

ANNUAL INFORMATION FORM

For the year ended December 31, 2022



BEAR CREEK MINING CORPORATION

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Dated April 17, 2023

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PRELIMINARY NOTES

In this Annual Information Form, ("**Annual Information Form**" or "**AIF**"), Bear Creek Mining Corporation is referred to as the "**Company**", "**Bear Creek**" or "**BCM**". Unless the context otherwise indicates, these references include the subsidiaries described under "Corporate Structure - Intercorporate Relationships", below.

Date

All information contained herein is as, at, and for the year ended December 31, 2022 unless otherwise specified.

Currency

This AIF contains references to United States dollars, Canadian dollars and Peruvian Soles. The Company's functional currency is the United States dollar, referred to herein as "\$" or "US\$". Any amounts reported herein in Canadian dollars are referred to as "C\$", in Peruvian soles as "S/" and Mexican pesos as M\$.

Additional Information

Additional information relating to the Company, including its consolidated financial statements and management's discussion and analysis ("**MD&A**") for its most recently completed financial year, may be found on SEDAR at www.sedar.com and on the Company's website at www.bearcreekmining.com.

Additional information, including the Company's director ("**Director**") and officer remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company's Information Circular dated April 17, 2023. Unless otherwise stated, this additional information does not form part of this AIF.

Cautionary Statement Regarding Forward-Looking Statements

This AIF and the documents incorporated by reference into this AIF contain forward-looking statements or forward-looking statements ("**forward-looking statements**") within the meaning of applicable Canadian and United States securities laws concerning the Company's plans for its properties, operations and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable, and assumptions of management.

Statements concerning estimates of mineral resources and mineral reserves may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property in which that mineralization is contained is developed, and in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically and legally exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements made or incorporated by reference in this AIF include, but are not limited to, statements with respect to:

- the expected benefits to be derived from the acquisition of the Mercedes mine (the "**Mercedes Mine**" or "**Mercedes**");
- future payments due in consideration of the acquisition of the Mercedes Mine;
- anticipated operating results from the Mercedes Mine;

- 2023 projections of gold and silver production, cash costs per gold ounce and all-in sustaining costs (“AISC”) per ounce of gold sold from the Mercedes Mine. Cash costs per gold ounce and AISC are non-GAAP financial measures, please see “Notice Regarding Non-GAAP Financial Measures”;
- the allocation of working capital to drilling targets, the total number of metres drilled in surface and underground drilling and the Company’s exploration targets at the Mercedes Mine in 2023;
- the timing of exploration, development and construction programs at any of the Company’s properties;
- expectations regarding the presence and continuity of mineral deposits;
- anticipated tonnages and grades of mineral resources and mineral reserves;
- the conversion of exploration or development drilling results into mineral resources or mineral reserves;
- the Company’s expected development of, and metal production from, the Corani property (the “Corani Property”);
- the Company’s ability to secure project financing for development and construction of the Corani Property;
- the Company’s ability to fund the deferred Mercedes Mine acquisition payment and/or working capital;
- the Company’s ability to cover any debt obligations;
- the Company’s ability to meet any contractual obligations, including under metals streaming or royalty agreements;
- the effects of COVID-19 or other public health crises on operations
- anticipated construction timelines for the Corani Property;
- the reliability of capital and operating cost estimates for the Corani Property;
- the capacities of various machinery and equipment;
- the availability of personnel, machinery and equipment at estimated prices;
- potential Corani Property financing structure and costs;
- anticipated mining losses and dilution;
- currency exchange rates;
- appropriate discount rates;
- tax rates and royalty rates applicable to the Mercedes Mine and the proposed Corani Property mining operation;
- expectations regarding environmental or social issues that may affect exploration, development or operations;
- the expectation that the effects of climate change will not adversely affect the Company’s properties or operations;
- the anticipated impacts and benefits of social programs at any of the Company’s properties;
- future environmental and social initiatives and plans;
- future community benefits payments under the Corani Property life of mine agreement;
- the formation of joint ventures and/or strategic partnerships with respect to the Company’s properties;
- exploration activities and/or plans on any of the Company’s properties; and

- execution of final documentation of and TSX-V approval of the Equinox Note (as defined below) and the issuance of the 2,750,000 Bonus Shares (as defined below) of the Company to Equinox Gold Corp. ("**Equinox Gold**") in connection therewith.

Forward-looking statements are subject to a variety of inherent risks and uncertainties, both general and specific, which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation:

- risks related to gold, silver, lead, zinc, and other commodity price fluctuations;
- risks related to actual metal recovery, extraction or production rates and amounts, and operating costs differing from those anticipated and/or forecasted;
- risks and uncertainties related to the interpretation of drill results, and the geology, grade and continuity of mineral deposits;
- risks related to the metallurgical characteristics of mineralization contained within the Company's properties differing from current expectations or being not yet fully determined;
- the possibility that future exploration, development or mining program timelines or results will not be consistent with the Company's expectations and/or the results of economic studies including any Feasibility Studies, as defined by the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards for Mineral Resources and Mineral Reserves 2014;
- risks related to the disruption or delay of exploration and development activities as a result of the ongoing COVID-19 pandemic or other local, national, or global health and safety emergencies;
- risks related to variations in mineral content within the material identified as mineral reserves and mineral resources from that predicted;
- risks related to the escalation of cost estimates due to inflation;
- mining and development risks, including risks related to accidents, ground instability, equipment breakdowns, labour disputes, permitting delays or other unanticipated difficulties with or interruptions in production;
- risks related to the ability to obtain financing required to develop mining properties or to complete significant technical, environmental or engineering studies, including increases in financing costs or adverse changes to the terms of available financing;
- the potential for delays in exploration or development activities or the completion of Feasibility Studies and other geologic reports or studies, including changes in development or mining plans due to logistical, technical or other factors and changes in project parameters as plans continue to be refined;
- risks related to the Company's ability to collect, track and report on social and environmental programs and metrics and its ability to meet evolving global reporting standards in a timely manner;
- the uncertainty of profitability based upon the Company's history of losses;
- risks related to the Company's ability to cover any debt obligations or meet any contractual obligations, including under metals streaming or royalty agreements;
- risks related to developments in world metal and minerals markets;
- risks related to foreign exchange fluctuations, including the fluctuations in the Canadian dollar, Peruvian sol and/or Mexican peso relative to other currencies;
- risks related to increases in the estimated capital and operating costs or the emergence of unanticipated costs;
- difficulties attracting the necessary management and workforce;

- tax rates or royalties being greater than assumed;
- risks related to taxation authorities reassessing previously filed tax returns;
- the effects of competition in the markets in which the Company operates;
- risks related to operations and infrastructure;
- risks related to environmental regulation and liability;
- risks of obtaining insurance on reasonable terms;
- risks associated with failure to maintain community acceptance, agreements and permissions (generally referred to as “**social licence**”);
- risks relating to obtaining and maintaining all necessary government permits, approvals and authorizations and regulatory approvals relating to the continued exploration and development of the Company’s projects in a timely manner;
- legal risks;
- political and regulatory risks associated with mining and exploration; and
- other risks and uncertainties related to the Company’s prospects, properties and business strategy.

These forward-looking statements are based on certain assumptions that the Company believes are reasonable, including that:

- gold, silver and other commodity prices used in the Mercedes Technical Report (as defined herein) will be sustained or improved;
- silver, base metal and other commodity prices used in the Corani Technical Report (as defined herein) will be sustained or improve;
- actual production levels, operating costs and capital costs at the Mercedes Mine will not differ materially from the Company’s expectations;
- development of the Corani Property will be economically viable and proceed as expected;
- contracted service providers will perform substantially as agreed;
- any additional financing required by the Company will be available on reasonable terms;
- historical tax filings were prepared in accordance with the laws existing at the time; and
- the Company will not experience any material accident, adverse natural events, labour dispute, contractor dispute, social disruption or failure of plant or equipment.

Some of the important risks and uncertainties that could affect forward-looking statements are described herein under “Risk Factors”. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Forward-looking statements are made based on management’s informed judgement, beliefs, estimates and opinions on the date the statements are made. Other than as required by applicable law, the Company undertakes no obligation to update forward-looking statements if such judgement, beliefs, estimates and opinions or other circumstances should change. Accordingly, readers should appreciate the inherent uncertainty of and not place undue reliance on forward-looking statements.

Notice Regarding Non-GAAP Financial Measures

This AIF includes disclosure of certain non-GAAP financial measures or ratios, as such terms are used in National Instrument 52-112 - *Non-GAAP and Other Financial Measures Disclosure*, including AISC, Cash Cost, AISC per gold ounce sold and Cash Cost per gold ounce sold. The non-GAAP financial measures used in this AIF are not standardized financial measures under IFRS and might not be comparable to similar

measures presented by other companies. The Company believes that these measures and ratios provide investors with an improved ability to evaluate the prospects of the Company as they provide additional information related to operating performance and are widely used in the mining industry.

The most directly comparable financial measure of AISC and cash costs per gold ounce that is disclosed in the Company's primary financial statements is cost of sales. For further information regarding these non-GAAP financial measures, please see the information under the heading "Cash Cost and All-in-Sustaining Cost ("AISC") for Mercedes" in the Company's MD&A for the period ended December 31, 2022 (available on the Company's website and on SEDAR), which section is incorporated by reference in this AIF.

Cautionary Note to United States Investors

The Company prepares its disclosure in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Terms relating to mineral resources disclosed in this AIF are defined in accordance with Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") under the guidelines set out in the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards for Mineral Resources and Mineral Reserves 2014 ("**CIM Definition Standards**").

The United States Securities and Exchange Commission (the "**SEC**") adopted amendments effective February 25, 2019 (the "**SEC Modernization Rules**") to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the United States Securities Exchange Act of 1934. The SEC Modernization Rules replaced SEC Industry Guide 7, which was rescinded.

As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "Measured mineral resources", "Indicated Mineral Resources" and "Inferred Mineral Resources", which are defined in substantially similar terms to the corresponding CIM Definition Standards. In addition, the SEC has amended its definitions of "Proven Mineral Reserves" and "Probable Mineral Reserves" to be substantially similar to the corresponding CIM Definition Standards.

United States investors are cautioned that while the foregoing terms are "substantially similar" to corresponding definitions under the CIM Definition Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any Mineral Resources that the Company may report as "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources" or Mineral Reserves that the Company may report as "Proven Mineral Reserves" or "Probable Mineral Reserves", under NI 43-101, would be the same had the Company prepared the resource or reserve estimates under the standards adopted under the SEC Modernization Rules.

United States investors are also cautioned that while the SEC will now recognize "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources", investors should not assume that any part or all of the mineral deposits in these categories would ever be converted into a more reliable category of Mineral Resources or into Mineral Reserves. In accordance with Canadian securities laws, estimates of "Inferred Mineral Resources" cannot form the basis of feasibility or other economic studies, except in limited circumstances as permitted under NI 43-101.

In addition, Canadian regulations allow the disclosure of "contained ounces" amongst other expressions of mineralization; however, the SEC has historically only permitted issuers to report mineralization as in place tonnage and grade without reference to unit measures.

For the above reasons, information contained in this Annual AIF and the documents incorporated by reference herein containing descriptions of the Company's mineral properties may not be comparable to

similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

NI 43-101 Disclosure

With the exception of information provided in Appendices "A" and "B" of this document and unless otherwise indicated, scientific and technical information in this AIF is based on work programs and initiatives conducted under the supervision of, and/or has been reviewed and approved by, Andrew Swarthout, AIPG Certified Professional Geologist, a director of the Company who is a Qualified Person ("QP") as defined in NI 43-101

Technical and scientific information presented in Appendix "A" and Appendix "B" of this AIF are excerpts from the Technical Reports (as defined in NI 43-101) prepared for the Company for the Mercedes Mine and the Corani Property (collectively, the "**Technical Reports**"). This excerpted information is subject to all the assumptions, qualifications and procedures set out in the Technical Reports and are qualified in their entirety with reference to the full text of the Technical Reports, which are available on the Company's website and under its profile on SEDAR. Each of the authors of the Technical Reports is an independent QP.

The Technical Reports are as follows:

- The Technical Report entitled "National Instrument 43-101 Technical Report, Mercedes Gold-Silver Mine, Sonora State, Mexico", dated July 4, 2022 and filed on SEDAR on July 5, 2022 (the "**2022 Mercedes Report**"). The 2022 Mercedes Report addresses comments received by the Company from the British Columbia Securities Commission in respect of a previous technical report for the Mercedes Mine filed by the Company on SEDAR on April 22, 2022. The 2022 Mercedes Report was prepared by BBA Engineering Inc. on behalf of the Company and authored by the following QPs, each of whom was employed or contracted by BBA Engineering as at the date of the 2022 Mercedes Report: Colin Hardie, P.Eng.; David Willock, P.Eng.; Shane Ghouralal, P.Eng. MBA; and Pierre-Luc Richard, P.Geo., M.Sc.
- The Technical Report entitled "Bear Creek Mining, Corani Project, NI 43-101 Technical Report" dated and filed on SEDAR on, December 17, 2019 (the "**2019 Corani Report**"). The 2019 Corani Report was prepared by Ausenco Services Pty Ltd ("**Ausenco**"), with input from additional technical, legal and other consultants and the following QPs, employed by the respective firms as at the date of the 2019 Corani Report: Greg Lane, FAusIMM, Ausenco Services Pty Ltd; Kevin Gunesch, PE, Global Resource Engineering Ltd.; Terre Lane, MMSA, Global Resource Engineering Ltd.; Todd Harvey, SME Registered Member, Global Resource Engineering Ltd; Hamid Samari, MMSA, Global Resource Engineering Ltd.; Denys Parra, SME Registered Member Anddes Asociados SAC; Eduardo Ruiz, EFG Register Member, Anddes Asociados SAC; David Arcos, EFG Register Member, Amphos 21 Consulting, S.L.; and, Michael Meyer, Ph.D., MMSA, Meyer EPS Inc.

All Bear Creek sample and assay results are independently monitored through a quality control / quality assurance program that includes the insertion of a minimum of the following for each assay batch of approximately 84 samples: two certified standards, one certified fine blank, one coarse blank and pulp and reject duplicate samples. Logging and sampling at the Mercedes Mine are completed at a secure onsite facility. Drill core is sawn in half on site and half drill-core samples are securely transported to ALS Chemex sample preparation facilities in Hermosillo, Mexico. Sample pulps are sent to ALS Chemex lab in Vancouver, British Columbia for analysis. Gold content is determined by fire assay of a 30-gram charge and silver content is determined by four acid digestion, sample preparation and assay labs are independent from Bear Creek. Bear Creek is not aware of any drilling, sampling, recovery, or other factors that could materially affect the accuracy or reliability of the data referred to herein.

Glossary

The following terms are used in this AIF and are defined as follows:

"CIM"	Canadian Institute of Mining, Metallurgy and Petroleum.
"GAAP"	Generally Accepted Accounting Principles. In Canada, accounting standards for all entities outside the public sector are issued by the Accounting Standards Board (AcSB). The AcSB adopted IFRS Standards as the accounting standards used by publicly accountable enterprises. The Canada Business Corporations Act and provincial corporations and securities legislation generally require companies to prepare financial statements for their shareholders in accordance with GAAP.
"IFRS"	International Financial Reporting Standards, issued by the International Accounting Standards Board. IFRS are a set of accounting rules that are intended to make the financial statements of public companies consistent, transparent, and easily comparable around the world.
"g/t"	grams per tonne
"NI 43-101"	National Instrument 43-101 - <i>Standards of Disclosure for Mineral Projects</i> . An instrument developed by the Canadian Securities Administrators that governs public disclosure by mining and mineral exploration issuers. The instrument establishes certain standards for all public disclosure of scientific and technical information concerning mineral projects.
"OTCQX"	A United States-based trading platform that facilitates trading for online, retail and institutional investors.
"Qualified Person" or "QP"	Conforms to that definition under NI 43-101 for an individual who: (a) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining; (b) has at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice; (c) has experience relevant to the subject matter of the mineral project and the technical report; (d) is in good standing with a professional association; and (e) in the case of a professional association in a foreign jurisdiction, has a membership designation that (i) requires attainment of a position of responsibility in their profession that requires the exercise of independent judgment; and (ii) requires (a) a favourable confidential peer evaluation of the individual's character, professional judgement, experience, and ethical fitness; or (b) a recommendation for membership by at least two peers and demonstrated prominence or expertise in the field of mineral exploration or mining
"SEDAR"	The System for Electronic Document Analysis and Retrieval. SEDAR is an online database system used for electronically filing most securities-related information and documents with Canadian securities regulators and authorities. Documents filed on SEDAR are available to the public at www.sedar.com .
"tpd"	Tonnes per day. One metric tonne equals 1.1023 short tons.
"TSX-V"	The TSX Venture Exchange.

Conversion Factors

To Convert From	To	Multiply By
Metres	Feet	3.281
Kilometres	Miles	0.6214
Hectares	Acres	2.471
Grams	Ounces (Troy)	0.03215
Grams/Tonnes	Ounces (Troy)/Short Ton	0.02917
Tonnes (metric)	Pounds	2,205
Tonnes (metric)	Short Tons	1.1023

Mineral Elements

<p>Au - Gold Ag – Silver Pb – Lead Zn – Zinc</p>

The following terms, used in this document and in NI 43-101, have been defined as follows (except as indicated) by the CIM, as the <i>CIM Definition Standards on Mineral Resources and Mineral Reserves</i>	
“Mineral Resource” or “mineral resource”	A concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.
“Measured Mineral Resource” or “measured mineral resource”	That part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.
“Indicated Mineral Resource” or “indicated mineral resource”	That part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

<p>“Inferred Mineral Resource” or “inferred mineral resource”</p>	<p>That part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.</p>
<p>“Mineral Reserve” or “mineral reserve”</p>	<p>A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-feasibility Study or Feasibility study.</p>
<p>“Modifying Factors”</p>	<p>The factors used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.</p>
<p>“Proven Mineral Reserve” or “proven mineral reserve”</p>	<p>The economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.</p>
<p>“Probable Mineral Reserve” or “probable mineral reserve”</p>	<p>The economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.</p>
<p>“Preliminary Economic Assessment” or “scoping study”</p>	<p>As defined in NI 43-101, a study, other than a Pre-feasibility or Feasibility study, that includes an economic analysis of the potential viability of Mineral Resources.</p>
<p>“Pre-feasibility study” or “preliminary feasibility study”</p>	<p>A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-feasibility study is at a lower confidence level than a Feasibility study. The CIM Definition Standards requires the completion of a Pre-feasibility study as the minimum prerequisite for the conversion of Mineral Resources to Mineral Reserves</p>
<p>“Feasibility study”</p>	<p>A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility study.</p>

CORPORATE STRUCTURE

Incorporation History

The legal and commercial name of the Company is "Bear Creek Mining Corporation". The Company was incorporated under the British Columbia Company Act on August 31, 1999 under the name "4271 Investments Ltd.", from which time to date it underwent the following corporate changes.

On September 30, 1999 changed its name to "EVEolution Ventures Inc." and increased its authorized share capital from 1,000,000 common shares ("**Common Shares**") without par value to 50,000,000 Common Shares without par value. On April 11, 2000, the Company obtained a listing on the TSX-V as a capital pool company. On November 14, 2002, the Company continued under the Yukon Business Corporations Act, changed its name to Bear Creek Mining Corporation, and increased its authorized share capital from 50,000,000 Common Shares without par value to an unlimited number of Common Shares without par value. On April 22, 2003, the Company completed its "qualifying transaction" on the TSX-V. On July 16, 2004, the Company continued under the British Columbia Business Corporations Act (the "**BCBCA**") and in connection therewith adopted its Notice of Articles and its Articles. Effective April 20, 2006, the Company's wholly owned subsidiary, Bear Creek Mining Company (previously EVEolution Ventures (USA) Inc.), continued from the State of Arizona to the Province of British Columbia under the BCBCA and changed its name to "Bear Creek Exploration Company Ltd.", which subsidiary holds a branch office registration in Peru under the name "Bear Creek Mining Company Sucursal del Peru".

On April 21, 2022, the Company acquired "1336991 B.C. Ltd." and its subsidiary companies from Equinox Gold Corp. ("**Equinox Gold**"), which directly and indirectly own 100 percent of the Mercedes gold silver mine (the "**Mercedes Mine**" or "**Mercedes**") in Sonora, Mexico.

Company Address

The Company is domiciled in British Columbia, Canada and is a company governed by the BCBCA. The Company's principal place of business is located at Suite 1400, 400 Burrard Street, Vancouver, British Columbia, V6C 3A6 and its registered and records office is located at 1200 Waterfront Centre, 200 Burrard St., Vancouver, BC, Canada V7X 1T2. The Company also has operations offices in Peru at Av. Conquistadores 1144, Piso 6, San Isidro, Lima 27, Peru and in Mexico at Boulevard Jose Maria Morelos 307, Building F, Local 06, Loma Linda, Hermosillo, Sonora, Mexico, 83150.

Reporting Issuer

Bear Creek Mining Corporation is a reporting issuer or the equivalent in all of the provinces and territories of Canada except the Province of Quebec. Bear Creek's Common Shares are listed and traded under the symbol "BCM" on the TSX-V Exchange in Canada, and the Bolsa Valores de Lima ("**BVL**") Exchange in Peru, are posted for trading under the symbol "BCEKF" on the OTCQX market in the United States, and are listed and traded under the symbol "OU6" on the Börse Frankfurt.

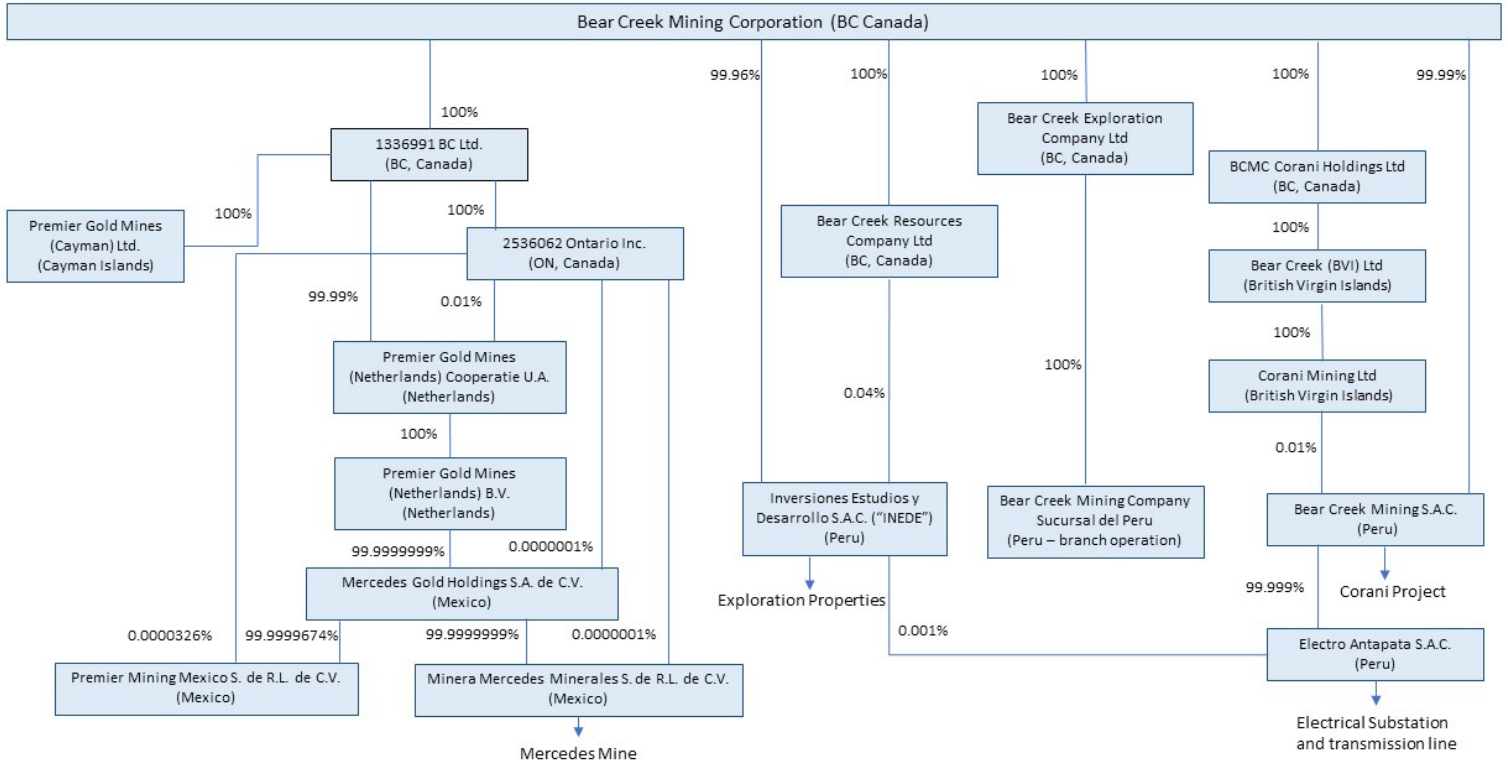
Transfer Agents and Registrar

The transfer agent and registrar for the Company's Common Shares is Computershare Investor Services Inc. ("**Computershare**"). The register of transfers of the Company's Common Shares is maintained by Computershare at its offices in Vancouver, BC.

Intercorporate Relationships

The Company holds its exploration, development and operating assets through a series of subsidiaries. The Company's organizational chart, as of the date of this AIF, is shown in the diagram below.

All of the Company's subsidiaries and the assets they hold are ultimately wholly owned, directly or indirectly, by the Company.



The percentage ownerships shown in the diagram above are of all voting securities beneficially owned, directly or indirectly, by Bear Creek Mining Corporation. There are no restricted securities. The jurisdiction of incorporation or organization is indicated below the name of each company.

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CAPITAL STRUCTURE

Description of Capital Structure

Common Shares

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As of the date of this AIF, 154,640,386 Common Shares of the Company were issued and outstanding as fully paid and non-assessable shares. In addition to its issued and outstanding Common Shares, the Company has 9,508,334 securities-based awards under grant to Directors, officers, employees and consultants of the Company, comprised of 8,200,000 incentive stock options ("**Options**"), 308,334 Restricted Share Units ("**RSUs**") and 1,000,000 Deferred Share Units ("**DSUs**"). Each RSU, DSU and Option represents the right to receive or acquire one Common Share of the Company. Accordingly, the Company's fully diluted capitalization is 164,148,720 Common Shares.

All of the authorized Common Shares of the Company are of the same class and, once issued, rank equally as to dividends, voting powers and participation in assets and in all other respects, on liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs after the Company has paid out its liabilities. The issued Common Shares are not subject to call or assessment by the Company nor are there any pre-emptive, conversion, exchange, redemption or retraction rights attaching to the Common Shares.

All registered shareholders are entitled to receive a notice of any general meeting of shareholders to be convened by the Company. At any general meeting, subject to the restrictions on joint registered owners of Common Shares, every shareholder who is in attendance and entitled to vote has one vote, and on a poll, every shareholder has one vote for each Common Share held and may exercise such vote either in person or by proxy. The Company's Articles provide that the rights and provisions attached to any class of shares in which shares are issued may not be modified, amended or varied unless consented to by special resolution passed by a majority of not less than 66 2/3% of the votes cast in person or by proxy by holders of shares of that class.

Stock Options

The Company's rolling 10% stock option plan was revised in April 2022 in order to comply with the provisions of Toronto Stock Exchange Policy 4.4 (as updated effective November 21, 2021). The revised stock option plan (the "**2022 Plan**") was approved by Bear Creek's board of Directors (the "**Board**") and adopted by the Company on April 26, 2022, approved by shareholders at the Company's annual general meeting on June 8, 2022 and approved by the TSX-V on July 4, 2022. In accordance with TSX-V policies, the 2022 Plan must be approved by shareholders of the Company and the Exchange annually.

The maximum number of Common Shares that may be reserved for issuance under outstanding Options granted pursuant to the 2022 Plan is a number equal to 10% of the Company's issued and outstanding Common Shares as constituted on the date of any grant of Options under the Stock Option Plan.

As at the date of this AIF, the Company had 8,200,000 outstanding Options under grant, to purchase up to 8,200,000 Common Shares of the Company, representing approximately 5.3% of the Company's issued and outstanding shares, at exercise prices ranging from C\$0.69 to C\$2.58 and expiring periodically through to December 15, 2032.

Under the 2022 Plan, Options are exercisable over periods of up to 10 years as determined by the Board of Directors and are required to have an exercise price no less than the closing market price of the Company's shares on the trading day immediately preceding the day on which the Company announces the grant of options (or, if the grant is not announced, the closing market price prevailing on the day that

the option is granted) less the applicable discount, if any, permitted by the policies of the Exchange and approved by the Board. Pursuant to the 2022 Plan, the Board may from time to time authorize the issue of Options to Directors, officers, employees, and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The maximum number of Common Shares that may be issued pursuant to Options previously granted and those granted under the 2002 Plan is 10% of the issued and outstanding Common Shares at the time of the grant. In addition to the SOP Limit, the number of Shares which may be reserved for issuance pursuant to the 2002 Plan are subject to the following limitations (unless otherwise specified, capitalized terms in the following bullets are as defined in the 2002 Plan):

- to any one Optionee, within a twelve-month period, not more than 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis, unless the Company has obtained Disinterested Shareholder Approval;
- to Insiders (as a group), at any point in time, not more than 10% of the total number of issued and outstanding Shares, on a non-diluted basis, unless the Company has obtained Disinterested Shareholder Approval;
- to Insiders (as a group), within a twelve-month period, not more than 10% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis, unless the Company has obtained Disinterested Shareholder Approval;
- to any one Consultant, within a twelve-month period, not more than 2% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and
- to all Investor Relations Service Providers (as defined in Exchange Policy 1.1), within a twelve-month period, not more than 2% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis.

