

FORM 51 – 102F3
MATERIAL CHANGE REPORT
UNDER NATIONAL INSTRUMENT 51-102

ITEM 1 Name and Address of Company

Ares Strategic Mining Inc.
1001 – 409 Granville Street
Vancouver, British Columbia, V6C 1T2

(the “**Company**”)

ITEM 2 Date of Material Change

December 15, 2023

ITEM 3 News Release

The news release dated December 15, 2023 was disseminated via TheNewswire.ca Inc

ITEM 4 Summary of Material Change

The Company announced that, further to its news release dated April 19, 2022, its wholly-owned Utah subsidiary has borrowed the aggregate sum of US\$9,500,000 (the “**Bond Proceeds**”) from Millard County, Utah (“**Millard County**”) pursuant to a US\$10,000,000 tax-exempt Manufacturing Facility Revenue Bond (the “**Series 2023A Bond**”) a US\$500,000 taxable Manufacturing Facility Revenue Bond (the “**Series 2023B Bond**”, and together with the Series 2023A Bond, the “**Bonds**”) created and issued by Millard County. The principal sum of the Bonds to be repaid by Ares Utah is US\$10,500,000, which obligations were evidenced by promissory notes issued by Ares Utah (the “**Notes**”).

The Series 2023A Bond matures on December 15, 2034, and bears interest at a rate of 10% per annum, payable semi-annual on June 15 and December 15. The Series 2023A Bond and interest thereon is secured by, among other things, a pledge of the Trust Estate (as defined in the Indenture), which includes the rights, title and interests of Millard County in the Loan Agreement and any loan payments, all of the rights, title and interest of Ares Utah in the Notes, a pledge of all gross revenue generated by sales of products processed by facilities on the Project, and the Spor Mountain mineral rights of Ares Utah.

The Series 2023B Bond matures on December 15, 2025, and bears interest at a rate of 12% per annum, payable semi-annual on June 15 and December 15. The Series 2023B Bond and interest thereon is secured against the same assets pledged as security for the Series 2023A Bond.

The rights and interests of Millard County in and to certain agreements, including a Loan Agreement dated December 1, 2023 between Ares Utah and Millard County with respect to a loan of the Bond Proceeds to Ares Utah, were transferred and assigned, pursuant to an Indenture of Trust dated December 1, 2023 (the “**Indenture**”), to Zions National Bank, N.A. (“**Trustee**”), on behalf of the investors in the Bonds. In addition, the Company has entered into a Guaranty Agreement and Guaranty of Completion agreement with the Trustee, pursuant to which the Company agreed to guaranty certain obligations of Ares Utah, including the repayment of the principal, interest and other amounts owed under the Bonds.

The proceeds from the Bonds will be used by Ares Utah to acquire, construct, and develop a processing facility (the “**Project**”) on the Company’s Lost Sheet Fluorspar Project located in Delta, Millard County, Utah.

ITEM 5 Full Description of Material Change

5.1 Full Description of Material Change

The material changes are fully described in Item 4 above and in the News Release filed on SEDAR at www.sedarplus.ca

5.2 Disclosure for Restructuring Transactions

Not Applicable.

ITEM 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable.

ITEM 7 Omitted Information

Not Applicable.

ITEM 8 Executive Officer

James Walker
President and Chief Executive Officer
(604) 345-1576 or at jwalker@aresmining.com

ITEM 9 Date of Report

December 18, 2023