

**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**

June 30, 2023 and July 21, 2023.

**Item 3 News Release**

News releases were issued by the Company on July 4, 2023 and July 21, 2023 through the facilities of GlobeNewswire and subsequently filed on SEDAR.

**Item 4 Summary of Material Changes**

On July 21, 2023, the Company completed its previously announced non-brokered private placement (the “**Offering**”).

The Offering consisted of an aggregate of 7,593,333 (“**Units**”) at a price of \$0.075 per Unit, each comprised of one non flow-through common share and one common share purchase warrant (each common share purchase warrant, a “**Warrant**”) and 6,302,220 “flow-through” units (“**FT Units**”) at a price of \$0.09 per FT Unit, each comprised of one flow-through common share and one Warrant, 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.

**Item 5 Full Description of Material Changes**

On July 21, 2023, the Company completed the Offering. The Offering closed in two tranches, the first occurring on June 30, 2023 and the second occurring on July 21, 2023.

In the final tranche, the Company issued 300,000 Units and 4,011,110 FT Units 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 and 6,302,220 FT Units 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 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 whereby in the event that 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 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 200,000 Units and 110,000 FT Units for aggregate proceeds of \$24,900.

In connection with the closing of the Offering, the Company paid an aggregate of \$26,118 cash finders fees and issued an aggregate of 324,800 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. All securities issued in connection with the final tranche of the Offering are subject to a statutory hold period expiring November 21, 2023.

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, 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 Hemlo'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 this 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.

**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**

July 21, 2023.