales contact at the relevant UK Bank. Each bid should state the number of UK Placing Shares which a prospective Placee wishes to subscribe for at the Placing Price. Bids may be scaled down by the UK Banks on the basis referred to in paragraph 6 below. Each of the UK Banks reserves the right not to accept bids or to accept bids in part rather than in whole.
- 4 The Bookbuild is expected to close no later than 8.00 a.m. (London time) on 20 October 2022 but may be closed earlier or later, at the absolute discretion of the UK Banks. The UK Banks may, following consultation with the Company, accept bids that are received after the Bookbuild has closed. The Company reserves the right (upon agreement of the UK Banks) to reduce or seek to increase the amount to be raised pursuant to the UK Placing, in its discretion.
- 5 Each Placee's allocation will be agreed between the UK Banks and the Company and will be confirmed to Placees orally or in writing by the relevant UK Bank, acting as agent of the Company, following the close of the Bookbuild, and a contract note will be dispatched as soon as possible thereafter. Subject to paragraph 10 below, the relevant UK Bank's oral or written confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of such UK Bank and the Company, under which such Placee agrees to subscribe for the number of UK Placing Shares allocated to it and to pay the Placing Price for each such UK Placing Share on the Terms and Conditions set out in this Appendix and in accordance with the Company's constitutional documents.
- 6 The Company will release the Placing Results Announcement following the close of the Bookbuild, detailing the aggregate number of the UK Placing Shares, Icelandic Placing Shares and Canadian Subscription Shares to be issued.
- 7 Subject to paragraphs 2 and 3 above, the UK Banks may choose to accept bids, either in whole or in part, on the basis of allocations determined at its discretion and may scale down any bids for this purpose on such basis as it may determine or be directed. The UK Banks may also, notwithstanding paragraphs 2 and 3 above, following consultation with the Company, (a) allocate UK Placing Shares after the time of any initial allocation to any person submitting a bid after that time; and (b) allocate UK Placing Shares after the Bookbuild has closed to any person submitting a bid after that time. The acceptance of offers shall be at the absolute discretion of the UK Banks. If within a reasonable time after a request for verification of identity, the UK Banks have not received such satisfactory evidence, the UK Banks may, in their absolute discretion, terminate the Placee's UK Placing participation in which event all funds delivered by the Placee to the UK Banks will be returned without interest to the account of the drawee bank or CREST account from which they were originally debited.
- 8 The UK Placing Shares are being offered and sold by the Company (a) outside the United States in offshore transactions as defined in, and pursuant to, Regulation S, or (b) in the United States

to persons reasonably believed to be QIBs in transactions not involving any "public offering" within the meaning of Section 4(a)(2) of the Securities Act, and/or pursuant to an exemption from, or transaction not subject to, the registration requirements of the Securities Act. The Placee and the prospective beneficial owner of the UK Placing Shares is, and at the time the UK Placing Shares are subscribed for will be (a) outside the United States and subscribing for the UK Placing Shares in an "offshore transaction" as defined in, and pursuant to, Regulation S; or (b) (i) a QIB, and (ii) subscribing for the UK Placing Shares pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act, acknowledging that the UK Placing Shares have not been, and will not be, registered under the Securities Act or with any State or other jurisdiction of the United States. With respect to (b) above, it is subscribing for the UK Placing Shares for its own account or for one or more accounts as to each of which it exercises sole investment discretion and each of which is a QIB, for investment purposes only and not with a view to any distribution or for resale in connection with the distribution thereof, in whole or in part, in the United States, and it has full power to make the representations, warranties, indemnities, acknowledgements, agreements and undertakings herein on behalf of each such account.

- 9 Each potential Placee located or resident in Australia must qualify as either a "sophisticated investor" (within the meaning of section 708(8) of the Corporations Act) or "professional investor" (within the meaning of section 708(11) of the Corporations Act) under applicable Australian securities laws that has either executed and delivered, or will execute and deliver, an Australian investor letter and satisfy the eligibility requirements set forth therein.
- 10 A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the relevant UK Bank's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant UK Bank (as agent of the Company), to pay it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of UK Placing Shares that such Placee has agreed to acquire. Such Placees' obligations will be owed to the Company and to the relevant UK Bank. The Company shall allot such UK Placing Shares to each Placee following each Placee's payment to the relevant UK Bank of such amount.
- 11 Except as required by law or regulation, no press release or other announcement will be made by the UK Banks or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
- 12 Irrespective of the time at which a Placee's allocation(s) pursuant to the UK Placing is/are confirmed, settlement for all UK Placing Shares to be acquired pursuant to the UK Placing will be required to be made on the basis explained below under "Registration and Settlement".
- 13 All obligations under the Bookbuild and UK Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the UK Placing" and to the UK Placing not being terminated on the basis referred to below under "Termination of the UK Placing".

- 14 By participating in the Bookbuild, each Placee will agree that its rights and obligations in respect of the UK Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
- 15 To the fullest extent permissible by law, none of the UK Banks, the Company nor any of their respective Affiliates shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, none of the UK Banks, nor the Company, nor any of their respective Affiliates shall have any responsibility or liability (including, to the extent permissible by law, any fiduciary duties) in respect of the UK Banks' conduct of the Bookbuild or of such alternative method of effecting the UK Placing as the UK Banks, their respective Affiliates and the Company may agree or determine.

