

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

Item 1 Name and Address of Company

Hemlo Explorers Inc. (“**Hemlo**” or the “**Company**”)
141 Adelaide Street West
Suite 301
Toronto, Ontario
M5H 3L5

Item 2 Date of Material Changes

November 25, 2021 and December 2, 2021

Item 3 News Release

News release were issued by the Company on November 25, 2021 and December 2, 2021 through the facilities of Globe Newswire and subsequently filed on SEDAR.

Item 4 Summary of Material Changes

On December 2, 2021, the Company completed its previously announced non-brokered private placement (the “**Offering**”).

The Offering consisted of an aggregate of 6,214,776 units (“**Units**”), each comprised of one non flow-through common share and half of one common share purchase warrant (each whole common share purchase warrant, a “**Warrant**”) and 1,649,300 “flow-through” units (“**FT Units**”), each comprised of one flow-through common share and half of one Warrant, for aggregate gross proceeds of \$1,827,143. The common share component of each FT Unit was issued as a “flow-through share” (as defined in subsection 66(15) of the Income Tax Act (Canada)). Each Warrant is exercisable to acquire one common share of the Company (a “**Warrant Share**”) at an exercise price of \$0.40 per Warrant Share until May 25, 2023, but subject to accelerated expiry terms following the four month and a day hold period.

Item 5 Full Description of Material Changes

On December 2, 2021, the Company completed the Offering. The Offering closed in two tranches, the first occurring on November 25, 2021 and the second occurring on December 2, 2021.

In the final tranche, the Company issued 1,289,444 Units and 120,000 FT Units for aggregate gross proceeds of approximately \$321,325. In total, the two tranches of the Offering consisted of an aggregate of 6,214,776 Units and 1,649,300 FT Units for aggregate gross proceeds of \$1,827,143. The common share component of each FT Unit was issued as a “flow-through share” (as defined in subsection 66(15) of the Income Tax Act (Canada)). Each Warrant is exercisable to acquire one Warrant Share at an exercise price of \$0.40 per Warrant Share until May 25, 2023, but subject to accelerated expiry terms following the four month and a day hold period whereby in the event that the Company’s common shares trade at or above \$0.80 per share for 20 consecutive days in which case the Company will

have the right to accelerate the exercise period to a date ending at least 30 days from the date that notice of such acceleration is provided to the holders of the Warrants.

The proceeds of the FT Unit portion of the Offering will be used for the exploration of the Company's Hemlo area properties, and the proceeds of the Unit portion of the Offering will be used for general corporate purposes and exploration of the Company's properties.

Certain directors and officers of the Company participated in the Offering, purchasing in the aggregate 75,000 FT Units for aggregate proceeds of \$19,500.

In connection with the closing of the Offering, the Company paid certain cash finders fees and issued an aggregate of 233,226 finder's warrants (each, a "**Finder's Warrant**") to eligible finders in respect of subscriptions for Units and FT Units referred by such finders. Each Finder's Warrant is exercisable to acquire one common share of the Company (a "**Finder's Warrant Share**") at an exercise price of \$0.225 per Finder's Warrant Share until May 25, 2023.

All securities issued in connection with the first tranche of the Offering (being the Units, the FT Units, the Finder's Warrants, and the securities comprising each of the foregoing) are subject to a statutory hold period expiring March 26, 2022. All securities issued in connection with the final tranche of the Offering are subject to a statutory hold period expiring April 3, 2022.

This material change report does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities 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 or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Brian Howlett, the President, Chief Executive Officer and a director of the Company participated in the Offering, and Northfield Capital Corporation, together with its joint actor, Mr. Robert Cudney, an insider of the Company ("**Northfield**", and together with Mr. Howlett, the "**Insiders**") participated in the Offering. The participation by each of the Insiders is considered a "related party transaction" for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). However, their participation is not subject to the minority approval and formal valuation requirements under MI 61-101 since there is an applicable exemption from these requirements as neither the fair market value of the subject matter, nor the fair market value of the consideration for the transaction, insofar as it involves the interested parties, exceeded 25% of Hemlo's market capitalization. Mr. Howlett, a director of the Company, disclosed his interest in the Offering to the board of directors of the Company.

Upon completion of the Offering,

- Mr. Howlett owns and controls an aggregate of 285,500 common shares of the Company and convertible securities entitling him to acquire an additional 298,250 common shares of the Company representing approximately 0.82% of the issued and outstanding common shares of the Company as of December 2, 2021 (or approximately 1.65% calculated on a partially diluted basis, assuming the exercise of the 298,250 convertible securities only); and

- Northfield, together with its joint actor, Mr. Robert Cudney, own and control an aggregate of 8,192,120 common shares of the Company (of which 8,086,821 common shares are owned by Northfield directly and 105,299 common shares are owned by its joint actor) and convertible securities entitling Northfield and its joint actor to acquire an additional 1,593,953 common shares of the Company (of which 1,418,953 convertible securities are owned by Northfield directly and 175,000 convertible securities are owned by its joint actor) representing approximately 23.41% of the issued and outstanding common shares of the Company as of December 2, 2021 (or approximately 26.75% calculated on a partially diluted basis, assuming the exercise of the 1,593,953 convertible securities only).

The Company has filed this material change following the completion of the Offering which is less than the mandated 21 days in advance of the expected closing of the Offering pursuant to MI 61-101. The Company deems this timing reasonable in the circumstances so that it was able to avail itself of the financing opportunities and complete the Offering in an expeditious manner.

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

Brian Howlett
President & Chief Executive Officer
(647) 227-3035

Item 9 Date of Report

December 2, 2021