

**FORM 51-102F3
AMENDED AND RESTATED MATERIAL CHANGE REPORT**

This amended and restated material change report replaces and supersedes the material change report of Hemlo Explorers Inc. dated September 5, 2024 originally filed in respect of the Transaction. This amended and restated material change report contains additional disclosure required under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

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 Change

September 4, 2024.

Item 3 News Release

A news release was issued by the Company on September 5, 2024 through the facilities of GlobeNewswire and subsequently filed on SEDAR+.

Item 4 Summary of Material Change

On September 4, 2024, the Company completed the purchase of Rocky Shore Metals Ltd. (“**Rocky Shore**”), pursuant to which the Company acquired all of the issued and outstanding common shares of Rocky Shore (“**Rocky Shore Shares**”) in exchange for the issuance of an aggregate of 49,999,704 common shares (“**Hemlo Shares**”) (the “**Transaction**”). Under the terms of the Transaction, each Rocky Shore Share received 2.832 Hemlo Shares. Hemlo now has 100,724,624 Hemlo Shares issued and outstanding.

Item 5 Full Description of Material Change

On September 4, 2024, the Company completed the Transaction, pursuant to which the Company acquired all of the issued and outstanding Rocky Shore Shares in exchange for the issuance of an aggregate of 49,999,704 Hemlo Shares. Under the terms of the Transaction, each Rocky Shore Share received 2.832 Hemlo Shares. Hemlo now has 100,724,624 Hemlo Shares issued and outstanding. Prior to the closing, the Company obtained the written consents of disinterested shareholders owning more than 50% of the outstanding Hemlo Shares authorizing the Transaction to proceed.

Concurrent with closing the Transaction, Ken Lapierre was appointed Vice President, Exploration of Hemlo.

The Transaction was a related party transaction under the rules of the Canadian Securities Exchange (“**CSE**”) as the Company’s largest shareholder, Northfield Capital Corporation (“**Northfield**”), which owned approximately 26.14% of the issued and outstanding Hemlo Shares prior to closing of the Transaction, was also a greater than 20% shareholder of Rocky Shore. Michael Leskovec is a member of the board of directors of the Company and

the Chief Financial Officer of Northfield and Ernie Eves is a member of the board of directors of the Company and a member of the board of directors of Northfield. As a result, the Company relied on the exemption in CSE Policy 4.6(1)(b) whereby the CSE's requirement for shareholder approval may be satisfied by a written consent signed by disinterested shareholders owning more than 50% of the outstanding Hemlo Shares.

The Transaction was exempt from prospectus requirements pursuant to Section 2.16 of National Instrument 45-106 – *Prospectus Exemptions* (the “take-over bid and issuer bid” Transaction Exemption). In connection with the Transaction, the shareholders of Rocky Shore entered into Purchase Agreements with the Company (the “**Purchase Agreements**”) containing standard representations, warranties and agreements and closing conditions for a transaction of this nature including all requisite corporate approvals and approval by the CSE for the consummation of the Transaction.

MI 61-101 Considerations

As a “reporting issuer”, the Company is subject to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). In connection with the closing of the Transaction: (i) Northfield, a greater than 10% holder of Hemlo Shares, acquired ownership and control over an additional 15,151,200 Hemlo Shares in exchange for 5,350,000 Rocky Shore Shares having an aggregate value of \$802,500; (ii) Michael Leskovec, a director of the Company, acquired ownership and control over an additional 424,800 Hemlo Shares in exchange for 150,000 Rocky Shore Shares having an aggregate value of \$22,500; (iii) Fraser Laschinger, Chief Financial Officer of the Company, acquired ownership and control over an additional 566,400 Hemlo Shares in exchange for 200,000 Rocky Shore Shares having an aggregate value of \$30,000; (iv) Morris Prychidny, a director of Northfield, acquired ownership and control over an additional 708,000 Hemlo Shares in exchange for 250,000 Rocky Shore Shares having an aggregate value of \$37,500; (v) John McBride, a director of Northfield, acquired ownership and control over an additional 1,416,000 Hemlo Shares in exchange for 500,000 Rocky Shore Shares having an aggregate value of \$75,000; and (vi) Maryke Ballard, a director of Northfield, indirectly through an entity that she controls, acquired ownership and control over an additional 708,000 Hemlo Shares in exchange for 250,000 Rocky Shore Shares having an aggregate value of \$37,500.