In its approval of the 2022 Plan on July 4, 2022, the TSX-V requested revisions to the 2022 Plan be made prior to the Company seeking annual Shareholder approval of the 2022 Plan at its next annual general meeting, scheduled for June 5, 2023. The following revisions to the 2022 Plan were approved by the Board on April 17, 2023:

- a clarification that the number of Shares which may be reserved for issuance to Insiders (as a group) may not exceed 10% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis, both in any 12-month period and at any point in time, unless the Company has obtained the approval of Disinterested Shareholders;
- a provision that the vesting of any Options issued to Investor Relations Service Providers will not be accelerated without the prior written approval of the Exchange;
- specification that the Expiry Date of Options will be automatically extended only in the event the Expiry Date falls during a trading blackout imposed by the Company, rather than a period that includes the trading blackout and five days following the lifting thereof;
- a provision that any increase in the number of Unissued Option Shares resulting from a Special Distribution will not exceed any of the limits provided in Section 3.3 of the Plan and that the Board may elect to satisfy its obligations in respect of a Special Distribution, in whole or in part, by the payment of cash if the number Unissued Options Shares payable in the event of a Special Distribution would otherwise exceed any of the Plan limits provided in Section 3.3 of the Plan;
- an allowance for Optionees to exercise Options granted to them, in accordance with the terms and provisions of the Option Agreement governing such Options, by way of a "Cashless Exercise" (available to all Optionees) or "Net Exercise" arrangement (available to all Optionees except Investor Relations Service Providers) (each as defined in TSX Policy 4.4)

- clarification that any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the 2022 Plan pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 of the 2022 Plan, with the exception of adjustments in connection with a security consolidation or security split, is subject to the approval of the Exchange and any other governmental authority having jurisdiction.
- clarification that tax withholding provisions do not supersede the requirements of Policy 4.4
- inclusion in the form of Option Agreement provided in Schedule "A" of the Plan that any Options issued to Insiders or at any discount to the Market Price, to a maximum of the Discounted Market Price (as such terms are defined in the Plan), will require securities issued pursuant to those Options to bear a legend restricting their resale for a period of 4 months plus one day from the date the Options were granted.

If shareholder re-approval of the 2022 Plan is not obtained at the June 5, 2023 annual general meeting, the Options currently under grant will continue to be governed by the 2022 Plan as approved by Shareholders on June 8, 2022 and by the Exchange on July 4, 2022, and no new Options will be granted unless and until a new stock option plan is approved by Shareholders.

A copy of the 2022 Plan that incorporates the revisions is available on request from the Company. Additional details regarding the 2022 Plan are provided in the Company's Information Circular dated April 17, 2023, which is available on SEDAR and on the Company's website.

Restricted Share Units and Deferred Share Units

On April 2, 2016 the Board adopted a long term incentive plan (the "LTIP"), which was approved by the shareholders (excluding, as required by the TSX-V policies, the votes of any shareholders who are, or are associates of, Directors or officers of the Company) at the Company's annual general meeting held on June 2, 2016. The purpose of the LTIP is to advance the Company's interests by (a) increasing the proprietary interests of eligible participants in the Company; (b) aligning the interests of eligible participants with the interests of the shareholders of the Company generally; (c) encouraging eligible participants to remain associated with the Company; and (d) furnishing eligible participants with an additional incentive to achieve the goals of the Company.

The LTIP provides the Company with the ability to grant RSUs and DSUs to eligible participants (as defined in the LTIP). Under the LTIP, an officer, Director, employee, or consultant of the Company who has been designated by the Company for participation (and who agrees to participate) in the LTIP, is eligible to receive RSUs pursuant to the LTIP. An officer, Director, or employee (but not a consultant) of the Company who has been designated by the Company for participation, and who agrees to participate, in the LTIP is eligible to receive DSUs pursuant to the LTIP.

The LTIP is a fixed number plan. The maximum number of Common Shares the Company is entitled to issue from treasury under the LTIP for payments in respect of awards of RSUs and DSUs is an aggregate of 5,000,000 Common Shares (the "LTIP Limit"). The LTIP, together with all other previously established or proposed share compensation arrangements of the Company (including the Stock Option Plan, may not result in:

- the number of Common Shares reserved for issuance exceeding 10% of the outstanding issue;
- the number of Common Shares reserved for issuance to insiders exceeding 10% of the outstanding issue;
- the issuance to insiders, within a one-year period, of a number of Common Shares exceeding 10% of the outstanding issue; or

- the issuance to any one insider and such insider's associates, within a one-year period, of a number of Common Shares exceeding 5% of the outstanding issue.

Unless otherwise approved by the Board, RSUs vest over a three year period commencing on the first anniversary of the grant date, and DSUs vest only upon the awardee ceasing to be an eligible DSU Participant (as defined in the LTIP). As at the date of this AIF, the Company has granted 1,000,000 RSUs (of which 691,666 have vested and were paid to holders in two tranches on May 10, 2021 and June 15, 2022, and 308,334 remain outstanding) and 1,000,000 DSUs (of which none have vested). The cumulative grant to date of 2,000,000 RSUs and DSUs represents approximately 1.3% of the Company's issued and outstanding shares as of the date of this AIF.

As of the date of this AIF, a cumulative total of 9,508,334 stock options, RSUs and DSU's are outstanding, representing approximately 6.1% of the Company's issued and outstanding shares. In accordance with the terms of the Stock Option Plan and the LTIP, as of the date of this AIF a maximum of 5,229,932 Options, RSUs and DSUs, representing 5,229,932 underlying common shares, are reserved, and are eligible, for future issuance, of which no more than 3,000,000 may be in the form of RSUs and/or DSUs (5,000,000 LTIP Limit, less 2,000,000 cumulative RSUs and DSUs granted to date).

Additional details regarding the LTIP are provided in the Company's Information Circulars dated April 17, 2023 and April 20, 2016, which are available on SEDAR. A copy of the LTIP is available on request from the Company. Dividends and Distributions

Dividends and Distributions

Bear Creek has not declared or paid any dividends on the Common Shares since the date of incorporation. The Company's current dividend or distribution policy is to retain any earnings and other cash resources for the operation and development of the Company's business. Any decision to pay dividends on Common Shares in the future will be made by the Board on the basis of the earnings, financial requirements and other conditions existing at such time.

Market Price for Securities

Trading Price and Volume

The Company's Common Shares are listed and traded in Canada on the TSX-V and in Peru on the BVL, both under the symbol "BCM", and are posted for trading in the United States on the OTCQX under the symbol "BCEKF" and on the Börse Frankfurt under the symbol "OU6". The Company trades in C\$ on the TSX-V, in US\$ on the BVL and the OTCQX and in Euros on the Börse Frankfurt. Trading of the Company's Common Shares on the TSX-V during the year ended December 31, 2022 accounted for approximately 80% of the average daily trading volume on a worldwide basis, with approximately 19% of the average daily trading volume occurring on the OTCQX and <1% on the BVL and Börse Frankfurt combined. The following table sets forth the price ranges and average daily trading volume of the Common Shares traded through the facilities of the TSX-V on a monthly basis during the Company's most recently completed financial year.

TSX-V: BCM ⁽¹⁾ 2022 Trading Data

Period – 2022	High (C\$)	Low (C\$)	Avg. Daily Volume
December	1.11	0.56	478,531
November	0.57	0.37	566,908
October	0.67	0.38	616,427
September	0.70	0.45	317,963
August	0.94	0.64	85,935
July	0.89	0.63	89,483
June	1.01	0.78	153,678

Period – 2022	High (C\$)	Low (C\$)	Avg. Daily Volume
May	1.27	0.93	132,364
April	1.32	1.02	239,032
March	1.29	0.97	335,133
February	1.28	1.02	202,146
January	1.37	1.10	151,309

(1) Source: TMX Datalinx

Prior Sales

The following table summarizes the securities of the Company that are outstanding as at the date of this AIF, but not listed or quoted on a marketplace, that were issued by the Company during the financial year ended December 31, 2022:

Date of Issuance	Cumulative Number of Securities	Issue or Exercise Price or Fair Market Value per Common Share (C\$)	Expiry Date	Reason for Issuance
December 15, 2022	3,750,000 stock options	\$0.69	December 15, 2032	Grant of stock options

GENERAL DEVELOPMENT OF THE BUSINESS

Business of the Company

Bear Creek is a precious metals producer with 100% ownership of two material mineral projects - the Mercedes Mine and the Corani Property, the latter of which hosts one of the largest, fully permitted silver-polymetallic deposits in the world. Descriptions of the Mercedes Mine and the Corani Property are provided under the headings "Mineral Projects – Mercedes Mine" and "Mineral Projects – Corani Property", below. Additional details regarding the Mercedes Mine acquisition, which occurred on April 21, 2022, are provided under "Three Year History and Significant Acquisitions", below.

Bear Creek strives for excellence in operating discipline, technical skill, environmental and social responsibility, corporate governance, and transparency. The Company's executives and Directors have a substantial breadth and depth of experience discovering, advancing, financing, developing, constructing and operating mines in Latin America.

Three Year History and Significant Acquisitions

Between January 1, 2020 and December 31, 2022 the Company's primary business activities related to development of the Corani Property and acquisition and operation of the Mercedes Mine.

Significant corporate and operational developments that have occurred over the past three financial years, and during the current year to date, are described below.

Year Ended December 31, 2020

- On February 6, 2020, the Company announced it had entered into an agreement with BMO Capital Markets ("BMO") to undertake a bought deal financing of 7,145,000 Common Shares at a price of C\$ 2.10 per Common Share (the "**February 2020 Offering**"). The February 2020 Offering, in which BMO acted as lead underwriter with participation by Canaccord Genuity Corp. and Paradigm Capital Inc. (together, the "**February 2020 Financing Underwriters**"), was completed on February 18, 2020 and resulted in gross proceeds to the Company of C\$15,004,500. The February 2020 Financing

Underwriters also partially exercised their over-allotment option to acquire an additional 760,000 Common Shares. Including the proceeds from the exercise of the over-allotment option, the total gross proceeds of the February 2020 Offering were C\$16,600,500 resulting in 7,905,000 Common Shares being issued.

- On March 3, 2020, the Company announced that it had engaged BNP Paribas and Société Générale as Joint Lead Arrangers (together, the “**JLAs**”) to arrange a US\$ 400 million senior secured credit facility (the “**Facility**”). The Facility, if concluded, would be used to partially fund construction of the Corani Property.

The JLAs have largely completed technical and legal due diligence and had started efforts to form a banking syndicate composed of international finance banks, export credit agencies and others. As of the date of this AIF, arrangement of the Facility is postponed. There can be no assurance that the Company will be successful at arranging a senior secured credit facility on terms that are acceptable to the Company.

- On September 18, 2020, the Company announced its intent to commence construction of several capital projects in the Corani region to support the long-term health, education and economy of local communities and provide early construction infrastructure for the Corani mine. These projects were in addition to construction of the Antapata electrical substation, which commenced in 2018 and include:
 - Implementation of a rapid response health care center in the community of Isivilla to provide local, specialized therapy for COVID-19 infection, including oxygen concentrators and ten treatment beds.
 - Installation of transmission towers from the Antapata substation, initially to the community of Isivilla, to deliver medium tension electrical service to the Carabaya Province, including the town of Macusani and communities within the Corani district and, eventually, high tension electrical service to the Corani mine site. The transmission towers will also be used to provide fiber optic internet service to local communities enroute to the Corani project improving access to technology and supporting on-line classrooms.
 - Construction of an Alpaca Research Center to house initiatives being advanced in partnership with Corani-area communities to enhance alpaca health and husbandry, and to continue research towards the creation of unique and innovative products from local resources.
 - Construction and upgrading of roads from the Interoceanic Highway, through the communities of Tantamaco, Huiquisa and Corani and eventually to the Corani mine site, which will improve accessibility for residents, reduce road hazards and provide a route for the transport of heavy construction equipment to the Corani site.

These projects will benefit the Carabaya Province residents and communities by providing needed infrastructure improvements and will generate local employment helping families re-establish income lost to the economic downturn caused by the COVID-19 pandemic. These projects are additionally necessary for construction and operation of the Corani mine.

- On October 29, 2020, the Company filed a short form base shelf prospectus (the “**2020 Shelf Prospectus**”) with the securities commissions in each of the provinces and territories of Canada, except Quebec. The 2020 Shelf Prospectus allows the Company to offer and issue up to C\$300 million of Common Shares, warrants, subscription receipts, units, debt securities, or any combination of such securities during the 25-month period following the filing of the final 2020 Shelf Prospectus, which securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of an offering, which would be set forth in the applicable prospectus supplement(s).

- On December 7, 2020, the Company announced that Mr. Elsiario Antunez de Mayolo, Chief Operating Officer, had made the decision to retire from the Company effective December 31, 2020 and that Mr. Eric Caba has been promoted to the position of COO effective January 1, 2021. Mr. Caba joined Bear Creek in 2018 as the Vice President, Project Development and was promoted to Senior Vice President, Project Delivery in early 2020. He is a highly regarded mining executive with over 30 years' experience in the industry and significant expertise in mine development and operations.

Year Ended December 31, 2021

- On January 6, 2021, the Company announced it had entered into an agreement with Stifel GMP ("Stifel") for a bought deal financing of 10,000,000 Common Shares at a price of C\$3.00 per Common Share (the "**January 2021 Offering**"). The January 2021 Offering, in which Stifel acted as lead underwriter with participation by Canaccord Genuity Corp. and BMO (together, the "**January 2021 Financing Underwriters**"), was completed on January 15, 2021 and resulted in gross proceeds to the Company of C\$30 million. The January 2021 Financing Underwriters exercised their over-allotment option in full to purchase an additional 1,500,000 Common Shares for additional gross proceeds of C\$4.5 million. Including the proceeds from the exercise of the over-allotment option, the total gross proceeds of the January 2021 Offering were C\$34.5 million with an aggregate of 11,500,000 Common Shares being issued.
- On March 29, 2021, the Company announced the untimely passing of Mr. Frank Tweddle, an independent director of the Company since December 2010.
- In September 2021, Bear Creek completed construction of the Antapata electrical substation and began pre-operative studies, regulatory compliance and permitting required to connect the substation to the national electrical grid. This permitting process, which requires an audit by the Peruvian electricity regulator, is expected to conclude in late 2022. The substation, once connected to the Peruvian national energy grid, will transform 138 kilovolts ("**kV**") energy to 22.9kV energy for distribution to the town of Macusani (on the Interoceanic Highway, approximately 40 km east of the Corani Property) and numerous villages in the Corani District by the government funded infrastructure improvements currently under construction, as described above. The transmission line will also deliver high tension power to the Corani site and link to high-speed internet service.
- On December 17, 2021, Bear Creek announced it had entered into a definitive agreement (the "**Share Purchase Agreement**") with Equinox Gold Corp. ("Equinox Gold") to acquire a 100% interest in the Mercedes Mine. The Mercedes Mine acquisition closed on April 21, 2022 (the "**Closing Date**"). See below under "Recent Developments" for a description of relevant events between December 17, 2021 and the Closing Date.

Key terms of the Mercedes Mine acquisition Share Purchase Agreement include payments to Equinox Gold of:

- An initial cash payment of US\$75 million and issuance of 24,730,000 Bear Creek common shares on the Closing Date;
- A deferred cash payment of US\$25 million due within six months of the Closing Date;
- A 2% NSR payable on metal production from the Mercedes mining concessions.

In connection with the Mercedes Mine acquisition announcement, Bear Creek and Sandstorm Gold Ltd. ("**Sandstorm**") entered into a gold purchase agreement (the "**Gold Purchase Agreement**") and a debt financing agreement (the "**Convertible Debenture**").

Under the Gold Purchase Agreement, on the Closing Date Sandstorm provided the Company with US\$37.5 million and in exchange Bear Creek will sell to Sandstorm 600 ounces of refined gold per

month for 42 months (a total of 25,200 ounces) at a price equal to 7.5% of the spot gold price at the time of delivery. Thereafter, the Company will sell to Sandstorm 4.4% of gold produced by the Mercedes Mine at a price equal to 25% of the spot price at the time of delivery. Sandstorm was also granted a right of first refusal on any royalties, streams or similar transactions with respect to production from the Mercedes Mine.

- On the Closing Date, Sandstorm paid the Company US\$22.5 million (the "**Principal Amount**") to subscribe for a 6%, three-year Convertible Debenture. Interest is paid quarterly on the outstanding Principal Amount. The Principal Amount may be reduced by conversion of debt to common shares of the Company during the term. Otherwise, the Principal Amount is due on the third anniversary of closing (the "**Maturity Date**"). At Sandstorm's election, the Principal Amount may be converted, in whole or in part, into common shares of the Company at any time prior to the Maturity Date at a conversion price of C\$1.51. The Indebtedness under this Convertible Debenture may be prepaid in whole or in part prior to the Maturity Date at the Company's option at any time for an amount equal to the sum of the amount of the Principal Amount being prepaid or redeemed, and accrued interest to the date fixed for early redemption in respect of such amount.
- At December 31, 2021, the Company recognized an impairment loss of US\$0.95 million on The Maria Jose net smelter return royalty. The project owner's exploration efforts did not find economic mineralization and it is uncertain that future exploration will change this.

Year Ended December 31, 2022

- On March 25, 2022, the Company announced it and Equinox Gold had signed an amendment to the Share Purchase Agreement extending the outside closing date of the Acquisition from March 31, 2022 to April 30, 2022. Concurrently, the Company announced had become aware that on March 23, 2022, TRR Offtakes LLC ("**Trident**") – a subsidiary of Trident Royalties Plc (AIM: TRR) which in January 2022 acquired a non-material offtake agreement with subsidiaries of Equinox Gold – brought an application for an order of an arbitrator restraining and enjoining the closing of the Acquisition (the "**Application**"). The Application related to an offtake agreement (the "**Premier Gold Mines Offtake Agreement**") between Equinox Gold and Trident (the "**Parties**") that is tied to production from the Mercedes Mine and a dispute between the Parties as to the calculation of a transfer fee and the delivery obligations under the offtake agreement after the transfer fee (payable by Equinox Gold) has been made and ownership of the Mercedes Mine has been transferred to the Company.
- On April 14, 2022, the Company announced that it had received approval of the Mercedes Mine acquisition from Mexican authorities and that Trident had arrived at a settlement with Equinox Gold that removed the Mercedes Mine from the Premier Gold Mines offtake agreement.
- On April 21, 2022, the Company closed its acquisition of the Mercedes Mine in accordance with the Share Purchase Agreement, Gold Purchase Agreement and Convertible Debenture described above.
- On April 22, 2022, the Company announced its filing on SEDAR of a Technical Report (as defined in NI 43-101) for the Mercedes Mine.
- On June 9, 2022, the Company announced the appointment of Eric Caba to the position of President and Chief Operating Officer, and the Company's publication of its inaugural Environmental Social Governance ("**ESG**") report.
- On June 13, 2022, the Company announced that it had closed a private placement financing wherein it raised gross proceeds of C\$3,542,160 through the issuance of 3,542,160 common shares at a price of C\$1.00 per share. Directors and officers of the Company subscribed for 2,000,000 shares representing 56% of the total subscribed shares in the private placement.

- On July 5, 2022, the Company announced its filing on SEDAR of the 2022 Mercedes Report (as defined above under "NI 43-101 Disclosure") that updates the technical report dated April 22, 2022 in order to address comments received thereon from the British Columbia Securities Commission. Concurrently, the Company filed a Form 51-102F4 Business Acquisition Report on SEDAR that provides details related to the Company's acquisition of Mercedes on April 21, 2022.
- On July 28, 2022, the Company entered into a promissory note (the "**Auramet Note**") with Auramet International LLC ("**Auramet**") in connection with a one-year US\$5.0 million loan facility (the "**Facility**"). Pursuant to the Auramet Note, the Facility is due on July 28, 2023, and the Company may repay the Facility, in minimum incremental amounts of US\$1.0 million from time to time without penalty, subject to any accrued interest. Concurrently, the Company granted gold call options to Auramet. Each option is for 625 ounces with a US\$1,975 strike price and may be exercised on April 26, 2023, July 27, 2023, October 27, 2023, and December 27, 2023. As partial consideration for the Auramet Note, the Company entered into an offtake agreement (the "**Offtake Agreement**") with Auramet whereby the Company has agreed to sell to Auramet 100% of the outturn from the Company's Mercedes mine less the amount of gold and silver sold by the Company pursuant to existing royalty and stream agreements (the "**Applicable Product**") until the Auramet Note is paid in full and, thereafter, 50,000 troy ounces of the Applicable Product. The payment price for gold sold to Auramet under the Offtake Agreement may be, at the election of the purchaser, any of the following over the two day period from delivery up to and including the payment date:
 - (i) the a.m. LBMA Gold Price in U.S. per ounce quoted by the LBMA;
 - (ii) the p.m. LBMA Gold Price in U.S. per ounce quoted by the LBMA; and
 - (iii) the COMEX (1st Position) Settlement gold price in U.S. dollars per ounce quoted by COMEX.
- On September 6, 2022, the Company announced that it had engaged, through arm's length service agreements, Unison Mining Consulting Pte. Ltd. ("**Unison**") to design and Renoir Management Corporation ("**Renoir**") to implement a 32-week performance improvement program at the Mercedes Mine. The program will cost US\$2.15 million and will be completed in January 2023. The planned improvements are to re-open closed mining areas to achieve production rates of approximately 70,000 Au ozs per year and reduce costs. As approved by the TSX-V, US\$850,000 of services provided by Unison were paid in common shares of the Company. The performance improvement program was completed in January 2023.
- On October 6, 2022, the Company announced production results from the Mercedes mine for the three months ended September 30, 2022 ("**Q3 2022**"). Results included 148,211 tonnes of ore processed, representing an average of 1,611 tonnes per day, and 11,170 ounces of gold produced during Q3 2022.
- On October 26, 2022, the Company announced it had reached a Heads of Agreement ("**HOA**") with Equinox Gold to amortize over a two-year period the payment of the final US\$25 million purchase price installment for the Mercedes mine. The HOA provides for converting the payment into a promissory note (the "**Equinox Note**") with a maturity date of October 21, 2024 and monthly principal and interest payments commencing in February 2023. Interest on the Equinox Note is 12.5% plus the greater of 2.5% or the Term Secured Overnight Financing Rate ("**SOFR**"). Issuance of the Equinox Note is subject to completion of definitive documentation and approval of the TSX-V. The HOA was subsequently revised as announced on March 10, 2023 (see "Recent Developments", below).
- On November 21, 2022, the Company filed a Revised Annual Information Form to reflect information contained in the 2022 Mercedes Report that represented a non-material change to the mineral

resource estimate exclusive of mineral reserves disclosed in the Mercedes Technical Report filed on April 22, 2022.

- On December 15, 2022, the Company announced that its Board had authorized and approved the grant of 3,750,000 stock options under the 2022 Plan to certain Directors, officers and employees of the Company. Such stock options are subject to vesting provisions in accordance with the 2022 Plan and are exercisable on or before December 15, 2032 at the strike price of C\$0.69 per share.

Recent Developments

- On January 4, 2023, the Company announced it produced 13,710 ounces of gold and 40,222 ounces of silver from the Mercedes Mine during the three months ended December 31, 2022 ("Q4 2022"), representing a 23% increase in production compared to the third quarter of 2022. The Company also announced it had intersected a new vein at the Marianas zone in Drill Hole UG-MR22-114, which intersected 0.8 metres grading 89.1 grams per tonne ("**g/t**") of gold and 192 g/t of silver. A second intercept in the same hole of 3.0 metres grading 15.8 g/t of gold and 151 g/t of silver represents the extension, as projected, of a known vein. UG-MR22-114 was drilled from underground drilling station Bay 4 in Marianas.
- On February 22, 2023, the Company announced the results of recent drilling from the Marianas and Rey de Oro deposits at the Mercedes Mine. The drill results announced demonstrate the continuation of gold and silver mineralization at both Marianas and Rey de Oro outside of the currently estimated mineral resources and mineral reserves and provide the basis for an expanded exploration program in 2023. The Company also announced it intends to complete approximately 33,000 metres of surface and underground drilling, at an expected budget of US\$4.4 million, at the Mercedes Mine in 2023 directed at the extension of current workings as well as brownfield and greenfield exploration targets.
- On February 24, 2023 the Company announced 2023 production guidance for the Mercedes Mine of 65,000 to 75,000 ounces of gold with average Cash Cost per gold ounce sold expected to be in the range of \$830 and \$940 and AISC per gold ounce sold of between \$1,120 and \$1,290. The Company has shifted planning and development at the Mercedes Mine toward higher-grade deposits utilizing cut and fill mining methods, which is expected to support increased production during 2023. As infrastructure development in previously shut down operations returns to safe levels, they will be brought back into production and are expected to increase mill feed grade. Neither Marianas nor Rey de Oro made significant contributions to gold production in 2022 and accounted for a combined 2,468 ounces of gold in 2022. The Marianas and San Martin deposits began contributing to Mercedes' production in late January 2023 and are expected to become larger contributors as working areas continue to be developed. Ore from Rey de Oro is expected to be delivered to the Mercedes Mine mill in late March 2023. The addition of ore from Marianas, San Martin and Rey de Oro is expected to improve the overall grade profile as the year progresses such that during the second half of 2023, the Mercedes Mine is expected to be operating at an annualized 74,000 – 86,000 ounces of gold production at AISC per gold ounce sold of about \$1,000. Cash Cost per gold ounce sold and AISC per gold ounce sold are non-GAAP financial ratios comprised of non-GAAP financial measures being Cash Cost and AISC, respectively. Please see "Notice Regarding Non-GAAP Financial Measures".

The 2023 production guidance estimates for the Mercedes Mine are based on several assumptions including that the Company will be successful in shifting toward higher-grade deposits and that it will be able to return infrastructure development in previously shut down operations to safe levels. The high-end estimate for gold and silver production in 2023 assumes a total of 601,057 milled tonnes, an annual average gold grade of 4.06 grams per tonne and an annual average silver grade of 31.46 grams per tonne. The low-end estimate for gold and silver production in 2023 assumes a total of

601,057 milled tonnes at an annual average gold grade of 3.52 grams per tonne and an annual average silver grade of 27.8 grams per tonne.

In addition to the assumptions disclosed in the paragraph above, Cash Cost per gold ounce sold and AISC per gold ounce sold estimates for 2023 are based on a number of assumptions used in the preparation of a mine plan and the resulting budget. The most significant assumptions are:

- the timing and costs associated with mine development and infrastructure, which is dependent on the availability and productivity of labour and equipment;
- that no unexpected material geomechanical issues will occur;
- that the Company's preventative maintenance programs will be carried out as anticipated with no material interruptions due to unplanned repairs;
- the absence of material labour disputes with the Company's employees or contractors' employees; and
- the absence of material supply chain issues for materials, supplies or spare parts.

Given the potential for actual events to be different from management's expectations, the Company's 2023 production and cost guidance provides the Company's estimates for outcomes under different circumstances resulting in a range of production and cost estimates. To help investors better understand such ranges, the Company provides its estimates on a quarterly basis so that readers may see expected trends.

The principal reasons that Cash Cost per gold ounce sold and AISC per gold ounce sold are expected to decrease from amounts previously disclosed by the Company are primarily because:

- the Company expects gold production to increase from early in the year to later in the year as higher-grade ore zones are mined; and
- the Company's sustaining capital expenditures (including mine development and underground infrastructure costs) are expected to be higher at the start of a year as the Company expects to use capital to prepare for mining at higher-grade ore zones.

The following table sets out, on a quarterly basis, the Company's base case estimate for 2023 Cash Cost per gold ounce sold and AISC per gold ounce sold.

	Q1 2023 (000's) \$	Q1 2023 (000's) \$	Q1 2023 (000's) \$	Q1 2023 (000's) \$
Production cost Mercedes Mine	15,193	15,395	15,326	16,404
Royalties	725	996	1,162	1,173
Finished goods adjustment	-	-	-	-
By-product silver credits	(180)	(245)	(268)	(278)
Cash Cost	15,739	16,146	16,219	17,299
Reclamation and remediation	457	335	335	334
Sustaining capital expenditures	7,300	6,089	4,096	3,630
Exploration and evaluation expense	629	14	606	6
AISC	24,124	22,584	21,256	21,269
Gold ounces sold	13,403	18,405	21,505	21,688
Cash Cost per gold ounce sold	1,174	877	754	798
AISC per gold ounce sold	1,800	1,227	988	981

- On March 9, 2023, the Company announced it had entered into an amended and restated term sheet with Equinox Gold dated March 9, 2023 (the "**March 2023 Term Sheet**"), which revised the terms of the HOA with Equinox Gold as announced on October 26, 2022. Pursuant to the March 2023 Term

Sheet, the Equinox Note will amortize over a term of two years from October 21, 2022 to October 21, 2024 (the “**Maturity Date**”). The Equinox Note bears a nominal rate of interest equal to 12% per annum plus the greater of (i) Term Secured Overnight Financing Rate and (ii) 2.50% per annum. Commencing March 3, 2023, the Equinox Note will amortize at a fixed rate of USD\$700,000 per month from March 3, 2023 until March 3, 2024 and thereafter at an amount per month equal to the greater of (i) USD\$700,000; and (ii) 50% of consolidated free cash flow. The Company may prepay, without penalty, any portion of the Equinox Note at any time prior to the Maturity Date. The Equinox Note will be secured by a first lien (*pari passu* with certain security held by the Company’s existing creditors) and certain second lien pledges of the Company’s equity interests in the holding companies through which the Company holds the Mercedes Mine and the Corani Property. In addition to the Equinox Note, the Company will issue to Equinox Gold 2,750,000 common shares of the Company (the “**Bonus Shares**”). Issuance of the Equinox Note and Bonus Shares are subject to completion of definitive documentation and approval of the TSX-V.

