

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Hercules Silver Corp. ("**Hercules Silver**" or the "**Company**")
100 King St. West
Suite 1600
Toronto, Ontario
M5X 1G5,

Item 2 Date of Material Change

November 6, 2023 and November 7, 2023

Item 3 News Release

News releases dated November 6, 2023 and November 7, 2023 were disseminated to the TSX Venture Exchange and through various other approved public media and filed on SEDAR+ with applicable securities commissions.

Item 4 Summary of Material Change(s)

The Company announced completion of the non-brokered private placement (the "**Placement**") previously announced on November 6, 2023, resulting in Barrick Gold Corporation ("**Barrick**") subscribing for 21,265,370 units of Hercules Silver (the "**Units**") at a price of C\$1.10 per Unit for gross proceeds to Hercules Silver of C\$23,391,907.

Each Unit consisted of one common share of Hercules (each, a "**Hercules Share**") and 0.32 of a common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant has a term of two years and entitles the holder thereof to purchase one Hercules Share for a price of C\$1.32 per Hercules Share.

The proceeds from the Placement will be used by Hercules Silver to explore the Company's Hercules Project located in western Idaho.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

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Each Unit consisted of one Hercules Share and 0.32 of a common share purchase Warrant. Each Warrant has a term of two years and entitles the holder thereof to purchase one Hercules Share for a price of C\$1.32 per Hercules Share.

Prior to the Placement, Barrick owned 5,291,500 common shares of Hercules, representing

approximately 2.73% of Hercules' issued and outstanding common shares on a non-diluted basis. With the closing of the Placement, Barrick now owns 12.33% of the issued and outstanding Hercules Shares on a non-diluted post-transaction basis and 15.02% of the outstanding Hercules Shares on a partially-diluted post-transaction basis, assuming exercise of all Warrants.

The proceeds from the Placement will be used by Hercules Silver to explore the Company's Hercules Project located in western Idaho.

All securities issued in connection with the Placement are subject to a four-month-and-one-day statutory hold period expiring March 8, 2024 in accordance with applicable securities laws.

In connection with the Placement, Hercules Silver and Barrick also entered into an investor rights agreement (the "**Investor Rights Agreement**"), whereby so long as Barrick maintains a minimum of 5% ownership in Hercules Silver, Barrick was granted:

- A right to participate in future Hercules Silver equity issuances to maintain its then current pro rata interest in Hercules Silver;
- Certain top-up rights triggered on a rolling basis to permit it to maintain its ownership interest in Hercules Silver in connection with dilutive events that are not otherwise subject to Barrick's pre-emptive rights;
- A right of first refusal over the sale or transfer of any interest in the Hercules Property; and
- Information rights to data in respect of the Hercules Property and rights to visit and inspect the Hercules Property.

Pursuant to the Investor Rights Agreement, Barrick will also, (i) for a period of three years either vote its Hercules Shares in accordance with the recommendations of the board or management of Hercules, or abstain from voting on such matters; and (ii) be subject to a three year standstill whereby it is prohibited from acquiring more than 19.9% of the issued and outstanding Hercules Shares, in each case subject to certain exceptions. Barrick will also provide Hercules Silver with technical support and expertise for the 2024 season.

This material change report does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. Any securities referred to herein have not and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws of an exemption from such registration is available.

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

Christopher Paul, Chief Executive Officer & Director
Tel: (604) 670-5527

Item 9 Date of Report

November 14, 2023