

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Silver Hammer Mining Corp. (the “**Company**” or “**Silver Hammer**”)  
Suite 206 – 595 Howe Street  
Vancouver, British Columbia V6C 2T5

**Item 2 Date of Material Change**

June 2, 2022

**Item 3 News Release**

A news release announcing the material change was disseminated on June 2, 2022 and was subsequently filed on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4 Summary of Material Change**

On June 2, 2022, the Company closed its previously announced brokered and a concurrent non-brokered private placement of units resulting in gross proceeds of \$3,007,048.68.

**Item 5 Full Description of Material Change**

On June 2, 2022, the Company closed its previously announced brokered and a concurrent non-brokered private placement (collectively, the “**Offering**”) for gross proceeds of \$3,007,048.68. The brokered portion of the Offering (the “**Brokered Offering**”) was led by Echelon Wealth Partners Inc. (the “**Agent**”) and consisted of the sale of 7,325,286 units (the “**Units**”) for aggregate gross proceeds of \$2,783,608.68 at a price of \$0.38 per Unit (the “**Offering Price**”). Each Unit consisted of one Common Share (each, a “**Common Share**”, and collectively the “**Common Shares**”) and one-half of one Common Share purchase warrant, (each whole warrant, a “**Warrant**” and collectively, the “**Warrants**”). Each Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.50 per Common Share for a period of 24 months from the closing date of the Offering.

Under the non-brokered portion of the Offering the Company raised gross proceeds of \$223,440.00, through the sale of 588,000 Units at the Offering Price. The Offering was announced on May 16, 2022.

The Warrants were issued pursuant to a warrant indenture dated June 2, 2022 entered into between the Company and Endeavor Trust Corporation, as warrant agent.

As consideration for Agent’s services in connection with the Brokered Offering, the Agent received a cash commission of \$182,145.95, a cash advisory fee of \$8,900.00, and 502,831 broker warrants, each exercisable to acquire one Common Share at the Offering Price for a period of 24 months from the closing date of the Offering.

All securities issued pursuant to the Offering, including any underlying securities, are subject to a four-month-and-one-day hold period in accordance with applicable Canadian securities laws.

The net proceeds of the Offering will be used for the exploration of the Silver Strand Project in Idaho, the Eliza Silver Project in Nevada, the Silverton Silver-Gold Project in Nevada, and for general and working capital purposes.

Directors and officers of the Company purchased an aggregate of 130,600 Units in the Offering. The participation by such insiders in the Offering constituted a “related party transaction” as defined under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”).

The securities offered pursuant to the Offering have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and, accordingly, may not be offered or sold within the United States, or to or for the account or benefit of persons in the United States or “U.S. Persons”, as such term is defined in Regulation S promulgated under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

## **Related Party Disclosure**

The following supplementary information is provided in accordance with Section 5.2.

**(a) a description of the transaction and its material terms:**

See item 5 above.

**(b) the purpose and business reasons for the transaction:**

See item 5 above.

**(c) the anticipated effect of the transaction on the issuer’s business and affairs:**

See item 5 above.

**(d) a description of:**

**(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

Prior to the completion of the Offering, Morgan Lekstrom, Chief Executive Officer of the Company, held 1,022,500 common shares of the Company. Pursuant to the Offering, Morgan Lekstrom acquired 52,500 Units. After completion of the Offering, the number of common shares beneficially owned or controlled by Morgan Lekstrom is 1,075,000 common shares or approximately 2.31% of the outstanding common shares of the Company.

Prior to the completion of the Offering, Alnesh Mohan, Chief Financial Officer of the Company, held 150,000 common shares of the Company. Pursuant to the Offering, Alnesh Mohan acquired 25,000 Units. After completion of the Offering,

the number of common shares beneficially owned or controlled by Alnesh Mohan is 175,000 common shares or approximately 0.38% of the outstanding common shares of the Company.

Prior to the completion of the Offering, EBC Consulting Group Ltd. (“**EBC Consulting**”), a company controlled by Jones Lang, a director of the Company, held 20,000 common shares of the Company. Pursuant to the Offering, EBC Consulting acquired 53,000 Units. After completion of the Offering, the number of common shares beneficially owned or controlled by EBC Consulting is 73,000 common shares or approximately 0.16% of the outstanding common shares of the Company.

- (ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

See item (d)(i) above.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

Resolution passed by the board of directors of the Company on June 1, 2022. No special committee was established in connection with the transaction.

- (f) **a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or senior officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than subscription agreements entered into with Morgan Lekstrom, Alnesh Mohan and EBC Consulting, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101, respectively, and the facts supporting reliance on the exemptions:**

The participation of each of Morgan Lekstrom, Alnesh Mohan and EBC Consulting in the Offering constitutes a related party transaction under MI 61- 101. The Company is relying on the exemptions from the valuation requirement and the minority approval requirement set out in subsections 5.5(a) *Fair Market Value Not More than 25% of Market Capitalization* and 5.7(1)(a) *Fair Market Value not More than 25% of Market Capitalization*, of MI 61-101, respectively.

The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Offering and complete the Offering in an expeditious manner.

The Company will send a copy of this material change report to any security holder of the Company upon request and without charge.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

**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**

Morgan Lekstrom  
Chief Executive Officer

**Item 9 Date of Report**

June 2, 2022