



Source: Hemlo Explorers Inc.

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Hemlo Explorers Announces Closing of First Tranche of Non-Brokered Private Placement

TORONTO, July 04, 2023 (GLOBE NEWSWIRE) -- Hemlo Explorers Inc. (the "**Company**") (TSXV: HML0) is pleased to announce that it has closed the first tranche of the non-brokered private placement (the "**Offering**") announced on April 20, 2023. Under the first tranche of the Offering, the Company issued 7,293,333 units ("**Units**"), each comprised of one non flow-through common share and one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**") and 2,291,110 "flow-through" units ("**FT Units**"), each comprised of one flow-through common share and one Warrant, for aggregate gross proceeds of approximately \$753,000. 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 \$0.15 per Warrant Share until December 30, 2024, but subject to accelerated expiry terms following the four month and a day hold period (as further described below) if the Company's common shares trade at or above \$0.50 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 first tranche of the Offering will be used for the exploration of the Company's Hemlo area projects, and the proceeds of the Unit portion of the first tranche of the Offering will be used for general corporate purposes and exploration of the Company's properties.

In connection with the closing of the first tranche of the Offering, the Company paid certain cash finders fees and issued 270,800 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 \$0.075 per Finder's Warrant Share until December 30, 2024.

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 October 31, 2023. Certain directors and officers of the Company participated in the Offering, purchasing in the aggregate 310,000 Units for aggregate proceeds of \$24,900.

The Offering remains subject to final approval of the TSX Venture Exchange. In addition, the TSX Venture Exchange has granted Hemlo an extension until August 4, 2023 with respect to closing any additional tranches of the Offering.

This news release 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.

Early Warning

In connection with the closing of the first tranche of the Offering, Northfield Capital Corporation (“Northfield”) acquired ownership and control of 2,666,667 common shares of the Company and 2,666,667 Warrants to acquire 2,666,667 additional common shares of the Company.

Prior to the completion of the first tranche of the Offering, Northfield owned and controlled an aggregate of 10,592,120 common shares of the Company (of which 10,086,821 common shares are owned by Northfield directly and 505,299 common shares are owned by Mr. Robert Cudney (a “control person” (as such term is defined in the *Securities Act* (Ontario) of Northfield)), and another entity owned by Mr. Robert Cudney) and convertible securities entitling Northfield and Mr. Robert Cudney to acquire an additional 1,350,000 common shares of the Company (of which 1,100,000 convertible securities are owned by Northfield directly and 250,000 convertible securities are owned by Mr. Robert Cudney) representing approximately 28.76% of the issued and outstanding common shares of the Company as of June 29 2023 (or approximately 31.28% calculated on a partially diluted basis, assuming the exercise of the 1,350,000 convertible securities only).

Upon completion of the first tranche of the Offering, Northfield, together with Mr. Robert Cudney, own and control an aggregate of 13,258,787 common shares of the Company (of which 12,753,488 common shares are owned by Northfield directly and 505,299 common shares are owned by Mr. Robert Cudney, and another entity owned by Mr. Robert Cudney) and convertible securities entitling Northfield and Mr. Robert Cudney to acquire an additional 4,016,667 common shares of the Company (of which 3,766,667 convertible securities are owned by Northfield directly and 250,000 convertible securities are owned by Mr. Robert Cudney) representing approximately 28.57% of the issued and outstanding common shares of the Company as of June 30, 2023 (or approximately 34.26% calculated on a partially diluted basis, assuming the exercise of the 4,016,667 convertible securities only).

The common shares of the Company and Warrants were acquired in a private placement transaction which did not take place through the facilities of any market for the Company’s securities. This transaction was effected for investment purposes and Northfield could increase or decrease its investments in the Company at any time, or continue to maintain its current investment position, depending on market conditions or any other relevant factor. The common shares of the Company and Warrants were acquired for aggregate consideration of \$200,000.03, pursuant to the exemption contained in Section 2.3 of National Instrument 45-106 on the basis that Northfield is an “accredited investor” as defined herein.

This portion of this new release is issued pursuant to National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, which also requires an early warning report to be filed on SEDAR (www.sedar.com) containing additional information with respect to the foregoing matters. A copy of the related early warning report may be obtained on the Company’s SEDAR profile or by contacting Northfield at 141 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 3L5, Attention: Michael Leskovec tel: 647 794-4360.

About Hemlo Explorers Inc.

Hemlo Explorers is a Canadian-based mineral exploration company with a portfolio of properties in Ontario and Nunavut. We are focused on generating shareholder value through the advancement of our Hemlo area projects, including Project Idaho, the Pic Project (under the option to Barrick Gold Inc.) and the North Limb Project.

For more information please contact:

Brian Howlett, President & CEO
Hemlo Explorers Inc.
brian@hemloexplorers.ca
(647) 227-3035

<http://www.hemloexplorers.ca>

Forward-Looking Statements

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties, including, but not limited to, the Offering, the use of proceeds, and the Company’s plans with respect to the exploration and development of its properties. These forward-looking statements are subject to numerous risks and

uncertainties, certain of which are beyond the control of Hemlo Explorers Inc., including, but not limited to, the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with the uncertainty of exploration results and estimates, currency fluctuations, dependency upon regulatory approvals, the uncertainty of obtaining additional financing and exploration risk. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.