DESCRIPTION OF THE BUSINESS

General

The Company is a British Columbia-based mineral resource corporation engaged in the acquisition, exploration, development and operation of mineral properties in Latin America with the objective of identifying mineralized deposits economically worthy of subsequent development and mining or sale to create value for shareholders.

As of the date of this AIF, the Company has two material mineral property assets; the Mercedes Mine and the Corani Property. These assets are described in further detail below under "Mineral Projects – Mercedes Mine" and "Mineral Projects – Corani Property".

During the year ended December 31, 2022, the Company focused its efforts at the Mercedes Mine on completing its acquisition, assuming operating control, improving operating performance, and conducting both development and exploration drilling. Throughout 2022 the Company’s efforts at the Corani Property centered on continuing its successful community programs and maintaining the project’s social licence and permits. The Corani Property is at the advanced engineering and development stage.

Since acquiring the Mercedes Mine on April 21, 2022, the Company is a producer of gold and silver in dore form and contracts with a refiner in the United States to produce gold and silver which the company sells under contract to an arm’s length third party.

The Company regularly evaluates potential new precious metal exploration opportunities for possible acquisition.

Specialized Skills and Knowledge

The business of mineral exploration and mining requires specialized skills and knowledge including expertise in geology, exploration methods, project evaluation, permitting, legal and regulatory matters related to mining, project development, scheduling, procurement, logistics, finance and accounting, public markets, commodities, communications and marketing.

Bear Creek Mining retains senior executives, officers, managers and consultants with knowledge and expertise in each of these subject areas and its Board includes members who have significant hands-on, Latin America mineral exploration and mining experience.

Competitive Conditions

The business of mineral exploration, development and production is competitive. The Company competes with numerous other companies and individuals in the search for and the acquisition, development and

operation of attractive mineral properties. The success of the Company will depend on its ability to operate and develop its properties, to select and acquire suitable properties or prospects for exploration, development, operation or sale and to attract and retain knowledgeable personnel. See "Risk Factors" below.

Foreign Operations

Bear Creek is headquartered in Canada and its mineral properties are located in Mexico and Peru. Accordingly, the Company is dependent on foreign operations, which presents certain risks as disclosed under "Risk Factors", below. Information pertinent to mineral exploration and mining operations in Mexico and Peru are provided below under "Operating in Mexico" and "Operating in Peru", respectively.

Operating in Mexico

Mexico is the third largest country in Latin America and with over 127 million people, the second most populated country in Latin America.

Mexico is a multi-party democratic republic bordered to the north by the United States of America and to the south by Guatemala and Belize. Mexico is divided into 31 states and a Federal District. The Mexican constitution of 1917, which has been amended several times, guarantees personal freedoms and civil liberties and also establishes economic and political principles for the country. The legislative branch of the federal government is divided into the Senate and the Chamber of Deputies. Senators serve six-year terms and deputies three-year terms; members of the legislature cannot be reelected for the immediately succeeding term. Three-fifths of the deputies are elected directly by popular vote, while the remainder are selected in proportion to the votes received by political parties in each of five large electoral regions. Popularly elected and limited to one six-year term, the president is empowered to select a cabinet, the attorney general, diplomats, high-ranking military officers, and Supreme Court justices (who serve life terms).

The official monetary unit of Mexico is the peso. It is not subject to any exchange restrictions and has been freely floating since 1994. Mexico is a signatory to 13 free trade agreements with 48 countries, the most comprehensive and significant of which include the United States-Mexico-Canada Free Trade Agreement (USMCA), The Trans-Pacific Partnership, The Mexico-EU Free Trade Agreement, and the Pacific Alliance, which is an agreement between Chile, Colombia, Peru, and Mexico.

Mexico has a developing but diversified economy, to which mining is a key contributor. Mexico is the largest producer of silver in the world, and is a top-10 global producer of 14 other metals and minerals including gold, which contributes the largest share of Mexico's mining production value. Mineral exports from Mexico totaled US\$18.9 billion in 2021.

Mexican mining operations are subject to a 30% Federal corporate income tax rate. One other mining tax and a royalty are payable to the Federal Government of Mexico: a 7.5% mining tax on earnings before interest, taxes, depreciation, and amortization; and a royalty amounting to 0.5% gross revenue from gold and silver sales.

Operating in Peru

Peru is the fourth largest country in Latin America by area, with a population of about 33 million people and is the fifth most populated country in Latin America.

Peru is bordered by Ecuador, Colombia, Brazil, Bolivia, Chile, and the Pacific Ocean. Peru is divided into 25 regions, also referred to as "departments", subdivided into "provinces", which are in turn made up of "districts".

Peru is a multi-party democratic republic. The 1993 Peruvian constitution, which has since been amended several times, decrees that government is headed by a president who is popularly elected to a five-year term and serves as chief of state and head of government. The president can be reelected but is prohibited from serving consecutive terms. The president appoints and presides over the Council of Ministers (Cabinet) and is assisted by the president of the Council of Ministers (in effect, the prime minister, who is also appointed by the president) as well as by two popularly elected vice presidents. Legislative power is vested in the unicameral Congress of the Republic, whose members are popularly elected to five-year terms. Over the 20th century and to date in the 21st century, political debate in Peru has been polarized between left-wing and right-wing ideologies resulting in policies that shift between socialism and capitalism. State intervention in the economy has occurred in the past, including government-mandated controls on prices, exchange rates, local and foreign investment, and trade.

The official monetary unit of Peru is the sol. It is not subject to any exchange restrictions and has been freely floating since 1991. Peru has entered into free trade agreements, covering approximately 90% of the country's exports, with the United States, Canada, Australia, the European Union, China and numerous other countries.

Peru is one of the world's highest producers of silver, copper and zinc and it is also a major producer of gold, lead and other minerals. Mineral exports have consistently accounted for the most significant portion of Peru's export revenue, exceeding 50% in recent years.

The Peruvian mining tax system was revised during the latter part of 2011. The tax and royalty provisions are largely considered to be on a level playing field as other Latin American governments. A Special Mining Tax ("**SMT**") is applied on operating mining income based on a sliding scale with progressive marginal rates ranging from 2% to 8.40%. This tax is determined and payable on a quarterly basis and is calculated on the operating profit based on the income from the sale of mineral resources.

Additionally, a Mining Royalty ("**MR**") is applied on a company's operating income and is payable quarterly in an amount determined on a sliding scale with marginal rates ranging from 1% to 12% applied to operating margin. As a company's operating margin increases the marginal rate of the MR increases. If a company has a zero or negative operating margin, a minimum MR of 1% of revenue is payable. The basis of the MR (operating income) and the effective royalty rate is calculated by following the same rules used to determine the tax liability under the SMT.

Environmental Social Governance ("ESG**")**

Bear Creek is committed to excellence in environmental stewardship, social responsibility and corporate governance practices.

Bear Creek's corporate culture is based on a recognition that the communities and people that live in proximity to its operations are important stakeholders as they may be directly or indirectly impacted by the Company's business plans and operations. The Company's social responsibility goal is to contribute to the sustainable development, growth and quality of life of local communities, with the utmost respect for their traditions, customs and ancestral relationships. The following guiding principles underpin this commitment:

- Interact and communicate in a respectful, open, honest, and transparent manner;
- Adopt a collaborative partnership approach allowing communities to determine their own priorities, to share the responsibility for enacting them and to take pride in the outcomes;
- Focus on health, education, and economic opportunity;
- Prioritize initiatives that will persist irrespective of active mining operations;

- Maintain high ethical standards meeting or exceeding compliance with all applicable laws, regulations, and internationally accepted standards.

Likewise, the Company places a high priority on responsible environmental stewardship and seeks to minimize or mitigate the potential negative effects of its operations on regional flora, fauna, water quality and air quality and to improve environmental conditions that pre-date the Company's activities if and where possible.

The Company's operations, development activities and exploration programs are subject to national and local environmental laws and regulations in the jurisdictions in which its operations are located and activities undertaken by the Company generally require approval by appropriate regulatory authorities prior to commencement. Environmental permits granted in respect of the Company's operations require certain environmental standards and parameters that must be met throughout life of the operation, including but not limited to standards related to air quality, water quality, fisheries and wildlife protection, chemical use, waste disposal, noise, geotechnical stability, geochemistry, land use, and closure.

By including commitments to social responsibility and environmental stewardship in its corporate goals, and by adopting and applying strong corporate governance policies, the Company believes it is well positioned to mitigate financial and operational risk.

The Company issued its inaugural and foundational ESG report on June 8, 2022 and intends to report on ESG matters annually. The following table highlights Bear Creek's ESG practices:

ESG Area	Practices
Governance	<ul style="list-style-type: none"> • A majority of Directors and Proposed Directors are independent • The Audit, Compensation and Nominating and Corporate Governance Committees are composed exclusively of independent Directors and the Operations, Safety and Sustainability Committee is composed of a majority of independent Directors • The Company has adopted key governance policies including a Code of Business Conduct and Ethics, a Whistleblower Policy, a Disclosure, Confidentiality and Insider Trading Policy, an Anti-Bribery and Anti-Corruption Policy and a Diversity Policy, and conducts annual reviews of these policies as well as of the Company's Board Mandate and committee Charters. • Additional corporate policies have been adopted by certain of the Company's subsidiaries that are specific to its Peru and Mexico operations • The positions of Chairman and CEO are separated • All Directors stand for re-election annually • The Board and its committees hold in-camera sessions, without the presence of management, at every meeting • The Company issued its inaugural and foundational ESG report on June 8, 2022, reporting to the following economic, environmental and social charters, principles, or other initiatives: GRI, SASB, UN Global Compact, CDP, ISS, and the IFC Performance Standards
Environmental Stewardship	<p><u>Mercedes Mine:</u></p> <ul style="list-style-type: none"> • Mercedes utilizes an Environmental Management System based on the ISO 14001:2015 standard, which takes into account environmental impact mitigation measures, resource optimization, and key environmental objectives for the operation • A biodiversity monitoring program has been implemented at Mercedes for mammals, reptiles, birds and amphibians, using non-invasive photo-trapping methods, and a program for the rescue and relocation of wildlife in operational areas has been implemented

	<ul style="list-style-type: none"> • A monitoring program has been implemented to evaluate the density of bats that inhabit two old (mining) shafts as a refuge area and use them as maternity sites • Quarterly surveillance and monitoring of the sanitary wastewater treated at Mercedes, as well as of the biosolids generated during water treatment, is carried out • Exhaustive treatment of the sanitary wastewater generated at Mercedes is performed with two extended aeration activated sludge treatment plants, with a maximum cumulative capacity of 260 m3 per day • A drinking water treatment plant with ultrafiltration membranes treats the mine's working water for use in sanitary and personal hygiene services • Mercedes employs a water quality monitoring program, at surface and underground, and upstream and downstream of the operation • Mercedes has authorized waste management plans (Mining, Hazardous and Special Handling), intended to reduce & valorize waste • Semiannual monitoring of the waste material banks and tailings dams is performed for the evaluation and analysis of acid drainage • Mercedes employs an Air Quality Monitoring Program and monitors atmospheric emissions of greenhouse gases and Total Suspended Particles (TSP) generated by the fixed source chimney • The Mercedes operation submits an annual report of the Annual Operation Card (COA), to report fixed source emissions under Mexican federal jurisdiction • A Perimeter Noise Monitoring Program is in place at Mercedes to evaluate the noise levels generated by the operation • Municipal solid waste, special handling waste and hazardous waste are properly handled and managed • Stream sediments are sampled and analyzed to ensure they are not contaminated by heavy metals • Mercedes houses a nursery in which plants native to the region are grown • All new Mercedes employees receive training regarding the operation's environmental programs and practices and the Company's commitment to environmental stewardship <p><u>Corani Project:</u></p> <ul style="list-style-type: none"> • Biodiversity monitoring programs are in place at Corani to track the health and population sizes of mammals, rodents, reptiles, amphibians, birds and important plant species • Comprehensive water quality testing is in place both at the Corani deposit site and downstream • The Corani operation design provides for numerous environmental impact measures including the capture and recycling of water resources; the employment of emissions control and ventilation systems; the avoidance of infrastructure on environmentally sensitive areas; waste rock and tailings impoundment designs that reduce the risk of environmental contamination and structural failure; noise level monitoring; and the selection of equipment that meets or exceeds environmental and emissions standards • The Company seeks opportunities to reduce the environmental impact of its activities through conservation and recycling initiatives
<p>Social Responsibility</p>	<p><u>Mercedes Mine:</u></p> <ul style="list-style-type: none"> • The Mercedes Mine has been awarded distinction as a Socially Responsible Company (ESR) for 10 consecutive years, an award that is promoted by the Philanthropy Mexican Center (CEMEFI), and whose objective is the adoption of socially responsible practices among communities and companies.

	<ul style="list-style-type: none">• Mercedes has established a communication channel to receive requests from stakeholders in the communities neighboring the operation, including the owners of ranches surrounding the Mercedes concessions• Mercedes is party to an economic support agreement with the Communal assets board of trustees of Cucurpe to provide resources for student scholarships and provides monthly fuel vouchers to the Cucurpe City Council for use in the community's school bus• Numerous programs have been established focused on education, health and community involvement, and Mercedes' staff are encouraged, with support from the Company, to provide volunteer services in the local communities• The Mercedes operation invites and encourages community and student groups to visit and learn about the operation <p><u>Corani Project:</u></p> <ul style="list-style-type: none">• The Company signed a Life of Mine community benefits agreement with the regional authority and affected communities in the vicinity of the Corani project• The Company has developed a corporate social responsibility program that is based on developing long-term and sustainable economic opportunities in partnership with local communities• The Company is developing systems to ensure compliance with Equator Principles and IFC guidelines and will strive to adhere to the United Nations Sustainable Development Goals it has identified as being most relevant to the Corani project• Numerous successful social programs have been instituted at the Corani project, details of which are available on the Company's website
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Employees

No management functions of Bear Creek are performed to any substantial degree by a person who is not an executive officer of the Company.

As a result of its acquisition of the Mercedes Mine in April 2022, the Company's staff of full-time and contract employees grew significantly. As of December 31, 2022 the Company employed 714 people, comprised of 2 employees based in Canada (full-time), 135 employees based in Peru (68 full-time and 67 contract), and 577 employees based in Mexico (217 full-time unionized, 150 full-time non-unionized and 210 contract).

Health and Safety

Bear Creek is committed to protecting the health and safety of its employees. The Company educates its employees and consultants on how to identify, avert or mitigate workplace hazards in order to prevent incidents and injuries. The Company complies with all relevant local, state and federal laws and has adopted industry standards and practices for workplace health and safety.

The Mercedes Mine had no lost time accidents and 28 first aid incidents during the year ended December 31, 2022.

COVID-19 was declared a global pandemic by the World Health Organization on March 11, 2020, which pandemic remains in effect as of the date of this AIF. Policies and processes to limit the spread of COVID-19, in compliance with applicable public health regulations, were enacted at each of the locations at which the Company operates, including its offices in Canada, Peru and Mexico and at the Mercedes Mine and Corani Project site. While many of the regulations and guidelines enacted by public health officials at each of its sites were relaxed during the year ended December 31, 2022, the Company continues to comply with all local public health orders and enforce policies and procedures designed to mitigate the risk of

COVID-19 and other respiratory infections. COVID-19 antigen tests are available to personnel and isolation and quarantine protocols are in place for individuals with positive test results. The Company also continues to support preventive measures and vaccination campaigns conducted by local authorities. See "Risk Factors", below, for additional information related to COVID-19.

Components

The supplies and services Bear Creek utilizes to carry out its exploration, development and operations activities are generally available and procured through normal supply or contracting channels in Canada, Mexico and Peru. These supplies and services may be impacted by increased demand, inflationary pressure or supply chain disruptions due to global events, making them difficult to procure, which could have a negative effect on the Company's activities, timelines and financial results.

Cycles

The mining business, and particularly precious metals production, is subject to metal price cycles and fluctuations, which may affect the marketability of, and revenue from, the sale of metals and metal concentrates. From acquiring ownership of the Mercedes Mine on April 21, 2022 to December 31, 2022, the Company received between US\$1,618 and US\$1,855 per ounce of gold sold from production at the Mercedes Mine.

Risk Factors

The business of mineral exploration, development and mining is subject to numerous risks and uncertainties. Management has identified the following risks that may impact the Company specifically. If any of these risks materialize, the Company's business, results of operations, financial condition and cash flows and the market price of its securities could be materially and adversely affected. Additional risks and uncertainties not known to the Company could also materially and adversely affect the Company's future business, operations and financial condition and cause them to differ materially from the estimates described in forward-looking statements relating to the Company, or its business, property or financial results, each of which could cause investors in the Company's securities to lose all or part of their investment.

The risks set out below are not a definitive list of all risk factors related to the Company's business and operations. Additional risks unknown to the Company may exist or develop over time. An investment in the Company's securities is speculative and involves a high degree of risk due to the nature of Bear Creek's business and the present stage of development of its mineral properties. Investors should carefully consider the risk factors set out below, those contained in the section entitled "Cautionary Note Regarding Forward-Looking Statements" above, those described in the Company's annual and interim financial statements and related notes thereto and in the corresponding annual and interim management's discussion and analysis.

The Company has a history of net losses

The Company has a history of net losses. During the years ended December 31, 2022 and 2021 the Company incurred losses of \$22.60 million and \$21.9 million, respectively. At December 31, 2022, the Company had an accumulated deficit of \$277 million and working capital deficiency of \$51.2 million. Significant amounts contributing to the December 31, 2022 working capital deficiency are the final Mercedes Mine acquisition payment of \$25.7 million, \$31.4 million in accounts payable, and deferred revenue plus streams of \$22.9 million. Cash and cash equivalents and short-term investments at December 31, 2022 were \$3.51 million compared to \$24.2 million at December 31, 2021.

The Company may incur further losses in the development of its business. There is no certainty that the Company will operate profitably or provide a return on investment in the future.

The Company has a history of negative cash flow from operating activities and actual production, cost and cash flow results may differ from those expected

From its inception until April 21, 2022, the Company had no producing mines and no source of operating cash flow. Cash used for investing activities during this period resulted from equity financing and settlement of an arbitration award.

Bear Creek became the owner and operator of the Mercedes Mine on April 21, 2022. On February 24, 2023 the Company issued production guidance for the Mercedes Mine for 2023. Based on this guidance, the Company expects the Mercedes Mine to create a net increase in cash and cash equivalents ("free cash flow") during the current financial year; however, free cash flow (after all operating and capital expenditures, royalties, taxes, changes in working capital and streams) generated by the Mercedes Mine during the current and future financial years is subject to numerous factors, many of which may be outside of the Company's control. While the Company's 2023 projections of gold and silver production, Cash Cost per gold ounce sold and AISC per gold ounce sold reflect the Company's reasonable expectations based on information available at the time the statements were made, such expectations may prove to be incorrect and actual 2023 Mercedes Mine production results may differ from the guidance provided. Should the Company's 2023 Mercedes Mine production and cost results differ from projections, its expectations regarding the Mercedes Mine's ability to generate free cash flow during 2023 may not come to pass.

On December 31, 2022 the Company had a working capital deficiency of \$51.2 million and the Mercedes Mine is subject to a number of royalty and stream agreements. There is no guarantee that sufficient cash flow will be generated by the Mercedes Mine or will otherwise be available to meet these obligations and the Company may be required to raise funds through the issuance of equity or by other means. There can be no assurances that such funding will be available, and if so, under acceptable terms and conditions.

The Corani Property is not expected to generate positive cash flow for the foreseeable future.

The Company's business plans require additional funding, the availability of which is uncertain

The Corani Property will require significant additional capital to construct, which will likely require the involvement of multiple capital sources and participants. The Company has conducted investigations as to potential Corani Property construction financing sources and the level of financing each funding component may reasonably be expected to contribute. However, the actual availability of Corani Property construction financing, the involvement of any or all of the potential participant groups and their level of participation, and the details and terms of any eventual construction financing arrangements for the Corani Property will be dependent on numerous conditions, including but not limited to general market conditions, metal prices, political and economic conditions, and other risk considerations at the time. While the Company anticipates that financing for development and construction of the Corani Property can be arranged, such financing is highly dependent on factors outside of the Company's control and there can be no assurance that the Company will be successful in arranging construction financing for the Corani Property at all, or if so, under acceptable terms and conditions.

In accordance with the terms of the Mercedes Mine Share Purchase Agreement, the Company was responsible for a Deferred Payment to Equinox Gold of \$25.7 million (inclusive of interest accrued as of December 31, 2022). On October 26, 2022, the Company and Equinox Gold agreed, pursuant to the October 2022 Term Sheet to convert the Deferred Payment into the Equinox Note. The October 2022 Term Sheet was subsequently amended and restated in the March 2023 Term Sheet, the terms of which are described under the heading "Recent Developments", above. The Equinox Note and the Bonus Shares to be issued in connection therewith are subject to execution of final documentation and approval by the TSX-V. While the Company intends to fund monthly payments under the Equinox Note from consolidated free cash flow or from its cash balances, there is no guarantee sufficient funds will be available to meet

these obligations and the Company may be required to raise funds through the issuance of equity or by other means. There can be no assurances that such funding will be available, and if so, under acceptable terms and conditions. Furthermore, there can be no guarantee that issuance of the Equinox Note or the issuance of the Bonus Shares in connection therewith will be approved by the TSX-V. The Company may be subject to legal action if the terms of the Mercedes Mine Share Purchase Agreement are not fulfilled in their entirety.

Raising additional funds through equity or debt instruments may be dilutive to existing shareholders.

There are risks associated with the exploration and development of mineral projects and production from mines

The business of exploration for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the exploration programs on the Company's current or future mineral properties will result in the discovery of new resources or lead to the development of a commercially viable ore body.

Development of any of the Company's properties is subject to numerous risks including, but not limited to: an inability to, or delay in, obtaining experienced personnel, equipment, permits, material and services essential to developing the projects in a timely manner; changes in environmental or other government regulations; currency exchange rates; labour shortages; fluctuation in metal prices; and community acceptance. Furthermore, the economic feasibility of developing a mineral project is based on many factors such as estimation of mineral reserves, tonnage and grade, anticipated metallurgical recoveries, environmental considerations and permitting, future metal prices and anticipated capital and operating costs. It is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for a project prior to production.

Estimates of mineral resources, proven and probable mineral reserves, and capital and cash operating costs are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques. The results of Feasibility Studies that derive estimates of capital and cash operating costs based upon the quantity, grade and configuration of mineral reserves as well as the expected recovery rates of metals from the mineralized material, are subject to change. As a result, it is possible that actual capital and cash operating costs and economic returns will differ significantly from those estimated for a project prior to development or operation. The remoteness and restrictions on access of certain of the properties in which the Company has an interest could have an adverse effect on profitability in that infrastructure costs could be higher. There are also physical risks to personnel working underground, in remote or rugged terrain, or in poor climate conditions.

With all mineral operations there is uncertainty, and therefore, risks associated with operating parameters and costs. Actual costs associated with ore production may vary from expectations if factors used to estimate costs change. These factors may include, but are not limited to: exchange rates; metal prices; smelting and refining charges; royalties; the availability and cost of labour, equipment and supplies; geotechnical and mechanical conditions; environmental damage; permitting delays; and transportation disruptions or insufficiency. In addition, extraction hazards or environmental damage could greatly increase the cost of operations, and various operating conditions may adversely affect the production from mineral properties. Production delays from normal or abnormal operating conditions may not be eliminated, and might adversely affect revenue and cash flow.

There are risks associated with the construction and operation of mines

The construction of mining operations is subject to a number of risks, including, but not limited to: the availability and delivery of critical equipment; the hiring of key personnel for construction, commissioning and operations; delays associated with contractors; budget overruns due to changes in the cost of fuel,

power, materials, supplies and currency fluctuations; and potential opposition from non-governmental organizations or affected communities. It is common in new mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up, often due to circumstances beyond the owner's control. In addition, delays in the commencement of mineral production often occur. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at its current or future development projects.

Mining operations are subject to hazards that could have an adverse effect on the business, results of operations and the financial position of the Company. Such risks include but are not limited to: environmental hazards; tailings containment risks; industrial accidents; labour disputes; changes in laws; disruptions in the delivery of supplies or equipment; unusual or unexpected geological conditions; underground or open pit stability failures; rock falls; unanticipated ground, grade or water conditions; unexpected climate events such as extremely high or low rainfall levels; actual ore mined varying from estimates of grade or tonnage; unexpected metallurgical or other characteristics; interruptions in or shortages of electrical power; periodic or extended interruptions due to the unavailability of materials; and force majeure events. These factors could result in reduced production, damage to or destruction of mineral properties or producing facilities, damage to or loss of life or property, environmental damage, delays in mining or processing, losses, and possible legal liability.

Underlying property commitments can affect the Company's results of operations and financial condition

There are underlying royalties, streams and other commitments, including government fees to maintain mining concessions in good standing, associated with the Company's material properties. Failure by the Company to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.

In Mexico, while mineral rights are administered by the federal government through federally issued mining concessions, surface rights over the land located in the mining concessions may be owned by third parties, including an Ejido ("communally held land"). None of the surface rights necessary to operate the Mercedes Mine is communally held land. The Company has secured the surface rights necessary to operate the Mercedes Mine through written agreements with private landowners. However, these agreements may be subject to renegotiation including the payments made by the Company to operate on such lands. Absence of agreement on such payment amount during a renegotiation of such written agreements may have significant impacts on the operation of the Mercedes Mine and could result in higher costs to the Company to conduct its operation.

Metal price volatility may affect the Company's results of operations and the economic viability and potential profitability of mineral exploration or development properties

Factors beyond the control of the Company may affect the marketability of any ore or minerals discovered at, and extracted from, the Company's mineral properties. Metal prices are subject to fluctuations and are affected by numerous factors beyond the Company's control including but not limited to: international economic and political trends; financial institution and central bank sales; inflation; currency exchange fluctuations; interest rates; global or regional consumption patterns; speculative activities; increased production due to new and improved extraction; and production methods. Fluctuations and short-term and long-term trends in metal prices can adversely affect both the economic viability and potential profitability of the Company's mineral properties.

There are risks associated with failing to acquire or maintain "social licence" on the Company's mineral properties

"Social licence" does not refer to a specific permit or licence but rather is a term used to describe community acceptance of the plans and activities related to exploration, development, operation or

closure of a mineral project. Acquiring and then maintaining social licence for mineral exploration activities or mine development and operation is a necessary component of corporate social responsibility. Without social licence, it can be extremely difficult if not impossible to advance a mineral project, secure necessary permits or arrange project financing. The Company places a high priority on, and dedicates considerable efforts toward, its community relationships and responsibilities by: respecting the traditions, customs and environments of local inhabitants; adopting a partnership approach to sustainable community support initiatives; providing open, honest and transparent information about its activities and plans; creating labour opportunities where feasible; and partnering with communities to sustainably address health, education and economic opportunities.

Despite the Company's efforts, there are factors outside of the Company's control that may affect its ability to establish or maintain social licence at any of its projects. Such factors may include national or local changes in sentiment toward mining, evolving social concerns, changing economic conditions and challenges, and the influence of third-party opposition toward mining. There can be no guarantee that social licence can be earned by the Company or, if earned, that social licence can be maintained in the long term, and without strong community support the ability to secure necessary permits, obtain project financing, and/or move a project into development or operation may be compromised or precluded. The existence or occurrence of one or more of the following circumstances or events could have a material adverse effect on the Company's ability to maintain social licence, which could have a material adverse effect on the Company's business prospects, results of operations and financial condition: disagreements with parties to social licence agreements; inability of the Company to meet its obligations to parties under such agreements; disputes or litigation between the Company and such parties; anti-mining activities by non-governmental organizations; or the election or appointment of anti-mining government authorities.

Additionally, the Company's properties may be located in areas presently or previously inhabited or used by indigenous peoples and may be affected by evolving regulations regarding the rights of indigenous peoples. The Company's current or future operations are subject to a risk that one or more groups of indigenous peoples may oppose continued operation, further development, or new development of projects or operations in which the Company holds an interest. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the Company or the owner's/operator's activities and may require the modification of, or preclude operation or development of projects, or may require the entering into of additional or modified community agreements with indigenous peoples.

Bear Creek believes it has established strong social licence among the communities in the vicinity of the Corani Property, which belief is based on direct feedback received from community members and leaders, public statements of support for the Corani Property by community leaders, the universal approval of the Corani Property indicated in the state-run *Consulta Previa* consultations, and other indications. Furthermore, the Company is not aware of any community disagreements, negative sentiment or disruptive actions taken in respect of the Mercedes Mine operation under past owners. There can be no assurance, however, that the Company's efforts to build and maintain social acceptance of its operations will continue to be successful or that isolated anti-mining actions that affect the Company's operations will not occur in the future, which could have a significant impact on the Company's plans and operations.

In February 2022, the Mexican Supreme Court issued a draft decision ordering the cancellation of two mineral concessions previously issued to a Canadian mining company on the basis that free, prior and informed consultation with indigenous peoples was not conducted by the government before the relevant mineral claims were issued. The Court indicated that the relevant mineral concessions may be reissued once the required consultations are complete. The draft decision increases the risk of other communities seeking similar injunctions in the future. The final decision of the Court confirmed the cancellation of the

two concessions in June 2022. Bear Creek is not aware of any potential claims that indigenous people may make in respect of the Mercedes Mine in Sonora, Mexico.

The COVID-19 pandemic or other local, regional, national or international health emergencies could materially affect the Company's business, operations and financial condition

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics, pandemics or other health crises, including COVID-19, which was declared a global pandemic by the World Health Organization on March 11, 2020 and the ongoing evolution of COVID-19 variants.