### **Conditions of the UK Placing**

The UK Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The UK Banks' obligations under the Placing Agreement are conditional on (but not limited to) the following:

- 1 the Icelandic Letters of Commitment not having lapsed or been terminated;
- 2 the UK Placing Shares and the Canadian Subscription Shares having been allotted, conditional only on Admission;
- 3 the Icelandic Placing Shares having been issued and allotted no later than 31 October 2022 or such later date as the parties may agree being no later than two Business Days prior to 16 November 2022 (the "**Long Stop Date**");
- 4 the Icelandic Placing Shares having been admitted to trading on AIM not later than on Admission and the TSX-V approving the listing of all the Icelandic Placing Shares subject to the Company fulfilling the requirements of such exchange;
- 5 the Icelandic Depositary Receipts being admitted to trading on the Icelandic Exchange by no later than 1 November 2022 or such later date as the Company and the UK Banks may agree, being no later than one Business Day prior to the Long Stop Date;
- 6 the Icelandic Subscription Agreements remaining in full force and effect and having become unconditional in all respects by no later than 31 October 2022 or such later date as the Company and the UK Banks may agree, being no later than two Business Days prior to the Long Stop Date;
- 7 the Company having fully performed its obligations under the Placing Agreement to the extent the same fall to be performed prior to Admission;
- 8 each Canadian Subscription Agreement having been entered into by no later than one Business Day following the date of the Placing Agreement and remaining in full force and effect and the Company delivering to the UK Banks proof that payment of the consideration under each Canadian Subscription Agreement has been received by the Company prior to 12 noon on the Business Day in London prior to Admission;
- 9 the warranties on the part of the Company in the Placing Agreement being true and accurate and, in all material respects, not misleading as of the date of the Placing Agreement, the date of the Term Sheet and at all times up to and immediately prior to the date of Admission, as though they had been given and made on such dates by reference to the facts and circumstances then subsisting;
- 10 no UK Banks having terminated the Placing Agreement before Admission in accordance with its terms;
- 11 no matter having arisen prior to Admission which might reasonably be expected to give rise to a claim under the indemnities given by the Company for the benefit of the UK Banks under the Placing Agreement;
- 12 in the reasonable opinion of each of the UK Banks, there having been since the date of the Placing Agreement, no Material Adverse Change (whether or not foreseeable at the date of the Placing Agreement);

- 13 the TSX-V approving the listing of all the UK Placing Shares and the Canadian Subscription Shares, subject to the Company fulfilling the requirements of such exchange; and
- 14 Admission taking place by not later than 8.00 a.m. (London time) on 2 November 2022 or such later date as the Company and the UK Banks may agree in writing but in any event not later than 8.00 am on the Long Stop Date.

If (a) any of the conditions set out in the Placing Agreement, including those described above, in relation to the UK Placing are not fulfilled or waived by either of the UK Banks by the respective time or date where specified (or such later time or date as the Company and the UK Banks may agree, save that such time shall not be extended beyond 8.00 am on the Long Stop Date); (b) any of such conditions becomes incapable of being fulfilled; or (c) the Placing Agreement is terminated in the circumstances specified below, the UK Placing will not proceed and each Placee's rights and obligations hereunder in relation to the UK Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee against any of the Company or the UK Banks in respect thereof.

The UK Banks may, in their absolute discretion and upon such terms as it thinks fit, waive fulfilment of all or any of the conditions in the Placing Agreement in whole or in part, or extend the time provided for fulfilment of one or more conditions, save that certain conditions including the condition relating to Admission may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement. The UK Banks may terminate the Placing Agreement in certain circumstances, details of which are set out below.

Placees will have no rights against the UK Banks or the Company under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended) or otherwise.

None of the UK Banks, nor any of their respective Affiliates nor any of its or their respective Affiliates' directors, officers, employees, agents or advisers shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision Stifel may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the UK Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the UK Placing generally and by participating in the UK Placing each Placee agrees that any such decision is within the absolute discretion of Stifel.

By participating in the Bookbuild, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "Termination of the UK Placing" below and will not be capable of rescission or termination by it.

### **Termination of the UK Placing**

The UK Banks are entitled to terminate the Placing Agreement in accordance with its terms in certain circumstances, including, *inter alia*, if at any time before Admission in the opinion of the UK Banks (acting in good faith):

- 1 any statement contained in the documents issued by the Company in connection with the UK Placing is incorrect or has become or been discovered to be untrue or inaccurate in any material respect or misleading in any material respect or that there has been a material omission therefrom;
- 2 any of the warranties given by the Company under the Placing Agreement was, when given, in any material respect, untrue or inaccurate or misleading;
- 3 any of the warranties given by the Company under the Placing Agreement is not, or has ceased to be, in any material respect, true or accurate or not misleading (or would not be true, accurate or not misleading if then repeated) by reference to the facts subsisting at the time;
- 4 the Company has failed to comply with any of its obligations contained in the UK Placing Agreement;
- 5 there has occurred a suspension or cancellation by either the AIM, the TSX-V or the Icelandic Exchange of trading in the Company's securities on any of AIM, the TSX-V, and following its admission, the Icelandic Exchange, other than a suspension of trading in the Company's securities on the TSX-V to facilitate the Bookbuild;
- 6 any of the Icelandic Placing Agreement or the Icelandic Letter of Commitment having terminated or lapsed;
- 7 the Icelandic Depositary Receipts are not admitted to trading on the Icelandic Exchange by no later than 1 November 2022 or such later date as the Company and the UK Banks may agree being no later than one Business Day prior to the Long Stop Date;
- 8 there are any facts, matters or circumstances which give rise to, or are reasonably likely to give rise to (in the opinion of either of the UK Banks acting in good faith) a claim under the indemnities given by the Company for the benefit of the UK Banks under the Placing Agreement;
- 9 the appointment of any of the UK Banks as agent of the Company under the Placing Agreement is terminated for whatever reason;
- 10 there shall have occurred any significant new factor, mistake or inaccuracy in the information in this document requiring in the opinion of either of the UK Banks, acting in good faith, a supplementary press document to be published by or on behalf of the Company; or
- 11 there has occurred, in the opinion of either of the UK Banks acting in good faith, a Material Adverse Change whether or not foreseeable at the date of the Placing Agreement.

On the occurrence of any one or more of the above-mentioned circumstances, either of the UK Banks may, in their absolute discretion, by notice in writing to the Company (or by orally communicating the same to the Company and the other UK Bank), terminate the Placing Agreement with immediate effect.

Upon such notice being given, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to limited exceptions.

By participating in the UK Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "Conditions of the UK Placing" section above and will not be capable of rescission or termination by it after oral confirmation by the UK Banks following the close of the Bookbuild.

