

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1            Name and Address of Company**

South Pacific Metals Corp. (the “**Company**”)  
710 - 1030 West Georgia Street  
Vancouver, BC V6E 2Y3

**Item 2            Date of Material Change**

February 3, 2025

**Item 3            News Release**

The Company disseminated a news release announcing the material change described herein through the news dissemination services of Newsfile Corp. on February 4, 2025, and a copy was subsequently filed on SEDAR+.

**Item 4            Summary of Material Change**

The Company announced it has closed its non-brokered private placement offering issuing 13,125,000 units of the Company (the “**Units**”) at a price of C\$0.48 per Unit for total gross proceeds of C\$6,300,000 (the “**Offering**”). An aggregate of C\$24,906.87 in finder’s fees was applicable to the Offering.

Each Unit consisted of one (1) common share of the Company (“**Share**”) and one-half (1/2) of one (1) Share purchase warrant, whereby each whole Share purchase warrant (“**Warrant**”) is exercisable at C\$0.90 into an additional Share until February 3, 2027, being the date that is 24 months from the date of issuance. All securities issued in connection with the Offering are subject to hold period expiring June 4, 2025.

In addition, the Company announced the appointment of Jonathan Rubenstein, LLB, to its board of directors and the grant of an aggregate of 400,000 stock options to certain directors, officers, employees, and/or consultants of the Company.

**Item 5            Full Description of Material Change**

**5.1                Full Description of Material Change**

The Company announced it has closed the Offering with the issuing of 13,125,000 Units of the Company at a price of C\$0.48 per Unit for total gross proceeds of C\$6,300,000. In addition, the Company announced the appointment of Jonathan Rubenstein, LLB, to the board of directors of the Company (the “**Board**”).

With a distinguished career spanning both law and the mining industry, Mr. Rubenstein brings an exceptional breadth of expertise in governance, strategy, and commercial transactions to the Company. A lawyer in private practice for 18 years, Mr. Rubenstein transitioned to the mining sector where he has served as a director and senior officer, as well as a member of key board committees, for numerous junior and senior mining companies. His career highlights include strategic leadership in acquisitions, financing, exploration, permitting, and development for several world-class mining projects.

Mr. Rubenstein has been a principal negotiator in high-stakes mergers and acquisitions, including the sales of Sutton Resources, Canico Resource Corp., Cumberland Resources, Aurelian Resources, and Dalradian

Resources to major mining companies and private equity funds. His governance roles have included long-standing directorships at Eldorado Gold, Detour Gold, and MAG Silver, where he also served as Chairman.

Concurrent with Mr. Rubenstein's appointment as Director, Dain Currie has stepped down from the Board and has been appointed a strategic advisor to the Company.

The Company also announced it has retained Agentis Capital Mining Partners ("**Agentis**") under a financial and capital markets advisory agreement. Agentis is a leading independent advisory and research firm with specialty expertise in exploration and mining.

## **Offering Details**

The Company has issued 13,125,000 Units at a price of C\$0.48 per Unit for total gross proceeds of C\$6,300,000. Each Unit consisted of one (1) common share of the Company ("**Share**") and one-half (1/2) of one (1) Share purchase warrant, whereby each whole Share purchase warrant ("**Warrant**") is exercisable at C\$0.90 into an additional Share until February 3, 2027, being the date that is 24 months from the date of issuance. The Warrants contain an expiry acceleration provision such that if the volume weighted average trading price of the Shares on the TSX Venture Exchange ("**TSX-V**") is equal to or greater than C\$1.20 for a period of 10 consecutive days, the Company has the right to accelerate the expiry date of the Warrants by providing notice that the Warrants will expire on the date that is not less than 10 days from the date such notice is provided by the Company to the Warrant holders.

In connection with the Offering, the Company paid aggregate finder's fees in the amount of \$24,906.87 to eligible finders. The net proceeds of the Offering will be used to carry out exploration work on the Company's properties in Papua New Guinea and for general administrative and working capital purposes. All securities issued in connection with the Offering are subject to hold period expiring June 4, 2025, being the date that is four months and one day from the date of issuance in accordance with applicable securities legislation. The Offering remained subject to the final acceptance of the TSX-V.

Certain insiders of the Company participated in the Offering purchasing an aggregate of 520,900 Units - (i) Michael Murphy, Chief Executive Officer and Executive Chairman of the Company, purchased 104,167 Units; (ii) Alex Davidson, Director of the Company, purchased 208,400 Units; and (iii) and newly appointed Director of the Company, Jonathan Rubenstein, purchased 208,333 Units through a corporation he holds. The participation by insiders in the Offering constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of the securities purchased by insiders, nor the consideration for the securities paid by such insiders, exceeded 25% of the Company's market capitalization. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering in an expeditious manner. The Offering was unanimously approved by the Board.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities laws or pursuant to available exemptions therefrom. This release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States.

## Share Purchase Options

The Company also reported it has granted stock options to certain directors, officers, employees and/or consultants of the Company to acquire an aggregate of 400,000 common shares in the capital of the Company, pursuant to the Plan (as herein defined) as incentives and in recognition of their respective contributions to the development of the Company.

The stock options are each convertible into a common share at an exercise price of \$0.49 until February 3, 2030. With respect to vesting provisions, a total of 150,000 stock options as granted to a director of the Company vest 50% on February 3, 2024 (the “**Grant Date**”) and 50% vest on the one-year anniversary of the Grant Date. The balance of the stock options vest 25% on the date that is three months from the Grant Date, a further 25% on the date that is six months from the Grant Date, and the final 50% on the one-year anniversary of the Grant Date.

## Security-Based Compensation Plan

Further to the meeting of the shareholders of the Company (the “**Shareholders**”) held November 27, 2024 (the “**Meeting**”), the Company confirmed that, subject to the final acceptance of the TSX-V, it will implement the new omnibus incentive plan as previously adopted by the Board, and as presented to and approved by Shareholders at the Meeting (the “**Plan**”). The Plan is a 10% rolling plan, whereby the maximum aggregate number of common shares of the Company (“**Shares**”) issuable pursuant to all security-based compensation must not exceed 10% of the issued and outstanding Shares at any point in time.

Upon receipt of final acceptance of the Plan by the TSX-V, stock options granted by the Company under its prior stock option plan will automatically convert to the terms and conditions of the Plan and all future grants of equity-based awards will be made pursuant to, or as otherwise permitted by, the Plan. Including today’s grant of stock options, there are presently 3,198,500 Shares, representing 6.2% of the Shares issued and outstanding, reserved for issuance in connection with issued and outstanding stock options, as follows:

Stock Options (#)	Exercise Price (\$)	Expiry Date
153,500	2.10	December 23, 2025
10,000	1.90	January 31, 2026
10,000	1.90	January 31, 2027
1,550,000	0.42	April 15, 2029
600,000	0.51	June 4, 2029
150,000	0.60	September 5, 2029
75,000	0.58	November 5, 2029
250,000	0.51	December 10, 2029
400,000	0.49	February 3, 2025
<b>3,198,500</b>	<b>TOTAL</b>	

In addition to stock options, the Plan provides flexibility to the Company to grant equity-based incentive awards in the form of deferred share units, performance share units and restricted share units.

## 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**

For further information, please contact Michael Murphy, Chief Executive Officer of the Company, at 604-428-6128 or via email to [info@southpacificmetals.ca](mailto:info@southpacificmetals.ca).

**Item 9            Date of Report**

February 8, 2025