



Hemlo Explorers

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

TORONTO, July 21, 2023 – Hemlo Explorers Inc. (the “**Company**”) (TSXV: HML0) is pleased to announce that it has closed the second and final tranche of its previously announced non-brokered private placement (the “**Offering**”). In the final tranche, the Company issued 300,000 units (“**Units**”), each comprised of one non flow-through common share and one common share purchase warrant (each, a “**Warrant**”) and 4,011,110 “flow-through” units (“**FT Units**”), each comprised of one flow-through common share and one Warrant, for aggregate gross proceeds of approximately \$383,500. In total, the two tranches of the Offering consisted of an aggregate of 7,593,333 Units at a price of \$0.075 per Unit and 6,302,220 FT Units at a price of \$0.09 per FT Unit for aggregate gross proceeds of \$1,136,700. 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 Offering will be used for the exploration of the Company’s Hemlo area projects, and the proceeds of the Unit portion of the Offering will be used for general corporate purposes and exploration of the Company’s properties.

In connection with the closing of the second tranche of the Offering, the Company paid certain cash finders fees (\$26,118 in aggregate over both tranches of the Offering) and issued 54,000 finder’s warrants (324,800 in aggregate over both tranches of the Offering) (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 final 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 November 22, 2023.

The Offering remains subject to final approval of the TSXV Venture Exchange.

Brian Howlett, the President, Chief Executive Officer and a director of the Company, Michael Leskovec, a director of the Company, and Northfield Capital Corporation, together with its joint actor, Mr. Robert Cudney, an insider of the Company ("**Northfield**", and together with Mr. Howlett and Mr. Leskovec, 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 the Company's market capitalization. Messrs. Howlett and Leskovec, directors of the Company, disclosed their 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 760,000 common shares of the Company and convertible securities entitling him to acquire an additional 582,500 common shares of the Company representing approximately 1.50% of the issued and outstanding common shares of the Company as of July 21, 2023 (or approximately 2.62% calculated on a partially diluted basis, assuming the exercise of the 582,500 convertible securities only);
- Mr. Leskovec owns and controls an aggregate of 256,250 common shares of the Company and convertible securities entitling him to acquire an additional 330,000 common shares of the Company representing approximately 0.51% of the issued and outstanding common shares of the Company as of July 21, 2023 (or approximately 1.15% calculated on a partially diluted basis, assuming the exercise of the 330,000 convertible securities only); and
- Northfield, together with its joint actor, 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 its joint actor) and convertible securities entitling Northfield and its joint actor 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 its joint actor) representing approximately 26.14% of the issued and outstanding common shares of the Company as of July 21, 2023 (or approximately 31.56% calculated on a partially diluted basis, assuming the exercise of the 4,016,667 convertible securities only).

The Company has filed a material change report 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.

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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

About Hemlo Explorers Inc.

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

For more information please contact:

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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.