COVID-19 has had, and is expected to continue to have, a negative impact on global financial conditions. Restrictions intended to limit the transmission of COVID-19, of varying magnitude and impact, were implemented in many countries throughout the course of the pandemic, including Canada, Peru and Mexico. Ongoing restrictions or regulations regarding the flow of labour, services and products could continue to impact the Company's plans and activities. Furthermore, economic inflation, the limited availability of labour, requirements to work under social distancing protocols and disruptions to supply and distribution channels may adversely affect the Company's operations.

The risks to the Company's business associated with COVID-19 or other local, regional, national or international health emergencies (together, "health concerns") that may transpire could include, without limitation, risks related to breach of material contracts, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, prolonged restrictive measures put in place in order to control health concerns and other factors that will depend on developments beyond the Company's control, which may have a material and adverse effect on the Company's business, financial condition and results of operations.

The Company continues to monitor the COVID-19 pandemic and follows the advice and guidelines of provincial and federal health professionals and government officials in Canada, Peru and Mexico.

Public health crises, including but not limited to COVID-19, can result in volatility and disruptions in the supply and demand for metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations affected by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest.

Environmental hazards present risks to the Company's operations

Exploration, development and operation of mineral projects and mining operations involve numerous potential environmental risks including risks to flora and fauna, noise levels, air quality, water quality and water quantity. Any compromise of the physical or chemical stability of infrastructure could result in environmental damage. Waste rock, which may contain hazardous minerals, may be produced by mining activity and metal extraction processes typically produce tailings. Waste rock and tailings must be disposed of, and are typically stored in engineered facilities that are designed, constructed, operated and closed in compliance with federal and state requirements and standard industry practices. Hazards such as uncontrolled seepage or geotechnical failure of retaining dams around tailings disposal areas may result in environmental pollution and consequent liability.

Additionally, the collection, treatment and disposal of fresh and recycled water at mining operations are subject to strict regulations and involve potential environmental risks. Should collection or management systems fail, overflow or not operate properly, untreated water or other contaminants could be

discharged into the environment and cause ecological damage, damage to aquatic life, damage to persons or property, and economic damages.

Environmental hazards or adverse environmental conditions, unknown at present, may exist on the Company's mineral projects, and Bear Creek may become liable for such environmental hazards including those caused by previous owners or operators of the properties.

The Company may be subject to fines, penalties and enforcement actions if it fails to comply with applicable environmental laws, regulations and permitting requirements, causing operations to cease or be curtailed. Corrective measures necessitating capital expenditures, installation of additional equipment, remedial actions and/or compensation to parties suffering loss or damage may be required.

Climate change may adversely affect the Company's operations

There is significant evidence of the effects of climate change on our planet and an intensifying focus on addressing issues arising from climate change. While the Company is committed to operating responsibly and to mitigating any negative effects to the environment that may result from its current activities and any future operations, the ability to reduce greenhouse gas emissions, energy usage and water usage is limited by available technologies, logistics and economics. The Company's ability to respond to societal, governmental and investor concerns about climate change and expanding climate change regulations may have significant impacts on our activities, future operations, financial condition and corporate reputation.

The potential impacts of climate change may also adversely impact Bear Creek's activities and operations. Climate-related events such as extreme weather events, mudslides, fire, floods, and droughts could result, now and in the future, in damage to the Company's facilities, damage to existing or future access routes to and from the Company's properties and operations, disruptions in the movement of people and materials, risks to the safety and security of our personnel and to communities, shortages of required supplies such as fuel and chemicals and the curtailment of activities. There is no assurance that the Company will be able to anticipate, respond to, or manage the risks associated with physical climate change events and impacts and this may result in material adverse consequences to our business plans, social licence and financial results.

There is uncertainty related to estimates of mineral resources and mineral reserves

There is a degree of uncertainty attributable to the calculation of mineral resources and mineral reserves, which must be considered only estimates of mineralization until an ore body is actually mined and processed. The mineral resources and mineral reserves are estimates only, and no assurance can be given that the tonnages and grades anticipated by these estimates will be realized or that the anticipated level of metal recovery will be obtained. Any material change in the quantity of mineral reserves, mineral resources, grades and recoveries may affect the economic viability of the Company's properties.

Market fluctuations and the prices of metals may render mineral reserves uneconomic. Moreover, short-term operating factors relating to the mineral deposits, such as the need for orderly development of the deposits or the processing of new or different grades of ore, may cause any mining operation to be unprofitable in any particular financial period.

Projects may not advance or achieve production if key permits are not obtained or retained

The advancement of mineral properties through exploration to commercial operation normally requires securing and maintaining key permits or licenses from regulatory or governmental authorities. The Company has received the key permits required to undertake development and construction of the Corani Property, including an approved environmental and social impact assessment, certificate of the inexistence of archeological relics, accreditation of water availability, and both mine and process plant

construction permits. All permits required for operation of the Mercedes Mine are in place and good standing as of the date of this AIF.

As with all mining operations, additional ongoing permits will be required during the course of construction and operating. While the Company makes commercially reasonable efforts to secure the permits necessary to advance its properties according to the policies and guidelines applicable to each permit, approval of permits rests solely with the governing agency and is outside of the Company's control. There can be no guarantee that the Company will succeed in obtaining all of the permits necessary to advance its projects and a failure to obtain necessary permits or retain permits that have been granted may result in an inability to realize any benefit from exploration or development activities on its properties.

The following permit applications are in the process for the Mercedes Mine:

Permit	Authority	Expected Approval Date
Environmental Impact Statement Resolution	Secretaría del Medio Ambiente y Recursos Naturales ("SEMARNAT")	May 2023
Land Use Change Resolution	SEMARNAT	July 2023
Construction Permit	Comisión Nacional de Agua ("CONAGUA")	January 2024

Permits received may expire

Permits granted by the jurisdictions in which the Company operates are typically issued with an expiry date requiring the Company to undertake certain activities within a given time frame in order for the permit to remain valid. While the Company intends to satisfy the terms and conditions of the permits it has been granted, circumstances including but not limited to a lack of adequate financing necessary to advance the Company's projects, may prevent it from doing so, and permits received may expire or be cancelled for non-compliance by the granting authority.

The following permits are up for renewal in the coming two years:

Mercedes		
Permit	Authority	Expected Renewal Date
Annual Explosives Permit	Secretaría de la Defensa Nacional (SEDENA)	September 2023
Water Discharge Permit	Comisión Nacional del Agua (CONAGUA)	November 2023
Integrated Environmental Permit	Comisión de Ecología y Desarrollo Sustentable del Estado de Sonora (CEDES)	August 2024
Mining Exploration Informative Permit Renewal	Secretaría del Medio Ambiente y Recursos Naturales (SEMARNAT)	February 2024
Corani		
Surface Water Use Authorization for Construction - Renewal	Autoridad Nacional de Agua Ministerio de Desarrollo Agrario y Riego	July 2023
ESIA Update for Corani	Servicio Nacional de Certificación Ambiental para las Inversiones Sostenibles Ministerio del Ambiente	September 2023

Water Availability Accreditation Renewal - Camp	Autoridad Nacional de Agua Ministerio de Desarrollo Agrario y Riego	August 2023
Mine Closure Update	Dirección General de Asuntos Ambientales Mineros Ministerio de Energía y Minas	September 2023
Archeological Monitoring Plan - Renewal	Ministerio de Cultura	July 2024
Water Availability Accreditation Renewal - Corani	Autoridad Nacional de Agua Ministerio de Desarrollo Agrario y Riego	July 2024
Water Infrastructure Construction Authorization - Renewal	Autoridad Nacional de Agua Ministerio de Desarrollo Agrario y Riego	July 2024

There are risks associated with operations in foreign jurisdictions

Bear Creek’s mineral projects are located, and business activities primarily occur, outside of Canada. Accordingly, the Company’s current and future mineral exploration, development and mining activities could be affected by adverse political, social or economic factors normally associated with the conduct of business in foreign jurisdictions including, but not limited to: expropriation or nationalization of assets or the creeping expropriation of the economic value of assets; cancellation or forced renegotiation of permits, contracts, licences or title with or without adequate compensation; changing political regimes; economic instability; civil unrest and rebellion; national strikes; blockades of roads and other means of transportation; states of emergency; the imposition of unfavourable government regulations on foreign investment, production and extraction, prices, exports, income taxes, currency convertibility, environmental compliance, or changes to worker safety legislation; regulations and restrictions with respect to imports and exports; high rates of inflation; extreme fluctuations in currency exchange rates and restrictions on foreign exchange, currencies and repatriation; inability to obtain fair dispute resolution or judicial determinations; abuses of power by governments or officials without regard to the rule of law; difficulties enforcing judgments ruled within the foreign jurisdiction or in another country; and violence or criminal activity, including organized crime, theft and illegal mining.

The Mercedes Mine is located in Sonora, Mexico. Criminal activity in Mexico, including violence between drug cartels and authorities and incidents of violent crime, theft, kidnapping for ransom and extortion by organized crime has occurred and has been directed at mining and other industrial operations. While the Company routinely evaluates the operating environment and continues to apply the measures implemented by the Mercedes Mine’s previous owners that are designed to protect employees, contractors, property and production facilities from these security risks, there can be no assurance that security incidents will not have an adverse effect on the Company’s operations.

The Corani Property, as well as the Company’s regional office, is located in the Republic of Peru. While Peru has made progress in recent decades in restructuring its political institutions and revitalizing its economy, it has a history of political and economic instability under both democratically elected and dictatorial governments. Since December 7, 2022, when Peruvian President Pedro Castillo was removed from office and arrested after a failed attempt to dissolve Peru’s Congress, there has been social unrest in Peru and demonstrations related to the political situation have led to clashes between protestors and security forces. The unrest has included roadblocks, particularly along the Pan American Highway and safety and mobility concerns have prompted the Company to reduce its community relations staff at the Corani site. No assurance can be given as to how long the unrest and blockades will continue, when the Company can return it typical complement of staff to the Corani site, or whether they will further interfere

with the Company's Corani programs. The effect of any such disruption or interference cannot accurately be predicted and could have a significant adverse effect on our results of operations, cash flow from operations and financial condition.

There can be no assurance that social, political or economic conditions in Peru, Mexico or any foreign jurisdiction where the Company may operate will not temporarily or permanently impede the Company's activities or operations.

Changes to or breaches of government regulations may adversely affect development of a mineral property

The Company's operations are subject to extensive laws and regulations governing such matters including but not limited to: environmental protection; health and safety; exploration and development of mines; production and post-closure reclamation; labour; taxation; maintenance of claims; government royalties; management and use of toxic substances and explosives; climate change; and expropriation of property. The costs associated with compliance with these laws and regulations are considerable and the introduction of new laws and regulations, or stricter enforcement of or changes to existing laws and regulations, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties and a heightened degree of responsibility for companies and their officers, directors and employees. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company retains competent and well-trained individuals and consultants and strives to comply with all laws and regulations that govern its business operations; however, even with the application of considerable skill and due diligence there can be no assurance the Company or its consultants may not inadvertently contravene certain regulations. Such events can lead to financial restatements, fines, penalties, and other material negative impacts on the Company.

The price of the Common Shares may be affected by factors unrelated to its operations

The Common Shares are listed on the TSX-V, the BVL and the Börse Frankfurt, and are posted for trading on the OTCQX. The price of the Common Shares is likely to be significantly affected by short-term changes in silver and gold prices, or in its financial condition or results of operations as reflected in its quarterly financial statements. Other factors unrelated to the Company's performance that may have an effect on the price of the Common Shares may, without limitation, include: the decision by any of the Company's large shareholders to divest its shareholding of the Company; a reduction in analytical coverage by investment banks with research capabilities; a drop in trading volume and general market interest in the Securities, which may adversely affect an investor's ability to liquidate an investment and consequently an investor's interest in acquiring a significant stake in the Company; a failure of the Company to meet or maintain the minimum listing or posting standards, reporting and other obligations under relevant securities laws or imposed by the regulators that govern the Securities and the exchanges or trading platforms on which the Common Shares trade, which could result in a delisting of the Common Shares or removal from trading platforms and reduce their liquidity; and any low or negative third-party ratings or rankings of the Securities or disclosure practices, including but not limited to ratings of the Company's environmental, social and governance practices, which could negatively affect the liquidity and price of the Securities.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the long-term value of the Company's assets. Securities class action litigation can be brought against companies following periods of volatility in the market price of their securities, which could result in substantial costs and damages, and divert management's attention and resources.

Market perception

Market perception of junior mining companies such as Bear Creek may shift such that these companies are viewed less favourably by the public, potential investors, and existing shareholders. This factor could impact the value of investors' holdings and the ability of the Company to raise further funds, which could have a material adverse effect on the Company's business, financial condition and prospects.

There are risks associated with debt facilities

The Company has incurred debt, in the form of a convertible debenture held by Sandstorm Gold Ltd. in the amount of \$22.5 million, a promissory note entered into with Auramet International LLC in the amount of \$5.0 million, and, subject to execution of final documentation and approval by the TSX-V, the Equinox Note in the amount of \$25.7 million (inclusive of interest accrued as of December 31, 2022). See "Three Year History and Significant Acquisitions", above. These liabilities will require the Company to dedicate a portion of its cash flow from operations to debt repayments, thereby reducing the availability of the Company's cash flow to fund working capital, capital expenditures, acquisitions, and other general corporate purposes. If the Company is unable to generate sufficient cash flows to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms, or at all, its financial position and results of operations could be materially impacted and/or the Company could be subject to significant dilution of its share capital.

The Company has exposure to interest rate risk on its debt facilities

Some of the Company's debt facilities include components that bear interest at a variable rate. The risk exists that the interest due on the Company's debt facilities may increase and affect the Company's ability to meet its debt repayments and/or interest payments as they become due. The Company could face substantial liquidity problems in a rising interest rate environment if its cash flows and capital resources are insufficient to fund its debt service obligations, which could result in the delay of planned capital expenditures, the sale of assets, the requirement to raise funds via equity financing or additional debt or could require the Company to refinance its debt. There can be no assurances that any of these remedial measures would be available to the Company on acceptable terms and conditions.

Global economic conditions may affect the Company's ability to advance its properties

Many industries, including mining, are affected by global market conditions and negative trends in global economic conditions, including but not limited to interest rates, consumer spending, employment rates, business conditions, inflation, energy costs, debt levels and credit availability, may adversely affect the Company's ability to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company, which could affect the Company's ability to advance its mineral projects and affect the trading price of the Common Shares in an adverse manner.

Currency and exchange rate fluctuations could affect the Company's financial condition

Bear Creek is headquartered in Canada. As the primary listing for the Common Shares is the TSX-V, any equity fund raisings undertaken by the Company are typically priced in Canadian dollars. The Company's functional currency, however, is the United States dollar, and its expenses are denominated in US dollars, Canadian dollars, Peruvian soles, and Mexican pesos. Operations in Peru, Mexico and Canada are subject to foreign currency exchange fluctuations, and the Company may suffer material losses due to adverse foreign currency fluctuations. The Company avoids significant exposure to currency fluctuations by holding the majority of its treasury in US dollars, which is exchanged into other currencies on an as-needed basis. At December 31, 2022, approximately 69.8% of the Company's consolidated cash balance was held in US dollars, 22.6% was held in Canadian dollars, 1.4% was held in Peruvian soles and 6.2% was held in Mexican pesos. 83.6% of the Company's consolidated US Dollar equivalent cash balance was held in Canada on December 31, 2022, with the remaining balance held in Peru and Mexico.

Supply chain disruptions may negatively impact the Company's operations

Global supply chains have been disrupted by the COVID-19 pandemic, and more recently, by the Russia-Ukraine war. While Bear Creek sources materials from local vendors where practicable, it relies on global supply chains to both import materials necessary to conduct its operations and export the products of its operations. Supply chain disruptions may negatively impact the availability, cost and transportation time of goods and services, which could impact the Company's operations, cash flows and delivery of gold and silver under its Mercedes Mine stream obligations.

Title to the Company's assets may be challenged and interest in assets may be reliant on third parties

Although title to its properties has been reviewed by or on behalf of the Company, no guarantees can be given that there are no title defects affecting the Company's properties. Title insurance is generally not available for mining claims on commercially reasonable terms, and the Company's ability to ensure that it has obtained a secure claim to individual mineral properties may be constrained. Accordingly, the Company's mineral claims may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to conduct work on the properties as permitted or to enforce its rights with respect to its properties.

The Company may acquire rights to acquire an interest in certain resource properties that may have been granted by third parties who themselves hold only a lease, an option, or a pending application for rights to acquire such properties. If such parties fail to fulfill their obligations, the Company could lose its interest in the property and may have no meaningful recourse, as it may not have any direct contractual arrangements with the underlying property holders. Where the Company's interests in resource properties are managed or operated by third parties, the Company's interests may be adversely affected in the event such third parties mismanage the operations being carried out on such properties.

There are risks associated with joint venture arrangements

The Company's interests in earlier-stage exploration properties may, in certain circumstances, pursuant to option agreements, become subject to the risks normally associated with the conduct of joint arrangements. In the event that any of the Company's properties become subject to a joint venture, the existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on the Company's business prospects, results of operations and financial condition: disagreements with joint venture partners on how to conduct exploration or development activities; inability of joint venture partners to meet their obligations to the joint venture or third parties; and disputes or litigation between joint venture partners regarding budgets, development activities, reporting requirements and other joint venture matters.

There are risks associated with counterparties

Bear Creek has contracts and agreements in place with various counterparties including financial institutions that hold the Company's cash and short-term investments, companies that provide contractual services at, or related to, its operations, and insurance providers. Although the Company makes efforts to limit the risk that these counterparties will default on their contractual obligations, the Company must rely to an extent on the performance of these third parties.

There are risks related to a failure to comply with statutory and regulatory requirements

The current and future operations of the Company, from exploration through development activities and commercial production, are and will be governed by applicable laws and regulations governing mineral claims acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, managing toxic substances, land use, environmental

protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities may experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Company has received all necessary permits for the work being conducted on its projects. There can be no assurance that all permits that the Company may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which the Company may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. The Company's environmental liability insurance is limited and may not provide adequate coverage for possible environmental claims.

Existing and possible future laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in exploration, development or exploitation.

It may not be possible to effect service of process on some of the Company's directors

As certain of the Company's directors live outside of Canada, it may not be possible to effect service of process on them. Furthermore, since all or a substantial portion of the assets of non-Canadian directors are located outside Canada, it may be difficult to enforce judgments against them obtained in Canadian courts. Similarly, essentially all of the Company's assets are located outside Canada, and there may be difficulties in enforcing judgments obtained in Canadian courts.

The Company's success is tied to management's efforts and abilities

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management team and other key personnel. Investors must be willing to rely significantly on the discretion and judgment of the Company's management team. The Company does not maintain key employee insurance for any of its employees. Furthermore, while the Company depends heavily on its management team and other key personnel and strives to retain its employees at all levels, there can be no assurance that members of the management team or other key personnel will be retained over the long-term. The departure of management or key personnel could have an adverse effect on the Company's business and financial condition.

There may be conflicts of interest

The Company's directors and officers may serve as directors or officers of other resource companies or have significant shareholdings or other economic interests in other resource companies and, to the extent that such other companies may participate in ventures or compete for mineral properties in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms in accordance with the BCBCA. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, involvement in a greater number of programs and a potential reduction in financial exposure in respect of any one program. It

may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed relative to the potential rewards that may be received and its financial position at that time. See “Directors and Officers”, below.

There may be competition for assets and employees

Significant and increasing competition exists for mineral deposits where the Company conducts operations. As a result of this competition, much of which is with large, established mining companies with substantially greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mining claims on terms it considers acceptable. The Company also competes with other mining companies in the recruitment and retention of qualified employees or consultants.

Labour relations issues could affect the Company’s operations and financial condition

Some employees at the Mercedes Mine are unionized, and their employment is governed by an annual agreement negotiated between the union and the Company. The most recent agreement was reached on August 5, 2022. Notwithstanding this agreement, there is risk of labour strikes or work stoppages by unionized employees. Additionally, relations with unionized and non-unionized employees and contractors may be affected by changes in labour relations laws, and regulations and trends in the jurisdictions in which the Company operates, which could result in labour disruptions or work stoppages. Labour disruptions affecting the Company’s operations could negatively impact production levels, earnings, cash flow and the Company’s financial condition.

Seismic activity may impact the Company’s projects

The Company’s mineral projects are located near geologically active tectonic plate boundaries capable of generating earthquakes and tsunamis which are sometimes sufficient to produce significant damage to property and infrastructure. Historically, larger magnitude earthquakes that may impact the Company’s mineral project are focused along the coast of North and South America, far from mining centers, but the potential exists for a seismic event to cause physical damage to the Company’s properties or office locations, significantly impact access to its projects, or damage critical infrastructure facilities such as harbors, power-generating or transmission facilities, roadways or airports.

Insurance may not be available to cover the risks associated with mineral exploration, development and mining

The mining industry is subject to significant risks that could result in damage to or destruction of property and facilities, personal injury or death, environmental damage and pollution, delays in production, expropriation of assets and loss of title to mining claims. No assurance can be given that insurance to cover the risks to which the Company’s activities are subject will be available, at all, or at commercially reasonable premiums. The Company maintains insurance within ranges of coverage that it believes to be consistent with industry practice for similar companies. The Company carries liability insurance with respect to its mineral operations, which includes a form of environmental liability insurance. Since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive, the Company’s insurance coverage is limited. The payment of uninsured liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to

suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

There is a risk that prior tax filings will be reassessed

The Company's ownership of the Mercedes Mine and Corani Property is held indirectly through other companies in various jurisdictions as described under "Summary Description of Business" above. Taxation authorities in those jurisdictions may challenge historic tax filings and reassess higher tax liabilities and imposes fines or penalties as part of reassessments.

The regulatory and compliance costs of being a public company generally increase over time

Legal, accounting, listing fees and other expenses associated with public company reporting requirements generally increase over time as a result of increasing requirements and inflation in the cost of services. In addition to the costs associated with maintaining listings of its Common Shares on the TSX-V and the BVL and complying with the conditions of trading on the OTCQX (the Company incurs no expenses in respect of its listing on the Börse Frankfurt), the Company anticipates that costs related to disclosure obligations and compliance with evolving securities legislation in Canada, Peru, the United States, Mexico and internationally may continue to increase.

Compliance with Canadian corporate governance related regulations including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees* and National Instrument 58-201 – *Disclosure of Corporate Governance Practices*, may make director and officer liability insurance increasingly expensive and the Company may be required to accept reduced policy limits and coverage, or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Company to attract and retain qualified individuals to serve on its board of directors or as executive officers.

The Company does not have a shareholder rights plan and may not be protected against "creeping bids" or a potential acquirer from entering into lock-up agreements with existing shareholders

In the absence of a shareholder rights plan, the Company may not have adequate protection against "creeping bids" (the accumulation of more than 20% of the Common Shares through purchases exempt from Canadian take-over bid rules) such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of shares over a stock exchange without paying a control premium, or (iii) through other transactions outside of Canada that may not be formally subject to Canadian take-over bid rules, and requiring the bid to be made to all shareholders. In addition, the Company may not be able to prevent a potential acquirer from entering into lock-up agreements with existing shareholders prior to launching a take-over bid.

MINERAL PROJECTS

The following is a description of the Company's material mineral properties as of December 31, 2022, and the nature of the Company's interests in such properties.

Mercedes Mine

Unless otherwise indicated, the scientific and technical information provided in this section is based on work programs and initiatives conducted under the supervision of, and/or has been reviewed and approved by, Andrew Swarthout, AIPG Certified Professional Geologist, a director of the Company who is a Qualified Person ("QP") as defined in NI 43-101. See "NI 43-101 Disclosure" for additional information.

Introduction

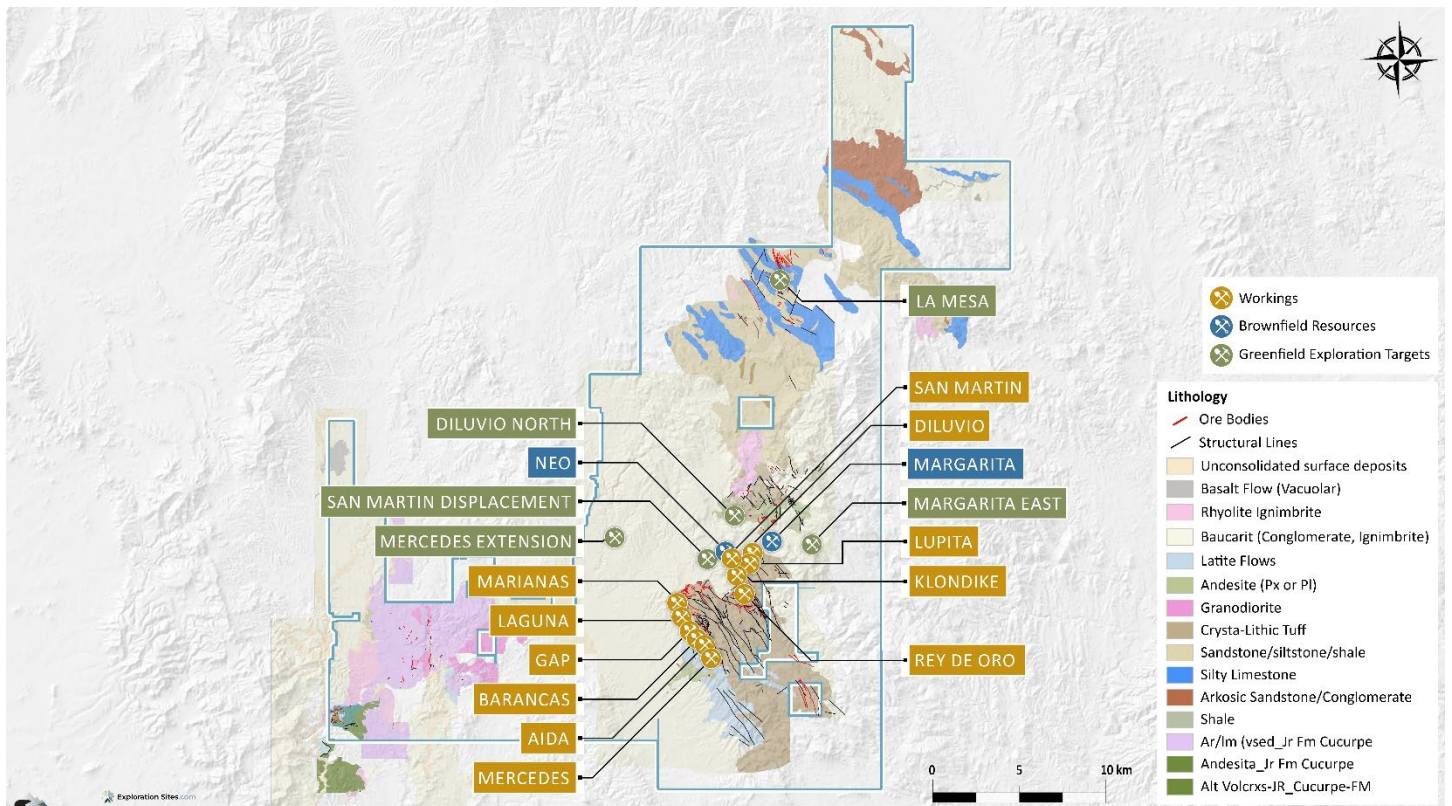
On April 21, 2022, Bear Creek completed its acquisition of the Mercedes Mine. Details regarding the terms of this acquisition are provided above under "Three Year History and Significant Acquisitions". Bear Creek holds a 100% interest in the Mercedes Mine (see "Intercorporate Relationships", above).

The Mercedes Mine is located in the state of Sonora, Mexico, approximately 300 km northeast of the city of Hermosillo and 300 km south of Tucson, AZ, within the prolific Mexican epithermal gold belt. It comprises 43 mineral concessions covering 69,285 ha.

The Mercedes Mine has been in commercial production since 2011, under the ownership of Yamana Gold Inc. from 2007 to 2016, Premier Gold Mines Ltd. from 2016 to 2021 and Equinox Gold Corp. from 2021 to 2022.

Mercedes is a fully mechanized, ramp-access operation that produces gold and silver. Eleven individual deposits have been mined or are currently in production, and seven additional deposits have been identified and are currently in the early exploration or drill definition stage. These deposits occur in three main areas: the prolific Mercedes trend – a major vein that hosts the Mercedes, Aida, Barancas, Gap, Laguna and Marianas deposits; the Rey de Oro area that hosts the Rey de Oro and Klondike deposits; and the Diluvio area that hosts the Diluvio, Lupita and San Martin deposits. Additional mineralized zones proximal to existing workings have been identified and are at the exploration or drill definition stage. See Figure 1 below. Mineralization at Mercedes is primarily hosted in epithermal veins and related structures.

Figure 1. Mercedes workings, deposits and exploration targets



Recent Exploration, Development and Production

Exploration

Exploration at the Mercedes Mine primarily consists of diamond core drilling from both surface and underground platforms. Mercedes drill programs and budgets are divided into greenfield exploration programs (drilling conducted at prospective targets without estimates of mineral resources or mineral reserves), delineation programs (drilling at known mineralized targets with the goal of establishing or expanding mineral resources) and definition programs (drilling conducted at known deposits with the goal of converting mineral resources to mineral reserves).

During the year ended December 31, 2022, 20,474 meters of drilling at a total cost of US\$3.3 million (US\$ 1.8 million attributable to the Company since its acquisition of Mercedes on April 21, 2022) was spent on drilling at the Mercedes Mine. The table below indicates the distribution of the 2022 drilling program.

