

26 June 2023

Sale of Ragnar Metals Sweden AB to BHP for A\$9,800,000

HIGHLIGHTS

- Cash consideration of A\$9.8m payable for the sale of its wholly owned subsidiary Ragnar Metals Sweden AB
- In addition to the cash consideration, a deferred 1% Net Smelter Return Royalty is payable to Ragnar
- BHP has a right to buy back the Royalty for A\$10,000,000
- The divestment of these assets provides significant funding for Ragnar as it seeks to further its other critical mineral interests in Sweden.

Ragnar Metals Limited (**ASX: RAG, Ragnar, the Company**) is pleased to announce that it has entered into a conditional sale and purchase agreement (**SPA**) to dispose of its wholly owned subsidiary Ragnar Metals Sweden AB to BHP Metals Exploration Pty Ltd, a subsidiary of BHP Group Limited (**ASX: BHP**) (**Agreement**).

The sale includes tenements and exploration licences over the Tullsta nickel project in Sweden. The sale is expected to be complete by 30 September 2023, with A\$9,800,000 to be paid by BHP Metals Exploration Pty Ltd on completion. Deferred consideration, in the form of a 1% Net Smelter Return Royalty (**Royalty**), will be payable to Ragnar upon commencement of commercial production. The Purchaser may buy out the Royalty for a further A\$10,000,000.

The transaction is subject to the satisfaction of conditions, including RAG completing an internal restructure to transfer specific Swedish licences from RAG to Ragnar Metals Sweden AB.

A summary of the material terms of the Agreement, including the licences being disposed of, is set out in Annexure A.

Executive Director, Eddie King said:

“The sale of Ragnar Metals Sweden AB, with the foundation Swedish licences, to BHP validates the Company’s original strategy and the potential of the Tullsta Nickel Project. This transaction provides exceptional value for the Company with a substantial initial cash injection and exposure to production through the Royalty. I am excited to continue working with BHP to finalise the transaction and then re-direct our attention to exploring further critical mineral opportunities in Sweden.”

This announcement is authorised for release by the Board of Directors of RAG.

For further enquiries, contact:

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Annexure A – Summary of material terms of the Agreement

The material terms of the Agreement are:

- (a) **Purchaser:** The purchaser is BHP Metals Exploration Pty Ltd, a subsidiary of BHP Group Limited (ASX: BHP).
- (b) **Sale Interest:** RAG has agreed to sell all of the ordinary shares in the capital of Ragnar Metals Sweden AB to the Purchaser.
- (c) **Licences:** The licences to be held by Ragnar Metals Sweden AB at the time of completion are:

Name	Licence ID	Ownership %	Area Ha	Expiry date
Berga nr 1	2018:48	100%	2,181.525	28-Mar-26
Tullsta nr 6	2017:158	100%	2,695.025	06-Nov-25
Tullsta nr 7	2019:5	100%	4,452.737	25-Jan-24
Tullsta nr 8	2020:45	100%	31.415	07-May-25
Tullsta nr 9	2021:75	100%	1,598.830	02-Nov-24
Gaddebo nr 3	2014:91	100%	99.815	30-Oct-26
Total Area			11,059.347	

- (d) **Consideration:** The total consideration payable by the Purchaser to RAG is:
- Cash Consideration:** A\$9,800,000 in cash.
 - Royalty:** A 1% net smelter return royalty.
- (e) **Royalty Buy-Back Right:** The Purchaser shall have the right to purchase the Royalty (**Buy-Back Right**) for A\$10,000,000 (**Buy-Back Right Payment**).
- (f) **Financial position of Ragnar Metals Sweden AB:** RAG must ensure that Ragnar Metals Sweden AB has available cash of SEK 2,122,000 (~A\$300,000) at completion as well as settling all shareholder and intercompany payables and receivables prior to completion.
- (g) **Conditions Precedent :** The sale and purchase is conditional upon a number of conditions precedent, including RAG completing a restructure to transfer the Licences held by RAG to Ragnar Metals Sweden AB; and
- (h) **Area of Interest/Right of First Refusal:** For a period of three years after completion, RAG must procure that it and its related bodies corporate and agreed affiliates (**Limited Group**) does not apply for or acquire all or any part of any exploration licence, mining tenement, or other title or right within an Area of Interest adjacent to the Licences, without the prior written consent of the Purchaser. For the same period the Purchaser is granted a right of first refusal should RAG or another member of the Limited Group proposed to dispose of any exploration licence, mining tenement, or other title or right which is prospective for nickel within an area surrounding the Area of Interest and including Gruvhagen nr 1, and any interest where the Purchaser has consented to its application or acquisition by RAG or another member of the Limited Group.

The Agreement otherwise contains terms and conditions that are customary for this type of agreement, including representations, warranties and indemnities from RAG to the Purchaser.