ESKAY MINING CORP.
82 Richmond Street East
Toronto, Ontario
M5C 1P1

<u>FILED VIA SEDAR</u>

British Columbia Securities Commission
12th Floor, Pacific Centre
701 W. Georgia St.
Vancouver, B.C., V7Y 1L2

<u>Attention: Continuous Disclosure</u>

Alberta Securities Commission
#600, 250 – 5th Street SW
Calgary, Alberta, T2P 0R4

<u>Attention: Continuous Disclosure</u>

Ontario Securities Commission
19th Floor, 20 Queen Street West
Toronto, Ontario, M5H 3S8

<u>Attention: Continuous Disclosure</u>

TSX Venture Exchange
3rd Floor, 130 King Street West
Toronto, Ontario, M5X 1E5

<u>Attention: Continuous Disclosure</u>

Dear Sirs/Mesdames:

Re: Material Change Report
<u>Form 51-102F3</u>

1. The name of the reporting issuer is **Eskay Mining Corp.** ("**Eskay**" or the "**Company**"), whose principal office is at 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

2. The material change occurred on October 19, 2016.

3. A Press Release was published at Toronto on October 20, 2016.

4. The Company announced that it had agreed to settle $341,682.47 of management fees owed to a company controlled by an insider of the Company in consideration for the issuance of 1,627,059 common shares of the Company at a price of $0.21 per share. The debt settlement is subject to TSX Venture Exchange approval and approval of the disinterested shareholders voting at the Annual and Special meeting of the shareholders of the Company to be held on Wednesday November 2, 2016 (the "**Meeting**"). The securities to be issued will be subject to a hold period of four months and a day. Details of the debt settlement are set out in the Management Information Circular of the Company dated September 22, 2016 prepared in respect of the Meeting and filed on the Company's SEDAR profile at www.sedar.com on September 27, 2016 (the "**IC**").

5. The following table indicates the common shares to be acquired by the insider in this debt settlement, the post-closing direct and indirect holdings in Eskay to be held and the percentage the holding represents in the post-closing outstanding shares:

Name	# of Shares issued pursuant to the debt settlement	Post- closing Direct & Indirect Holdings in the Issuer	% of Post-Closing Outstanding Shares(1)	% of Post-Closing Partially diluted Outstanding Shares(2)
Balkam Partners Ltd. (Hugh M. Balkam)	1,627,059	11,679,059 Common Shares	11.22%	14.93%
		4,028,572 Options		
		500,000 Warrants		

Notes:
(1) Based on issued and outstanding capital of 104,055,970 after giving effect to the debt settlement.
(2) Calculated based on partially-diluted outstanding capital for the holder including common shares issued on this transaction to the holder and assuming the exercise of all warrants and options held by the insider.

The insider debt settlement is exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 (“**MI 61-101**”) by virtue of the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in that the fair market value of the consideration for the securities of the Company to be issued to insider does not exceed 25% of its market capitalization. The disinterested directors of the Company have approved the debt settlement with the insider and his affiliated company.

The debt settlement remains subject to disinterested shareholder approval at the Meeting as set out in the IC.

6. The report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

7. No information has been omitted because it is believed it should remain confidential.

8. Mr. Hugh M. Balkam, President, Chief Executive Officer and a director, may be contacted at 416-907-6151 concerning this report.

9. The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 27th day of October, 2016.

ESKAY MINING CORP.

“William R. Johnstone”

Per: ________________________________

WILLIAM R. JOHNSTONE
Corporate Secretary