

# NORTHFIELD CAPITAL CORPORATION

TSX-V Symbol: NFD.A

August 6, 2024

## NORTHFIELD CAPITAL ENTERS INTO SHARE PURCHASE AGREEMENT WITH HEMLO EXPLORERS FOR SALE OF ROCKY SHORE SHARES

Toronto, Ontario, August 6, 2024 – Northfield Capital Corporation (TSX-V: NFD.A) (the “**Company**”) is pleased to announce that it has entered into a binding share purchase agreement (“**Purchase Agreement**”) with Hemlo Explorers Inc. (“**Hemlo**”) dated as of the date hereof pursuant to which Hemlo has agreed to acquire all of the common shares (“**Rocky Shore Shares**”) of Rocky Shore Metals Ltd. (“**Rocky Shore**”) held by the Company. Hemlo has also entered into corresponding purchase agreements with each of the other Rocky Shore shareholders for the acquisition of all of the issued and outstanding Rocky Shore Shares. Pursuant to the terms of the purchase agreements, each Rocky Shore Share will be exchanged for 2.832 common shares (“**Hemlo Shares**”) in the capital of Hemlo.

Pursuant to the Purchase Agreement, the Company will acquire ownership and control of 15,151,200 Hemlo Shares. The Hemlo Shares will be acquired for aggregate consideration of 5,350,000 Rocky Shore Shares, having a deemed value of \$0.15 per Rocky Shore Share or \$802,500 in the aggregate, pursuant to the exemption contained in Section 2.16 of National Instrument 45-106 – *Prospectus Exemptions* (the “take-over bid and issuer bid” transaction exemption). The Purchase Agreement contains customary representations, warranties and agreements, conditions to closing and other obligations of the parties. Closing of the Transaction is anticipated to be completed as soon as reasonably possible following receipt of all necessary regulatory approvals and upon receipt of the approval of the transaction by shareholders of Hemlo.

The transaction is a related party transaction under the rules of the TSX Venture Exchange (“**TSXV**”) as the Company, which owns approximately 26.14% of the issued and outstanding Hemlo Shares, is also a greater than 20% shareholder of Rocky Shore. Further, Michael Leskovec is a member of the board of directors of Hemlo and the Chief Financial Officer of the Company and Ernie Eves is a member of the board of directors of Hemlo and a member of the board of directors of the Company.

The Company has determined that the Transaction constitutes a related party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as the Company beneficially owns, controls or has direction over, directly or indirectly, 13,258,787 Hemlo Shares (representing approximately 26.14% of all outstanding Hemlo Shares), and beneficially owns, controls or has direction over, directly or indirectly, 5,350,000 of the Rocky Shore Shares (representing approximately 30.3% of all outstanding Rocky Shore Shares).

MI 61-101 requires that an issuer obtain approval of a majority of the disinterested shareholders as well as a formal valuation for a transaction that constitutes a related party transaction, absent an exemption from such requirements. The Company expects that the transaction, as between Hemlo and the Company, will be exempt from the formal valuation and minority approval requirements as the Company is not listed on a specified market and the fair market value of the consideration for the Hemlo Shares proposed to be acquired by the Company does not exceed 25% of its market capitalization.

Prior to the closing of the transactions contemplated under the Purchase Agreement (the “**Closing**”), the Company owns and controls an aggregate of 13,258,787 Hemlo Shares (of which 12,753,488 Hemlo Shares are owned by the Company directly and 505,299 Hemlo Shares are owned by Mr. Robert Cudney (a “**control person**” (as such term is defined in the *Securities Act* (Ontario) of the Company)), and another entity owned by Mr. Robert Cudney) and convertible securities entitling the Company and Mr. Robert Cudney to acquire an additional 4,335,620 Hemlo Shares (of which 4,085,620 convertible securities are owned by the Company directly and 250,000 convertible securities are owned by Mr. Robert Cudney) representing approximately 26.14% of the issued and outstanding Hemlo Shares as of the date hereof (or approximately 31.95% calculated on a partially diluted basis, assuming the exercise of the 4,335,620 convertible securities only).

Following Closing (assuming no other changes to the capitalization of Hemlo), the Company, together with Mr. Robert Cudney, will own and control an aggregate of 28,409,987 Hemlo Shares (of which 27,904,688 Hemlo Shares will be owned by Northfield directly and 505,299 Hemlo Shares will be owned by Mr. Robert Cudney, and another entity owned by Mr. Robert Cudney) and convertible securities entitling the Company and Mr. Robert Cudney to acquire an additional 4,335,620 Hemlo Shares (of which 4,085,620 convertible securities are owned by the Company directly and 250,000 convertible securities are owned by Mr. Robert Cudney) representing approximately 28.21% of the issued and outstanding Hemlo Shares (or approximately 31.17% calculated on a partially diluted basis, assuming the exercise of the 4,335,620 convertible securities only).

The Hemlo Shares will be acquired pursuant to the Purchase Agreement and the transaction will not take place through the facilities of any market for Hemlo’s securities. The Company may increase or decrease its investments in Hemlo at any time, or continue to maintain its current investment position, depending on market conditions or any other relevant factor.

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.sedarplus.com](http://www.sedarplus.com)) containing additional information with respect to the foregoing matters. A copy of the related early warning report may be obtained on Hemlo’s SEDAR+ profile by Michael Leskovec at the details below. The Company is a value-based investment and merchant banking company focused on the resource (critical minerals and precious metals) and transportation sectors.

For further information, please contact:

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**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 press release.**

### **Forward Looking Statements**

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws including, but not limited to, the completion of the transaction and the Hemlo shareholders’ approval thereof, the final approval of the transaction by the TSXV. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”,

“project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify forward-looking information or statements. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Factors which could materially affect such forward-looking information are described in the risk factors in the Company’s most recent annual management’s discussion and analysis that is available on the Company’s profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements included in this press release are expressly qualified by this cautionary statement. The forward-looking statements and information contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.