

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Hercules Resources Corp. (the “**Company**”)
Suite 820-1130 West Pender Street
Vancouver, BC, V6E 4A4

Item 2 Date of Material Change

April 8, 2024

Item 3 News Release

A news release was disseminated on April 9, 2024 through the facilities of Stockwatch.

Item 4 Summary of Material Change

The Company signed a definitive investment and advisory agreement dated April 8, 2024 (the “**Agreement**”) with Crescita Capital LLC (“**Crescita**”) pursuant to which Crescita will (i) provide certain advisory services (the “**Advisory Services**”) to the Company and (ii) make available to the Company a non-revolving equity drawdown facility in the aggregate amount of up to \$5 million (the “**Equity Investment Facility**”).

Item 5 Full Description of Material Change

On April 8, 2024, the Company executed the Agreement with Crescita for the provision of the Advisory Services and the Equity Investment Facility.

Under the terms of the Agreement, Hercules will have a period of 3 (three) years to utilize the \$5 million to acquire and develop the Company's assets. Pursuant to the Agreement, the Company can draw down funds from the Equity Investment Facility from time to time during the three-year term at its discretion by providing a notice to Crescita (a “Drawdown Notice”) and issuing units (each a “Unit”) to Crescita in exchange (each drawdown, a “Private Placement”). The Units issued in connection with any Private Placement will be priced at 85% of the average closing bid price over the ten days of trading following the Drawdown Notice (the “Pricing Period”). The amount requested in each Drawdown Notice cannot exceed 500% of the average daily trading volume of the Pricing Period. The Units will comprise of one common share and one half of a share purchase warrant (each whole warrant, a “Warrant”). The Warrants will be exercisable for a period of three years from their date of issuance at an exercise price equal to the greater of 125% of the Issuance and the minimum price permitted by the policies of the Exchange on the date of the applicable Drawdown Notice.

Pursuant to the Agreement, the Company will pay Crescita (i) an up-front commission of \$300,000, representing 6% of the amount available under the Equity Investment Facility, which shall be paid through the issuance of 1,428,571 common shares of the Company at a deemed price of \$0.21 per share (the “**Commitment Fee**”) and (ii) an initial consulting fee of \$2,500, which will be paid through the issuance of 11,095 common shares at a deemed price of \$0.21 per share.

All securities issued to Crescita pursuant to the Agreement will not be subject resale restrictions under applicable securities laws and the Company intends to seek a waiver from the Canadian Securities Exchange (the “CSE”) in respect of the 4-month hold period required under s. 6.1(4)(a) of CSE Policy 6 Distributions & Corporate Finance

Pursuant to the Agreement, the Company has also engaged Crescita to provide the Advisory Services on an as and when needed basis. The Advisory Services include: (a) advisory services with respect to general corporate and public company matters; (b) assistance with identifying strategic investment opportunities and mergers and acquisitions for the Company, including mineral property acquisitions; (c) assistance with the Company’s business development; and (d) such other services as agreed to by the Company and Crescita in writing from time-to-time. The Advisory Services provided by Crescita to the Company pursuant to the Agreement will be on a project specific basis and the fees payable in connection with each project will be determined from time to time on mutual written agreement of the parties at the outset of the project.

The transactions contemplated under the Equity Investment Facility, including the payment of the Commitment Fee, remain subject to the approval of the CSE and the shareholders of the Company pursuant to the policies of the CSE.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

Michael Smith, CEO is knowledgeable about the material change and the Report and may be contacted (888) 791-4653.

Item 9 Date of Report

April 26, 2024