By participating in the Bookbuild, each Placee agrees with the Company and the UK Banks that the exercise by the Company or the UK Banks of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or the UK Banks or for agreement between the Company and the UK Banks (as the case may be) and that neither the Company nor the UK Banks need make any reference to, or undertake any consultation with, Placees and that neither they nor any of their respective Affiliates', agents, directors, officers or employees shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

### **No prospectus**

The UK Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published. No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the UK Placing or the UK Placing Shares and Placees' commitments will be made solely on the basis of publicly available information taken together with the information contained in this Announcement, and any Exchange Information (as defined below) previously published by or on behalf of the Company simultaneously with or prior to the date of this Announcement and subject to any further terms set forth in the contract note sent to individual Placees.

Each Placee, by participating in the UK Placing, agrees that the content of this Announcement and the publicly available information released by or on behalf of the Company is exclusively the responsibility of the Company and confirms to the UK Banks and the Company that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company (other than publicly available information) or the UK Banks or their respective Affiliates or any other person and none of the UK Banks or the Company, or any of their respective Affiliates or any other person will be liable for any Placee's decision to participate in the UK Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the UK Placing. No Placee should consider any information in this Announcement to be legal, tax or business advice. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### **Lock-up**

The Company has undertaken to the UK Banks that, between the date of the Placing Agreement and 120 calendar days after the Closing Date, it will not, without the prior written consent of the UK Banks (such consent not to be unreasonably withheld or delayed), enter into certain transactions involving or relating to the Common Shares, subject to certain customary carve-outs agreed between the UK Banks and the Company.

By participating in the UK Placing, Placees agree that the exercise by the UK Banks of any power to grant consent to waive the undertaking by the Company of a transaction which would otherwise be subject to the lock-up under the Placing Agreement shall be within the absolute discretion of the UK Banks and that they need not make any reference to, or consult with, Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent.

### **Registration and settlement**

Settlement of transactions in the UK Placing Shares (ISIN: CA00108V1022) following Admission will take place within the relevant system administered by Euroclear ("**CREST**"), using the delivery versus payment mechanism, subject to certain exceptions. Subject to certain exceptions, the UK Banks and the Company reserve the right to require settlement for, and delivery of, the UK Placing Shares to Placees by such other means that they deem necessary if delivery or settlement is not practicable in CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

In order to enable Placees in the United Kingdom to settle their securities through CREST, the Company has appointed Computershare Investor Services plc to act as a depositary (the "**Depositary**") to hold the Common Shares and issue dematerialised depositary interests representing the underlying Common Shares ("**Depositary Interests**"). The Depositary will hold the Common Shares on trust for the relevant shareholders.

The Depositary Interests are independent English securities and held on a register maintained by the Depositary. The Depositary Interests have the same security code and ISIN number as the underlying Common Shares which they represent and do not require a separate admission to AIM. Any references to UK Placing Shares in this Announcement shall include any Depositary Interests issued in relation to the same.

Following the close of the Bookbuild for the UK Placing, each Placee allocated UK Placing Shares in the UK Placing will be sent a contract note stating the number of UK Placing Shares to be allocated to it at the Placing Price, the aggregate amount owed by such Placee to the UK Banks and settlement instructions. It is expected that such contract note will be despatched on or around 21 October 2022 and that this will also be the trade date.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions that it has in place with the relevant UK Bank. The Company will deliver the UK Placing Shares to a CREST account or account operated by one or more of the UK Banks as agent for the Company and the relevant UK Bank will enter its delivery instruction into the CREST system. The UK Banks will hold any UK Placing Shares delivered to this account as nominee for the Placees. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant UK Placing Shares to that Placee against payment. It is expected that settlement will be on 2 November 2022 on a T+7 basis in accordance with the instructions given to the UK Banks.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the UK Banks.

Each Placee agrees that, if it does not comply with these obligations, the UK Banks (or any of them) may sell any or all of their UK Placing Shares on their behalf and retain from the proceeds, for the Company's own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the Placing Price and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of its UK Placing Shares on its behalf.

If UK Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional contract note is copied and delivered immediately to the Relevant Person within that organisation. Insofar as UK Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such UK Placing Shares should, subject as provided below, be so registered free from any liability to United Kingdom stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the UK Placing.

### **Representations and warranties**

By participating in the Bookbuild, each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (for itself and for any such prospective Placee) with each of the UK Banks (in their capacity as placing agents of the Company in respect of the UK Placing) and the Company, in each case as a fundamental term of its application for UK Placing Shares, the following:

- 1 it has read and understood this Announcement in its entirety and that its acquisition of and subscription for UK Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Bookbuild, the Company, the UK Placing, the UK Placing Shares or otherwise;
- 2 that no offering document or prospectus or admission document has been or will be prepared in connection with the UK Placing or is required under the EU Prospectus Regulation, the UK Prospectus Regulation or the rules of the Icelandic Exchange and it has not received and will not receive a prospectus, admission document or other offering document in connection with Admission, the Bookbuild, the Company, the UK Placing or the UK Placing Shares;
- 3 that the Common Shares are traded on AIM and that the Company is therefore required to publish certain business and financial information in accordance with MAR and the AIM Rules for Companies (collectively, the "**Exchange Information**"), which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account, and similar statements for preceding financial years and that it has reviewed such Exchange Information and that it is able to obtain or access such Exchange Information;
- 4 that none of the UK Banks, the Company nor any of their respective Affiliates nor any person acting on behalf of any of them has provided, and none of them will provide it with any, material or information regarding the UK Placing Shares, the Bookbuild, the UK Placing, the Company, the Icelandic Placing or the Icelandic Placing Shares or any other person other than the

information in this Announcement; nor has it requested either of the UK Banks, the Company, any of their respective Affiliates nor any person acting on behalf of any of them to provide it with any such material or information;

