



ARRAS MINERALS CLOSES C\$7.2 MILLION FINANCING

December 20, 2022

TSX-V: ARK

Vancouver, British Columbia – Arras Minerals Corp. (TSX-V: ARK) (“Arras” or “the Company”) is pleased to announce that it has closed the previously announced non-brokered private placement that was upsized on November 21, 2022 due to strong investor demand.

The Company sold an aggregate 15,938,250 common shares at C\$0.45 per share (the “**Placement**”) for gross proceeds of C\$7.17 million.

In connection with the Private Placement, the Company paid finders’ fees in cash on a portion of the Private Placement in the amount of C\$84,432.

The common shares were offered by way of prospectus exemptions in Canada and the common shares sold in the Placement will be subject to a hold period of four months plus one day.

A portion of the Private Placement is considered a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The “related party” portion of the Private Placement is exempt from the minority approval requirement of Section 5.6 and the formal valuation requirement of Section 5.4 of MI 61-101 as the board has determined that neither the fair market value of the “related party” portion of the Private Placement nor the fair market value of the consideration for the “related party” portion of the Private Placement exceeds 25% of the Company’s market capitalization.

The proceeds of the Placement will be used to advance exploration activities at the Company’s projects in Northeastern Kazakhstan and for general corporate purposes.

About the Beskauga Deposit: The Beskauga deposit is a gold-copper-silver deposit with an “Indicated” Mineral Resource of 111.2 million tonnes grading 0.49 g/t gold, 0.30% copper, and 1.3 g/t silver for 1.75 million ounces of contained gold, 333.6 thousand tonnes of contained copper, and 4.79 million ounces of contained silver and an “Inferred” Mineral Resource of 92.6 million tonnes grading 0.50 g/t gold, 0.24% copper and 1.1 g/t silver for 1.49 million ounces of contained gold, 222.2 thousand tonnes of contained copper, and 3.39 million ounces of contained silver. The constraining open pit was optimized and calculated using a Gross Metal Value (“GMV”) cut-off of \$20/tonne based on a price of \$1,750/oz for gold, \$3.50/lb for copper, \$22/oz for silver, and with an average recovery of 85% for copper and 74.5% for gold and 50.0% for silver.

Based on exploration undertaken to date, the Beskauga deposit is interpreted by Arras to represent a gold-rich porphyry copper-gold deposit that has been overprinted by high-sulfidation epithermal mineralization, either through telescoping or due to clustering of multiple porphyry centers within the Beskauga license that have superimposed alteration and mineralization upon earlier phases. Beskauga is

located within the highly under-explored Bozshakol-Chingiz Volcanic Arc, which hosts KAZ Minerals' Bozshakol porphyry Cu-Au mine only 130 km west of Beskauga. Bozshakol is one of the largest copper resources in Kazakhstan with 1.123 billion tonnes at 0.35% Cu, 0.14 g/t Au and 1.0 g/t Ag in Measured and Indicated Resources. The mine has 30 Mtpa ore processing capacity and a remaining mine life of >40 years.

Arras has an Option to Purchase Agreement ("Option Agreement") in place on the Beskauga Project with CopperBelt AG ("Copperbelt"), a private mineral exploration company registered in Zug, Switzerland. The Option to Purchase agreement was executed on January 26, 2021.

Qualified Person: The scientific and technical disclosure for the Beskauga Project included in this news release has been prepared under supervision of and approved by Joshua Hughes MEng (Hons), Vice President Exploration, and a full-time employee of Arras Minerals Corp., who is also a Member and Chartered Professional Geologist (MAusIMM CP(Geo)) of the Australasian Institute of Mining and Metallurgy, a Fellow of the Society of Economic Geologists (FSEG) and a Fellow of the Geological Society of London (FGS). Mr. Hughes has sufficient experience, relevant to the styles of mineralization and type of deposits under consideration and to the activity that he is undertaking, to qualify as a Qualified Person ("QP") for the purposes of National Instrument 43-101 Standards of Disclosure of Mineral Projects ("NI 43-101").

On behalf of the Board of Directors

"Tim Barry"

Tim Barry

CEO and Director

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Further information can be found on the Company's website <https://www.arrasminerals.com> or follow us on LinkedIn: <https://www.linkedin.com/company/arrasminerals> or on twitter: <https://twitter.com/arrasminerals>

About Arras Minerals Corp.

Arras is a Canadian exploration and development company advancing a portfolio of copper and gold assets in northeastern Kazakhstan, including the Option Agreement on the Beskauga copper and gold project. The company's shares are listed on the TSX-V under the trading symbol "ARK".

Cautionary Note to U.S. Investors concerning estimates of Measured, Indicated, and Inferred Resources: This press release uses the terms "measured resources", "indicated resources", and "inferred resources" which are defined in, and required to be disclosed by, NI 43-101. The Company advises U.S. investors that these terms are not recognized by the SEC. The estimation of measured, indicated and inferred resources involves greater uncertainty as to their existence and economic feasibility than the estimation of

proven and probable reserves. U.S. investors are cautioned not to assume that measured and indicated mineral resources will be converted into reserves. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. U.S. investors are cautioned not to assume that estimates of inferred mineral resources exist, are economically minable, or will be upgraded into measured or indicated mineral resources. Under Canadian securities laws, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies.

Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations, however the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures. Accordingly, the information contained in this press release may not be comparable to similar information made public by U.S. companies that are not subject NI 43-101.

Cautionary note regarding forward-looking statements: *This news release contains forward-looking statements regarding future events and Arras’ future results that are subject to the safe harbors created under the U.S. Private Securities Litigation Reform Act of 1995, the Securities Act of 1933, as amended, and the Exchange Act, and applicable Canadian securities laws. Forward-looking statements include, among others, statements regarding the use of net proceeds from the recent private placement, plans and expectations of the drill program Arras is in the process of undertaking, including the expansion of the Mineral Resource, and other aspects of the Mineral Resource estimates for the Beskauga project. These statements are based on current expectations, estimates, forecasts, and projections about Arras’ exploration projects, the industry in which Arras operates and the beliefs and assumptions of Arras’ management. Words such as “expects,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “continues,” “may,” variations of such words, and similar expressions and references to future periods, are intended to identify such forward-looking statements. Forward-looking statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond management’s control, including undertaking further exploration activities, the results of such exploration activities and that such results support continued exploration activities, unexpected variations in ore grade, types and metallurgy, volatility and level of commodity prices, the availability of sufficient future financing, and other matters discussed under the caption “Risk Factors” in the Non-Offering Prospectus filed on the Company’s profile on SEDAR on May 31, 2022 and in the Company’s Annual Report on Form 20-F for the fiscal year ended October 31, 2021 filed with the U.S. Securities and Exchange Commission filed on February 17, 2022 available on www.sec.gov. Readers are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those expressed or implied in the forward-looking statements. Any forward-looking statement made by the Company in this release is based only on information currently available and speaks only as of the date on which it is made. The Company undertakes no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments, or otherwise.*