Prior to the Transaction:

- Northfield, together with joint actor Cudney Stables Inc. (“**Cudney Stables**”) (a company owned and controlled by Robert Cudney, control person of Northfield), owned and controlled, directly or beneficially, an aggregate of 13,258,787 Hemlo Shares (105,299 of which are held by Cudney Stables) and 4,335,620 convertible securities to acquire an additional 4,335,620 Hemlo Shares representing approximately 26.14% of the issued and outstanding Hemlo Shares (or approximately 31.95% of the Hemlo Shares calculated on a partially diluted basis, assuming the exercise of the 4,335,620 convertible securities).
- Mr. Leskovec owned and controlled, directly or beneficially, an aggregate of 235,000 Hemlo Shares and 425,833 convertible securities to acquire an additional 425,833 Hemlo Shares representing approximately 0.46% of the issued and outstanding Hemlo Shares (or approximately 1.29% of the Hemlo Shares calculated on a partially diluted basis, assuming the exercise of the 425,833 convertible securities).

- Mr. Laschinger owned and controlled, directly or beneficially, an aggregate of 251,565 Hemlo Shares and 345,000 convertible securities to acquire an additional 345,000 Hemlo Shares representing approximately 0.50% of the issued and outstanding Hemlo Shares (or approximately 1.17% of the Hemlo Shares calculated on a partially diluted basis, assuming the exercise of the 345,000 convertible securities).
- Mr. Prychidny owned and controlled, directly or beneficially, an aggregate of 198,000 Hemlo Shares and nil convertible securities representing approximately 0.39% of the issued and outstanding Hemlo Shares.
- Mr. McBride owned and controlled, directly or beneficially, an aggregate of 100,000 Hemlo Shares and nil convertible securities representing approximately 0.20% of the issued and outstanding Hemlo Shares.
- Ms. Ballard owned and controlled, directly or beneficially, an aggregate of 544,167 Hemlo Shares and nil convertible securities representing approximately 1.07% of the issued and outstanding Hemlo Shares.

Following the closing of the Transaction,

- Northfield, together with joint actor Cudney Stables, owns and controls, directly or beneficially, an aggregate of 28,409,987 Hemlo Shares (105,299 of which are held by Cudney Stables) and 4,335,620 convertible securities to acquire an additional 4,335,620 Hemlo Shares representing approximately 28.21% of the issued and outstanding Hemlo Shares (or approximately 31.37% of the Hemlo Shares calculated on a partially diluted basis, assuming the exercise of the 4,335,620 convertible securities).
- Mr. Leskovec owns and controls, directly or beneficially, an aggregate of 659,800 Hemlo Shares and 425,833 convertible securities to acquire an additional 425,833 Hemlo Shares representing approximately 0.66% of the issued and outstanding Hemlo Shares (or approximately 1.07% of the Hemlo Shares calculated on a partially diluted basis, assuming the exercise of the 425,833 convertible securities).
- Mr. Laschinger owns and controls, directly or beneficially, an aggregate of 817,965 Hemlo Shares and 345,000 convertible securities to acquire an additional 345,000 Hemlo Shares representing approximately 0.81% of the issued and outstanding Hemlo Shares (or approximately 1.15% of the Hemlo Shares calculated on a partially diluted basis, assuming the exercise of the 345,000 convertible securities).
- Mr. Prychidny owns and controls, directly or beneficially, an aggregate of 906,000 Hemlo Shares and nil convertible securities representing approximately 0.90% of the issued and outstanding Hemlo Shares.
- Mr. McBride owns and controls, directly or beneficially, an aggregate of 1,516,000 Hemlo Shares and nil convertible securities representing approximately 1.51% of the issued and outstanding Hemlo Shares.
- Ms. Ballard owns and controls, directly or beneficially, an aggregate of 1,252,167 Hemlo Shares and nil convertible securities representing approximately 1.24% of the issued and outstanding Hemlo 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.

Valuation Requirement Exemption

MI 61-101 provides an exemption from the valuation requirement under Section 5.5(b) of MI 61-101 for a related party transaction if an issuer's securities are not listed on certain identified stock exchanges. Since the Hemlo Shares are listed on the CSE, and not listed on any other specified stock exchange in Canada or the United States (or outside of Canada and the United States), this exemption is available to the Company, and a formal valuation is not required in respect of the Transaction.

