

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Palamina Corp. (the "**Issuer**" or "**Palamina**")
145 King Street West, Suite 2870
Toronto, Ontario M5H 1J8

Item 2. Date of Material Change

May 25, 2020

Item 3. News Release

Press release issued by Palamina on May 25, 2020 in respect of the closing of a private placement offering via a Canadian news wire service, a copy of which has been filed via SEDAR.

Item 4. Summary of Material Change

The Issuer announced it has closed its non-brokered private placement offering (the "**Offering**") announced on May 5, 2020.

Item 5. Full Description of Material Change

Due to a strong demand for participation in the Offering, the Company raised a total of \$1,100,000 for the issuance of 8,800,000 units (the "**Units**") at the price of \$0.125 per Unit. Each Unit consists of one common share ("**Common Share**") and one half of one warrant (each a "**Warrant**"). Each whole Warrant is exercisable to acquire one Common Share at a price of \$0.35 for a period of two years after the date of issuance, provided that if after four months and one day following the closing of the Offering, the closing price of the Common Shares on the TSX Venture Exchange ("**TSX-V**") is equal to or greater than \$0.70 for 10 consecutive trading days, then the Company may accelerate the expiry date of the Warrants by disseminating a press release, and in such case the Warrants will expire on the 45th day after the date on which such press release is disseminated.

Net proceeds of the Offering will be used to advance Palamina's gold projects in the Puno Orogenic Gold Belt in south eastern Peru and for general corporate and working capital purposes. All securities issued pursuant to the Offering are subject to a statutory hold period ending September 26, 2020. The Offering is subject to TSX-V acceptance of regulatory filings.

The purchase of Units pursuant to the Offering by Andrew Thomson, the President, Chief Executive Officer, and a director of the Company; Hugh Agro and Alistair Waddell, each a director of the Company and William McGuinty Vice President Exploration of the Company (collectively, the "**Related Parties**") constituted a "related party transaction" as such term is defined by Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company was exempt from the MI 61-101 valuation and minority approval requirements for related party transactions in connection with the Offering because the Company was not listed on a stock exchange specified in section 5.5(b) of MI 61-101, and neither the fair market value of the Units purchased by the Related Parties, nor the proceeds to be received by the Company in respect of the Related Parties' participation in the Offering, exceeded \$2,500,000.

The Company paid an eligible person (the "**Finder**") a cash finder's fee equal to 6% of the gross proceeds from the Units placed by the Finder and issued finder's warrants ("**Finder Warrants**") equal to 6% of the aggregate number of Units sold under the Offering attributable to the Finder.

Each Finder Warrant shall be exercisable to acquire one Unit of the Company for a period of two years from the closing date at an exercise price of \$0.125 per Unit. The Finder chose to use the cash finder's fee to subscribe for 31,200 Units and also received 31,200 Finder Warrants.

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

Not Applicable.

Item 7. Omitted Information

No information has been omitted from this material change report.

Item 8. Executive Officer

The following senior officer of the Issuer is knowledgeable about the material change and this report and may be contacted as follows:

Mr. Andrew Thomson
President and a Director
Palamina Corp.

Telephone: (416) 987-0722
E-mail: contact@palamina.com

Item 9. Date of Report

May 25, 2020