Hemlo Mining Corp.

390 Bay Street, Suite 1720
Toronto, ON M5H 2Y2

August 10, 2026

IMPORTANT 2025 TAX NOTICE FOR U.S. SHAREHOLDERS

This statement is provided for shareholders of Hemlo Mining Corp. ("**HMC**") who are United States persons for purposes of the U.S. Internal Revenue Code of 1986, as amended ("**IRC**") and the regulations thereunder and are required to file a United States Income Tax Return. It is not relevant to other shareholders.

HMC expects to be classified as a Passive Foreign Investment Company ("**PFIC**") as defined in Section 1297(a) of the IRC for the taxable year ended December 31, 2025.

The attached PFIC Annual Information Statement is being provided pursuant to the requirements of Treasury Regulation Section 1.1295-1(g)(1). The PFIC Annual Information Statement contains information to enable you, should you so choose based on the advice of your tax advisor and in light of your personal tax circumstances, to elect to treat HMC as a qualified electing fund ("**QEF**").

A U.S. shareholder who makes a QEF election is required to annually include in income his or her pro rata share of the ordinary earnings and net capital gain of HMC, whether or not HMC distributes any amounts to its shareholders. If you do not elect to treat HMC as a QEF, and if HMC is a PFIC for any year during your holding period of HMC shares, adverse tax consequences could result to you.

The QEF election is generally made on Form 8621 ("**Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund**") on or before the due date, including extensions, for the income tax return for the tax year to which the election relates.

THE INFORMATION IS PROVIDED IN ORDER TO ASSIST SHAREHOLDERS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. THE U.S. TAX LAWS REGARDING PFICs ARE EXTREMELY COMPLEX AND SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISOR CONCERNING THE OVERALL TAX CONSEQUENCES OF THEIR RESPECTIVE INVESTMENT IN, AND OWNERSHIP OF SHARES OF HMC UNDER UNITED STATES FEDERAL, STATE, LOCAL AND FOREIGN LAW.

Further Information on PFIC rules and the QEF election is available from the Internal Revenue Service, including the following website page: *About Form 8621* – www.irs.gov/forms-pubs/about-form-8621.

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PASSIVE FOREIGN INVESTMENT COMPANY

ANNUAL INFORMATION STATEMENT FOR U.S. SHAREHOLDERS

1. The first and last days of the fiscal year of Hemlo Mining Corp. ("**HMC**") to which this information applies:

   First Day: January 1, 2025
   Last Day: December 31, 2025

2. Ordinary earnings and net capital gains of HMC for the taxable year specified in item 1 are as follows:

Description	
Ordinary Earnings per Share	Nil
Net Capital Gains per Share	Nil

3. Cash and fair market value of other property distributed or deemed distributed by HMC for the taxable year specified in item 1 are as follows:

   Cash: Nil
   Fair Market Value of Property: Nil

HMC will permit any shareholder subject to U.S. federal income tax to inspect and copy its permanent books of account, records, and other documents that may be necessary to establish HMC's ordinary earnings and net capital gains, as computed for U.S. federal income tax purposes, and to verify the computation of the shareholder's pro-rata share of HMC's ordinary earnings and net capital gains.

Hemlo Mining Corp.

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Jason Kosec
President & Chief Executive Officer