

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**1. Name and Address of Issuer:**

Pinehurst Capital I Inc. (the "Company")  
20 Holly Street, Suite 300  
Toronto, Ontario M4S 3B1  
Canada

**2. Date of Material Change:**

August 27, 2020.

**3. News Release:**

The news release was issued and disseminated on August 27, 2020 and subsequently filed on SEDAR.

**4. Summary of Material Change:**

The Company entered into a letter of intent dated August 26, 2020 (the "Letter of Intent") regarding a proposed arm's length qualifying transaction with Silver Bullet Mines Inc. ("Silver Bullet"), a mining company focused on silver exploration, with its primary asset being the Black Diamond Property located near Globe, Arizona.

Pursuant to the terms and conditions of the Letter of Intent, the Company and Silver Bullet have agreed to complete a business combination (the "Transaction"), whereby the Company will be the parent company (the "Resulting Issuer") and the Resulting Issuer will own 100% of the issued and outstanding securities of Silver Bullet. The Transaction will constitute a "Qualifying Transaction" pursuant to TSX Venture Exchange Policy 2.4 – *Capital Pool Companies*. The completion of the Transaction is subject to the execution of a definitive agreement, the completion of a private placement by Silver Bullet, satisfactory completion of due diligence reviews by the parties, approval of the board of directors of the Company and the board of directors of Silver Bullet, approval by shareholders of Silver Bullet and the approval of TSX Venture Exchange. The Transaction does not constitute a Non-Arm's Length Qualifying Transaction (as defined in Policy 2.4 of the Corporate Finance Manual of the TSX Venture Exchange) and, accordingly, is not expected to require the approval of the Company's shareholders. In connection with the Transaction, the Company will be required to (i) change its name, (ii) consolidate its outstanding common shares and (iii) appoint a new board of directors for the Resulting Issuer, each of which will require the approval of the shareholders of the Company.

**5. 5.1 – Full Description of Material Change:**

See the news release attached hereto as Schedule "A".

**6. Reliance on subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

7. **Omitted Information:**

No significant facts remain confidential in, and no information has been omitted from, this report.

8. **Executive Officer:**

For further information, please contact David Rosenkrantz, Chief Executive Officer, Chief Financial Officer and Director, at (416) 865-0123.

9. **Date of Report:**

August 28, 2020.

## Schedule "A"

### **Pinehurst Capital I Announces Qualifying Transaction with Silver Bullet Mines Inc., an Arizona-based Silver Exploration Company**

Toronto, Ontario — August 27, 2020) – Pinehurst Capital I Inc. (TSXV: PHT.P) (the "**Corporation**" or "**Pinehurst**"), a capital pool company listed on the TSX Venture Exchange ("**TSXV**"), is pleased to announce details concerning its proposed arm's length qualifying transaction with Silver Bullet Mines Inc. ("**Silver Bullet**"), a mining company focused on silver exploration with its primary asset being the Black Diamond Property (the "**Property**") located near Globe, Arizona.

Pinehurst entered into a letter of intent with Silver Bullet dated August 26, 2020 (the "**Letter of Intent**") pursuant to which Pinehurst and Silver Bullet have agreed to complete a business combination (the "**Transaction**") whereby Pinehurst will be the parent company (the "**Resulting Issuer**") and 100% of the issued and outstanding securities of Silver Bullet will be owned by the Resulting Issuer.

#### **About Silver Bullet**

Silver Bullet is a corporation existing pursuant to the Federal laws of Canada which owns a 100% interest in the Property which consists of 232 mineral claims (4900 acres), situated to the north of Globe, Arizona, centred on the Richmond Basin, 91 km west of Phoenix, Arizona. The Property includes several past producing silver mines including the McMorris, McClellan, Silver Seven, La Plata and Buckeye.

