

**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

May 24, 2023

Item 3 News Release

A news release announcing the material change was disseminated on May 24, 2023 and was subsequently filed on SEDAR at www.sedar.com

Item 4 Summary of Material Change

On May 24, 2023, the Company closed the initial tranche of its previously announced best-efforts private placement of units pursuant to the listed issuer financing exemption available under Part 5A of National Instrument 45-106 – *Prospectus Exemptions* (the “**Offering**”), for gross proceeds of \$1,824,125. See Item 5 for details.

Item 5 Full Description of Material Change

5.1 On May 24, 2023, the Company closed the initial tranche of the Offering, raising gross proceeds of \$1,824,125.00.

The Offering was led by Echelon Wealth Partners Inc. as lead agent and sole bookrunner, along with M Partners Inc. (collectively, the “**Agents**”), and consisted of the sale of 7,296,500 units (each a “**Unit**”, and collectively the “**Units**”) at a price of \$0.25 per Unit (the “**Issue Price**”). Each Unit consisted of one common share in the capital of the Company (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 \$0.33 per Common Share for a period of 24 months from the closing date.

As consideration for the Agents’ services in connection with the Offering, the Agents received a cash commission of \$118,050.00 and 472,200 broker warrants, each exercisable to acquire one Common Share at the Issue Price for a period of 24 months from the closing date. In addition, Echelon Wealth Partners Inc., as lead agent, received a corporate finance fee of 120,000 Units (subject to a 4-month hold).

The Company will use the net proceeds of the Offering for exploration at the Silver Strand project in Idaho, Eliza and Silvertown projects in Nevada, working capital and general corporate purposes.

Directors and officers of the Company purchased an aggregate of 1,300,000 Units in the Offering for gross proceeds of \$325,000.00. The participation by such insiders in the Offering constituted a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The related party transaction was exempt from minority approval, information circular and formal valuation requirements pursuant to the exemptions contained in Sections 5.5(a) and 5.7(1) of MI 61-101, as neither the fair market value of the gross securities issued under the Offering nor the consideration paid by the insiders exceeded 25% of the Company’s market capitalization.

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, Jones Lang, a director of the Company, held 73,000 common shares of the Company. Pursuant to the Offering, Jones Lang acquired 100,000 Units. After completion of the Offering, the number of common shares beneficially owned or controlled by Jones Lang is 173,000 common shares or approximately 0.32% of the outstanding common shares of the Company.

Prior to the completion of the Offering, Lolgorian Holdings Inc. ("**Lolgorian**"), a company controlled by Peter A. Ball, Chief Executive Officer and a director of the Company, held 110,000 common shares of the Company. Pursuant to the Offering, Lolgorian acquired 1,200,000 Units. After completion of the Offering, the number of common shares beneficially owned or controlled by Lolgorian is 1,310,000 common shares or approximately 2.4% 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 May 1, 2023. 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:

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 Jones Lang and Lolgorian 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.

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

None.

Item 8 Executive Officer

Peter A. Ball, President, CEO and Director

For investor relations inquiries, contact:

T: 778.344.4653

E: investors@silverhammermining.com

Item 9 Date of Report

May 25, 2023