- 5 unless otherwise specifically agreed with the UK Banks, that it is not, and at the time the UK Placing Shares are acquired, neither it nor the beneficial owner of the UK Placing Shares will be, a resident of a Restricted Territory or any other jurisdiction in which it would be unlawful to make or accept an offer to acquire the UK Placing Shares, subject to certain restrictions; and further acknowledges that the UK Placing Shares have not been and will not be registered or otherwise qualified, for offer and sale nor will an offering document, prospectus, offering memorandum or admission document be cleared or approved in respect of any of the UK Placing Shares under the securities legislation of the United States or any other Restricted Territory and, subject to certain exceptions, may not be offered, sold, transferred, delivered or distributed, directly or indirectly, in or into those jurisdictions or in any country or jurisdiction where any such action for that purpose is required;
- 6 that, if it and/or any person on whose behalf it is participating is located within the United States or is a U.S. Person (as defined in Regulation S), it understands and acknowledges that the Company may make notation on its records or give instructions to the registrar and transfer agent of the UK Placing Shares in order to implement the restrictions on transfer set forth and described herein;
- 7 that, if it and/or any person on whose behalf it is participating is located within the United States or is a U.S. Person (as defined in Regulation S), it (and any account for which it is purchasing) is not acquiring UK Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;
- 8 that the content of this Announcement is exclusively the responsibility of the Company and that none of the UK Banks nor any of their respective Affiliates or any person acting on their behalf has or shall have any responsibility or liability for any information, representation, warranty or statement contained in this Announcement or any information previously or subsequently published by or on behalf of the Company, including, without limitation, any Exchange Information, and will not be liable for any Placee's decision to participate in the UK Placing based on any information, representation, warranty or statement contained in this Announcement or any information previously published by or on behalf of the Company or otherwise;
- 9 that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the UK Placing Shares is contained in this Announcement and any other Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the UK Placing Shares, and that it has neither received nor relied on any other information given or investigations, representations, warranties or statements made by the UK Banks or the Company and none of the UK Banks nor the Company will be liable for any Placee's decision to accept an invitation to participate in the UK Placing based on any other information, representation, warranty or statement;
- 10 that it has relied on its own investigation, examination and due diligence of the business, financial or other position of the Company in deciding to participate in the UK Placing and that none of

the UK Banks nor any of their respective Affiliates have made any representations to it, express or implied, with respect to the Company, the Bookbuild, the UK Placing or the UK Placing Shares or the accuracy, completeness or adequacy of the Exchange Information, and each of them expressly disclaims any liability in respect thereof;

- 11 that it has not relied on any information relating to the Company contained in any research reports prepared by the UK Banks, any of their respective Affiliates or any person acting on the UK Banks or any of their respective Affiliates' behalf and understands that (i) none of the UK Banks nor any of their respective Affiliates nor any person acting on its or their behalf has or shall have any liability for public information or any representation; (ii) none of the UK Banks nor any of their respective Affiliates nor any person acting on its or their behalf has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of this Announcement or otherwise; and that (iii) none of the UK Banks nor any of their respective Affiliates nor any person acting on its or their behalf makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of this Announcement or otherwise;
- 12 that the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of UK Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the UK Placing as nominee or agent for any person to whom the allocation, allotment, issue or delivery of the UK Placing Shares would give rise to such a liability and that the UK Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer UK Placing Shares into a clearance service;
- 13 that it understands that the UK Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state of other jurisdiction of the United States and are not being offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- 14 that it acknowledges that no action has been or will be taken by the Company, the UK Banks, their respective Affiliates or any person acting on its or their behalf that would, or is intended to, permit a public offer of the UK Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
- 15 that it and any person acting on its behalf is entitled to acquire the UK Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in the UK Banks, the Company or any of their respective Affiliates acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the UK Placing;
- 16 that it (and any person acting on its behalf) has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the UK Placing

and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;

- 17 that it has complied with its obligations under the Criminal Justice Act 1993, Part VIII of FSMA and MAR and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Money Laundering Sourcebook of the FCA and any related or similar rules, regulations or guidelines issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "**regulations**") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the regulations. If within a reasonable time after a request for verification of identity, the UK Banks have not received such satisfactory evidence, the UK Banks may, in their absolute discretion, terminate the Placee's UK Placing participation in which event all funds delivered by the Placee to the UK Banks will be returned without interest to the account of the drawee bank or CREST account from which they were originally debited;
- 18 that it is acting as principal only in respect of the UK Placing or, if it is acting for any other person: (a) it is duly authorised to do so and has full power to make, and does make, the acknowledgments, representations and agreements herein on behalf of each such person; and (b) it is and will remain liable to the UK Banks and the Company for the performance of all its obligations as a Placee in respect of the UK Placing (regardless of the fact that it is acting for another person). Each Placee agrees that the provisions of this paragraph shall survive the resale of the UK Placing Shares by or on behalf of any person for whom it is acting;
- 19 if in a Member State of the EEA and except as disclosed in this Announcement under "Details of the UK Placing", that it is (a) an EEA Qualified Investor; and (b) a "professional client" or an "eligible counterparty" within the meaning set out in EU Directive 2014/65/EU on markets in financial instruments (MIFID II), as implemented into national law of the relevant EEA state;
- 20 if in the United Kingdom, that it is a UK Qualified Investor and it undertakes that it will acquire, hold, manage and (if applicable) dispose of the UK Placing Shares that are allocated to it for the purposes of its business;
- 21 that it will not distribute, transfer or otherwise transmit this Announcement or any part of it, or any other presentation or other materials concerning the UK Placing, in or into the United States (including electronic copies thereof) directly or indirectly, whether in whole or in part, in or into any Restricted Territory or any other jurisdiction in which such distribution, forwarding, transfer or transmission would be unlawful;
- 22 where it is acquiring the UK Placing Shares for one or more managed accounts, it represents, warrants and undertakes that it is authorised in writing by each managed account: (a) to acquire the UK Placing Shares for each managed account; and (b) it has full power to make the acknowledgements, representations, undertakings and agreements herein on behalf of each such account;