Category	2022 Meters Drilled		2022 Expenditure (US\$)	Targets
	Reverse Circulation	Core		
Exploration	1,233	11,796	\$1,829,499	Diluvio Scout, Margarita, Rey de Oro, Neo, San Martin Displacement, Margarita East
Delineation		5,959	\$1,168,796	Marianas, GAP, Rey de Oro
Definition		1,486	\$280,376	Diluvio West, Diluvio

The 2022 Mercedes drilling program succeeded in identifying high grade gold mineralization, in some instances in newly discovered veins, at depth below the known Marianas and Rey de Oro deposits. These discoveries demonstrate the continuation of gold and silver mineralization at both Marianas and Rey de Oro outside of the currently estimated mineral resources and mineral reserves and provide the basis for an expanded exploration program in 2023. Importantly, much of this drilling has returned intercepts with gold grades that are several times the current head grades being mined at Mercedes. Significant results include (see also Bear Creek Mining news release dated February 22, 2023, available on the Company's website and SEDAR, and "NI 43-101 Disclosure" above):

Deposit	Hole ID	From (meters)	To (meters)	Length (meters)	True Width (meters)	Au (g/t)	Ag (g/t)
Marianas	UG-MR22-105	205.9	208.9	3.1	2.8	5.68	6.00
		212.0	215.0	3.1	2.8	12.43	12.00
	UG-MR22-106	215.2	216.0	0.8	0.8	41.00	24.00
	UG-MR22-107*	130.5	135.0	4.6	4.3	5.15	91.33
		225.6	229.2	3.6	3.2	13.14	8.72
	UG-MR22-113	162.7	166.1	3.4	3.0	8.47	32.09
		242.2	245.4	3.3	3.0	5.02	6.55
	UG-MR22-114*	125.7	126.5	0.8	0.7	89.10	192.00
Rey de Oro		141.3	144.3	2.9	2.8	15.79	151.44
	R22-215D*	381.9	382.8	0.9	0.9	26.20	23.00
	UG-RDO23-075	66.3	70.2	3.9	3.5	10.23	182.00

	UG-RDO23-077	62.4	63.5	1.1	1.03	15.35	109
GAP	M22-934D	126.0	130.0	3.9	2.2	6.47	58.06

See "NI 43-101 Disclosure" for the Company's sampling and assaying QAQC practices.

The 2022 Mercedes drilling program also helped establish a recognition of the critical role of low angle, listric/detachment faulting on mineralization at Mercedes which provides a new perspective for ongoing exploration. These mineralized low angle structures, coupled with the near-vertical veins that dominate the district, allow for broader structural preparation and bulkier ore bodies. Furthermore, these prospective structures become more prevalent approaching areas of post-mineral cover and point to the potential for additional blind discoveries.

As announced in a news release dated February 23, 2023 (available on the Company's website and SEDAR), Bear Creek intends to allocate US\$4.4 million to drilling targets at the Mercedes Mine in 2023 to build on the success of the 2022 drilling programs and the Company's evolving view of the mineral controls in the district. Plans call for approximately 32,000 meters of surface and underground drilling in the following target categories (see "Cautionary Statement Regarding Forward Looking Statements", above):

- Exploration drilling: 7,000 meters in 12 drill holes exploring the projections of two important highly mineralized trends in the Mercedes district;
 - the Margarita East structural zone that extends up to 4 kilometers east from the Diluvio – Lupita area, where 2022 drilling identified a blind target within the shallowly dipping Lupita fault.
 - the northwest projection of the Mercedes structural trend from Marianas to the concession boundary. The potential for continuation of mineralization in this prolific structure is supported by the results of limited prior surface drilling below the post mineral cover and known mineral occurrences on trend but outside of the Mercedes concession.

The greenfield exploration targets are supported by the presence of structural and alteration indicators in past drilling that are typical of mineralized zones elsewhere in the Mercedes district. These indicators are important because a majority of the deposits discovered at Mercedes in recent years, including Lupita and Diluvio, were blind targets.

- Delineation drilling: 11,500 meters in 17 drill holes designed to identify new resources in structurally offset targets near current operating zones. Primary targets include Marianas Deep, San Martin and Klondike Displacements, Neo, and Diluvio North. These targets provide outstanding potential for medium-term impact owing to the known presence of mineralization and their location proximal to existing workings.
- Definition drilling: 14,200 meters in 65 drill holes focusing on expansion of mineral resources, and conversion of mineral resources to mineral reserves. Principle targets for this program are the Marianas Rey de Oro, Diluvio and GAP deposits. Additional underground drill stations at Marianas will provide platforms from which to drill at least thirty drill holes collared from positions that provide excellent drill angles to newly discovered high-grade mineralized structures. Drilling at Rey de Oro will test down-plunge of the mineralized corridor from underground drill stations with at least 15 drillholes planned. Drilling at the Diluvio deposit will define the borders of current resources and test the potential of secondary veins. The GAP holes will be drilled from an underground platform to follow up on past surface drilling results. The definition drilling campaign is expected to have the most immediate and positive impact on mining operations.

Development

Development work undertaken at the Mercedes Mine during the year ended December 31, 2022 focused on underground development to open or re-establish additional working faces, and the engineering design of the 3rd tailings storage facility. Sustaining capital expenditures related to this development work amounted to US\$17.1 million in 2022 (\$US12.2 million attributable to the Company since its acquisition of Mercedes on April 21, 2022). Other sustaining capital expenditures related to mine infrastructure and facilities construction amounted to US\$1.5 million (US\$1.3 million attributable to the Company since its acquisition of Mercedes on April 21, 2022).

Production

Since Bear Creek Mining became the operator of Mercedes on April 21, 2022, the mine has produced a total of 34,628 ounces of gold and 112,475 ounces of silver at a cash cost of US\$1,204 per ounce of gold sold and AISC of US\$1,639 per ounce of gold sold. See "Notice Regarding Non-GAAP Financial Measures.

Bear Creek announced 2023 production guidance for the Mercedes Mine of 65,000 to 75,000 ounces of gold with an average cash cost per gold ounce expected to be in the range of \$830 - \$940 and AISC of between \$1,120 and \$1,290 per gold ounce (see news release dated February 24, 2023, available on the Company's website and on SEDAR).

During 2023, mine planning and development will shift toward higher-grade deposits utilizing cut and fill mining methods, which is expected to support increased production. As infrastructure development in previously shut down operations returns to levels, they will be brought back into production and are expected to significantly increase mill feed grade. The anticipated inclusion of ore from Marianas, San Martin and Rey de Oro during 2023 is expected to improve the overall grade profile as the year progresses.

The quarterly progression of production and costs is expected to be as follows:

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full Year 2023
Gold Ounces (k)	11.5 – 13.5	16.5 – 18.5	18.5 – 21.5	18.5 – 21.5	65 – 75
Silver Ounces (k)	39 - 45	53 - 61	58 - 67	60 - 70	210 - 243
AISC/gold ounce (\$)	1,700 – 1,970	1,160 - 1,330	950 - 1050	950 - 1050	1,120 - 1,290
Cash cost/gold ounce (\$)	1,110 - 1,275	830 - 950	710 - 810	750 - 875	830 - 940

Mercedes Streams, Royalties and NSRs

At December 31, 2022 (and as of the date of this AIF) the Mercedes Mine has the following streams, royalties and NSRs:

- A stream with Nomad Royalty Company ("Nomad", which entity was acquired by Sandstorm Gold Royalties ("Sandstorm") on August 15, 2022) that includes both gold and silver production.

Under the Nomad silver stream, one hundred percent (100%) of the silver produced is streamed until 3.75M ounces of silver are delivered, after which 30% of produced silver ounces will be streamed. Payment for streamed silver ounces is 20% of the market price. The agreement requires a minimum delivery requirement of 75,000 silver ounces per calendar quarter until an aggregated total of 1.2 M ounces of refined silver are delivered. As at December 31, 2022, 219,793 ounces have been delivered against the Nomad silver stream, and 980,207 ounces remain to be delivered before the Company is no longer subject to the 75,000 ounce quarterly minimum delivery requirement.

The Nomad gold stream contemplates fixed quarterly gold deliveries of 1,000 ounces of refined gold (subject to certain escalator and de-escalator provisions) until an aggregate of 7,000 ounces of gold

have been delivered (by Q3 2023). If gold is greater than \$1,650/oz, the quarterly deliveries are reduced by 100 oz (to 900 oz), and if lower than \$1,350/oz, the quarterly deliveries are increased by 100 oz (to 1,100 oz). There is no cash paid to the mine for these ounces and interest of 6.5% is paid on the outstanding gold ounce balance. As at December 31, 2022, three quarterly deliveries under the Nomad gold stream remain outstanding.

- A stream with Sandstorm that requires payment of 600 gold ounces of refined gold per month for 42 months (a total of 25,200 ounces) at a price equal to 7.5% of the spot gold price at the time of delivery. Thereafter, the Company will sell Sandstorm 4.4% of gold produced by Mercedes at a price equal to 25% of the spot price at the time of delivery. As at December 31, 2022, 4,800 oz have been delivered against the stream.

The Nomad and Sandstorm streams are delivered from production according to agreed gold and silver repayment ounces.

- A 0.5% royalty with the Mexican government on the gross gold and silver revenue.
- A 1% NSR with Elemental Royalties Corp. on gold equivalent production value on the excess of 450K produced, or production beyond July 28, 2022, whichever comes first.
- A 2% NSR with Sandbox Royalties Corp on gold equivalent ounces produced by the Mercedes Mine.

Additional Information

Appendix "A" of this AIF provides detailed information regarding the Mercedes Mine; specifically, it directly excerpts the chapter entitled "Summary" from the 2022 Mercedes Report dated July 4, 2022. Additional details including assumptions, qualifications and procedures contained in the 2022 Mercedes Report are hereby incorporated by reference. Any references cited within the excerpted information in Appendix "A" are provided in the 2022 Mercedes Report and any defined terms that are not otherwise defined herein will have the definitions ascribed to them in the 2022 Mercedes Report.

Colin Hardie, P.Eng., of BBA Engineering Inc., the QP responsible for the Summary chapter of the 2022 Mercedes Report, has read and consented to the use, public disclosure and filing of the scientific and technical information excerpted therefrom in Appendix "A" of this AIF.

Corani Property

Unless otherwise indicated, the scientific and technical information provided in this section is based on work programs and initiatives conducted under the supervision of, and has been reviewed and approved by, Andrew Swarthout, AIPG Certified Professional Geologist, a director of the Company who is a Qualified Person ("QP") as defined in NI 43-101. See "NI 43-101 Disclosure" for additional information.

Introduction

The 100% owned Corani silver-lead-zinc property is located in the Andes Mountains of Peru, approximately 160 kilometers southeast of Cusco in a sparsely populated altiplano environment. The project consists of thirteen mineral concessions that form a contiguous block of ground covering approximately 6,500 hectares.

See "Three Year History and Significant Acquisitions" above for information regarding recent activities at the Corani Property. Additional information regarding the Company's history at the Corani Property from its initial acquisition in 2007 through to December 31, 2018 is available in the Company's AIF for the year ended December 31, 2018.

Background

The Corani Property has been explored by the Company continuously since 2005, and a total of US\$88.7 million has been spent as of December 31, 2022 advancing the project through the completion of over 560 drill holes totaling approximately 102,000 meters, a preliminary economic assessment in 2008, a Pre-feasibility study in 2009, and Feasibility studies in 2011, 2015, 2017 and most recently, the 2019 Corani Report. Disclosure related to the drilling, and copies of the Technical Reports in respect of the preliminary economic assessment, Pre-feasibility and Feasibility studies are available on the Company's profile on SEDAR.

The Company has received the key approvals and permits required to undertake development and construction of the proposed Corani mine, including:

- the ESIA (Environmental and Social Impact Assessment), approved in 2013 with modifications approved in 2016 and 2017;
- a CIRA (*Certificado de Inexistencia de Restos Arqueológicos*) received in 2018, indicating the inexistence of archeological remains on the Corani site;
- the Accreditation of Water Availability received in 2018, confirming that the water resources required for construction and operation of the Corani mine are available for use;
- the Mine Construction permit received in 2018, which authorizes the stripping and extraction of ore according to the Corani mine plan and the construction of auxiliary and complementary mine facilities such as access roads, the mine camp and maintenance and storage buildings;
- the Process Plant Construction permit received in 2018, which authorizes construction of the Corani process plant, waste and tailings co-disposal facilities, water storage system and auxiliary buildings including a laboratory, internal energy system and other complementary structures.

Together, these permits and approvals allow for the development of the Corani Property and construction of the proposed Corani mine.

In connection with the ESIA, Bear Creek entered into a Life of Mine agreement with five communities near the Corani Property in the District of Carabaya, as well as ancillary organizations. The Life of Mine agreement addresses the Company's commitments to invest in community projects over a period of 23 years (representing the anticipated pre-production and production mine life of the Corani operation). The Company is committed to making annual investments under this agreement of S/ 4 million (approximately \$1,000,000). The annual investment amount can be reduced if social protests impact operations and is subject to renegotiation after the fifth year of mine production.

Recent Activities

Activities at the Corani Property during the year ended December 31, 2022 focused primarily on ongoing community relations programs and support initiatives focused on mitigating the local social and economic effects of the COVID-19 pandemic. Many of these initiatives take place at the Corani Technical Innovation Center (the "CTIC"), established and funded by Bear Creek in partnership with local communities. The CTIC is mandated with investigating, designing and developing local, sustainable and culturally relevant economic opportunities that are independent of the potential future Corani mine.

In 2022, the Company also completed detailed engineering studies in preparation for eventual construction of the Corani mine, and progressed the installation of transmission towers intended to connect medium tension power and high speed internet service from the Antapata electrical substation through local communities and high tension power to the Corani site. Additional information related to Bear Creek's engineering studies, construction of the Antapata substation and electrical transmission lines

is available in the Company's Revised Annual Information Form dated November 16, 2022, for the year ended December 31, 2021, available on the Company's website and on SEDAR.

Bear Creek undertook the following community relations and support programs during 2022.

- road maintenance during periods of heavy rainfall in early 2022, to mitigate risks to employees and community members
- assistance with alpaca veterinary care and delivery of antibiotics produced at the Corani Technical Innovation Center during the high-risk alpaca calving season
- construction of a second greenhouse at the Corani Technical Innovation Center to further study the potential health properties and sustainable business opportunities of native ichu grass and other plants
- assistance to the community of Chacaconiza (one of two communities neighboring the Corani Property) with preparation of a business plan for a semi-industrial alpaca thread plant
- development of improvements to dome structures designed and constructed at the CTIC. These dome structures are designed as self-sustainable housing units that are able to create their own energy, use self-sufficient latrines, and recycle water. Certification of the structures to meet Peruvian Government purchasing requirements is currently under investigation. COVID-19 assistance for communities including isolation and treatment protocols and vaccine awareness

Efforts to secure project financing for construction of the Corani mine, which had been underway since mid-2020, slowed markedly upon the election of Pedro Castillo as President of Peru in 2021 due to an increased perception of Peru country risk amongst global finance participants. The Company, together with the Joint Lead Arrangers it engaged in 2020, elected to pause efforts to secure Corani project financing during 2022 until such time as the foreign investment climate in Peru improved.

On December 7, 2022 Pedro Castillo was impeached by Congress after he sought to dissolve the legislative body and take unilateral control of the government. Former Vice President Dina Boluarte was appointed, and as of the date of this AIF remains, President of Peru. The impeachment and subsequent arrest of former President Castillo sparked civilian protests (which sadly resulted in several fatalities) as well as road closures; significant disruptions to civil and economic activity that continue to date in parts of southern Peru. To ensure their safety, Bear Creek demobilized the vast majority of its employees and contractors from the Corani site in late 2022.

Bear Creek will remobilize its staff and resume the full scope of its ongoing Corani activities as soon as conditions merit. Should investment conditions improve the Company will restart its efforts to seek the funding necessary to construct the proposed Corani mine. In the meantime, the Company will continue to focus on maintaining the Corani permits and the project's strong social licence.

Additional Information

Appendix "B" of this AIF provides additional information regarding the Corani Property; specifically, it directly excerpts the chapter entitled "Summary" from the 2019 Corani Report dated December 17, 2019. Additional details including assumptions, qualifications and procedures contained in the 2019 Corani Report are hereby incorporated by reference. Any references cited within the excerpted information in Appendix "B" are provided in the 2019 Corani Report and any defined terms that are not otherwise defined herein will have the definitions ascribed to them in the 2019 Corani Report.

Greg Lane, FAusIMM, Chief Technical Officer of Ausenco Services Pty Ltd, the QP responsible for the Summary section of the 2019 Corani Report, has read and consented to the use, public disclosure and filing of the scientific and technical information excerpted therefrom in Appendix "B" of this AIF.

A fulsome description of Bear Creek's Corani social and environmental programs is available on the Company's website and under the heading "Corani Property – Environmental and Social Considerations" in its Revised Annual Information Form dated November 16, 2022, for the year ended December 31, 2021, which is available on the Company's website and on SEDAR.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The name, province or state, country of residence, position or office held with the Company, principal occupation during the past five years of, and common shares of the Company held by, each of the Directors and executive officers of the Company (as of the date of this AIF) are described below. The term of office of each Director will expire at the next annual general meeting of shareholders.

Name and Jurisdiction of Residence ⁽¹⁾	Current position(s) with the Company	Principal occupation or employment during the past 5 years ⁽¹⁾	Current Board committee membership(s) (*Chair)	Director or Officer Since	Number of Common Shares beneficially owned, controlled or directed, directly or indirectly ⁽¹⁾
Catherine McLeod-Seltzer British Columbia, Canada	Chair	Corporate Director	Compensation	September 30, 1999	2,443,228
Anthony Hawkshaw British Columbia, Canada	CEO, Director	President and CEO, and Director of Bear Creek Mining Corporation		October 1, 2017	1,003,766
Andrew T. Swarthout Colorado, USA	Director	Former Executive Chairman, and former President and CEO, of Bear Creek Mining Corporation	Operations, Safety and Sustainability	April 22, 2003	1,569,592
Kevin Morano Florida, USA	Director	Principal of KEM Capital LLC, a private investment and advisory firm	Compensation*, Nominating and Corporate Governance, Audit	April 22, 2003	1,546,262
Stephen Lang Missouri, USA	Director	Corporate Director	Nominating and Corporate Governance*, Audit, Operations, Safety and Sustainability	June 6, 2018	300,000

Name and Jurisdiction of Residence ⁽¹⁾	Current position(s) with the Company	Principal occupation or employment during the past 5 years ⁽¹⁾	Current Board committee membership(s) (*Chair)	Director or Officer Since	Number of Common Shares beneficially owned, controlled or directed, directly or indirectly ⁽¹⁾
Erfan Kazemi British Columbia, Canada	Director	Chief Financial Officer of Sandstorm Gold Ltd. and President and CEO of Horizon Copper Corp.	Audit*, Nominating and Corporate Governance	June 6, 2018	112,211
Alfredo Bullard Spain	Director	Lawyer, author, professor and partner in the legal firm of Bullard Falla Ezcurra +		March 6, 2019	42,500
Alan Hair Ontario, Canada	Director	Corporate Director	Operations, Safety and Sustainability*, Compensation	September 16, 2019	137,211
Eric Caba Lima, Peru	President and Chief Operating Officer	Officer of Bear Creek Mining Corporation	N/A	March 15, 2018	403,162
Paul Tweddle Lima, Peru	Chief Financial Officer	Officer of Bear Creek Mining Corporation,	N/A	March 1, 2018	41,250
Barbara Henderson British Columbia, Canada	Vice President Corporate Communications and Corporate Secretary	Officer of Bear Creek Mining Corporation	N/A	June 22, 2015	110,647

(1) Information as to the jurisdiction of residence and principal occupation, and common share holdings, not being within the knowledge of the Company, has been furnished by each of the respective individuals.

Each of the Company's Directors is elected by the Company's shareholders at an annual general meeting to serve until the next annual general meeting of shareholders or until a successor is elected or appointed. The Board appoints the Company's executive officers annually after each annual general meeting, to serve at the discretion of the Board.

Based on information provided by such persons, as at the date of this AIF, the Directors and executive officers of the Company listed in the table above, as a group beneficially own, or control or direct, directly or indirectly, an aggregate of 7,709,829 common shares of the Company, representing approximately 5.0% of the issued and outstanding common shares of the Company. In addition, the Directors and executive officers of the Company as a group hold a cumulative total of 8,088,334 RSUs, DSUs and stock options pursuant to which an aggregate of 8,088,334 Common Shares in the capital of the Company may be issued or purchased, of which the stock options have exercise prices ranging from C\$0.69 to C\$2.58 and expire periodically through to December 15, 2032.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, except Alan Hair as disclosed below, no Proposed Director is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer, or chief financial officer of any company (including the Company) that:

- a) was subject to an Order (as defined below) that was issued while the Proposed Director was acting in the capacity as a director, chief executive officer, or chief financial officer; or
- b) was subject to an Order that was issued after the Proposed Director ceased to be a director, chief executive officer, or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer;

“**Order**” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation and, in each case, that was in effect for more than 30 consecutive days.

Alan Hair was a director of Great Panther Mining Ltd. ("Great Panther") from April 20, 2020 to December 15, 2022, and held the position of Interim Chief Executive Officer from February 25 to October 16, 2022. On November 18, 2022, the British Columbia Securities Commission issued a cease trade order in respect of Great Panther's securities as a result of its inability to file its quarterly continuous disclosure documents in accordance with Canadian securities laws. Additional information related to Great Panther is provided below.

To the knowledge of the Company, except Alan Hair and Stephen Lang as disclosed below, no proposed Director:

- a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director; or
- c) has been subject to:
 - i. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - ii. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed Director.

On September 6, 2022, Great Panther, a company of which Alan Hair was a director and Interim Chief Executive Officer at the time, filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act (Canada)*, which notice provided Great Panther with creditor protection while it sought to restructure its affairs. On October 4, 2022, Great Panther was granted an order to convert its proceedings

under such legislation into proceedings under the *Companies' Creditor Arrangement Act* (Canada). On December 16, 2022 Great Panther made a voluntary assignment into bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) and Alvarez & Marsal Canada Inc was appointed as the licensed insolvency trustee of Great Panther's estate.

Stephen Lang was a director of Hycroft Mining Corporation ("Hycroft") (formerly Allied Nevada Gold Corp.) which on March 10, 2015, together with certain of its domestic direct and indirect subsidiaries, filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Delaware Bankruptcy Court"). On October 8, 2015, Hycroft's Plan of Reorganization was approved by the Delaware Bankruptcy Court, and effective October 22, 2015, Hycroft completed its financial restructuring process and emerged from Chapter 11 bankruptcy.

Conflicts of Interest

Except as disclosed below, to the best of the Company's knowledge, as of the date of this AIF there are no existing or potential material conflicts of interest between the Company or any of its subsidiaries and any Director or officer of the Company or its subsidiaries.

Messrs. Andrew Swarthout and Erfan Kazemi are Directors of the Company and serve as a director (in the case of Mr. Swarthout) and officer (in the case of Mr. Kazemi) of Sandstorm Gold Ltd., which company is a party to the Gold Purchase Agreement, the Convertible Debenture, and the Nomad silver and Gold streams as described above under "Three Year History and Significant Acquisitions" and "Mercedes Streams, Royalties and NSR". As disclosed below under "Interest of Management and Others in Material Transactions", Messrs. Swarthout and Kazemi did not participate in discussions regarding, and abstained from voting to approve any aspect of, the Mercedes acquisition, including negotiations regarding the Gold Purchase Agreement, the Convertible Debenture or Sandstorm's acquisition of the Nomad streams.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

As of the date of this AIF there are no legal proceedings to which the Company is a party or, to the best of the Company's knowledge, to which any of the Company's property is or was a party during the last financial year, and there are no such proceedings known by the Company to be contemplated.

Regulatory Actions

There are no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company's most recently completed financial year and up to the date of this Annual Information Form; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements the Company entered into with a court relating to securities legislation or with a securities regulatory authority during the Company's most recently completed financial year and up to the date of this Annual Information Form.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

On December 17, 2021 the Company issued a news release announcing its acquisition of the Mercedes gold mine, located in Sonora, Mexico, from Equinox Gold Corp., which acquisition (the "**Acquisition**") constituted a material transaction. As disclosed in the December 17, 2021 news release, the terms of the Acquisition include US \$60 million in financing from Sandstorm Gold Ltd., on which company's board Mr. Swarthout serves as a director and of which Mr. Kazemi is the Chief Financial Officer. In accordance with applicable corporate laws and the Company's Articles of Incorporation, at all meetings of the Board during

which the Acquisition was discussed, and in any resolutions considered for approval in respect of the Acquisition and the financing thereof, held or dated in the financial years ended December 31, 2021 and 2022, Messrs. Swarthout and Kazemi declared their interest stemming from their relationship with both the Company and Sandstorm Gold Ltd., did not participate in material discussions regarding the Acquisition and abstained from voting to approve any aspect of the Acquisition or the financing thereof.

Aside from the matter above, no informed person (as defined in NI 51-102) of the Company nor any Proposed Director of the Company, or any associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction that in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent for the Common Shares of the Company is Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the Company has not entered into any material contracts within the most recently completed financial year or before the most recently completed financial year (but after January 1, 2002) that are still in force and effect and that may reasonably be regarded as presently material.

INTERESTS OF EXPERTS

Names of Experts

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in the AIF as having prepared or certified a part of that document or a report of valuation described in the AIF:

1. The 2022 Mercedes Report was authored by the following QPs, each of whom was employed or contracted by BBA Engineering as at the date of the 2022 Mercedes Report: Colin Hardie, P.Eng.; David Willock, P.Eng.; Shane Ghouralal, P.Eng. MBA; and Pierre-Luc Richard, P.Geo., M.Sc.
2. The 2019 Corani Report was authored by the following QPs: Greg Lane, FAusIMM, Ausenco Services Pty Ltd; Kevin Gunesch, PE, Global Resource Engineering Ltd.; Terre Lane, MMSA, Global Resource Engineering Ltd.; Todd Harvey, SME Registered Member, Global Resource Engineering Ltd; Hamid Samari, MMSA, Global Resource Engineering Ltd.; Denys Parra, SME Registered Member Anddes Asociados SAC; Eduardo Ruiz, EFG Register Member, Anddes Asociados SAC; David Arcos, EFG Register Member, Amphos 21 Consulting, S.L.; and, Michael Meyer, Ph.D., MMSA, Meyer EPS Inc.
3. With the exception of Appendices "A" and "B" the scientific or technical information or results related to the Company's Mineral Projects provided in this AIF is based on work programs and initiatives conducted under the supervision of Andrew Swarthout, AIPG Certified Professional Geologist, a director of the Company and a QP.
4. The Company's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated April 20, 2023 in respect of the Corporation's consolidated financial statements as at December 31, 2022 and December 31, 2021 and for the years then ended.

Interests of Experts

Based on information provided by the experts named under Items 1 and 2 of “Names of Experts” above (the “**Report Authors**”) as of the date on which they certified a part of that document or a report of valuation described in the AIF, the registered or beneficial interest, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates of each of the Report Authors represents less than one per cent of the Company's outstanding securities. None of the Report Authors is or is expected to be elected, appointed or employed as a Director, officer or employee of the Company or of any associate or affiliate of the Company.

Andrew Swarthout, AIPG Certified Professional Geologist, is a director of the Company and holds 1,569,592 Common Shares, representing approximately 1.0% of the Company's outstanding Common Shares. Mr. Swarthout also holds stock options exercisable to purchase 650,000 Common Shares at exercise prices ranging from C\$0.69 to C\$2.05 and expiry dates ranging from February 26, 2028 to December 15, 2032, 25,000 unvested RSUs and 1,000,000 unvested DSUs.

PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The following is the text of the Audit Committee's Charter, approved and adopted by the Board on August 29, 2022:

1. GENERAL

The primary function of the Audit Committee is to assist the board of directors of the Company (the “**Board**”) in fulfilling its oversight responsibilities regarding the integrity of the Company's accounting and financial reporting processes and provision of financial information to the shareholders and others, the systems of internal controls and disclosure controls, the internal and external audit processes, the policies with regard to ethics and business practices, and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company's external auditor, senior management and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

2. COMPOSITION

The Audit Committee shall be composed of a minimum of three directors. The members shall be appointed annually by the Board, typically at the first meeting of the Board following the annual shareholder's meeting. Unless a Chair is appointed by the full Board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

All members of the Audit Committee shall meet the independence, financial literacy and experience requirements under applicable laws, rules and regulations binding on the Company from time to time, including the applicable rules of any stock exchanges upon

which the Company's securities are listed. In addition to the specific independence requirements, each member of the Audit Committee must be free from any relationship that, in the opinion of the Board, could reasonably be expected to interfere with the exercise of his or her independent judgement as a member of the Audit Committee.

On an annual basis, the Board shall make an affirmative determination of the independence of each member of the Audit Committee, with reference to stock exchange requirements and applicable securities laws.

3. MEETINGS, APPROVALS & PROCEDURAL MATTERS

The Audit Committee shall be governed by the Board Mandate adopted by the Board, save as modified by the procedural requirements and powers provided in this Charter.

In respect of meetings of the Audit Committee:

- (a) The Audit Committee shall meet at least four times per year.
- (b) Meetings may be held either by telephone conference, web conference or in person. Any member of the Audit Committee may call such a meeting.
- (c) The quorum for the transaction of business at any meeting shall be a majority of the members of the Audit Committee present.
- (d) Decisions by the Audit Committee will be by the affirmative vote of a majority of the members of the Audit Committee present, or by consent resolutions in writing signed by each member of the Audit Committee.
- (e) The Chair may invite the Company's external auditor, the CFO, and such other persons as deemed appropriate by the Audit Committee to attend meetings of the Audit Committee.
- (f) The Audit Committee shall prepare and maintain minutes of its meetings.

