

**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**

December 16, 2025

**Item 3. News Release**

Press release issued by Palamina on December 16, 2025 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 final tranche non-brokered private placement offering (the "**Offering**") announced on December 16, 2025.

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

Palamina Corp. ("**Palamina**" or the "**Company**") has closed the second tranche of its non-brokered private placement offering (the "**Offering**") announced on October 9, 2025. On the second tranche Palamina raised a further \$1,095,625 and issued an additional 8,765,000 units (the "**Units**") at a price of \$0.125 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 \$0.20 for a period of two years after the date of issuance unless the stock trades at \$0.35 per share on a volume weighted average basis over a 10-day period at which point the Company may determine to accelerate the expiration date of the Warrants to 30 days following a press release announcing such. Together with the first tranche announced on November 12, 2025, the Offering has resulted in aggregate gross proceeds of \$2,700,000.

Net proceeds of the Offering will be directed towards advancing Palamina's Galena silver copper manganese project and Usicayos gold project and general corporate and working capital purposes. All securities issued pursuant to the second tranche of the Offering are subject to a statutory hold period ending April 17, 2026. The Offering is subject to TSX-V acceptance of regulatory filings.

Sean Spraggett, a director of Palamina (the "**Related Party**") purchased a total of 112,000 Units pursuant to the offering which constitutes 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 Party, nor the proceeds to be received by the Company in respect of the Related Party participation in the Offering, exceeded \$2,500,000.

The Company paid an eligible person (the "**Finder**") a cash finder's fee of \$23,287 and issued 186,300 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 common share of the Company for a period of two years from the closing date at an exercise price of \$0.125 per share.

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.

**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**

December 16, 2025