- 23 that if it is a pension fund or investment company, it represents, warrants and undertakes that its acquisition of UK Placing Shares is in full compliance with applicable laws and regulations;
- 24 if it is acting as a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation or the UK Prospectus Regulation, as the case may be, that the UK Placing Shares acquired by it in the UK Placing will not be acquired for, on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA other than EEA Qualified Investors or persons in the United Kingdom other than UK Qualified Investors, or in circumstances in which the prior consent of the UK Banks and the Company has been given to the proposed offer or resale;
- 25 that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any UK Placing Shares to persons in the EEA, except to EEA Qualified Investors or otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state in the EEA within the meaning of Article 2(d) of the EU Prospectus Regulation;
- 26 that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any UK Placing Shares to persons in the United Kingdom, except to UK Qualified Investors or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of Article 2(d) of the UK Prospectus Regulation;
- 27 that any offer of UK Placing Shares may only be directed at persons in member states of the EEA who are EEA Qualified Investors and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any UK Placing Shares to persons in the EEA prior to Admission except to EEA Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the EU Prospectus Regulation;
- 28 that any offer of UK Placing Shares may only be directed at persons in the United Kingdom who are UK Qualified Investors and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any UK Placing Shares to persons in the United Kingdom prior to Admission except to UK Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in the United Kingdom within the meaning of the UK Prospectus Regulation;
- 29 that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the UK Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
- 30 that it has complied and will comply with all applicable laws (including all relevant provisions of the FSMA) with respect to anything done by it in relation to the UK Placing Shares in respect of anything done in, from or otherwise involving, the United Kingdom;

- 31 if it has received any inside information (as that term is defined in MAR) about the Company in advance of the UK Placing, it has not: (a) dealt in the securities of the Company; (b) encouraged or required another person to deal in the securities of the Company; or (c) disclosed such information to any person except as permitted by MAR, prior to the information being made publicly available;
- 32 that: (a) it (and any person acting on its behalf) has capacity and authority and is otherwise entitled to purchase the UK Placing Shares under the laws of all relevant jurisdictions which apply to it; (b) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (c) it has not taken any action which will or may result in the Company, the UK Banks, any of their Affiliates or any person acting on their behalf being in breach of the legal and/or regulatory requirements and/or any anti-money laundering requirements of any territory in connection with the UK Placing; and (d) that the subscription for and purchase of the UK Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;
- 33 that it (and any person acting on its behalf) has funds available to pay for the UK Placing Shares it has agreed to acquire and acknowledges, agrees and undertakes that it (and any person acting on its behalf) will make payment for the UK Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein against delivery of such UK Placing Shares to it, failing which the relevant UK Placing Shares may be placed with other Placees or sold as the UK Banks may in their absolute discretion determine and without liability to such Placee. It will, however, remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such UK Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) due pursuant to the terms set out or referred to in this Announcement which may arise upon the sale of such Placee's UK Placing Shares on its behalf;
- 34 that it acknowledges and confirms that if it fails to make payment for UK Placing Shares allocated to it, the UK Banks may assign their rights and powers under this Appendix against such defaulting Placee to a third party without notice to the relevant Placee;
- 35 that its allocation (if any) of UK Placing Shares will represent a maximum number of UK Placing Shares to which it will be entitled, and required, to acquire, and that the UK Banks or the Company may call upon it to acquire a lower number of UK Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
- 36 that none of the UK Banks, nor any of their respective Affiliates nor any person acting on its or their behalf is making any recommendations to it, or advising it regarding the suitability or merits of any transactions it may enter into in connection with the UK Placing and that participation in the UK Placing is on the basis that it is not and will not be a client of the UK Banks and that the UK Banks do not have any duties or responsibilities to it for providing the protections afforded to their clients or customers or for providing advice in relation to the UK Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of the UK Banks' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

- 37 the exercise by either (or both) of the UK Banks of any right or discretion under the Placing Agreement shall be within the absolute discretion of the UK Banks and the relevant UK Bank or the UK Banks (acting jointly) (as the case may be) need not have any reference to it and shall have no liability to it whatsoever in connection with any decision to exercise or not to exercise any such right and each Placee agrees that it has no rights against the UK Banks, the Company or any of their respective affiliates under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended) or otherwise;
- 38 that the person whom it specifies for registration as holder of the UK Placing Shares will be: (a) itself; or (b) its nominee, as the case may be. None of the UK Banks, nor the Company nor any of their respective Affiliates will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar dues or taxes (together with any interest or penalties) resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to indemnify the UK Banks, the Company and any of their respective Affiliates in respect of the same on an after-tax basis on the basis that the UK Placing Shares will be allotted to the CREST stock account of the relevant UK Bank who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
- 39 that these Terms and Conditions and any agreements entered into by it pursuant to these Terms and Conditions, and any non-contractual obligations arising out of or in connection with such agreements, shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the UK Placing Shares (together with any interest chargeable thereon) may be taken by the UK Banks or the Company in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
- 40 that each of the UK Banks, the Company and their respective Affiliates and others will rely upon the truth and accuracy of the representations, warranties, agreements, undertakings and acknowledgements set forth herein and which are given to the UK Banks on their own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises each of the UK Banks and the Company to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;
- 41 that it will indemnify on an after-tax basis and hold each of the UK Banks, the Company and their respective Affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of, directly or indirectly, or in connection with any breach by it of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the Company and the UK Banks will rely on the truth and accuracy of the confirmations, warranties, acknowledgements and undertakings herein and, if any of the foregoing is or becomes no longer true or accurate, the Placee shall promptly notify the UK Banks and the Company. All confirmations, warranties, acknowledgements and undertakings given by the Placee, pursuant to this Announcement are given to each UK Bank for itself and on behalf of the Company and will survive completion of the UK Placing and Admission;

