

Form 51-102F3
Material Change Report

PURSUANT TO SECTION 7.1 OF NATIONAL INSTRUMENT 51-102

Name and Address of Issuer

Arras Minerals Corp. (the "**Issuer**")
777 Dunsmuir Street, Suite 1605
Vancouver, BC V7Y 1K4

Date of Material Change

April 10, 2025

News Release

News Release dated April 10, 2025, was disseminated through Global Newswire.

Summary of Material Change

The Issuer has closed a private placement on April 10, 2025. A total of 18,941,177 common shares ("**Shares**") were issued at a price of \$0.85 per Share (the "**Issue Price**"), for aggregate gross proceeds of approximately C\$16.1 million (the "**Offering**").

Full Description of Material Change

The Issuer has closed its previously announced brokered and non-brokered private placements (please refer to the Issuer's March 20, 2025 news release). A total of 18,941,177 Shares were issued at the Issue Price for gross proceeds of \$16,100,000.45.

The brokered portion of the Offering (the "**Brokered Offering**"), pursuant to which the Issuer issued 15,119,708 Shares, was completed through a syndicate of agents (the "**Agents**") led by Haywood Securities Inc., and including Ventum Financial Corp., Canaccord Genuity Corp. and SCP Resource Finance LP. The Issuer experienced significant interest in the Offering and subsequently upsized the non-brokered portion of the Offering (the "**Non-Brokered Offering**"). Pursuant to the Non-Brokered Offering, the Issuer issued 3,821,469 Shares at the Issue Price. A major participant in the Non-Brokered Offering was Teck Resources Ltd., which increased its ownership interest in the Issuer to 9.9%.

The Shares issued under the Brokered Offering were offered to purchasers pursuant to: (i) the accredited investor exemption (the "**Accredited Investor Exemption**") under National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**"), and (ii) the listed issuer financing exemption ("**LIFE Exemption**") under Part 5A of NI 45-106, in all the provinces of Canada, except Québec. The Shares issued under the LIFE Exemption are not subject to a statutory hold period pursuant to applicable Canadian securities laws. All other Shares issued pursuant to the Offering are subject to a statutory hold period expiring on August 11, 2025. Purchasers under the Brokered Offering received a 1:1 ratio of Shares issued pursuant to the Accredited Investor Exemption and Shares issued pursuant to the LIFE Exemption. In connection with the

Brokered Offering, the Agents received a cash commission of 6.0% of the gross proceeds raised from the Brokered Offering.

The Issuer intends to use the net proceeds raised from the Offering to fund exploration and advancement of the Issuer's projects in Kazakhstan, and for general corporate purposes as further described in the Issuer's offering document under the LIFE Exemption dated March 20, 2025.

Certain related parties of the Issuer participated in the Offering ("**Interested Parties**"). The issuance of Shares to related parties is considered to be a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 ("**MI 61-101**").

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101:

(a) a description of the transaction and its material terms:

Pursuant to the Offering, an aggregate of 393,530 Shares were issued to Interested Parties.

(b) the purpose and business reasons for the transaction:

The Issuer intends to use the net proceeds raised from the Offering to fund exploration and advancement of the Issuer's projects in Kazakhstan, and for general corporate purposes as further described in the Issuer's offering document under the LIFE Exemption dated March 20, 2025.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

The Offering is expected to improve the financial position of the Issuer and the Issuer intends to use the net proceeds raised therefrom as set out above.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

The following table sets out the Shares which were issued to the Interested Parties:

Interested Party	Shares Issued
Brian Edgar	50,000
G. Wesley Carson	120,000
Westcott Management Ltd. (Darren Klinck)	50,000
Tim Barry	50,000
Sprott Critical Materials Fund LP	123,530
TOTAL:	393,530

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

Prior to the completion of the Offering, Brian Edgar beneficially owned and controlled, directly or indirectly, an aggregate of 1,519,704 Shares, 800,000 options to acquire common shares ("**Options**") and 106,500 common share purchase warrants ("**Warrants**"), representing approximately 1.51% of the issued and outstanding Shares on an undiluted basis and 2.38% on a partially diluted basis. Upon completion of the Offering, Brian Edgar beneficially owns and controls, directly or indirectly, an aggregate of 1,569,704 Shares, 800,000 Options and 106,500 Warrants,

representing approximately 1.31% of the issued and outstanding Shares on an undiluted basis and 2.05% on a partially diluted basis.

Prior to the completion of the Offering, G. Wesley Carson beneficially owned and controlled, directly or indirectly, an aggregate of 40,000 Shares and 300,000 Options, representing approximately 0.04% of the issued and outstanding Shares on an undiluted basis and 0.34% on a partially diluted basis. Upon completion of the Offering, G. Wesley Carson beneficially owns and controls, directly or indirectly, an aggregate of 160,000 Shares and 300,000 Options, representing approximately 0.13% of the issued and outstanding Shares on an undiluted basis and 0.38% on a partially diluted basis.

Prior to the completion of the Offering, Darren Klinck, beneficially owned and controlled, directly or indirectly, an aggregate of 1,395,295 Shares, 800,000 Options and 91,525 rights restricted share units of the Issuer (“**RSUs**”), representing approximately 1.38% of the issued and outstanding Shares on an undiluted basis and 2.25% on a partially diluted basis. Upon completion of the Offering, Darren Klinck beneficially owns and controls, directly or indirectly, an aggregate of 1,445,295 Shares, 800,000 Options and 91,525 RSUs, representing approximately 1.21% of the issued and outstanding Shares on an undiluted basis and 1.94% on a partially diluted basis.

Prior to the completion of the Offering, Tim Barry beneficially owned and controlled, directly or indirectly, an aggregate of 1,320,944 Shares, 1,000,000 Options and 91,525 RSUs, representing approximately 1.31% of the issued and outstanding Shares on an undiluted basis and 2.37% on a partially diluted basis. Upon completion of the Offering, Tim Barry beneficially owns and controls, directly or indirectly, an aggregate of 1,370,944 Shares, 1,000,000 Options and 91,525 RSUs, representing approximately 1.14% of the issued and outstanding Shares on an undiluted basis and 2.04% on a partially diluted basis.

Prior to the completion of the Offering, Sprott Critical Materials Fund LP beneficially owned and controlled, directly or indirectly, an aggregate of 11,799,833 Shares, representing approximately 11.70% of the issued and outstanding Shares on an undiluted basis. Upon completion of the Offering, Sprott Critical Materials Fund LP beneficially owns and controls, directly or indirectly, an aggregate of 11,923,363 Shares, representing approximately 9.95% of the issued and outstanding Shares on an undiluted basis.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

The Offering was approved by the members of the board of directors of the Issuer. No special committee was established in connection with the Offering, and no materially contrary view or abstention was expressed or made by any director of the Issuer in relation thereto.

- (f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**
- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than subscription agreements entered into between the Issuer and each Interested Party, the Issuer did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Issuer's knowledge, no related party to the Issuer entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Issuer has relied on the exemptions from the valuation and minority shareholder approval requirement of MI 61-101 (and Policy 5.9) as the fair market value of the Shares issued to such persons does not exceed 25% of the Issuer's market capitalization.

Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Omitted Information

Not applicable.

Executive Officer

Darren Klinck, President
Telephone: 604-687-5800

Date of Report

April 14, 2025