Minority Approval Requirement Exemption

MI 61-101 provides an exemption from the minority shareholder approval requirement under Section 5.7(e) of MI 61-101 if there is no other requirement, corporate or otherwise, to hold a meeting to obtain shareholder approval, and the following conditions are satisfied:

- (i) the issuer is insolvent or in serious financial difficulty,
- (ii) the transaction is designed to improve the financial position of the issuer,
- (iii) paragraph (f) of Section 5.5 of MI 61-101 [*Bankruptcy, Insolvency, Court Order*] is not applicable,
- (iv) the issuer has one or more independent directors in respect of the proposed Transaction, and
- (v) the issuer's board of directors, acting in good faith, has determined, and at least two-thirds of the issuer's independent directors, acting in good faith, have determined that: (a) subparagraphs (i) and (ii), noted above, apply, and (b) the terms of the transaction are reasonable in the circumstances of the issuer.

The Company has satisfied the above conditions. Hemlo established a special committee of independent directors on June 6, 2024 that was comprised of Chris Hodgson and John Harvey (the "**Special Committee**"). The Special Committee met on numerous occasions to consider the Transaction and alternative transactions that could improve the Company's financial health. The Special Committee was responsible for reviewing, evaluating and negotiating the terms of the Transaction as well as identifying, considering and evaluating other strategic options with the objective of enhancing shareholder value and improving the financial position of the Company. As a mineral exploration company, the Company relies on equity placements to finance its exploration and operations. Despite the Company having successfully reduced liabilities and burn in recent months prior to entering into the Purchase Agreements, the Special Committee concluded that, given the state of the financial markets and the Company's portfolio of mineral properties, the Company was unlikely to be able to obtain additional equity financing if the Transaction (or a suitable alternative transaction) was not completed in the very near term, and may have been forced to cease operations within the next 12 months.

The Transaction presented a solution to the Company's financial condition as at the time it entered into the Purchase Agreements, the Company had negative working capital of approximately \$110,000 and Rocky Shore had recently completed a non-brokered financing

(the “**Rocky Shore Financing**”) to raise aggregate gross proceeds of approximately \$500,000 which could be used to finance the continued operations of the Company. The proceeds from the Rocky Shore Financing were held by Rocky Shore in cash and/or cash equivalents and were distributable or could be otherwise made available to the Company for purposes of satisfying the Company’s working capital deficit. When conducting its due diligence, the Company reviewed the financial records of Rocky Shore, including a review of the trial balances and draft financial statements. Following its review, the Company concluded that, as at the time of the closing of the Transaction, Rocky Shore was solvent and had no material liabilities.

Further, the Transaction provided the Company with a new prospective project to continue to focus its efforts on projects located in Eastern Canada and which the Company hopes will assist with its ability to complete equity financings in the future. The Rocky Shore Financing provided additional capital to continue the exploration program commenced by Rocky Shore. The Special Committee considered engaging a financial advisor but it was determined that due to a lack of financial resources and given the experience of the members of the Special Committee that such an advisor was not necessary as the Special Committee was able to adequately consider the financial merits of the Transaction on its own. Although, in the lead up to the Transaction, the Company had canvassed the industry in search of alternative transactions, no such transactions were available during negotiations with Rocky Shore and, in the interests of time given the Company’s financial condition, the Company, supported by the Special Committee, opted to proceed with the Transaction.

The aggregate value of the Rocky Shore Shares was determined to be \$2,648,289.41 or C\$0.15 per Rocky Shore Share which was consistent with the issue price of Rocky Shore Shares pursuant to the Rocky Shore Financing. The Transaction was the result of a comprehensive arm’s length negotiation process by the members of the Special Committee with Rocky Shore and its shareholders and in particular its chair Chris Hodgson, with the assistance of John Harvey. The board of directors of the Company (the “**Board**”), based on the unanimous recommendation of the Special Committee, determined that the Transaction is fair to shareholders of the Company and that the Transaction is in the best interests of the Company, and the Purchase Agreements were approved by the Board by way of unanimous consent resolution at a Board meeting of the Company. There were no disagreements between the Board and the Special Committee in respect of the Transaction, nor did any of the directors have an interest in the Transaction or a materially contrary view, except as stated in in this material change report. In connection with their review and approval of the Transaction, the Board and the Special Committee also considered the fact that disinterested shareholders were asked to consent to the Transaction in accordance with the CSE policies. No director or senior officer of the Company was aware of any prior valuation in respect of Rocky Shore that related to the Transaction that was made in the 24 months prior to the date hereof.

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

September 26, 2024.