

MATERIAL CHANGE REPORT
Form 51-102F3

Item 1 **Name and Address of Company**

Ares Strategic Mining Inc. (the “**Company**” or “**Ares**”)
1001 – 404 Granville Street
Vancouver, British Columbia V6C 1T2

Item 2 **Date of Material Change**

The material change occurred on September 13, 2024.

Item 3 **News Release**

The Company issued a press release relating to the material change described herein on September 13, 2024 through The NewsWire.

Item 4 **Summary of Material Change**

The Company announced that it has closed a non-brokered private placement of units pursuant to the listed issuer financing exemption. The Company issued 9,017,772 units at a price of \$0.18 per unit. Each unit consists of one (1) common share in the capital of the Company and one non-transferable common share purchase warrant. Each warrant is exercisable into one (1) common share at a price of \$0.26 per warrant share for a period of two (2) years following the closing date.

Item 5 **Full Description of Material Change**

The Company announced that it has closed a non-brokered private placement of units (each a “**Unit**”) by issuing 9,017,772 Units at a price of \$0.18 per Unit, for aggregate gross proceeds of \$1,623,198.96.

On August 22, 2024, the Company announced a non-brokered private placement offering of Units (the “**LIFE Offering**”) at a price of \$0.18 per Unit pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 – *Prospectus Exemptions* (the “**Life Exemption**”).

Each Unit consists of one (1) Common Share in the capital of the Company (each, a “**Common Share**”) and one non-transferable Common Share purchase warrant (each, a “**Warrant**”). Each Warrant is exercisable into one (1) Common Share (each, a “**Warrant Share**”) at a price of \$0.26 per Warrant Share for a period of two (2) years following the closing date of the LIFE Offering, provided that, if the 10-day volume weighted average trading price of the Common Shares as quoted on the Canadian Securities Exchange (the “**CSE**”) (or such other securities exchange on which the Common Shares may be traded at such time) is equal to or greater than \$0.40 at the close of any trading day, then the Company may, at its discretion, accelerate the expiry date of the Warrants by issuing a news release (a “**Warrant Acceleration News Release**”) announcing that the expiry date of the Warrants shall be deemed to be on the 30th day following the date of the Warrant Acceleration News Release (the “**Accelerated Expiry Date**”) (the “**Acceleration Clause**”). All Warrants that remain unexercised following the Accelerated Expiry Date shall immediately expire and all rights of holders of such Warrants shall be terminated without any compensation to such holder. Units offered under the Life Exemption will not be subject to resale restrictions for Canadian resident investors pursuant to applicable

Canadian securities laws.

Additional closings under the LIFE Offering may occur on or before October 6, 2024.

The Company intends to use the proceeds of the LIFE Offering to finance ongoing work related to the installation of a ramp to intersect fluorspar mineralization at depth, which will provide feed for the fluorspar manufacturing facility currently under construction, to finance the construction of the fluorspar processing facility in Delta, Utah, and for general corporate and administrative expenses.

Concurrently with closing, the Company entered into certain hedging arrangements with Sorbie Bornholm LP (“**Sorbie**”) governed by an ISDA Master Agreement dated August 23, 2024 and a sharing agreement dated August 23, 2024 (the “**Sharing Agreement**”). Pursuant to the terms of the Sharing Agreement, the gross proceeds payable by Sorbie for Units pursuant to the private placement (being \$1.5 million) (the “**Posted Support**”) were used to acquire UK government bonds as credit support to secure the Company’s maximum potential exposure under the Sharing Agreement, with Sorbie retaining control and direction of such proceeds (including both the economic benefit and the risk resulting from fluctuations in the bond pricing and foreign exchange) until they are released back to the Company in accordance with the terms of the Sharing Agreement.

The hedging transactions governed by the Sharing Agreement will be determined and payable in 24 monthly settlement tranches based on the volume weighted average price of the Common Shares for the 20 trading days prior to each monthly settlement date measured against a benchmark price of \$0.2610 (the “**Benchmark Price**”). On each such settlement date, Sorbie will release a portion of the Posted Support determined in reference to such volume weighted average (\$62,500 per month). If the measured Common Share price is equal to the Benchmark Price for each of the 24 monthly settlement tranches, the Company will receive cash payments totaling \$1.5 million. If the measured Common Share price exceeds the Benchmark Price, the Company will receive more than 100% of the settlement payable that month on a pro rata basis. Similarly, if the measured Common Share price is below the Benchmark Price, the Company will receive less than 100% of the settlement payable that month on a pro rata basis, with the result that if the measured Common Share price is below the Benchmark Price for a period of time, the Company will receive less than \$1.5 million.

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

Not applicable.

Item 7 **Omitted Information**

No information has been omitted.

Item 8 **Executive Officer**

For further information, please contact James Walker, President and Chief Executive Officer of the Company at (604) 345-1576.

Item 9 **Date of Report**

This report is dated September 19, 2024.