- 42 that any documents sent to Placees will be sent at the Placees' risk. They may be sent by post to such Placees at an address notified to the UK Banks;
- 43 acknowledges that it irrevocably appoints any director of each of the UK Banks as its agent for the purposes of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the UK Placing Shares agreed to be taken up by it under the UK Placing;
- 44 that, as far as it is aware it is not acting in concert (within the meaning given in The City Code on Takeovers and Mergers) with any other person in relation to the Company;
- 45 that it acknowledges that its commitment to acquire UK Placing Shares on the terms set out herein and in the trade confirmation or contract note (as the case may be) will continue notwithstanding any amendment that may in future be made to the terms and conditions of the UK Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the UK Banks' conduct of the UK Placing;
- 46 that in making any decision to acquire the UK Placing Shares: (a) it has sufficient knowledge, sophistication and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the UK Placing Shares; (b) it is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the UK Placing; (c) it has relied on its own examination, due diligence and analysis of the Company and its Affiliates taken as a whole, including the markets in which the Group operates, and the terms of the UK Placing, including the merits and risks involved and not upon any view expressed or information provided by or on behalf of the UK Banks; (d) it has had sufficient time and access to information to consider and conduct its own investigation with respect to the offer and purchase of the UK Placing Shares, including the legal, regulatory, tax, business, currency and other economic and financial considerations relevant to such investment and has so conducted its own investigation to the extent it deems necessary for the purposes of its decision to acquire the UK Placing Shares; and (e) it will not look to the Company, UK Banks, any of their respective Affiliates or any person acting on its or their behalf for all or part of any such loss or losses it or they may suffer;
- 47 that it acknowledges and agrees that none of the UK Banks nor the Company owes any fiduciary or other dues to it or any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;
- 48 understands and agrees that it may not rely on any investigation that the UK Banks or any person acting on their behalf may or may not have conducted with respect to the Company and its Affiliates or the UK Placing and the UK Banks have not made any representation or warranty to it, express or implied, with respect to the merits of the UK Placing, the subscription for or purchase of the UK Placing Shares, or as to the condition, financial or otherwise, of the Company and its Affiliates, or as to any other matter relating thereto, and nothing herein shall be construed as any investment or other recommendation to it to acquire the UK Placing Shares. It acknowledges and agrees that no information has been prepared by, or is the responsibility of, the UK Banks for the purposes of this UK Placing;

- 49 that it acknowledges and agrees that it will not hold any of the UK Banks nor any of their respective Affiliates or any person acting on their behalf responsible or liable for any misstatements in or omission from any publicly available information relating to the Group or information made available (whether in written or oral form) relating to the Group (the "**Information**") and that none of the UK Banks nor any person acting on behalf of the UK Banks makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such Information or accepts any responsibility for any of such Information;
- 50 that in connection with the UK Placing, each of the UK Banks and any of their respective Affiliates acting as an investor for its own account may take up shares in the Company and in that capacity may retain, purchase or sell for its own account such shares in the Company and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the UK Placing. Accordingly, references in this Announcement to shares being issued, offered or placed should be read as including any issue, offering or placement of such shares in the Company to the UK Banks and any of their respective Affiliates acting in such capacity. In addition the UK Banks may enter into financing arrangements and swaps with investors in connection with which the UK Banks may from time to time acquire, hold or dispose of such securities of the Company, including the UK Placing Shares. None of the UK Banks nor any of their respective Affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;
- 51 that it acknowledges that the UK Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the UK Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the UK Placing or the accuracy or adequacy of this Announcement, and that any representation to the contrary is a criminal offence. The UK Placing Shares have not been registered or otherwise qualified for offer and sale nor will a prospectus be cleared or approved in respect of the UK Placing Shares under the securities laws of any Restricted Territory and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States or any other Restricted Territory, or in any country or jurisdiction where any action for that purpose is required;
- 52 that, if it and/or any person on whose behalf it is participating is located within the United States or is a U.S. Person, it understands and acknowledges that the Company may make notation on its records or give instructions to the registrar and transfer agent of the UK Placing Shares in order to implement the restrictions on transfer set forth and described herein;
- 53 that, if it and/or any person on whose behalf it is participating is located within the United States or is a U.S. Person, it (and any account for which it is purchasing) is not acquiring UK Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;
- 54 it will not reoffer, sell, pledge or otherwise transfer the UK Placing Shares except: (a) in an offshore transaction in accordance with Regulation S; (b) in the United States pursuant to an

exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, in each case in compliance with all applicable securities laws of the United States or any State or other jurisdiction of the United States or (c) pursuant to an effective registration statement under the Securities Act and that, in each such case, such offer, sale, pledge or transfer will be made in accordance with any applicable securities laws of any state of the United States;

- 55 that the UK Placing Shares are being offered and sold by or on behalf of the Company in offshore transactions (as defined in Regulation S). It and the prospective beneficial owner of the UK Placing Shares is, and at the time the UK Placing Shares are subscribed for will be either: (a) outside the United States and subscribing for the UK Placing Shares in an offshore transaction as defined in, and in accordance with, Regulation S; or (b) (i) a QIB, (b) subscribing for the UK Placing Shares pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; and (c) will have duly executed investor representation letter in the form provided to it;
- 56 that it is not acquiring any of the UK Placing Shares as a result of any form of general solicitation or general advertising (within the meaning of Rule 502(c) of Regulation D under the Securities Act) or any form of directed selling efforts (as defined in Regulation S);
- 57 if it is a person in Australia, that it is a: (a) a "sophisticated investor" meeting the criteria in section 708(8) of the Corporations Act; (b) a "professional investor" meeting the criteria in section 708(11) of the Corporations Act; or (c) does not otherwise require disclosure pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the UK Placing Shares without disclosure to investors under Chapter 6D of the Corporations Act;
- 58 if it is a person in Australia that it is not acquiring the UK Placing Shares for the purposes of selling or transferring them, or granting, issuing or transferring interests in, or options or warrants over, them, within Australia within the period of 12 months after the date of allotment except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or where the offer is made pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act;
- 59 that each of the UK Banks and their respective Affiliates may have engaged in transactions with, and provided various commercial banking, investment banking, financial advisory transactions and services in the ordinary course of their business with the Company and/or its Affiliates for which they would have received customary fees and commissions. Each of the UK Banks and their respective Affiliates may provide such services to the Company and/or its Affiliates in the future;
- 60 it understands that certain personal information may be collected by the Company for the purposes of completing the Fundraising, which includes, without limitation, determining its eligibility to purchase the shares under Canadian securities laws and other applicable securities laws and completing filings required by any securities commission or other regulatory authority; that its personal information may be disclosed by the Company to: (a) securities commissions or stock exchanges, (b) the Canada Revenue Agency or other taxing authorities, and (c) any of the

other parties involved in the Fundraising, including legal counsel to the Company, the UK Banks and any dealer who sells shares to such purchaser and may be included in record books in connection with the Fundraising; and that by purchasing the shares, it will be deemed to have consented to the foregoing collection, use and disclosure of its personal information and the filing of copies or originals of any of its documents submitted hereunder as may be required to be filed with any securities commission or stock exchange in connection with the transactions contemplated hereby;

