

**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**

June 18, 2021

**Item 3. News Release**

Press release issued by Palamina on June 18, 2021 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 June 18, 2021.

**Item 5. Full Description of Material Change**

Palamina is pleased to announce that it has closed its non-brokered private placement offering (the "**Offering**") announced on May 27, 2021 and June 14. The Company raised a total of \$5,000,000 for the issuance of 20,000,000 units (the "**Units**") at the price of \$0.25 per Unit. Each Unit consists of one common share ("**Common Share**") and one warrant (each a "**Warrant**"). Each whole Warrant is exercisable to acquire one Common Share at a price of \$0.40 for a period of two years after the date of issuance.

The Company received strong interest in the private placement to include new stakeholders Eric Sprott and GoldSpot Discoveries Corp., a publicly listed artificial-intelligence focused technology and investment company that works with leading exploration and mining companies.

"Proceeds from this financing will be used to carry out a maiden drill program on our flagship Coasa Gold Project while utilizing the latest technological insights from Goldspot Discoveries to enhance our understanding of the Puno Orogenic Gold Belt." reports President Andrew Thomson.

Eric Sprott, through 2176423 Ontario Ltd., a corporation that is beneficially owned by him, acquired 8,000,000 units under the offering for approximate consideration of \$2,000,000. Subsequent to the closing of the offering, Mr. Sprott beneficially owns or controls 8,000,000 common shares of the Company and 8,000,000 warrants, representing approximately 12.3% of the issued and outstanding common shares of the company on a non-diluted basis and approximately 21.8% of the issued and outstanding common shares of the company on a partially diluted basis assuming exercise of the warrants acquired hereunder and forming part of the units. Prior to the offering, Mr. Sprott did not beneficially own or control any securities of the Company. The units were acquired by Mr. Sprott for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities of the Company, including on the open market or through private acquisitions, or sell securities of the company, including on the open market or through private dispositions in the future, depending on market conditions, reformulation of plans and/or other factors that Mr. Sprott considers relevant from time to time. A copy of Mr. Sprott's early warning report will appear on Palamina's profile on SEDAR and may also be obtained by calling Mr. Sprott's office at 416-945-3294 (200 Bay St., Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ont., M5J 2J1).

Net proceeds of the Offering will be used for general corporate and working capital purposes. All securities issued pursuant to the Offering are subject to a statutory hold period ending October 19, 2021. The Offering is subject to TSX-V acceptance of regulatory filings.

The purchase of Units pursuant to the Offering by Alastair Waddell, Sean Spraggett, Hugh Agro, William McGuinty and Andrew Thomson, all directors and or officers of Palamina (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 of \$12,000 and issued 48,000 finder's warrants ("**Finder Warrants**") equal to six percent 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 \$0.25 per Unit.

The securities offered pursuant to the Offering have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**About Palamina Corp.**

Palamina has first mover advantage on 4 district scale gold projects in south eastern Peru in the Puno Orogenic Gold Belt (POGB). Palamina is set to drill its flagship Coasa Gold Project. The Company also has rights to a silver-copper project in the Santa Lucia district and two copper-gold projects in Southern Peru. Palamina holds an 18.6% equity interest in Winshear Gold Corp. who are advancing the Gaban Gold Project to the drill discovery phase. Palamina has 65,284,836 shares outstanding and trades on the TSX Venture Exchange under the symbol PA.

**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](mailto:contact@palamina.com)

**Item 9. Date of Report**

June 18, 2021