51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Anacortes Mining Corp. (the "**Company**" or "**Anacortes**")
1090 – 510 Burrard Street
Vancouver, BC V6C 3B9

Item 2 Date of Material Change

October 6, 2021

Item 3 News Release

The News Release dated October 7, 2021 was disseminated by Newsfile on October 7, 2021.

Item 4 Summary of Material Change

On October 6, 2021, the Company and New Oroperu Resources Inc. ("**New Oroperu**") announced the successful completion of their previously-announced business combination – resulting in the creation of "Anacortes Mining Corp." – a new growth-oriented gold company in the Americas led by a strengthened management team with proven mine building and operating capabilities in Peru and Latin America (the "**Transaction**"). Anacortes intends to focus on continued exploration and advancement of its 100% owned Tres Cruces project located in Peru, in addition to seeking further growth opportunities in the Americas. Anacortes is well-capitalized following the release of approximately $22 million in gross proceeds from the private placement of subscription receipts (each, a "**Subscription Receipt**") issued by First Light and one of its former subsidiaries ("**FinCo**") on July 21, 2021 (the "**Private Placement**").

In connection with the closing of the Transaction (the "**Closing**"), Anacortes acquired New Oroperu by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) pursuant to which, among other things, the Company acquired all of the issued and outstanding common shares of New Oroperu in exchange for an aggregate of 27,074,716 common shares of Anacortes (on a post-Consolidation (as defined below) basis) (each, a "**Share**").

The Company also entered into voluntary escrow agreements with Computershare Investor Services Inc. and certain former shareholders of New Oroperu, pursuant to which an aggregate of 2,039,508 Shares were placed in escrow and are to be released in accordance with the following schedule: 25% on the issuance of the Final Exchange Bulletin in connection with the Closing; 25% on the date that is 6 months following the issuance of the Final Exchange Bulletin; 25% on the date that is 12 months following the issuance of the Final Exchange Bulletin; and the balance on the date that is 18 months following the issuance of the Final Exchange Bulletin.

In addition, the Company issued to three eligible persons, in the aggregate and as partial payment of advisory fees due, 708,333 Shares and 354,166 warrants, each exercisable for one Share for a period of 24 months following the Closing at an exercise price of $3.30 per Share.

<u>Key Highlights on the Launch of Anacortes</u>

- Tres Cruces is one of the highest-grade oxide deposits globally and hosts oxide plus sulphide Indicated resources of 2.474M ozs at 1.65 g/t gold and Inferred resources of 104k ozs at 1.26 g/t gold, inclusive of 630k ozs of high-grade leachable gold at 1.28 g/t gold
- Tres Cruces is strategically located in a highly prospective geological belt that hosts significant gold deposits such as Lagunas Norte, which is located within 10 km, Yanacocha and Pierina
- Anacortes is led by a new management team and Board of Directors with extensive experience in Latin America and Peru and proven capabilities in all facets of mine development and operations

- Anacortes is well-capitalized post-closing of the approximately $22M Private Placement
- Underexplored property with oxide and sulphide resource growth potential – Tres Cruces has not been drilled since 2008 when gold prices were approximately US$850/oz, and several of the best drill intercepts from the previous drilling campaign are below and outside of the current pit-constrained mineral resource
- Attractive relative valuation on an enterprise value per Indicated resource ounce basis

Consolidation, Name Change and Trading Symbol

Concurrent to the Closing, the Company completed a consolidation of its issued and outstanding Shares on the basis of one (1) post-consolidation Share for each six (6) pre-consolidation Shares (the "**Consolidation**").

Additionally, the corporate name of "First Light Capital Corp." has been changed to "Anacortes Mining Corp.".

The post-Consolidation Shares of Anacortes are expected to commence trading on the TSX Venture Exchange at the opening of market on October 12, 2021 under the Company's current symbol "XYZ".

Management and Board of Directors of Anacortes

The new leadership team of Anacortes is now comprised of:

- Jim Currie (President, Chief Executive Officer and Director)
  - Engineer with over 40 years of senior management, engineering, and operations experience
  - Most recently Chief Operating Officer of Equinox Gold Corp.
  - Previously Chief Operating Officer of Pretium Resources Inc. and New Gold Inc.

- Steven Botts (President of Aurifera Tres Cruces S. A., Peru)
  - Over 40 years of experience in mining with a focus on the areas of project development, environmental management, stakeholder engagement, and sustainable development
  - Most recently Vice President and Managing Director of Tahoe Peru, where he managed both the La Arena and Shahuindo gold heap leach operations

- Horng Dih Lee (Chief Financial Officer and Corporate Secretary)
  - Previously Chief Financial Officer and Secretary at Eastern Platinum Ltd. and at Esrey Resources Ltd., Chief Financial Officer and Vice President for Northern Orion Resources, Inc., and Chief Financial Officer and Vice President at Diamond Fields Resources, Inc.

- Marshall Koval (Special Advisor)
  - Mining executive with more than 42 years of corporate management, M&A, finance, mineral exploration, mine development, and operations experience globally
  - Currently serves as President, CEO and Director of Lumina Gold Corp., CEO and Director of Luminex Resources Corp., Director of Equinox Gold Corp., and Director of Miedzi Copper Corp.

- The new Anacortes Board of Directors is comprised of Jim Currie, Andrew Carstensen, Barry Hildred, Brian Storseth, and K. Wayne Livingstone.

For additional information regarding the individuals comprising the Board of Directors of Anacortes, please refer to the Company's management information circular dated August 9, 2021, which is available under the Company's profile on SEDAR.

Release of Proceeds of Subscription Receipt Financing

Prior to the Closing, each Subscription Receipt issued in connection with the closing of the Private Placement automatically converted into one unit of First Light or FinCo (each, respectively, a "**Unit**"), each comprised of one share and one-half warrant, which have subsequently been exchanged for securities of Anacortes, on a post-Consolidation basis, in conjunction with the closing of the Transaction.

Pursuant to the Private Placement, an aggregate of 9,182,704 Shares and 4,591,349 warrants have been issued, on a post-Consolidation basis, with each warrant entitling the holder thereof to purchase one Share for a period of 24 months following the closing of the Private Placement at an exercise price of $3.30 per Share.

The securities of Anacortes issued upon the conversion of the Subscription Receipts issued by First Light will be subject to a statutory hold period in Canada expiring on November 22, 2021. The securities of Anacortes issued upon the conversion of the Subscription Receipts issued by FinCo are not subject to a statutory hold period in Canada.

In connection with the Closing, and upon the satisfaction of the Escrow Release Conditions (as defined in the Subscription Receipt Agreements), the Company paid cash commissions of approximately $1,318,610, which amount represents 6% of the gross proceeds of the brokered tranche of the Private Placement and is inclusive of a $35,000 corporate finance fee, plus GST, and issued an aggregate of 550,668 Subscription Receipt compensation options (each, a "**SR Compensation Option**"), which amount represents 6.0% of the aggregate number of Subscription Receipts sold under the brokered tranche of the Private Placement. Each SR Compensation Option entitles the holder thereof to purchase one Share for a period of 24 months following the closing of the Private Placement at an exercise price of $2.40 per Share.

For more information on the Private Placement and the anticipated use of proceeds therefrom, please see Anacortes' news release dated July 21, 2021 filed under the Company's profile on SEDAR.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

A full description of the material change is described in Item 4 above and in the Company's press release disseminated on October 7, 2021.

5.2 Disclosure for Restructuring Transactions

N/A

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

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Contact: James Currie, CEO
Telephone: 604.684.6730

Item 9 Date of Report

October 14, 2021