61 it understands that certain information provided by it, including its name, address, telephone number and email address, the number of shares being purchased, the exemption being relied upon by it in purchasing the shares and its registrant or insider status, if applicable, will be disclosed to the applicable securities regulatory authorities, such information is being collected by such securities regulatory authorities under the authority granted to each of them under securities legislation and it will be deemed to have authorised the indirect collection of such information by such securities regulatory authorities. This information is being collected for the purposes of the administration and enforcement of the securities legislation of such jurisdictions. In the event the purchaser has any questions with respect to the indirect collection of such information by such securities regulatory authorities and regulators, it should contact the applicable securities regulatory authority or regulator using the contact information on the Canadian Securities Administrators website: <https://www.securities-administrators.ca/about/contact-us/>; and

62 if required by applicable Canadian securities laws (including any policies of the TSX-V), it will execute, deliver and file or assist the Company in filing such report, undertakings and other documents relating to the purchase of the shares as may be required.

The foregoing acknowledgements, agreements, undertakings, representations, warranties and confirmations are given for the benefit of the Company as well as each of the UK Banks (for their own benefit and, where relevant, the benefit of their respective Affiliates and any person acting on its or their behalf) and are irrevocable. Each Placee, and any person acting on behalf of a Placee, acknowledges that none the UK Banks nor the Company owes any fiduciary or other dues to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

Please also note that the agreement to allot and issue UK Placing Shares to Placees (or the persons for whom Placees are contracting as nominee or agent) free of stamp duty and stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the UK Placing Shares in question. Neither the Company, nor the UK Banks, will be responsible for any UK stamp duty or UK stamp duty reserve tax (including any interest and penalties relating thereto) arising in relation to the UK Placing Shares in any other circumstances.

Such agreement is subject to the representations, warranties and further terms above and also assumes, and is based on a warranty from each Placee, that the UK Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the UK Placing Shares into a clearance service. None of the UK Banks nor the Company are liable to bear any stamp duty or stamp duty reserve tax or any other similar dues or taxes ("**transfer taxes**") that arise: (a) if there are any such arrangements (or if any such arrangements arise subsequent to the acquisition by Placees of UK Placing Shares); or (b) on a sale of UK Placing Shares; or (c) for transfer taxes arising otherwise than under the

laws of the United Kingdom. Each Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the UK Placing as an agent or nominee) the allocation, allotment, issue or delivery of UK Placing Shares has given rise to such transfer taxes undertakes to pay such transfer taxes forthwith, and agrees to indemnify on an after-tax basis and hold the UK Banks and/or the Company and their respective Affiliates harmless from any such transfer taxes, and all interest, fines or penalties in relation to such transfer taxes. Each Placee should, therefore, take its own advice as to whether any such transfer tax liability arises.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that the UK Banks or any of their respective Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the UK Placing Shares. Each Placee acknowledges and is aware that the UK Banks are receiving a fee in connection with their respective roles in respect of the UK Placing as detailed in the Placing Agreement.

When a Placee or person acting on behalf of the Placee is dealing with the UK Banks, any money held in an account with any of the UK Banks on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the relevant UK Banks' money in accordance with the client money rules and will be used by the relevant UK Bank in the course of its own business; and the Placee will rank only as a general creditor of the relevant UK Bank.

All times and dates in this Announcement may be subject to amendment by the UK Banks (in their absolute discretion). The UK Banks shall notify the Placees and any person acting on behalf of the Placees of any changes.

Time shall be of the essence as regards obligations pursuant to this Announcement.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The rights and remedies of the UK Banks and the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

Each Placee may be asked to disclose in writing or orally to the UK Banks:

- (a) if he or she is an individual, his or her nationality; or
- (b) if he or she is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.



## Definitions

The following definitions apply throughout this Announcement unless the context otherwise requires:

<b>Admission</b>	means the admission of the UK Placing Shares to trading on the AIM market of the London Stock Exchange;
<b>Affiliate</b>	has the meaning given in Rule 50I(b) of Regulation D under the Securities Act or Rule 405 under the Securities Act, as applicable and, in the case of the Company, includes its subsidiary undertakings;
<b>AIM</b>	means the market of that name operated by the London Stock Exchange;
<b>AIM Rules</b>	means the AIM Rules for Companies published by the London Stock Exchange;
<b>Announcement</b>	means this announcement (including its Appendices);
<b>Arion</b>	means Arion Bank hf.;
<b>Bookbuild</b>	means the accelerated bookbuilding process to be commenced by the UK Banks to use reasonable endeavours to procure Placées for the UK Placing Shares, as described in this Announcement and subject to the Terms and Conditions and the Placing Agreement;
<b>Business Day</b>	means a day (other than Saturday, Sunday or public holiday) when commercial banks in London or Toronto are open for business;
<b>Canadian Subscription</b>	has the meaning given to it in the main body of this Announcement;
<b>Canadian Subscription Shares</b>	has the meaning given to it in the main body of this Announcement;
<b>Closing Date</b>	means the day on which the UK Placing will be settled;
<b>Common Shares</b>	means the common shares of no par value in the capital of the Company;
<b>Company or Amaroq</b>	means Amaroq Minerals Ltd., a corporation incorporated in Canada, listed on TSX-V;
<b>CREST</b>	means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) in respect of which Euroclear is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form;
<b>EEA</b>	means the European Economic Area;