The Audit Committee:

- (g) Shall report material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Audit Committee may deem appropriate, at the next Board meeting.
- (h) Shall review the performance of the Audit Committee on an annual basis and report the results of such review to the Board.
- (i) Shall review and assess this Charter for the Audit Committee at least annually and submit any proposed revisions to the Board for approval, when applicable.
- (j) Has the power to conduct or authorize investigations into any matter within the scope of its responsibilities. The Audit Committee has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties, and the right to set and pay the compensation for any such counsel or advisors engaged by the Audit Committee.

- (k) Shall meet at least annually with the CFO and the external auditor in separate sessions.
- (l) Has the right to communicate directly with the CFO and other members of management who have responsibility for the audit process ("**internal audit management**") and the external auditor.

4. RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board hereby delegates to the Audit Committee the following powers and duties to be performed by the Audit Committee on behalf of and for the Board.

Financial Reporting, Accounting and Financial Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting practices. The Audit Committee shall:

- (a) Review and recommend to the Board for approval the Company's financial statements, Management's Discussion and Analysis ("**MD&A**"), Annual Information Form (if any), future-oriented financial information or *pro-forma* information, and other financial disclosure in continuous disclosure documents, including any annual and interim profit or loss press releases and any certification, report, opinion or review rendered by the external auditor, before the Company publicly discloses such information. (See also "*Interim Financial Statements*" below.)
- (b) Ensure that it is satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (other than public disclosure referred to in subsection (a) immediately above) and periodically assess the adequacy of those procedures as necessary.
- (c) Review material financial risks with management, the plan that management has implemented to monitor and deal with such risks, and the success of management in following the plan.
- (d) Consult quarterly and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.
- (e) Review processes for certifications and obtain certifications by the CEO and CFO attesting to disclosure controls and procedures and internal control over financial reporting as required or advisable.
- (f) Review management's response to significant written reports and recommendations issued by the external auditor and the extent to which such recommendations have been implemented by management. Review such responses with external auditor as necessary.
- (g) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.

- (h) Review with management proposed regulatory changes and their impact on the Company.
- (i) Review with management and approve public disclosure of the Audit Committee Charter, including in the Company's Information Circular and on the Company's website.

External Auditor

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditor, subject to the approval of the Board. For this purpose, the Audit Committee may consult with management, but the external auditor shall report directly to the Audit Committee. The Audit Committee has the right to communicate directly with the external auditors. The specific responsibilities of the Audit Committee with regard to the external auditor are to:

- (a) Recommend to the Board annually:
 - (i) the external auditor to be nominated (whether the current external auditor or a suitable alternative) for the purpose of preparing or issuing an auditor's report or performing other audit, review, or attest services for the Company; and
 - (ii) the compensation of the external auditor.
- (b) Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
- (c) Resolve disagreements, if any, between management and the external auditor regarding financial reporting. To resolve such disagreements, the Audit Committee shall query management and the external auditor and take other steps as it deems necessary. The Audit Committee shall provide the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable.
- (d) Take reasonable steps to confirm the independence of the external auditor, including pre-approving any non-audit related services provided by the external auditor to the Company or its subsidiaries with a view to ensuring independence of the auditor. If necessary, recommend to the Board to take appropriate actions to ensure the independence of the external auditor.
- (e) Review and pre-approve all audit and audit-related services and the fees related thereto, provided by the Company's external auditor.
- (f) Review and pre-approve all non-audit services to be performed by the Company's external auditor in accordance with any applicable regulatory and securities law requirements and the requirements of any stock exchange upon which the Company's shares are listed. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of

the Audit Committee if it adopts policies and procedures for such provided that any pre-approval decisions are presented to the full Audit Committee for approval at its next meeting.

- (g) Obtain from the external auditor confirmation that the external auditor is a 'participating audit' firm for the purpose of National Instrument 52-108 *Auditor Oversight* and is in compliance with governing regulations.
- (h) Review and evaluate the performance of the external auditor, including the external auditor's internal quality-control procedures.
- (i) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's present and former external auditor.

Audit and Financial Reporting Process

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, fairness and presentation of the Company's financial statements to be satisfied that the financial statements fairly present the financial position of the organization and are prepared in accordance with the applicable generally accepted accounting principles. To accomplish these objectives, the Audit Committee shall:

- (a) review at least annually the Company's internal system of audit and financial controls, internal reporting procedures and results of such controls and procedures;
- (b) prior to the annual audit by the external auditor, review the auditor's engagement letter to consider the scope and general extent of the external auditor's services;
- (c) review with management the external auditor's audit plan and management's intended template for financial statements;
- (d) ensure the external auditor has full, unrestricted access to required information and has the cooperation of management;
- (e) review with the external auditor, in advance of the audit, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles;
- (f) review with the external auditor and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, or significant judgments made by management that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements. Review the appropriateness and disclosure of off-balance sheet matters, if any. Review disclosure of related-party transactions;
- (g) receive and review with the external auditor, the external auditor's audit report and the audited financial statements. Make recommendations to the Board respecting approval of the audited financial statements and related MD&A;

- (h) review annually the integrity of the Company's internal and external financial reporting and accounting principles, including the clarity, completeness and accuracy of financial disclosure and the degree of neutrality and representational faithfulness of the accounting policies and estimates, performance of internal audit management, if any, significant disagreements or difficulties in obtaining information, if any, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the external auditor. The Audit Committee shall direct management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review; and
- (i) meet at least annually with the external auditor, independent of management, consider external auditor's judgments about the quality and appropriateness of the Company's accounting principles and practices, and report the results of such meetings to the Board.

Interim Financial Statements

The Board shall generally approve the Company's interim financial statements and MD&A, on the basis of recommendations by the Audit Committee.

The Audit Committee shall:

- (a) review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditor;
- (b) review the interim financial statements with the external auditor if the external auditor conducts a review of the interim financial statements;
- (c) conduct all such reviews and discussions with the external auditor and management as the Audit Committee deems appropriate;
- (d) review and, make appropriate recommendations to the Board respecting approval of the interim financial statements.

Ethics

The Audit Committee is responsible for ensuring that methods and procedures are in place to: (a) allow any director, officer, employee or contractor to bring concerns regarding accounting, internal accounting controls or auditing matters; and (b) permit the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters to the attention of the Audit Committee and that those who do so are provided protection from any retaliatory action. The Chair of the Audit Committee shall be designated as the person to whom such concerns should be addressed and is responsible for ensuring that such concerns are handled promptly, confidentially and appropriately.

The Audit Committee is responsible to ensure that methods and procedures are in place to: (a) allow any director, officer, employee or contractor to report any ethical concerns or potential or actual violations of the Company's Code of Business Conduct and Ethics (the

“Code”); and (b) permit the confidential, anonymous submission by employees of any such concerns or violations. The Chair of the Audit Committee shall be designated as the person to whom such concerns should be addressed and is responsible for ensuring that such concerns are handled promptly, confidentially and appropriately.

The Audit Committee shall review at least annually:

- (a) the Code;
- (b) management's approach to business ethics and corporate conduct; and
- (c) programs used by management to monitor compliance with the Code.

5. COMPLAINTS AND CONCERNS

The Audit Committee shall ensure that the Company has adequate procedures in place for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and confidential submission by employees of the Company of concerns regarding questionable accounting or auditing matters (collectively, “**complaints**”).

Subject to applicable law, complaints, including those under the Company's Whistleblower Policy, may be made anonymously and, if not made anonymously, the identity of the person submitting such complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the Audit Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Audit Committee for a period of at least three years or otherwise pursuant to the Company's records retention policy, if any.

6. OTHER RESPONSIBILITIES

- (a) Each year, the Audit Committee shall review and evaluate its own performance.
- (b) The Audit Committee shall review with management the Company's policies with respect to risk assessment and management, including with respect to the potential risk of financial fraud, and shall conduct an annual review of the fraud risks identified by management, and the policies and practices adopted by the Company to mitigate those risks.
- (c) The Audit Committee shall review for fairness any proposed related-party transactions and make recommendations to the Board whether any such transactions should be approved.
- (d) The Audit Committee may retain and terminate the services of outside specialists, counsel, accountants or other consultants and advisors to the extent it deems appropriate and shall have the sole authority to approve their fees and other retention terms. The Company will provide for appropriate funding, as determined by the Audit Committee, for payment of: (i) compensation to any external auditor;

(ii) compensation to any outside specialists, counsel, accountants or other consultants and advisors retained by the Audit Committee; and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

(e) The Audit Committee may perform other activities related to this Charter, as requested by the Board.

7. REPORTING

The Audit Committee shall report to the Board at its regularly scheduled meetings.

Audit Committee Function

Composition of the Audit Committee and Relevant Education and Experience

The following are the members of the Audit Committee, effective June 8, 2022:

Name	Independence ⁽¹⁾	Financial Literacy ⁽¹⁾
Erfan Kazemi (Chair)	Independent	Financially literate
Stephen Lang	Independent	Financially literate
Kevin Morano	Independent	Financially literate

(1) As defined in NI 52-110.

Messrs. Kazemi, Lang and Morano are all financially literate in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Mr. Kazemi, Chair of the Audit Committee, is the Chief Financial Officer of Sandstorm Gold Ltd., a company that provides stream and royalty financing to the mining sector. Since 2011, Mr. Kazemi has helped raise half a billion dollars in debt and equity capital and has deployed more than \$600 million in over 30 transactions. Prior to joining Sandstorm, Mr. Kazemi was a Senior Manager with PricewaterhouseCoopers where he managed the audits of billion-dollar multinational entities and assisted clients in areas such as public financings, mergers and acquisitions, US/SEC securities filings, and various other areas. Mr. Kazemi is a Chartered Professional Accountant (CA), a Chartered Financial Analyst charter holder and is a graduate of the University of British Columbia where he received a Bachelor of Science (Mathematics). Mr. Kazemi sits or has previously served on the board of several community and academic organizations, and has received numerous awards for his professional and charitable achievements including CFO of the Year by Business in Vancouver, Canada's Top 40 under 40 Award, the Institute of Chartered Accountants of British Columbia's Early Achievement Award and Community Service Award and the University of British Columbia Alumni Association's Outstanding Student of the Year Award.

Mr. Lang is the Chair of Hudbay Minerals, Chair of Hycroft Mining Holding Corporation, and a director of International Tower Hill Mines Ltd. and Argonaut Gold Inc. Mr. Lang was formerly the Chairman and, prior to that, President and CEO, of Centerra Gold Inc. He has over 40 years' experience in the mineral sector including engineering, development and production in gold, coal, platinum group metals and copper operations, and has held senior executive positions at a number of global mining companies including, in addition to Centerra Gold, Barrick Gold, Stillwater Mining, Kinross Gold, Rio Algom and Santa Fe Pacific Gold. Mr. Lang earned a Bachelor of Science degree in Mining Engineering from the University of Missouri-Rolla and a Master's degree in Mining Engineering from the University of Missouri-Rolla.

Mr. Morano is the Managing Principal and founder of KEM Capital LLC, a private equity and management advisory firm that invests in and advises emerging and startup companies in the mining, medical and other industries. Mr. Morano has substantial financial executive expertise and extensive experience in the mining industry. Mr. Morano enjoyed a 21-year career at ASARCO Incorporated, a global copper mining company and specialty chemicals and aggregates producer, where he served in various senior executive capacities including Chief Financial Officer, Executive Vice President and ultimately President and Chief Operating Officer. At ASARCO, Mr. Morano managed the completion of an US\$800-million financing program for a Peruvian subsidiary. Following his tenure at ASARCO, Mr. Morano was the Chief Financial Officer and subsequently Senior Vice President for Marketing and Business Development at Lumenis Ltd., a laser and light-based technology company specializing in medical devices for aesthetic, surgical and ophthalmic applications. Mr. Morano holds a B.Sc. in Finance from Drexel University and an M.B.A. from Rider University. He also serves as a director of Golden Minerals Company.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemptions in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), Section 3.2 of NI 52-110 (*Initial Public Offerings*), Section 3.3(2) of NI 52-110 (*Controlled Companies*), Section 3.4 of NI 52-110 (*Events Outside Control of Member*), Section 3.5 of NI 52-110 (*Death, Disability or Resignation of Audit Committee Member*), Section 3.6 of NI 52-110 (*Temporary Exemption for Limited and Exceptional Circumstances*) or Section 3.8 of NI 52-110 (*Acquisition of Financial Literacy*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above in the Audit Committee's Charter under the heading "External Auditor".

External Auditor Service Fees (By Category)

PricewaterhouseCoopers LLP has served as the independent auditors for the Company since August 1, 2006 and acted as the Company's independent auditors for the financial year ended December 31, 2021. The chart below sets forth the total amount billed to the Company by the Company's auditors for services performed in the last two financial years and breaks down these amounts by category of service (for audit fees, audit-related fees, tax fees and all other fees):

Financial Year Ended	Audit Fees ⁽¹⁾ (C\$)	Audit-Related Fees ⁽²⁾ (C\$)	Tax Fees ⁽³⁾ (C\$)	All Other Fees ⁽⁴⁾ (C\$)
December 31, 2022	203,783	86,879	201,042	Nil
December 31, 2021	38,632	50,558	317,403	Nil

- (1) "Audit Fees" are the aggregate fees charged by the Company's auditors for the audit of the Company's consolidated annual financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements. During the financial year ended December 31, 2022 Audit Fees include fees related to the acquisition of the Mercedes Mine.
- (2) "Audit-Related Fees" are fees charged by the Company's auditors for assurance and related services such as review of quarterly financial statements, that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees." For the financial year ended December 31, 2022, Audit-Related Fees reflect higher quarterly review fees due to an increase in scope to include the Mercedes operations. For the financial year ended December 31, 2021, Audit-Related Fees include fees paid to the Company's auditors in respect of a prospectus supplement, which was filed with the securities commissions of all of the provinces and territories of Canada except Quebec, on January 8, 2021.
- (3) "Tax Fees" are fees charged by the Company's auditors for tax compliance, tax advice and tax planning including, during 2021 and 2022, fees related to acquisition of the Mercedes Mine.
- (4) "All Other Fees" are fees charged by the Company's auditors for products and services other than as set out under the heading "Audit Fees", "Audit-Related Fees" and "Tax Fees" Exemption in 6.1 of NI 52-110.

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APPENDIX "A" – EXCERPT FROM THE 2022 MERCEDES REPORT

The following information is an excerpt of the chapter entitled "Summary" from the 2022 Mercedes Report dated July 4, 2022. Additional details including assumptions, qualifications and procedures contained in the 2022 Mercedes Report are hereby incorporated by reference. Any references cited within this excerpted information are provided in the 2022 Mercedes Report and any defined terms that are not otherwise defined herein will have the definitions ascribed to them in the 2022 Mercedes Report.

Colin Hardie, P.Eng., of BBA Engineering Inc., the QP responsible for the Summary chapter of the 2022 Mercedes Report, has read and consented to the use, public disclosure and filing of the scientific and technical information excerpted therefrom in Appendix "A" of this AIF.

"Summary

Introduction

In December 2021, Bear Creek Mining Corporation (Bear Creek or the Company), following its agreement to acquire the Mercedes Mine from Equinox Gold Corporation (Equinox), retained BBA Engineering Inc. (BBA) to carry out an independent audit of the Mineral Reserves and Mineral Resources and to prepare an updated independent technical report on the Mercedes Gold-Silver Mine (Mercedes or the Mine) of the Company’s wholly-owned subsidiary Minera Meridian Minerales S. de R.L. de C.V. (MMM), located in Sonora State, Mexico.

The purpose of this independent technical report is to support the disclosure of Mineral Reserves and Mineral Resources at the Mine as of December 31, 2021. This technical report conforms to NI 43-101 Standards of Disclosure for Mineral Projects.

Bear Creek Mining Corporation is a Canadian-based company that is a leading Peru-focused silver exploration and development company. Bear Creek operates entirely in the Americas, with properties in Peru, and Mexico.

The Qualified Persons (QPs) are not aware of any mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve and Mineral Resource estimate.

Qualified Persons

The following individuals have served as QPs as set out in NI 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101):

Table 1-1: Qualified persons

Qualified Person	Chapters / Sections	Site Visit
Colin Hardie, P. Eng.	1, 3, 13, 17, 19, 20, 21, 22, 24, 25, 26, 27	Yes
David Willock, P. Eng.	15, 16	No
Shane Ghouralal, P.Eng.	2, 4, 5, 18	Yes
Pierre-Luc Richard, P. Geo.	6, 7, 8, 9, 10, 11,12, 14, 23	Yes

All QPs contributed to Chapters 1, 2, 25,26 and27, based upon their respective scope of work and the chapters/sections under their responsibility.

Pierre-Luc Richard and Colin Hardie visited the Mercedes Mine on June 10 and 11, 2022. The site visit included a visit of the core shack and sample preparation room, a surface field tour across the property, an underground tour where typical Lupita and Diluvio mineralizations were observed, a visit of the process plant, tailings facilities, and mine laboratory. Multiple discussions were also held on site to cover additional needs in regard to the 3D modelling, block modelling, database validation, and QA/QC. The site visit also included a review of sampling and assaying procedures, the QA/QC program, downhole survey methodologies, and the descriptions of lithologies, alterations and structures with on-site personnel.

Shane Ghouralal, visited the site between February 23 and 25, 2022. The site visit included a walkthrough of the site's facilities. The site visit also verified the underground mining methods and the equipment used. The testing of old waste stockpiles was observed. A review of the changes in mineral reserves was discussed with the teams and site information was provided to confirm site costs.

Property Description and Location

The Mercedes mining operation is located in the state of Sonora, northwest Mexico, within the Cucurpe municipality (30°19'47" N latitude and 110°29'02" W longitude). The Mine is located 250 km northeast of Hermosillo, Sonora's capital city, and 300 km south of Tucson, Arizona, United States.

Land Tenure

The Mercedes property consists of approximately 69,285 ha of mineral concessions under lease from the government of Mexico. The area is covered by 43 mineral concessions, all of which have been titled as Mining Concessions, according to Mexican mining law. The titles are valid for 50 years from the date titled. All of the concessions are owned by MMM, a wholly owned subsidiary of Bear Creek. All of the concessions are in good standing with mining law obligations through semi-annual tax payments and required assessment work.

The areas of interest at Mercedes are located on private land. A surface access agreement has been in place with the owner of the private land surrounding the Mine since 2000.

Production from the Mercedes property is subject to a 1% net smelter return royalty payable to an independent third party commencing on the earlier of 450,000 ounces of gold production or July 28, 2022. Equinox will hold a 2% net smelter return on gold equivalent ounces produced by the Mercedes Mine. Silver and gold production from the Mercedes property are also subject to a purchase and sale agreement whereby 100% (until 3.75 million silver ounces have been delivered, then dropping to 30%) of the silver production from the Mercedes property is sold at a price equal to 20% of the prevailing market silver price with minimum annual deliveries of 300,000 ounces of silver until 2,100,000 ounces of silver have been delivered. Further, 1,000 ounces of gold production per quarter, subject to adjustment based on the prevailing market gold price (and plus an additional 6.5% of such adjusted amount), must be delivered at a price of 0% of the prevailing market gold price until 9,000 ounces of gold have been delivered. Table 1-2 shows the remaining ounces to be delivered as of December 31, 2021.

Table 1-2: Remaining ounces to be delivered as of Dec. 31, 2021 as per sale agreement

Payee	Commodity	Requirement (oz)	Delivered (oz)	Pending (oz)
Nomad	Ag	3.75M	1,052,810	2,697,190
Nomad	Au	10,300	4,000	6,300

MMM has all required permits to conduct work on the property. The QPs are not aware of any other significant factors and risks that may affect access, title, or the right or ability to perform work on the property.

History

The Mercedes district has been the focus of mining activities since at least the late 1880s. The Mercedes, Tucabe, Saucito, Anita, Klondike, Rey de Oro, Reina, and Poncheña veins were all the focus of exploration and development work on a limited scale in the late 19th and early 20th centuries.

No precise production totals are available from historic mining operations. Some 20,000 to 30,000 ounces of gold were probably produced during the years 1937 to 1939, by Minera Oro Chico, which mined the material outlined by Anaconda at Mercedes. Cumulative past district production, in the order of 150,000 tonnes and approximately 73,000 gold equivalent (AuEq) ounces, is estimated, considering the scale of historic mining observed at Klondike, Rey de Oro, Tucabe or Saucito, and the known high-grades in the exploited veins.

Production by MMM at Mercedes is listed in Table 1-3.

Table 1-3: Gold production history from 2011 to December 31, 2021

Year	Ore Processed (000)	Gold Grade (gpt Au)	Silver Grade (gpt Ag)	Gold Ounces (000)	Silver Ounces (000)
2011	48	7.60	114.5	8	39
2012	603	6.43	78.4	116	490
2013	671	6.16	79.4	129	615
2014	682	5.09	55.9	105	398
2015	713	3.96	43.3	84	383
2016	513	4.52	48.4	93	425
2017	684	3.93	37.6	83	338
2018	699	3.39	37.6	69	309
2019	668	2.91	26.2	60	191
2020	399	2.87	33.1	35	168
2021	512	2.69	21.2	42	123
Total	6,191	4.24	47.4	824	3,479

Early Exploration 1900s to mid-1990s

The Tucabe vein was mined in the early 1900s. A cyanide mill was constructed on the site and the vein was accessed through a series of tunnels and shafts, covering over 600 m of strike length and over 150 m of vertical range. No production data is available from this time period.

The Saucito zone has been investigated by local prospectors. Workings exposed highly sheared veins that are crosscut by east-west trending post-mineral structures.

The Mercedes vein was discovered in 1936. Anaconda Copper Company optioned the property in 1937 and spent two years exploring underground. The work included sinking a 50 m shaft and excavating a series of tunnels and internal raises for sampling.

The Klondike Mine shows little available historical data. A cross section from the 1930s indicates that the Klondike Mine was mined around 1900, with the main stope being approximately 120 m by 80 m in size, but the workings have been inaccessible since the 1930s. Despite all the reports mentioning the vein continuing at depth, high inflows of water eventually stopped the mining operation.

Meridian Gold Inc. 1993-2007

Meridian completed surface and underground mapping and sampling in 1999 and 2000, leading to the identification of 11 separate target areas, of which, five had historic mining activity and were the focus of the first phase of an RC drilling program. Veins or stockwork zones were encountered in all five areas by drilling. Mercedes, Klondike, and Tucabe all had at least one drill intercept assaying greater than 10 gpt Au.

A second phase of RC drilling program for testing the target zones, both down dip and along strike, was launched in January 2001, focusing on the Klondike and Mercedes zones. This program was successful in discovering a narrow, vein-hosted mineralized zone at Mercedes and significant mineralization at Klondike.

In 2002, with gold prices dropping to less than \$300 per ounce, Meridian entered into a joint venture (JV) with Fischer-Watt Corporation (Fischer-Watt), to continue exploration at Mercedes. With Fischer-Watt's focus being the Mercedes vein zone, the Klondike and Rey de Oro concessions were dropped from the JV. Fischer-Watt carried out limited metallurgical testing and developed a preliminary design for underground development on the Mercedes vein area south of Corona de Oro, yet the JV was terminated in the fall of 2004 and the property returned to Meridian.

An exploration program conducted in 2005 resulted in the discovery of a significant high-grade intersection at Corona de Oro shoot in the Mercedes vein. Drilling continued in 2006-2007, focusing on the Mercedes, Klondike, and Lupita veins.

Yamana Gold Inc. 2007-2016

In October 2007, Yamana took control over the property and subsequently carried out surface mapping, geochemical exploration, and drilling. An aggressive exploration program was initiated to assess the potential of the property and bring it to a feasibility study stage. Drilling from 2009 to 2016, focusing on district exploration outside of the Mercedes-Klondike systems, resulted in the discovery of the Barrancas zone, the Diluvio zone at Lupita, and the expansion of the Rey de Oro vein system. Commercial production at the Mine started in 2011.

Premier Gold Mines 2016-2021

In September 2016, Premier Gold Mines purchased the Mercedes Mine from Yamana Gold. Drilling from 2016 to 2021 focused on underground delineation of the various zones, particularly at Diluvio.

Equinox Gold 2021-2022

In April 2021, Equinox acquired the Mercedes Mine through the purchased of all outstanding shares of Premier Gold Mines. The mine continued to operate during this time. Equinox continued exploration and definition drilling in 2021.

Bear Creek 2022

In December 2021, Equinox agreed to sell the Mercedes Mine to Bear Creek Mining Corp. The mine continued to operate during this time.

Geology and Mineralization

Regional Geology

The Mine is located in the northwestern edge of the epithermal (Au-Ag) deposits belt of Mexico and is surrounded by world class deposits like Cananea and Nacozari. Mercedes is one of the most accessible mining projects in Mexico, located approximately 250 km from both Hermosillo, Sonora and Tucson, Arizona.

The Mine lies in the Basin and Range physiographic province, approximately 80 km inboard from the Late Proterozoic rifted continental margin of the North American plate and northeast of the inferred "Sonora-Mojave Mega-shear."

The area is underlain by a thick succession of shallow-marine shelf carbonate and siliciclastic rocks ranging in age from Jurassic to Cretaceous, which have been moderately to strongly faulted and folded, related to thin-skinned, northeast directed thrusting during the Late Cretaceous Laramide Orogeny.

Property Geology and Mineralization

The geology of the Mercedes area is dominated by two northwest trending arches, cut by numerous northwest trending high-angle structures, which have exposed older marine sediments and overlying interbedded volcanoclastic sediments and lithic to quartz crystal lithic tuff units.

Andesitic flows and flow breccias (with local coeval andesite dikes) have been deposited and preserved in at least three west-northwest thickening basins, on the margins of the northwest trending arches. This andesite package, locally over 500 m thick, and the contact zone with the underlying tuff, host all known economic epithermal vein deposits in the district (Figure 7-3).

Some of the local faults have been intruded by at least three stages of dikes and small stocks, ranging in composition from andesite to latite and rhyolite. Dikes generally crosscut and destroy vein mineralization. Vitrophyre is locally preserved on both latite dike and flow margins.

A total of 16.5 km of gold-silver bearing epithermal low sulphidation veins have been identified within or along the margins of the andesite-filled basins, which constitute the primary exploration target on the property. Major veins, like those of the Mercedes vein system, typically trend N30°-70°W at 60° to 90° dips northwest, following the major regional structural pattern. Other veins trend variably from east-west to north-south, or even northeast. Veins typically dip at greater than 60°, but locally range as low as 25°.

The major exception in the district is in the Lupita-Diluvio basin. The Lupita vein system is localized along a N70°E, 15° to 55° northwest dipping listric fault zone. Diluvio consists of a stockwork and vein system hosted within older lithic tuff and volcanoclastic units below the andesite package.

Exploration, Drilling and Sampling

Up to the effective date of this technical report (December 31, 2021), a total of 556,569 m in 21,554 drill holes and 107,374 m in 21,554 channels had been completed on the property.

The primary target areas and objectives in recent years have been:

- Mineralization proximal to the main Mercedes/Barrancas/Lagunas trend;
- Expanding and confirming resource/reserve potential at Diluvio-Lupita;
- Defining underground opportunity at Rey de Oro;
- Defining the underground opportunity and potential at Aida and Marianas;
- Pursuing surface exploration to explore for new target areas on the property.

Mineralized zones at Mercedes, Klondike, Barrancas, Diluvio, Lupita, Marianas and Rey de Oro were drilled on approximately 20 m to 30 m centres, using a combination of diamond drilling with a small amount of RC drilling. Delineation drilling, aimed to convert Inferred Resources up to the Indicated category, was also conducted at San Martin, Marianas, and Lupita Extension.

Mineralized zones at Aida, Barrancas, Brecha Hill, Casa Blanca, Corona de Oro, Lagunas, Klondike, Rey de Oro, Diluvio, Lupita, Marianas, and Gap have been sampled (channels) as the mine development progressed. Channel samples constitute an important part of the dataset used for both the geomodelling and the mineral estimation process, as well as for grade control purposes.

Mineral Resources

The QP has reviewed the Mineral Resource estimates of the various deposits at the Mine as of December 31, 2021. As part of this review, the QP carried out a series of visual and statistical reviews such as: Review of the database, the geological solids, capping and other key parameters, composites, the interpolation procedures and methodology, depletion, and the block models. Multiple discussions with on-site staff were held during the course of this mandate.

The Mercedes Mine block models were validated using several methods, including a visual review of the grades in relation to the underlying drill hole and statistical methods statistical comparisons, review of the reconciliation, and comparison between a block model derived from drill holes and channels versus a block model derived only from drill holes.

The QP reviewed the EOY2021 reconciliation analysis documented by MMM. From these reconciliation results, it appears that the block model might possibly be slightly underestimated, yet within an overall 1% margin (tonnage) and 8% margin (grade) from the production figures, the QP concluded that the Mineral Resource block model is performing well.

The Measured Mineral Resources, inclusive of Mineral Reserves, amount to 865,000 tonnes with average grades of 4.55 gpt Au and 33.73 gpt Ag, containing approximately 127,000 ounces of gold and 938,000 ounces of silver. The Indicated Mineral Resources, inclusive of Mineral Reserves, amount to 2,914,000 tonnes with average grades of 4.79 gpt Au and 44.93 gpt Ag, containing approximately 449,000 ounces of gold and 4,209,000 ounces of silver. The Inferred Mineral Resources amount to 884,000 tonnes with average grades of 4.50 gpt Au and 41.02 gpt Ag, containing approximately 128,000 ounces of gold and 1,167,000 ounces of silver.