The Property is the site of a substantial amount of historic mining and silver recovery that began in the 1880's. The Property was worked by various operators including Trueclaim Resources (US) Inc. throughout the early 2000's. The recent optionors and operators completed significant exploration work on the Property since the mid 2000s with over C\$5.6 million being spent on the project since 2010. This work included a test mining program completed in 2018 that resulted in the production of approximately 500 ounces of silver in dore bars. Silver Bullet intends to continue this program of test mining on its patent claims and looks to explore its large land package to define silver resources and the potential for a copper deposits in this area of the Globe mining camp. To date, the directors of Silver Bullet have invested over C\$900,000 towards the exploration and development of the Property.

The technical information in this news release has been prepared by Ron Wortel, P. Eng. who is a qualified person within the meaning of National Instrument 43-101 ("**NI 43-101**") – *Standards of Disclosure for Mineral Projects*. The Corporation has commissioned an updated NI 43-101 compliant technical report which it expects will be finalized before the end of Q3 2020.

#### **Summary of the Proposed Qualifying Transaction**

Pursuant to the Letter of Intent, the parties have agreed to cause Silver Bullet to complete a non-brokered private placement (the "**Silver Bullet Private Placement**") of aggregate proceeds of not less than C\$3,000,000 by the issuance of subscription receipts for units. Further particulars regarding the Silver Bullet Private Placement will be disclosed in subsequent news releases relating to the Transaction. The parties acknowledge that an agent may be engaged (the "**Agent**") to act as agent on a "commercially reasonable efforts" basis for the Silver Bullet Private Placement and in connection therewith may be paid a commission in an amount to be determined. The proceeds of the Silver Bullet Private Placement will be used to fund the recommended exploration program on the Property, continuing operating expenses, and for general working capital purposes.

## **Summary of Proposed Directors, Officers and Insiders**

Upon completion of the Transaction, the Resulting Issuer's board and management will consist of the following persons:

- John Carter, CEO and Director
- Ron Wortel, President and Director
- Peter Clausi, VP Capital Markets and Director
- Ron Murphy, VP Mining and Director
- Eric Balog, Director
- Jon Wiesblatt, Director
- Brian Crawford, CFO and Corporate Secretary

The bios of each of the above are outlined below:

### **John Carter**

*CEO and Director*

Mr. Carter is a mining executive with over 30 years of experience with an expertise in mineral processing. Mr. Carter was president of two publicly listed junior exploration companies that previously held title to the Property and directed the exploration and test mining development of the Buckeye Mine which is located on the Property.

### **Ron Wortel**

*President and Director*

Mr. Wortel is geological engineer with over 30 years' experience in technical project evaluations, due diligence investigations and the execution of exploration projects with extensive experience working on numerous gold and silver projects in Arizona.

### **Peter Clausi**

*VP Capital Markets and Director*

Mr. Clausi is an experienced lawyer, investment banker, shareholder rights activist and public company executive. He is currently the CEO of GTA Financecorp Inc., CEO of CBLT Inc. and a director of Camrova Resources Inc.

### **Ron Murphy**

*VP Mining and Director*

Mr. Murphy is a mining industry professional with more than 30 years of operational experience in developing underground mines in the United States. Mr. Murphy currently operates a mining safety training school in Superior, Arizona.

### **Eric Balog**

*Director*

Mr. Balog is a mining focused investor relations professional who joined the sector in early 2000 and brings experience in both traditional and online investor relations. Mr. Balog has played key roles in professionalizing and expanding clients institutional and retail investor awareness programs.

**Jon Wiesblatt***Director*

Mr. Wiesblatt's is an investment consultant to Reichmann International Development Corporation. Mr. Wiesblatt was previously a Senior Portfolio Manager at Sprott Asset Management / NinePoint Partners, one of Canada's largest non-bank owned asset management firms. Mr. Wiesblatt has over 15-years of capital markets experience.

**Brian Crawford***CFO and Corporate Secretary*

Mr. Crawford has extensive experience as a senior financial executive with public and private companies and as a partner in a national firm of chartered professional accountants. Brian currently serves as a board member and/or of several Canadian publicly listed companies.