<b>EEA Qualified Investor</b>	means qualified investors as defined in Article 2(e) of the EU Prospectus Regulation;
<b>EU Prospectus Regulation</b>	means the Prospectus Regulation (EU) 2017/1129;
<b>Euroclear</b>	means Euroclear UK & International Limited, a company incorporated under the laws of England and Wales, the operator of CREST;
<b>Exchange Information</b>	means the business and financial information the Company is required to publish in accordance with MAR, the AIM Rules and the rules of the TSX-V;
<b>FCA</b>	means the UK Financial Conduct Authority;
<b>FSMA</b>	means the Financial Services and Markets Act 2000 (as amended, including any regulations made pursuant thereto);
<b>Fundraising</b>	has the meaning given to it in the main body of this Announcement;
<b>Fundraising Shares</b>	has the meaning given to it in the main body of this Announcement;
<b>Group</b>	means the Company and its subsidiary undertakings;
<b>Icelandic Banks</b>	means Arion and Landsbankinn;
<b>Icelandic Depositary Receipts</b>	means the depositary receipts to be issued by the Icelandic Banks, each representing an interest in one Icelandic Placing Share, which will be issued in uncertificated book entry form cleared through Nasdaq CSD SE (Icelandic Branch) and listed on the Icelandic Exchange;
<b>Icelandic Exchange</b>	means the Nasdaq First North Growth Market Iceland;
<b>Icelandic Letters of Commitment</b>	means the letters of commitment entered into between the Company and each of the Icelandic Banks;
<b>Icelandic Listing</b>	has the meaning given to it in the main body of this Announcement;
<b>Icelandic Placing</b>	has the meaning given to it in the main body of this Announcement;
<b>Icelandic Placing Agreement</b>	means the agreement between the Company and the Icelandic Banks in relation to the Icelandic Placing;
<b>Icelandic Placing Shares</b>	has the meaning given to it in the main body of this Announcement;

<b>Icelandic Subscribers</b>	means persons procured by each of the Icelandic Banks pursuant to the Icelandic Placing Agreement who agree to subscribe for Icelandic Placing Shares at the ISK equivalent of the Placing Price;
<b>Icelandic Subscription Agreements</b>	means the subscription agreement entered into between the relevant Icelandic Bank and each of the Icelandic Subscribers;
<b>Landsbankinn</b>	means Landsbankinn hf.;
<b>London Stock Exchange</b>	means London Stock Exchange plc;
<b>Long Stop Date</b>	means 16 November 2022;
<b>MAR</b>	means the Market Abuse Regulation (EU) No.596/2014 which forms part of the UK law by virtue of the European Union (Withdrawal) Act 2018;
<b>Material Adverse Change</b>	means any material adverse change in, or any event or circumstance that might reasonably result in such a material adverse change in, or having a material adverse effect on, the business, management, operations, assets, liabilities, solvency, credit rating, position or prospects (financial trading or otherwise) or profit of the Company or the Group (as the case may be) whether or not arising in the ordinary course of business;
<b>Panmure Gordon</b>	means Panmure Gordon (UK) Limited;
<b>Placee</b>	means any person procured by any of the UK Banks (acting as agents for and on behalf of the Company), on the terms and subject to the conditions of the Placing Agreement, to subscribe for the UK Placing Shares pursuant to the UK Placing;
<b>Placing Agreement</b>	has the meaning given to it in the Appendix to this Announcement;
<b>Placing Price</b>	means 35 pence per UK Placing Share;
<b>Placing Results Announcement</b>	means the announcement of the results of the Bookbuild via a Regulatory Information Service;
<b>QIB</b>	means "qualified institutional buyer" as defined in Rule 144A under the Securities Act;
<b>Regulation S</b>	means Regulation S promulgated under the Securities Act;
<b>Regulatory Information Service</b>	means a primary information provider that has been approved by the FCA to disseminate regulated information;
<b>Relevant Member State</b>	means a member state of the EEA;

<b>Restricted Territory</b>	means the United States, Iceland, Australia, Canada, Japan or South Africa;
<b>Securities Act</b>	means the U.S. Securities Act of 1933, as amended;
<b>subsidiary</b>	has the meaning given to that term in the Companies Act 2006;
<b>subsidiary undertaking</b>	has the meaning given to that term in the Companies Act 2006;
<b>Term Sheet</b>	means the term sheet in relation to the UK Placing as may be entered into by the Company and the UK Banks following the Bookbuild;
<b>Terms and Conditions</b>	means the terms and conditions of the UK Placing set out in the Appendix to this Announcement;
<b>transfer taxes</b>	means stamp duty or stamp duty reserve tax or any other similar duties or taxes;
<b>UK Banks</b>	means Stifel and Panmure Gordon;
<b>UK Placing</b>	has the meaning given to it in the main body of this Announcement;
<b>UK Placing Shares</b>	has the meaning given to it in the main body of this Announcement;
<b>UK Prospectus Regulation</b>	means Prospectus Regulation (EU) 2017/1129 which forms part of the UK law by virtue of the European Union (Withdrawal) Act 2018;
<b>UK Qualified Investor</b>	means qualified investors as defined in Article 2(e) of the UK Prospectus Regulation;
<b>uncertificated or in uncertificated form</b>	means in respect of a share or other security, where that share or other security is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;
<b>United Kingdom or UK</b>	means the United Kingdom of Great Britain and Northern Ireland; and
<b>United States or US</b>	means the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof.

Unless otherwise indicated in this Announcement, all references to "**£**", "**GBP**", "**pounds**", "**pound sterling**", "**sterling**", "**p**", "**penny**" or "**pence**" are to the lawful currency of the UK. All references to "**C\$**", "**CAD**" or "**Canadian Dollars**" are to the lawful currency of Canada. All references to "**ISK**" are to the lawful currency of Iceland.