The Mineral Resource Estimate, inclusive of Mineral Reserves, is tabulated in Table 1-4. The Mineral Resource Estimate, exclusive of Mineral Reserves, is tabulated in Table 1-5. The Mineral

Resource estimate is based upon a cut-off grade of 2.1 gpt Au for all deposits, except for Diluvio which has a cut-off grade of 2.0 gpt Au, Diluvio's mining cost being lower than the other deposits.

Table 1-4: Mercedes Mine Mineral Resource Estimate inclusive of Mineral Reserves

Classification	Tonne	Grade		Contained Metal	
	(000)	Au (gpt)	Ag (gpt)	Au oz (000)	Ag oz (000)
Measured	865	4.55	33.73	127	938
Indicated	2,914	4.79	44.93	449	4,209
Total M+I	3,779	4.73	42.37	575	5,147
Inferred	884	4.50	41.02	128	1,167

3. The independent qualified person for the MRE, as defined by National Instrument ("NI") 43-101 guidelines, is Pierre-Luc Richard, P.Geo. The effective date is December 31, 2021.
4. These Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. The quantity and grade of reported Inferred Mineral Resources in this MRE are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as Indicated or Measured; however, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
5. Mineral resources are presented as undiluted and in situ for an underground scenario and are considered to have reasonable prospects for economic extraction. Mineral resources show sufficient continuity and isolated blocks were discarded; therefore, the herein MRE meets the CIM Guidelines published in November 2019.
6. The MRE was prepared using VulcanTM v.2020.1 and is based on 2,894 drill holes and 21,554 channels.
7. The MRE encompasses 13 deposits each defined by individual wireframes.
8. High-grade capping was done on the raw assay data and established on a per zone basis for gold and silver.
9. Density values were calculated based on 999 density measurements.
10. Grade model Mineral Resource estimation was calculated from drill hole data using an Ordinary Kriging and ID3 interpolation methods.
11. The estimate is reported using a cut-off grade varying from 2.0 to 2.1 gpt Au. The cut-off grade was calculated using a gold price of USD1,350/oz. The cut-off grade will be re-evaluated in light of future prevailing market conditions and costs.
12. The MRE presented herein is categorized as Inferred, Indicated, and Measured Mineral Resources. The Inferred Mineral Resource category is constrained to areas where the drill spacing is around or less than 15 m, the Indicated Mineral Resource category is constrained to areas where drill spacing is around or less than 25 m, and the Inferred Mineral Resource category is constrained to areas where drill spacing is around or less than 45 m. In all cases, reasonable geological and grade continuity were also a criteria during the classification process.
13. Calculations used metric units (metre, tonne). Metric tonnages were rounded and any discrepancies in total amounts are due to rounding errors.
14. CIM definitions and guidelines for Mineral Resource Estimates have been followed.
15. The QP is not aware of any known environmental, permitting, legal, title-related, taxation, sociopolitical or marketing issues, or any other relevant issues that could materially affect this MRE.

Table 1-5: Mercedes Mine Mineral Resource Estimate exclusive of Mineral Reserves

Classification	Tonne	Grade		Contained Metal	
	(000)	Au (gpt)	Ag (gpt)	Au oz (000)	Ag oz (000)
Measured	539	3.60	27.49	62	476
Indicated	2,012	3.86	40.15	250	2,597
Total M+I	2,551	3.81	37.47	312	3,073
Inferred	884	4.50	41.02	128	1,167

(1) See Notes from Table 1-4

Mineral Reserves

The Mercedes Mine has been in continuous operation since 2011. The Mineral Reserves are entirely underground Mineral Reserves.

Mineral Reserves are estimated by the application of mining shapes, governed by a minimum mining width of 3.5 m, to the Mineral Resource shapes. Appropriate factors for planned dilution, unplanned dilution and ore recovery have been included as part of the estimate.

The Mineral Reserves for the Mercedes Mine are shown in Table 1-6 and total 2.2 million tonnes at an average grade of 3.75 gpt Au and 29.0 gpt Ag, containing approximately 267 K ounces of gold and 2.07 million ounces of silver in the Proven and Probable categories.

David Willock (QP) has reviewed the work by Mercedes Mine personnel, related to the estimation of the Mineral Reserves, and is of the opinion that the Mineral Reserves have been estimated in an appropriate manner.

Table 1-6: Mineral Reserve statement

Mineral Reserve Class	Tonne	Grade		Contained Metal	
	(000)	Au (gpt)	Ag (gpt)	Au oz (000)	Ag oz (000)
Proven Underground	344	5.65	40.7	62.5	449
Probable Underground	1,873	3.40	26.9	204.5	1,620
Proven & Probable	2,217	3.75	29.0	267.0	2,069

(1) CIM Definitions Standards on Mineral Resource and Reserves (2014) have been followed.

16. The effective date of the 2021 Reserve Statement is December 31, 2021.

17. Mineral Reserves are minable tonnes and grades; the reference point is the mill feed at the primary crusher.

18. Mineral Reserves are estimated at a cut-off of 2.1 gpt Au, except Diluvio, which is estimated at 2.0 gpt Au.

19. Cut-off grade assumes a price of gold of US\$1,350 per ounce, a 95.5% gold metallurgical recovery; US\$38.41/t (Diluvio) and US\$43.26 (other deposits) mining cost, US\$19.75/t processing costs, US\$15.61/t G&A, and US\$8.48/oz refining costs.

20. A minimum mining width of 3.5 m was used in the creation of all reserve blocks.

21. Bulk density for ore varies by deposit from 2.22 t/m³ to 2.57 t/m³ and 2.40 t/m³ for waste.

22. Numbers may not add due to rounding.

23. David Willock, P. Eng., is the qualified person for the mineral reserve statement as defined by NI 43 101.

Mining Methods

Mercedes is a fully mechanized, ramp-access, underground mine with five underground mining areas; Mercedes, Barrancas, Lupita, Diluvio and Rey de Oro. The main ramps are driven at a nominal grade of 15% and are 4.5 m wide by 4.3 m high. The main ramps are generally located approximately 136 m from the main mineralized zone in the footwall.

The average production rate over the 5-year mine life is approximately 1,518 tpd with the highest year averaging 1,872 tpd. Ore is hauled to surface via the main ramps and stockpiled on surface near the individual portals. Ore from the Barrancas, Lupita, Diluvio, and Rey de Oro mines is subsequently hauled to a common stockpile area near the jaw crusher.

The Reserve Estimate has most areas being mined by mechanized cut and fill methods with long-hole stoping (uppers) employed in Diluvio and Diluvio West where ground conditions and ore volume permit to improve economics within portions of these deposits.

The Rey de Oro Superior deposit, previously planned as an open pit, will now be mined as an underground operation with production beginning the fourth quarter of 2023.

David Willock (QP) is of the opinion that the selected mining methods are appropriate for the deposits.

Mineral Processing

The process plant at Mercedes has a capacity of approximately 2,000 tpd and is based upon conventional milling with Merrill-Crowe recovery of gold and silver. The main components are listed below:

- Three-stage crushing circuit;
- Ball mill operated in closed circuit with cyclones;
- Gravity concentration;
- Agitated leach;
- Counter current decantation;
- Merrill-Crowe zinc precipitation;
- Smelting;
- Cyanide detoxification of tailings;
- Tailings disposal.

Environmental, Permitting, and Social Considerations

The Mercedes operation is in production and operating within the environmental framework put in place by Premier Gold and Equinox, the former mine owners. The site operates under a corporate responsibility program that includes corporate responsibility, community relations, environment, and health and safety.

MMM has a comprehensive and strong community program in the community of Cucurpe, Sonora, approximately 22 km west of the Mine. Although the site is located within private land purchased from a local rancher, different social and economic programs have been established at the community of Cucurpe.

An updated closure plan and schedule was developed by Golder (Golder, 2021) based upon assumed closure activities beginning in 2026. The costs of the closure of the existing facilities at the Mine are mostly concentrated in the first four years, with most closure activities being completed by 2031. The post-closure period begins in 2032 and will continue for 20 years until 2052.

The total direct and indirect cost of closure and post-closure of the Mine was estimated at US\$16.17 million including contingency.

Existing Infrastructure

The Mercedes Mine is comprised of all surface and underground infrastructure necessary to operate the site, including:

- A 2,000 tpd three-stage crushing and process plant. This facility processes ore from the different mining areas and stockpiles;
- Mine infrastructure: administrative office facilities, two camp facilities (exploration and mine personnel), mine operation and maintenance facilities (surface and underground), core storage and exploration offices, personnel change room facilities (mine dry), a lamp room and safety room are also in place;
- Tailings management infrastructure for surface disposal; two existing and a third one to be designed and constructed;
- A paste plant for underground backfill. A portion of the tailings are mixed with cement, yielding a nominal output rate of 94 tph of paste backfill at 55 wt% solids content current as mixer trucks transfer the backfill material to the current mining areas further away. The paste plant in general is designed for 78 wt% solids content;
- Two on-site batch plants for the preparation of shotcrete and for concrete as required;
- Water supply and Water Treatment Plant;
- Electrical infrastructure and substation to meet site load requirements of approximately 14 MW;
- Access roads connecting the site with public roads as well as internal roads connecting the different mine areas to the plant and to the other major infrastructure. There are security gates and security post at mine entries;
- Ore and waste stockpiles areas.

Capital and Operating Cost Estimates

Mercedes is currently operating, and the capital cost estimate covers the ongoing operations. The LOM sustaining capital expenditures total US\$45.5 million as summarized in Table 1-7 as per the MMM 2022 budget.

Table 1-7: Forecast LOM capital costs (2022 to 2025)

Cost/Category	Unit	2022F	2023F	2024F	2025F	Total
Buildings & Infrastructure	US\$ 000	1,760	424	129	0	2,313
Hardware & Software	US\$ 000	562	0	0	0	562
Machinery & Equipment	US\$ 000	3,307	1,959	0	0	5,267
Vehicles	US\$ 000	612	0	0	0	612
Underground Mine Development	US\$ 000	15,404	7,857	2,332	0	25,593
Technical Studies	US\$ 000	100	0	0	0	100
Delineation Drilling- Sustaining	US\$ 000	2,129	2,129	0	0	4,258
Subtotal Sustaining Capital Cost	US\$ 000	23,874	12,370	2,461	0	38,704
Expansionary Mine Development	US\$ 000	0	0	0	0	0
Tailings Dam Expansion -TSF2	US\$ 000	540	0	0	0	540
Tailings Dam Construction - TSF3	US\$ 000	0	1,882	627	627	3,137
Subtotal Expansionary Capital Cost	US\$ 000	540	1,882	627	627	3,676
Exploration Drilling	US\$ 000	1,538	1,538	0	0	3,077
Total	US\$ 000	25,952	15,790	3,088	627	45,457

The capital plan is based upon continued development and further exploration of Mine areas as well as the construction of a new tailings storage facility (TSF3).

The unit operating costs (\$/t milled) for the life of mine (LOM) are summarized in Table 1-8 as per the MMM 2022 budget. Forecast LOM operating costs are the result of initially focusing mining activities on two production areas, Diluvio and Lupita, bringing additional mining zones into production, and closely managing the skills and numbers of employees needed to support the LOM mine plan.

Table 1-8: Forecast unit operating costs (\$/t milled) (2022 to 2025)

Production / Cost Metric	Unit	2022F	2023F	2024F	2025F	Average (2022 to 2025)
Production						
Processed Tonnes	t	582,370	683,192	521,335	429,739	2,216,635
Operating Costs						
Mine Administration and Underground	US\$/t	43.49	42.31	43.74	54.45	45.31
Process Plant	US\$/t	21.52	20.16	22.19	28.84	22.68
Site Overhead	US\$/t	10.40	8.64	10.25	23.57	12.38

Production / Cost Metric	Unit	2022F	2023F	2024F	2025F	Average (2022 to 2025)
General and Administration	US\$/t	3.22	2.73	3.24	7.74	3.95
Transport and Inventory Adjustments	US\$/t	-	-	-	-	-
Overall	US\$/t	78.63	73.83	79.41	114.61	84.31

Financial Analysis

An economic analysis of the Mercedes Mine has been completed using the actual mine costs, current LOM plan, scaled actual costs, and estimates presented in this report. The mine is cash flow positive throughout its operation at a gold and silver price of US\$1700/oz and US\$21/oz, respectively.

The current LOM is stated for four years with the current mining reserves. The undiscounted pre-tax cash flow is US\$122M and after-tax cash flow is US\$61M. At a base case discount rate of 5%, the pre-tax NPV is US\$108M, and the after-tax NPV is US\$55M.

The mine economics are most sensitive to the gold price and operating costs.

Table 1-9 shows the Mercedes Mine Financial Summary.

Table 1-9: Project summary and financial criteria (\$US)

	Unit	Value
Production		
Mine Life	year	4
Total Potential Mill Feed Tonnage	kt	2,217
Average Feed Grade, Au	gpt	3.75
Average Feed Grade, Ag	gpt	29.03
Mill recoveries (Avg), Au	%	95.5%
Mill recoveries (Avg), Ag	%	40.0%
Recovered Gold Ounces	koz	255
Recovered Silver Ounces	koz	828
Commodity Prices		
Au	US\$/oz	1,700
Ag	US\$/oz	21
Exchange Rate		
US\$	Pesos	19
Operating Costs		
Mine Administration and Underground	\$/t milled	45.31

	Unit	Value
Plant	\$/t milled	22.68
Site Overhead	\$/t milled	12.38
General & Administration	\$/t milled	3.95
Total Operating Cost	\$/t milled	84.31
Project Economics		
Gross Revenue	\$M	433.49
Total Selling Cost Estimate	\$M	80.97
Total Operating Cost Estimate	\$M	186.89
Total Sustaining Capital Cost Estimate	\$M	45.46
Total Closure and Reclamation Estimate	\$M	16.17
Total Salvage Estimate	\$M	14.50
Pre-Tax Cash Flow	\$M	121.6
Net Present Value (Pre-Tax)		
PRE-TAX NPV @ 0%	\$M	122
PRE-TAX NPV @ 5%	\$M	108
PRE-TAX NPV @ 7%	\$M	103
PRE-TAX NPV @ 10%	\$M	96
PRE-TAX NPV @ 12%	\$M	92
Net Present Value (After-Tax)		
AFTER-TAX NPV @ 0%	\$M	61
AFTER-TAX NPV @ 5%	\$M	55
AFTER-TAX NPV @ 7%	\$M	52
PRE-TAX NPV @ 10%	\$M	49
PRE-TAX NPV @ 12%	\$M	47

Notes:

- (1) Total Selling Costs includes, government royalty, royalties, gold streams and silver by-product as it includes the silver streams.
- (2) Sustaining Capital Costs includes Tailings Dam Expansion, Tailings Dam 3 and Exploration Costs.

Conclusions and Recommendations

The Mercedes Mine has been successfully developed into a viable mining operation with 11 years of continuous operation history by its various owners. Based on the findings of this technical report, the QPs believe the Mercedes Mine and milling operation is capable of sustaining production through the depletion of the current mineral reserve. Relevant geological, geotechnical, mining, metallurgical and environmental data from the Mercedes Mine has been reviewed by the QPs to obtain an acceptable level of understanding in assessing the current state

of the operation. The Mineral Resource and Mineral Reserve estimates have been performed to industry best practices (CIM, 2003) and conform to the requirements of CIM Definition Standards (CIM, 2014).

MMM holds all required mining concessions, surface rights, and rights of way to support mining operations for the life-of-mine plan developed using the December 31, 2021 Mineral Reserves estimates. Permits held by MMM are sufficient to ensure that mining activities within the Mercedes Mine are carried out within the regulatory framework required by the Mexican Government, local and regional agencies. No risk associated with permit extensions is anticipated. Annual and periodic land use and compliance reports have been filed as required.

The Qualified Persons (QPs) have the following recommendations:

Geology and Mineral Resources

- The use of analytical method Ag-DAT (4-acid digestion) instead of the FA-gravimetric finish method for silver assaying at the Mine Laboratory is recommended. From the QA/QC control plots, it appears that the Ag-DAT method produces better results. Silver assays definitely need to be scrutinized for the next few years making sure results are acceptable in terms of QA/QC.
- Although this would not have a material impact on the Mineral Resource Estimate, and given that QA/QC improves, silver could be introduced in a gold equivalent cut-off grade (AuEq). This might marginally improve the block model.
- Multiple tests, such as introducing dynamic anisotropy, or comparing ID3 to ID2 and OK, should be conducted in order to improve the block models.
- The QP recommends the use of a reasonable minimum width during modelling for future updates in order to better meet the reasonable prospects for economic extraction requirement.

Mineral Reserves and Life of Mine Planning

- Enhance the scheduling process to align with project execution.
- Monitor metal price fluctuations and trends and adapt the LOM plan as required to maximize value.
- Optimize MSO variables to suit the mining method selected to enhance the project economics.
- Integrate short term planning process to improve the production profile.
- Develop a waste balance on an annual basis to optimize the production profile.
- Ensure that ventilation models are updated regularly to reflect the current state of the vent system.
- Create and maintain airflow allocation tables in accordance with NOM-023.
- Maintain adequate air velocities for effective gas clearing and heat mitigation.

Metallurgy and Mineral Processing

- Implement a metallurgical testing program on the historical low-grade stockpiles to help define the optimal operating conditions and improve production forecasting.
- Include the stockpile tonnage and grades within the monthly production KPI report.

- Complete an evaluation of available data to determine whether gold and silver recovery is a function of head grade, deposit type or other parameters. If so, the correlations may be used to provide more accurate estimates for budgeting purposes.

Infrastructure

- Track and update the site wide water balance on a regular basis to support ongoing operations. The water balance is an important tool to track trends and conduct short-term predictions through simulation of variable operating and/or climatic scenarios to support decision making associated with pond operation, e.g., understanding pond volumes and water availability for ore processing and maintaining adequate freeboard in the TSFs at all times.
- The project site and infrastructure should be assessed annually so that the viability of the basis for the closure plan can continually be checked and the plans can be changed, if necessary, long before closure actually commences. Cost estimates for closure should continue to be updated as the concepts continue to be refined and the design of closure components advances."

APPENDIX "B" – EXCERPT FROM THE 2019 CORANI REPORT

The following information is an excerpt of the chapter entitled "Summary" from the 2019 Corani Report dated December 17, 2019. Additional details including assumptions, qualifications and procedures contained in the 2019 Corani Report are hereby incorporated by reference. Any references cited within the excerpted information in Appendix "B" are provided in the 2019 Corani Report and any defined terms that are not otherwise defined herein will have the definitions ascribed to them in the 2019 Corani Report.

Within the excerpted information below, the "Corani Project" or the "Project" refers to the Corani Property, "Technical Report" or "Report" refers to the 2019 Corani Report unless otherwise specified, "2017 Corani Report" refers to the Technical Report entitled "NI 43-101 Technical Report, Corani Project Detailed Engineering Phase 1 (FEED)" dated and filed on SEDAR on October 27, 2017, and "BCM" refers to the Company inclusive of its subsidiaries. Any references cited within this excerpted information are provided in the 2019 Corani Report. All other defined terms that are not otherwise defined herein will have the definitions ascribed to them in the 2019 Corani Report.

Greg Lane, FAusIMM, Chief Technical Officer of Ausenco Services Pty Ltd, the QP responsible for the Summary section of the 2019 Corani Report, has read and consented to the use, public disclosure and filing of the scientific and technical information excerpted therefrom below, under the heading "Summary Section of the 2019 Corani Report".

"Summary

Introduction

Bear Creek Mining (BCM), whose shares are listed for trading on the Toronto Stock Exchange (TSX-V:BCM), Lima Stock Exchange (BVL:BCM), and posted for trading on the OTCQX market (OTCQX:BCEKF) contracted Ausenco to prepare this Technical Report in accordance with the Canadian National Instrument 43-101 (NI 43-101) for the Corani Project located in Puno, Peru. This Technical Report summarises the outcomes of work completed on the project to assess the technical and economic viability of a project with a throughput of 9.85 Mt/y and project execution and operational approaches.

This report follows a previous NI 43-101 Technical Report submitted on 13 September 2017 that was based on a throughput of 7.875 Mt/y.

All dollar (\$) amounts in this report are US dollars.

Physical changes to the project include:

- re-routing the mine access road simplifying access to the Corani site and allowing for a redesign of the internal haul roads
- re-designing mine haul roads to reduce ore and waste haulage distance by an average of 2 km
- de-bottlenecking the process plant and increasing the filter capacity to obtain a 20% increase in daily ore production from 22,500 t/d to 27,000 t/d
- updating the water balance to match higher ore throughput
- changing the location of the concentrator reducing cut and fill earthworks
- re-designing the concentrator to reduce its footprint by 30% resulting in lower earthwork, concrete and steel costs

- preparing a new block model and mine plan for ore and waste. There was no material change to the Corani Mineral Reserves and Mineral Resources as outlined in the 2017 Technical Report.

The principal work and studies undertaken to reduce risk included:

- additional metallurgical testing
- an update of the geometallurgical model
- comminution test work to confirm mill capacities
- thickening, filtering and rheology tests to confirm handling characteristics of the tailings
- materials handling testing on crushed ore and filtered tailings for stockpile and conveyor designs
- studies of tailings stability and disposition characteristics
- nine additional geotechnical drill holes, 28 test pits, 31 Lightweight Dynamic Penetration Tests and 6 structural station evaluations were performed. These tests were in addition to 70 drill holes, 221 test pits and 68 previous tests to confirm facilities locations
- a quarry study to confirm the location, volume and quality of aggregate suitable for concrete
- developing Owner’s Costs from first principles and benchmarking them against other recent projects resulting in an increase to \$65.3 million from \$32.3 million
- a legal review of the Peruvian tax regime
- an updated concentrate marketing and transportation study
- development of alternative execution approaches and associated capital costs
- refinement of the operating plans and associated operating costs
- an update of the project schedule.

In addition, work has commenced on site infrastructure including:

- detail design of main access to the project
- substantially completed an electrical substation. The connection to the high-tension electrical grid is planned for January 2020
- start of construction of the camp platform (earthworks).

Key Findings

The work completed has reduced construction, development and operating risks and identified potential improvements to the expected economic performance. The outcomes (Table 1-1) include a \$127 million (31%) increase in after-tax Net Present Value (NPV₅), a 52% increase in after-tax Internal Rate of Return (IRR) from 15.1% to 22.9%, a 1.2 year (33%) reduction in the payback period, lower All-In-Sustaining-Costs (AISC) and significantly reduced construction, development and operating risks.

Table 1-1: Financial summary

Parameter	Value
After tax NPV ₅	\$531 million
After tax IRR	22.9 %
Initial capital	\$579.3 million

Capital payback	2.4 years
Ore processed per day	27,000 tonnes
AISC per oz silver (Life of Mine (“LOM”))	\$4.55
Average annual silver production (LOM)	9.6 million oz

The Proven and Probable Mineral Reserves (Table 1-2) are substantially unchanged from the 2017 Corani Report.

Table 1-2: Corani Project mineral reserves

Classification	Tonnes kt (dry)	Grade			NSR \$/t	Contained Metal		
		Silver g/t	Lead %	Zinc %		Silver Moz	Lead Mlb	Zinc Mlb
Proven	20,330	59.7	1.00	0.60	34.02	39.0	450.0	268.5
Probable	118,253	49.9	0.88	0.55	29.48	189.6	2,290	1,426
Total Proven + Probable	138,582	51.3	0.90	0.55	30.15	228.6	2,740	1,694

Property and Location

The Project site is in the Andes Mountains of south-eastern Peru at elevations of 4,800 to 5,200 meters above sea level (masl), specifically within the Cordillera Vilcanota of the Eastern Cordillera. The site is in the Region of Puno, immediately northeast of the continental divide that separates Pacific drainages from Atlantic drainages. The site location is approximately 160 kilometers in a direct line to the southeast of the major city of Cusco, with Universal Transverse Mercator (UTM) coordinate ranges of 312,000E to 322,000E and 8,443,000N to 8,451,000N. The nearest town of significant size and infrastructure is Macusani, which is located around 30 km to the east of the Project.

The Corani Project consists of a series of thirteen (13) mineral claims or concessions. The 12 original concessions are grouped in the UEA (Administrative Economic Unit) with the 13th (recently acquired) to be integrated into the UEA in 2020. Mineral concessions in Peru are filed with the Instituto Nacional de Concesiones y Catastro Minero (INACC) which is part of the Ministerio de Energía y Minas in Peru (MINEM). Claims can vary in size from 100 to 1,000 hectares (ha). They are rectangular geometries parallel to the UTM grid system employed in the district. The Corani Project is in the district of Corani, province of Carabaya department of Puno, in Peru, and covers an aggregate extent of approximately 5,480 ha. The concessions are fully controlled by BCM and are free of any mortgage, lien, charge, third-party royalty, or encumbrance. BCM owns and controls the surface rights that cover the entire project area, including the open pit, waste dump, process plant, water ponds, camp, and ancillary facilities required for operation.

The mineral concessions comprising the Project are subject to compliance with payment of annual license fees of \$3.00 per hectare (“License Fees”). In addition, they are subject to an annual maintenance requirement with one of the following alternative obligations:

- minimum required levels of annual production of at least \$100 per ha in gross sales (“Minimum Production”)

- payment of an additional amount referred as the Penalty
- exploration expenditures of 10 times the Penalty.

Compliance with one of these three maintenance obligations, together with timely payment of License Fees, is required to keep them in good standing. Failure to comply with License Fee payments or Penalty payments for two consecutive years causes the forfeiture of the mineral concessions. The maintenance obligations apply equally to the one (1) new concession once it is integrated into the UEA.

In 2019, the original twelve (12) mineral concessions comprising the Project were subject to the obligations of Minimum Production, Penalties and exploration expenditures in accordance with the maintenance regime (see Section 4 for detail). BCM has made the minimum annual expenditure in 2019 and was not obliged to pay the penalty. BCM believes the same scenario would be repeated in 2020.

Control and current status were verified in October 2019 through an electronic database search of the Instituto Geológico Minero y Metalúrgico (INGEMMET). All concessions are in good standing.

Accessibility and Climate

The Project site is located in the district of Corani, also in the Province of Carabaya in the eastern Andes mountain range. The area is characterized by mountainous terrain dominated by volcanic rock, above which sits glacial gravel. The lithologic and climatic conditions have given rise to a series of cirques or bowl-shaped, steep-walled basins. Apart from the vegetation associated with wetlands, areas of “puna” or alpine tussock grassland occupy the valleys and moderate to steep slopes. The areas above 4,700 masl mostly consist of steep mountainous slopes where erosion and climatic conditions largely prevent the development of soils or vegetation. These areas are scarcely vegetated with species specially evolved to withstand the harsh conditions. The naturally occurring acidic soils related to oxidation of sulfide bearing materials, and the resulting acid rock drainage from exposed mineralized zones within the project area, have also prevented the development of vegetation where these conditions occur.

Existing access to the Project site is primarily by road from the town of Macusani (located on the paved dual lane Interoceanic Highway), which is readily accessible from the town of Juliaca, serviced by commercial airlines from Lima. This route typically takes 4.5 to 5 hours by vehicle. There are other access routes to the site from Cusco, taking approximately 6 hours by vehicle on increasingly primitive roads approaching the site. The city of Cusco is also serviced by commercial airlines from Lima.

The nearest town of significant size and with significant infrastructure is Macusani, which is the capital of the Province of Carabaya in the Region of Puno. Macusani is approximately 30 km east of the Project in a direct line. The access road from Huiquisá Bridge to the permanent camp will be improved. The length of the proposed mine access road connecting the process plant to Macusani is anticipated to be approximately 64 km of which 42 km will need to be improved.

History

Prior to the early 1950s, mineral exploration in the Corani district consisted of shallow prospect pits and adits in the northern portion of the current Project area. These prospects are of unknown age and may date back to colonial Spanish time. Antimony prospects south and east of the property reportedly were active in the early 1900s, when there was limited antimony production (Petersen, 1967).

The first modern evaluation of silver-lead mineralization began with the location of mineral concessions in 1951, and in 1956 Compañía Minera Korani was formed to develop the silver-lead mineralization previously prospected. The mines were developed and operated from 1956 to at least 1967. Total historical production is uncertain but is estimated at 100,000 tonnes of silver-lead-zinc ore. In early 1967, estimated mine production was reported at about 3,400 short tons per month, with grades of 7.0-9.0% lead, 2.3% zinc, and 8.0 to 11.0 oz/ton silver (Petersen, 1967).

The next exploration activity was by a private Peruvian company, Minsur S.A. That exploration was reported to include 40 shallow drill holes in various locations, including a number of close proximity holes in the gold zone (located south of the current resource area). Although Minsur is an active mining company in Peru, attempts by BCM to secure copies of Minsur's exploration data have been unsuccessful. None of Minsur's exploration information is available or verifiable, although, reportedly, gold mineralization was encountered in some of Minsur's drilling.

In late 2003 and early 2004, Rio Tinto Mining and Exploration began a surface exploration program for porphyry copper mineralization. That initial work by Rio Tinto defined anomalous silver and lead mineralization to the south of the Korani mines and also defined a zone of anomalous gold mineralization in rock and soils. The concession ownership by Compañía Minera Korani apparently lapsed during the 1970s. The ownership of Minsur also lapsed prior to Rio Tinto's exploration activities after 2000. Rio Tinto re-established some of the older concessions in their name beginning in 2003. BCM acquired two additional concessions in 2005, and between 2007 and 2011 acquired the Rio Tinto concessions to consolidate the project. One additional concession was added in 2019 to create the current land position described in Section 4.

Seven previous resource estimates and four previous mineral reserve estimates have been completed for the Project and are published in previous technical reports beginning in 2006. Since 2006, the Measured and Indicated Mineral Resource has grown from approximately 40 million ounces (Moz) of silver to over 300 Moz of silver.