**Information Concerning Pinehurst**

Pinehurst is a capital pool company and its common shares ("**Common Shares**") are listed for trading on the TSXV under the symbol "PHT.P". As at March 31, 2020, Pinehurst had cash and near cash assets, net of liabilities, of approximately C\$220,000.

**Additional Information and Description of Significant Conditions to Closing**

The completion of the Transaction is subject to the approval of TSXV and all other necessary regulatory approvals. The completion of the Transaction is also subject to additional conditions precedent, including completion of the Silver Bullet Private Placement, satisfactory completion of due diligence reviews by the parties, execution of a definitive agreement, board of directors' approval of Pinehurst and Silver Bullet, approval by shareholders of Silver Bullet, and certain other usual conditions. In connection with the Transaction, the Corporation will change its name, consolidate its outstanding Common Shares and, as previously stated herein, appoint a new board of directors for the Resulting Issuer, each of which will require shareholder approval of the Corporation. The Transaction does not constitute a Non-Arm's Length Qualifying Transaction (as defined in Policy 2.4 of the Corporate Finance Manual) and, accordingly, is not expected to require the approval of the Corporation's shareholders.

When a definitive agreement between Pinehurst and Silver Bullet is executed, which is expected to occur shortly, in accordance with the policies of the TSXV, Pinehurst will issue a subsequent press release containing the details of the definitive agreement and additional terms of the Transaction, including information relating to sponsorship, additional information with respect to the Property, Silver Bullet financial information, the Silver Bullet Private Placement and pro forma share capital of the Resulting Issuer.

**Filing Statement**

In connection with the Transaction and pursuant to the requirements of the TSXV, Pinehurst will file a filing statement or a management information circular on its issuer profile on SEDAR ([www.sedar.com](http://www.sedar.com)), which will contain details regarding the Transaction, Silver Bullet, the Property, Silver Bullet Private Placement, and the Resulting Issuer.

## **Sponsorship of Qualifying Transaction**

Sponsorship of a qualifying transaction of a capital pool company is required by the TSXV unless exempt in accordance with TSXV policies. Pinehurst intends to apply for an exemption from the sponsorship requirements.

## **Reinstatement to Trading**

Trading of the Common Shares has been halted and will not resume until certain documents have been filed with the TSXV and a press release is issued detailing further information about the Transaction, as previously described herein.

### **For further information, please contact:**

David Rosenkrantz  
Pinehurst Capital I Inc., CEO  
e: [drosenkrantz@patica.ca](mailto:drosenkrantz@patica.ca)  
p: 416-865-0123

Peter Clausi  
Silver Bullet Mines Inc., VP Capital Markets  
e: [pclausi@brantcapital.ca](mailto:pclausi@brantcapital.ca)  
p: 416-890-1232

Ron Wortel  
Silver Bullet Mines Inc., President and Director  
e: [ronaldji@gmail.com](mailto:ronaldji@gmail.com)

*Information concerning Silver Bullet, including the proposed directors of the Resulting Issuer, has been provided to the Corporation by Silver Bullet for inclusion in this press release.*

*Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to Exchange Requirements (as that term is defined in the policies of the TSXV), majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.*

*The TSXV has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.*

*The securities referenced herein have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.*

## **Cautionary and Forward-Looking Statements**

This press release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this press release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected” “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this press release, forward-looking statements relate, among other things, to: the Transaction and certain terms and conditions thereof; the business of Silver Bullet, information concerning the Property, the commissioning of an updated NI 43-101 compliant technical report with respect to the Property, the Silver Bullet Private Placement; the proposed directors of the Resulting Issuer, TSXV sponsorship requirements and intended application for exemption therefrom; shareholder, director and regulatory approvals; and future press releases and disclosure. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; and the delay or failure to receive shareholder, director or regulatory approvals. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Except as required by law, Pinehurst assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.