

Form 51-102F3
Material Change Report

Item 1. Name and Address of Company

FIRST MINING FINANCE CORP. (the "Company")
1805 – 925 West Georgia Street
Vancouver, BC V6C 3L2 CANADA
Telephone: (604) 639-8854
Facsimile: (604) 639-8873

Item 2. Date of Material Change

May 12, 2015

Item 3. News Release

The press release was disseminated through the services of Marketwired.

Item 4. Summary of Material Change

The Company announced that it has entered into a definitive arrangement agreement (the "**Arrangement Agreement**") with Coastal Gold Corp. (TSXV: COD) ("**COD**") under which First Mining will acquire all of the outstanding common shares of COD on the basis of 0.1625 common shares in the capital of First Mining for each COD common share by way of a plan of arrangement under the *Business Corporations Act* (Ontario) (the "**Transaction**").

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

See Schedule "A" attached hereto.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Patrick Donnelly, President
Telephone: (604) 639-8854 Facsimile: (604) 639-8873

Item 9. Date of Report

May 12, 2015



TSX Venture
Symbol: FF

News Release

First Mining to Acquire Coastal Gold Corp.

May 12, 2015 - Vancouver, British Columbia – First Mining Finance Corp. (TSXV: FF) ("**First Mining**") announces that it has entered into a definitive arrangement agreement (the "**Arrangement Agreement**") with Coastal Gold Corp. (TSXV: COD) ("**COD**") under which First Mining will acquire all of the outstanding common shares of COD on the basis of 0.1625 common shares in the capital of First Mining for each COD common share by way of a plan of arrangement under the *Business Corporations Act* (Ontario) (the "**Transaction**").

The Transaction implies a value of \$0.065 per COD common share and an overall equity value of \$11.0 million, which represents a premium of:

- 333% to the unaffected COD common share price on February 27, 2015, the last trading day prior to the public announcement of the arrangement agreement made as of March 1, 2015 (the "**Sulliden Agreement**") between COD and Sulliden Mining Capital Inc. (TSX: SMC) ("**Sulliden**"); and
- 62.5% to the current market price of the COD common shares.

"We are very pleased to have reached this agreement with COD," said Keith Neumeyer, chairman of First Mining. "We feel that COD's Hope Brook Gold Project fits well into our overall portfolio strategy. We strongly believe that the combination of our company with COD will supplement our existing diverse asset portfolio and provide COD shareholders with exposure to a broad portfolio which is diversified across a number of minerals and geographic areas. We are confident that we can deliver on our growth plans to all First Mining and COD shareholders following completion of this acquisition."

Transaction Details

Pursuant to the terms of the Arrangement Agreement, the Transaction will be conducted by way of a court-approved plan of arrangement under the *Business Corporations Act* (Ontario), resulting in COD becoming a wholly-owned subsidiary of First Mining. Each COD common share issued and outstanding immediately prior to closing of the Transaction will be exchanged for 0.1625 of a First Mining common share.

All options of COD outstanding immediately prior to closing of the Transaction will, following closing and subject to regulatory approval, be exercisable for that number of common shares of First Mining using the same exchange ratio applicable to the COD common shares under the Transaction, with corresponding adjustment to the exercise prices on the basis of such exchange ratio.

The parties have also entered into a loan agreement whereby First Mining has advanced to COD \$950,000 (the "**Loan**") in order to allow COD to pay the termination fee payable under the Sulliden Agreement, to repay the loan previously advanced by Sulliden to COD and to pay COD's expenses in connection with the Transaction and the Sulliden Agreement. The Loan will accrue interest at the rate of 8% per annum and mature on the earlier of: (a) the

completion of the Transaction; (b) termination of the Arrangement Agreement; and (c) the date that is six months following the date of the Loan. Subject to the approval of the TSX Venture Exchange, in certain circumstances the outstanding principal amount of the Loan together with all accrued and unpaid interest thereon may be converted into COD Common Shares at a price per common share equal to: (a) in the case of the principal amount, \$0.05 per share; and (b) in the case of accrued and unpaid interest, subject to TSX Venture Exchange approval at the time of settlement, the Market Price (as defined in the policies of the TSX Venture Exchange) of the COD common shares.

The Transaction is subject to customary conditions, including:

- Approval by a minimum of 66⅔% of the votes cast by COD shareholders represented in person or by proxy at a special meeting of shareholders, as well as approval by a majority vote that will exclude the votes of certain related parties of the company as required by Multilateral Instrument 61-101 - *Protection of Minority Shareholders in Special Transactions*, the details of which will be contained in the information circular to be provided to shareholders of COD in connection with the special meeting;
- Approval/acceptance of the court and the TSX Venture Exchange of the Transaction;
- COD shareholders holding collectively not more than 25% of the outstanding common shares of COD having exercised their dissent rights; and
- No material adverse change having occurred.

The Agreement includes a commitment by COD not to solicit alternative transactions to the proposed Transaction. The Agreement provides that if COD terminates the Transaction in certain circumstances it is obligated to pay to First Mining \$500,000 on account of costs and expenses in connection with the Transaction. Each party has also been provided with certain other rights, representations and warranties and covenants customary for a transaction of this nature, and First Mining has the right to match any competing offers made to COD.

COD shareholders will be granted dissent rights which, if exercised in accordance with applicable requirements, will provide such shareholders the right to be paid the fair value for their COD common shares by COD.

Timing

The terms of the Agreement will be described in detail in the management information circular of COD to be filed with the regulatory authorities and delivered to COD shareholders in accordance with applicable securities laws in respect of a special meeting of Coastal shareholders, currently scheduled to be held in July 2015. Subject to shareholder, court and regulatory approvals, the Transaction is expected to close by the end of July 2015.

Immediately prior to entering into the Agreement, COD terminated the Sulliden Agreement in accordance with its terms.

About First Mining Finance Corp.

First Mining Finance Corp. is a mineral property holding company whose principal business activity is to acquire and hold high-quality mineral assets with a focus in the Americas. The Company currently holds a portfolio of 18 mineral assets in Mexico and the United States with a focus on gold. Ultimately our goal is to increase our portfolio of mineral assets

through acquisitions which are expected to be comprised of gold, silver, copper, lead, zinc and nickel.

About COD

Coastal Gold is a Canadian mineral exploration company listed on the TSX Venture Exchange under the symbol "COD". Coastal Gold's flagship property is the Hope Brook Gold Project located in southwestern Newfoundland.

First Mining Finance Corp.

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Cautionary Note Regarding Forward-Looking Statements

This press release includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian and United States securities legislation including the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements regarding completion of the Transaction and related matters, including holding of COD's shareholder meeting. All statements, other than statements of historical fact, included herein including, without limitation, statements relating to the future operating or financial performance of First Mining, are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. Actual future results may differ materially. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Risk factors which could cause such forward-looking statements to be incorrect include, among other things, the risk that the parties fail to meet the conditions of the Transaction (including, without limitation, obtaining all necessary regulatory and shareholder approvals) and the risks set out in First Mining's filing statement dated March 19, 2015. First Mining's forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made. Except as required by law, First Mining assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.