Geological Setting and Mineralization

The Corani Project area is located within the Cordillera Oriental of the Central Andes. The Project area is underlain by tertiary volcanic rocks of the Quenamari Formation, specifically a thick series of crystal-lithic tuffs and andesite flows which overlie variably deformed Lower Paleozoic to Mesozoic metasediments of the Ambo and Tarma Groups. The primary host of mineralization is the Chacaconiza Member of the Quenamari Formation. The Chacaconiza is the youngest member of the Quenamari and is comprised of a sequence of crystal-lithic and crystal-vitric-lithic tuffs. The tuffs are widely hydrothermally altered and pervasively argillized to low-temperature clays, and are variably faulted, fractured, and brecciated.

Mineralization at the Corani Project occurs in three distinct and separate zones: Corani Main, Corani Minas, and Corani Este, each differing slightly in character with regard to both alteration and mineral assemblages. In general, mineralization in outcrops throughout the Corani Project is associated with iron and manganese oxides, barite, and silica. Silicification is both pervasive and structurally controlled along veins. In drill core, the mineralization occurs in typical low to intermediate sulfidation silver-lead-zinc (Ag-Pb-Zn) mineral assemblages. The most abundant silver-bearing mineral is fine-grained argentian tetrahedrite or freibergite.

Structurally, the Corani deposit is situated within a stacked sequence of listric normal faults striking dominantly north to north-northwest with moderate to shallow (50° to <10°) westerly dips. The hanging walls of the listric faults are extensively fractured and brecciated, providing the structural preparation for subsequent or syngenetic mineralization. The stacked listric faults

are more prominent in the Corani Minas and Corani Main areas. The Corani Este area contains a single known listric fault with an extensively fractured and brecciated hanging wall. The contact with the underlying Paleozoic sediments corresponds locally to listric faults dipping shallowly to the west.

Deposit Types

The Corani deposit is best described as a low- to intermediate-sulfidation epithermal deposit with silver, lead, and zinc mineralization hosted in stock works, veins, and breccias. Mineralization is principally located in a set of listric faults with a general north-northwest strike and dipping west, with dilational segments related to subvertical structures and breccias in the hanging wall, and veinlets forming stockworks in the footwall. Structural control of the mineralization is a product of extensional tectonics that developed the series of north- to northwest-trending fractures and faults and whose movements provided the structural preparation for the influx of mineralizing hydrothermal fluids.

Mineralization at Corani is likely both laterally and vertically distal to an intrusive fluid source. Mineral textures grade from coarse crystalline quartz-pyrite-chalcopyrite in the southern portion of the Project area, to finer grained, pyrite-dominated sulfide minerals in the north, suggesting a south-to-north hydrothermal fluid flow. This spatial zonation suggests a rapidly cooled ore fluid typical of a distal setting surrounding a buried intrusion. The multiphase nature of the mineralization and zonation at Corani may be related to multiple fluid exsolution events from an evolving porphyry type system that possibly underlies the southern part of the area. Alternatively, the mineralizing solutions may be related to shallow, subvolcanic dome emplacement.

Exploration

BCM began exploring the Corani Project in early 2005. In addition to drilling, exploration activities carried out by BCM include detailed geologic mapping, trenching, and geophysical surveying.

BCM has conducted general geologic surface mapping over the entire Project area. The total mapped surface is about 4.5 km wide (east-west) and 7.5 km long (north-south). In 2015, detailed surface mapping, including lithology, alteration, and structures, was performed at a scale of 1:2,500 in the area of the proposed pits.

BCM has completed 25 trenches within the Project resource area (Corani Main, Minas, and Este) to verify the continuity of the structures covered by quaternary sediments. Spacings between the trenches were roughly 50 to 100 meters. Channel samples from these trenches have produced an associated 1,295 assay intervals for a total of 2,924 meters of trench data.

VDG del Perú S.A.C. (VDG) conducted a ground geophysical campaign at the Corani Project on behalf of BCM in the fall of 2005. A total of 44.20 line-km of induced polarization (IP) data was collected, along with 50.95 line-km of magnetic survey. The geophysical surveys were aimed at assisting in geological mapping, including lithologies and key structures and at mapping mineralization and alteration associated with a low sulfidation gold-silver system. The objective of the IP/Resistivity survey was to map the electrical response by means of high-resolution IP traverses across the favorable north-south corridor identified based on the results of both trench and drilling exploration. The final chargeability and resistivity depth sections mapped systematically clear contrasts from line to line between the sub-surface and a nominal depth of 283 meters below surface. The chargeability outlined five (5) IP anomalies, two of which

correspond to the Corani Main and Corani Este areas. Those anomalies accurately mapped the known mineralization and extended the size of both mineralized zones.

Drilling

Since 2005, BCM has completed a total of 562 drill holes at the Corani Project, for a total of approximately 101,401 m. Drilling was completed by the Peruvian contractor, Bradley MDH, primarily using LD250, JKS35, and LJ44 drill rigs. All of the drilling to date has been completed using diamond core drilling methods to produce either HQ (6.35 cm dia.) or NQ (4.76 cm dia.) core. Diamond drill hole data in the Project database used to model the resource includes 476 drill holes with an associated 36,103 sample intervals over a total of 83,104 m of drilling. The Project database contains 36,103 assay values each for silver, lead, zinc, and copper. In 2019, BCM completed a total of six drill holes at the project site, with a total of 906.0 m. Although these drills were made to obtain material for metallurgical studies, the results of laboratory testing include 984 assay values each for silver, lead, zinc, and copper, which were added to the project database for updating the resource estimate.

Sample Preparation, Analyses and Security

BCM employs standard, basic procedures for both drill core and trench sample collection and analysis. Formal chain-of-custody procedures are maintained during all segments of sample transport. Samples prepared for transport to the laboratory are bagged and labelled in a manner that prevents tampering and remain in BCM control until released to private transport carrier in Cusco or Juliaca. Upon receipt by the laboratory, samples are tracked by a blind sample number assigned and recorded by BCM. The samples are prepared according to ALS-Chemex preparation code PREP-31, and silver, lead, zinc, and copper assays are carried out by three-acid digestion followed by atomic absorption spectrophotometry (AA) analysis. Multi-element inductively coupled plasma (ICP) analysis is conducted on select sample intervals to assist with mineralization classifications and to guide the interpretation of the metallurgical process response.

BCM maintains an internal Quality Assurance/Quality Control (QA/QC) program, which includes both standards and check (lab) sampling. Global Resource Engineering Ltd. (GRE) conducted a critical review of BCM's QA/QC program; toward that end, BCM provided GRE with QA/QC data in multiple Excel spreadsheet files. GRE compiled the data into a single, comprehensive QA/QC data worksheet for analysis and evaluation. Based on the results of GRE's review, in conjunction with observations and conversation with BCM personnel during the QP site visit, BCM's routine sample preparation, analytical procedures, and security measures are, in general, considered reasonable and adequate to ensure the validity and integrity of the data derived from BCM's sampling programs. GRE recommended that BCM expand the existing QA/QC program to include at least standards, blanks, and duplicates, and that QA/QC analysis be conducted on an on-going and documented basis, including consistent acceptance/rejection tests.

Data Verification

Data verification efforts included an on-site inspection of the Corani Project and core storage facility, check sampling, and manual and mechanical auditing of the Project database.

During the on-site inspection in August 2017, GRE's (QP) representative conducted general geologic field reconnaissance, including inspection of bedrock exposures and other surficial geologic features, ground-truthing of reported drill collar and trench sample locations, and superficial examination of historic mine workings. One full day of the site visit was spent at the core storage facility in Juliaca, where select intervals of whole and half core were visually

inspected, and samples were selected to submit for check assay. Field observations during the site visit generally confirm previous reports on the geology of the Project area. Bedrock lithologies, alteration types, and significant structural features are all consistent with descriptions provided in existing Project reports, and the QP did not see any evidence in the field that might significantly alter or refute the current interpretation of the local geologic setting.

Specific core intervals from 35 separate drill holes were selected for visual inspection and potential check sampling based on a preliminary review of the drill hole logs and associated assay values. The core intervals were selected prior to the site visit, and the core was laid out by BCM staff and ready for inspection upon arrival. With few exceptions, the core samples accurately reflect the lithologies recorded on the logs. A total of 17 samples were selected for check assay. The samples were selected from low, moderate, and high-grade intervals based on original assay results. In all cases, the degree of visible alteration and evidence of mineralization observed was generally consistent with the grade range indicated by the original assay value. Laboratory analysis was completed by ALS Peru S.A. using the same sample preparation and analytical procedures as were used for the original samples. Standard t-Test statistical analysis was completed to look for any significant difference between the original and check assay population means. The results of the t-Test showed no statistically significant difference between the means of the two trials (original versus check assay).

GRE completed a QA/QC audit of the digital Project database by comparing a random selection of original assay certificates to the assay information contained in the Corani Project database. Results of the QA/QC audit indicate a minor and acceptable error rate. GRE also completed a mechanical audit of the Project database to evaluate the integrity of data from a data entry perspective. The mechanical audit identified a small number of data entry errors, including gaps, overlaps, and missing sample intervals. All data entry errors were easily rectified and are considered insignificant with regard to potential impact to the mineral resource and mineral reserve estimates. The database audit work completed to date indicated that occasional inconsistencies and/or erroneous entries are likely inherent or inevitable in the data entry process. GRE also completed overall view on the BCM's in-house QA/QC over all drilling in the 2019 campaign. The overall view on the QA/QC program indicates acceptable performance of blank and standard for all drilling data. GRE recommended that BCM establish a routine, internal mechanical audit procedure to check for overlaps, gaps, total drill hole length inconsistencies, non-numeric assay values, and negative numbers. The internal mechanical audit should be carried out after any significant update to the database, and the results of each audit, including any corrective actions taken, should be documented and stored for future use in database validation.

Mineral Processing and Metallurgical Testing

The Corani deposit is a silver-lead-zinc deposit with varying mineralogy associated with specific mineral zones. Review of the testing data shows that the metallurgical response of Corani samples to flotation is heavily dependent on the mineralogy. The most frequent geological ore classification, Fine Black Sulfide (FBS), exhibited a range of lead-silver and zinc flotation recoveries. The variable response was shown to be generally related to the fine texture of the mineralization and presence of non-sulfide lead minerals. However, the geological classifications do not provide any insight into the texture or quantity of non-sulfide lead minerals.

Additional test work was performed in 2018 and 2019 on 12 samples from 9 boreholes (6 of which were new) drilled in the Este, Minas, and Main pits to optimize the known flotation test conditions as well as the comminution parameters, reagents scheme, and dewatering of concentrates and tailing characteristics. The selected samples reasonably cover the entire ore

deposit and included ore with some degree of oxidation and ore with low sulfide content. The information obtained validated and improved the recovery formulas, providing additional confidence in the LOM production schedule. The locked-cycle flotation tests performed on the sulfide ore composites showed that lead recoveries to the lead concentrate ranged from approximately 62% to 78% with corresponding concentrate grades of 61% to 49% lead. Total silver recoveries ranged from approximately 63% to 84%. Zinc recoveries to the zinc concentrate ranged from 39% to 75% with corresponding concentrate grades of 55% and 53% zinc.

This test work confirmed that marketable quality lead and zinc concentrates can be produced using the processing parameters selected for the process plant design.

GRE updated the geometallurgical database and performed an exploratory data analysis, including the identification of outliers and review of the mineralization styles, mineralogy, and geologic log data to see if improvements could be made to the metallurgical performance predictions. In addition, the statistical models were updated and a comparison was made to locked cycle testing (LCT) to estimate the final recoveries to the lead and zinc concentrates. The geometallurgical model was updated to include a transition indicator to discriminate between sulfide and transition zone responses.

With metallurgical response linked to block modelling parameters, the mine plan was optimized to maximize the revenue for the Project. Table 1-3 displays the estimated metal recoveries by mine schedule.

Table 1-3: Recovery predictions for mine schedule

Production Year	Tonnes (000)	Feed Grade			Recovery to Pb Con %		Recovery to Zn Con %	
		Silver g/t	Lead %	Zinc %	Silver	Lead	Silver	Zinc
Year 1	8,600	100	1.10%	0.84%	64.2%	51.3%	5.4%	78.4%
Year 2	9,882	71	1.04%	0.77%	66.3%	63.7%	6.9%	78.1%
Year 3	9,855	78	1.12%	0.69%	66.8%	60.6%	5.2%	72.3%
Year 4 to 5	19,710	65	1.26%	0.60%	61.4%	58.3%	7.1%	70.7%
Year 6 to 10	49,329	39	0.74%	0.51%	61.6%	58.9%	10.5%	70.5%
Year 11 to 15	41,206	32	0.79%	0.44%	64.1%	62.7%	7.5%	74.5%
LOM	138,582	51	0.90%	0.55%	62.9%	57.2%	6.1%	72.3%

Mineral Resource Estimates

GRE updated the Mineral Resources for the Corani Project with new drilling completed in 2019. This drilling added 6 holes to the database used for estimation. The drill hole database was updated with geologic logs and assays of primary recovery indicators: copper, goethite, manganese oxide, pyrite, and galena. These geometallurgical indicators were modelled along with the economic metals in the block model. The 2019 model uses the updated drill hole database, including the 6 additional drill holes drilled subsequent to the development of the

previous database. An indicator field was added to the model to estimate the extent of the transition material.

The resource model has three main lithologies: a basement sediment with minor quantities of mineralization, the mineralized (pre-mineral) tuff, and a mostly unmineralized post-mineral tuff that is assumed to be barren. Mineralization has been defined by three mineralization groups: oxidized, transition, and sulfide. The Mineral Resources for the Corani Project are shown in Table 1-4. The Mineral Resources were generated within the \$30.00/troy ounce silver, \$1.425/pound (lb) lead, and \$1.50/lb zinc price Lerchs-Grossman economic pit shell and the calculated \$10.79/tonne NSR cutoff.

Table 1-5 shows the potentially leachable Mineral Resource contained within the Whittle pit shell at a 15 gram per tonne silver (g/t Ag) cutoff that is available in addition to the Mineral Resource shown in Table 1-4.

Table 1-4: Total mineral resources (includes both resources and reserves)

Category	Tonnes (000)	Silver g/t	Lead %	Zinc %	Silver Moz	Lead Mlb	Zinc Mlb
Measured	30,585	50.0	0.79	0.49	49.1	534	329
Indicated	208,050	40.9	0.64	0.43	273.5	2,933	1,985
Measured + Indicated	238,635	42.1	0.66	0.44	322.7	3,466	2,313
Inferred	73,185	35.5	0.40	0.30	83.5	641	484

Note: Cutoff Value: \$10.79/tonne covers process and general and administrative costs.

Table 1-5: Total mineral resource of potentially leachable material (includes the mineral reserve)

Category	Tonnes (000)	Silver g/t	Silver Moz
Measured	4,302	28.9	4.0
Indicated	36,104	30.1	35.0
Measured + Indicated	40,406	30.0	39.0
Inferred	24,311	38.2	29.9

Mineral Reserve Estimates

GRE reviewed and verified that the phased mine design generated by BCM was prepared with sound engineering principles and is correct. The mine design was compared to Lerchs-Grossman (LG) pits estimated using the current GRE Mineral Resource block model. GRE has found the work performed by BCM to reasonably conform to those current economic pits estimated. The LG estimation used \$20.00/oz silver, \$1.00/lb zinc, and \$0.95/lb lead for the mine design (unchanged from the 2017 Technical Report).

The Project Mineral Reserves consider only measured and indicated resource categories, which have been converted to proven and probable reserves categories, respectively. Mineral Reserves

are defined as being the material to be fed to the process plant in the mine plan already described and are demonstrated to be economically viable in the Corani Project economic model. The Mineral Reserves are shown in Table 1-6.

Table 1-6: Corani Project mineral reserves

Classification	Tonnes kt (dry)	Grade			NSR \$/t	Contained Metal		
		Silver g/t	Lead %	Zinc %		Silver Moz	Lead Mlb	Zinc Mlb
Proven	20,330	59.7	1.00	0.60	34.0	39.0	450.0	268.5
Probable	118,253	49.9	0.88	0.55	29.5	189.6	2,290	1,426
Total Proven + Probable	138,582	51.3	0.90	0.55	30.2	228.6	2,740	1,694

Notes:

1. The Mineral Reserves have been estimated using the definitions of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM).
2. The Mineral Reserves have been estimated using the following metal prices: \$20.00/oz silver, \$1.00/lb zinc, \$0.95/lb lead using a revenue factor 1.00 pit shell as a basis for the pit design.
3. Only pre-mineral tuff type of material has been considered as reserves.
4. NSR Cutoff grades used are equal or higher than: \$10.79/t.
5. The effective date for these Mineral Reserves is 5 November 2019.
6. Totals / Averages may not add up due to rounding of individual tonnes and grades.
7. The tonnes and grades shown above are considered a Mineral Reserve because they have been demonstrated to be economically viable through the Corani Project financial model using the following metal prices: \$18.00/oz silver, \$1.10/lb zinc, \$0.95/lb lead.

Mining Methods

The Corani Project will be mined using conventional open pit mining methods, with either an owner mining or a contractor mining scenario. The base case assumes contractor mining. The rock will be broken by drilling 0.156 m diameter blast holes and blasting with ammonium nitrate/fuel oil (ANFO) and emulsion. Broken rock will then be loaded into 140 tonne trucks using a 19 cubic meter (m3) front end loader or one of two 22 m3 hydraulic shovels. Support equipment includes two Caterpillar D9 bulldozers, a road grader, water trucks, rubber tire dozer, compactor, excavator, fuel and lube trucks, and other miscellaneous equipment.

During a 17 month pre-production stripping, pioneering, haul road construction phase prior to plant production, 4.7 million tonnes of waste rock will be mined to generate construction material. Another 13.8 million tonnes will be mined immediately prior to production. The mine is designed to generate 9.855 million tonnes of ore per year with an average strip ratio of 2:1 during the first three years, falling to below an average of 1.1:1 the remainder of the mine life.

Recovery Methods

A cost-effective plant has been designed to process the Corani ore at a rate of 27,000 t/d. This was achieved by minimising the footprint, maximising throughput and taking advantage of the topography.

The mined ore will be crushed by a single gyratory crusher prior to two stages of grinding in a semi-autogenous (SAG) mill and ball mill. The lead and zinc bearing minerals will be recovered in a two-stage sequential flotation and regrind circuits. The design allows for 75% of the lead to be recovered in the lead flotation circuit followed by 69% recovery of zinc to the zinc flotation circuit.

To reduce the water consumption, the tailings from the flotation circuits will be thickened in high-compression thickeners prior to filtration in conventional pressure filters. The filtered tailings will be co-disposed together with the mined waste to produce a stable waste deposit.

Project Infrastructure

The Corani Project site location is remote, at high elevation, and 42 km from the interoceanic highway. The nearest urban area is Macusani with a population of approximately 12,700 people (2017 census). The infrastructure to be developed for the Project includes access to site, internal access routes, process buildings and related facilities, water supply, power supply, communications systems, and storage and warehousing.

Project components have been optimized subsequent to the 2017 Technical Report. Optimization engineering studies, geotechnical site investigation work, quarry studies and laboratory testing programs have been performed in order to reduce capital and operating costs.

The most significant changes were advanced through additional fieldwork, trade-offs and detailed engineering to support the optimization concepts presented in this study. A summary of the infrastructure related work performed subsequent to the 2017 report is presented below:

- additional geotechnical investigations, adding 9 boreholes, 28 test pits and 31 Lightweight Dynamic Penetration Tests (LDPT)
- improved access from the camp to the process plant
- a quarry study, locating proper aggregates for concrete near the process plant
- review and optimization of the project and plant footprints
- optimised access for mine vehicles (haul roads).

Transportation, access, and site roads

Transportation to and around the site is by roadways that have been developed and improved to accommodate the demands of the Project.

A 42 km access road (PU 516 – PU 514) which connects to the interoceanic highway 7 km from Macusani has been evaluated and designated to be used for the construction stage (“Construction Access”). This road is part of the national road network and will require repair and maintenance during the construction stage in order to allow the access of equipment, supplies and materials for the project.

The construction access has few interferences and requires minimal CAPEX investment due to the alignment and location. There is minimal impact on local residents as there are no communities situated along the route. The access will also be available if needed during operations and can be used to receive supplies and deliver the lead and zinc concentrates to the Port of Matarani or other ports via trucks connecting to Peru’s public highway system.

Another access road (a 44 km new highway design by GMI and included in the 2017 Technical Report), has a government investment budget for construction approved for 2021 and will be available for operations assuming the funds are released and construction is completed as planned (north route shown in Figure 18-1).

Mine service facilities

The mine service facilities will primarily be located on the Mine Infrastructure Area (MIA) adjacent to the process plant. The facilities include:

- truck workshop
- wash bay and associated repair facilities
- mine offices
- warehouse
- fleet management system (dispatch)
- explosives storage facility.

The explosives storage facility will be located in a remote area adjacent to the mine for safety and security purposes.

Administration facilities

The administration facilities include the following buildings:

- process plant gatehouse building
- administration building.
- warehouse building
- first aid building
- reagent storage building.

The administration facilities are located near the process plant and will contain the offices for the local management and administration personnel. The process plant gate house is located at the entry to the site near the contact and non-contact water ponds.

There will be a small administration building at the accommodation camp for camp management as well as the main medical post. Access to the plant site will be controlled from the gates in the camp.

Project water management

Surface water and groundwater will be used to provide the water required for the project. Surface water (runoff and streamflow) and groundwater (from pit dewatering) will both come from the watershed that hosts the project. No cross-basin abstractions will be required. Water on the project is classified as either contact water or non-contact water. Contact water is defined as water that has had contact with any area disturbed by the project where the water quality could be degraded from Acid Rock Drainage (ARD) or other water contaminants. Non-contact water is defined as water that has not had contact with the process components or any area that has been disturbed. Contact water and non-contact water will be managed and conveyed separately. They will ultimately be stored in a water storage pond which has two separate compartments, one for each circuit. The contact water that has been stored will be consumed as preferential process water (make-up) for the plant. This water cannot be discharged to the environment during operations (see Section 20). A portion of the non-contact water stored in the pond will be used to supplement the process water demand during the dry seasons. Non-

contact water that is not used will be discharged, if necessary, to the Quebrada Chacaconiza. The project is required to discharge a fixed quantity of non-contact water downstream as part of the environmental impact study and ITS (see Section 20).

Power supply

A 138 kV power transmission line is necessary to provide power to the Corani Project. A new power substation (the Antapata Substation, currently under construction) will connect with power transmission lines L-1010 and L-1051 (San Gabán II – Azángaro) as the power source. A new 138 kV power transmission line will be built to connect the Antapata substation to the main Corani substation to be built near the Project's main process buildings. The transmission line will be 29.4 km in length. The proposed alignment for the 138 kV line was provided by Promotora de Proyectos S.A.C. company in 2019. The transmission line route uses the route already provided by the Project's access road.

Rights of way for the power line have been agreed with the local communities but have yet to be purchased from the individual land holders.

Waste rock and tailings management facilities

The main mine waste and filtered tailings deposit or 'deposito de desmonte mina y relaves filtrado principal' (DDMR)" serves for disposal of mine waste and filtered tailings in a common deposit, the size of which has been designed for the quantities considered in the mine plan. The height could be increased to give more capacity in the future if required. In total, 79% of the waste to be mined is classified as non acid generating (NAG). The co-disposal will use a 25 meter thick layer of NAG material on the foundation and outer shell for encapsulating the potentially acid generating (PAG) material and tailings. Initially, a base platform will be constructed using NAG mine waste from the mine pre-stripping stages. This facility and the mine pits are designed to minimize and mitigate the formation of acid rock drainage (ARD), which is a natural process which arises from the oxidation of sulfide minerals. This risk is present in Corani waste rock, tailings, and pit walls. Section 20 describes the ARD management plan.

The co-disposal during the wet season will be carried out on the upstream zone of the deposit. During the dry season co-disposal will be carried out in the downstream zone. The upstream zone will also be used for placing filtered tailings with moisture over 17% w/w or mine waste with high clay content. A detailed disposal plan has been prepared over a monthly basis for the first two years and year-on-year for the life of mine. If times occur during operations that mine waste is not available in sufficient quantities for co-disposal, tailings will be placed on the upstream zone.

Filtered tailings and mine waste will be placed in the same location for conforming layers of 2 metre maximum thickness. The disposal will be performed from upstream to downstream in order to facilitate water management.

In years 10, 11 and 12, 35.5 Mt of mine waste will be used to backfill the East, Minas and Main pits.

Market Studies and Contract

BLB Advisory prepared an analysis of market prices and market conditions for lead and zinc. This included a review of current and forecast treatment and refining charges and penalties from smelters/refineries, costs associated with concentrate handling, and shipping costs (inland and ocean) to potential customers. All information was sourced from public and subscription-based sources, quotations collected from the market and BLB's experience. The supplied information

was used as a guide to develop all associated payments and expenses associated with the sale of Corani concentrates. There are no letters of intent or concentrate sale agreements in place.

Environmental Studies, Permitting and Social or Community Impact

For the development of mining projects in Peru, the approval of the Environmental and Social Impact Assessment (ESIA) is required in order to start the project development. The original ESIA was approved by the Ministry of Energy and Mines (MINEM) in 2013, based on the Feasibility Study (FS) prepared in 2011. Two modifications to the ESIA, in the form of an Informe Tecnico Sustentatorio (ITS), have been approved. The first one was in 2016 and an additional one was completed in 2017. Currently, Bear Creek is planning to complete a third ITS modification of the ESIA that includes the latest engineering changes.

The ESIA requires the filing of a mine closure plan. The mine closure plan was approved in April, 2015. An update to the closure plan was approved in 2018.

As the primary changes to the ESIA are relatively minor and focused on optimization of the mineral processing, additional public hearings are not required. Additionally, the modifications reduce the environmental impact of the proposed Corani operation, which may result in quicker approval of the third ITS once it is submitted. The submission and approval of the ITS is not expected to impact construction.

Significant community consultation has been undertaken with the Chacaconiza and Quelcaya communities to date. Discussions have included a proposal for mining employment, which has generated widespread acceptance of the Project, mainly among younger community members, the teachers at local educational facilities, and community leaders. The current labor force is generally unskilled, mainly working on highway remediation and maintenance. A technical training program that is directed at developing the skills of community members to fulfill employment requirements of the Project has been started.

Bear Creek completed a Life of Mine (LOM) Investment Agreement in June 2013 with the District of Corani, five surrounding communities, and relevant, ancillary organizations. The agreement specifies investment commitments over the 23-year project life, which includes the pre-production construction period. Under the agreement, annual payments are to be made into a trust designed to fund community projects totaling 4 million Nuevos Soles per year (approximately \$1.2 million per year). Once the Project commences development, the payments will remain constant throughout the development/construction phase and during production. Cessation or interruptions of operations will cause a pro-rata decrease in the annual disbursements. As an integral part of the LOM agreement, a trust or foundation structure is established for approval of investments and disbursement of funds. Some initial projects have already been funded.

Capital and Operating Cost

The Corani Capital cost estimate has been prepared in US dollars (\$) to an accuracy of -10% / +15% and has generally been prepared in line with the Association for the Advancement of Cost Engineering (AACE) International, Recommended Practice No. 47R-11 for a Class 3 Estimate.

The concentrates are seen to be easily marketable due to the high silver grade in the lead concentrate and the overall grade of the zinc concentrates. Life of mine capital cost, initial capital and life of mine operating cost estimates are summarised in Table 1-7, Table 1-8 and Table 1-9, respectively. The capital cost estimates have been divided between the scopes estimated by Ausenco (process plant and on-site infrastructure) and BCM (mining, waste dump, and off-site infrastructure).

Table 1-7: Life of mine capital cost summary

Cost Type	Cost (\$ M)
Initial CAPEX	579
Sustaining CAPEX	23.5
TOTAL	603

Table 1-8: Capital cost summary

WBS	Description	Ausenco Value (\$M)	Bear Creek Value (\$M)	TOTAL Value (\$M)
1000	Mining	0.0	59.3	59.3
2000	Process plant	234	0.0	234
3000	On-site infrastructure	17.4	40.8	58.2
4000	Off-site infrastructure	0.0	25.5	25.5
5000	Field indirects	20.7	0.3	20.9
6000	Other	3.9	0.0	3.9
7000	Engineering	60.0	0.0	60.0
8000	Owner's costs	0.0	65.3	65.3
9000	Contingency	34.4	17.1	51.5
	Total	371	208	579

Table 1-9: Life of mine operating cost summary

Operating Cost	\$/ tonne ore
Mine	4.29
Process Plant	10.04
General and Administration	1.88
Concentrate Transportation	2.48
Total Operating Cost	18.70

Economic Analysis

The economic analysis was performed using a Discounted Cash Flow (DCF) as per standard industry practice. The key assumptions used for the study are shown in Table 1-10 and establish a "Base Case". The table provides the life-of-project averages for grade recovery and these

values vary over the life of the project depending on head grades and split between mixed sulfide ore and transitional ore.

Table 1 10: Key assumptions for the Corani Project – Base Case

Parameter	Assumption
Annual ore production – years 1 to end of life (kt) ¹	9,239
Overall process recovery – silver – into both lead and zinc con (%)	69.0
Overall process recovery – lead – into lead con (%)	57.2
Overall process recovery – zinc – into zinc con (%)	72.3
Total processed (Mt)	139
Average silver grade (g/t)	51.3
Average lead grade (%)	0.90
Average zinc grade (%)	0.55
Payable ounces of silver net of smelter payment terms (Moz)	144
Payable pounds of lead net of smelter payment terms (Mlbs)	1 480
Payable pounds of zinc net of smelter payment terms (Mlbs)	1 040
Overall stripping ratio	1.42 : 1
Life-of-Mine (years)	15

¹excluding planned ramp up period in year 1

Project financial analysis outcomes are summarised in Table 1-1.

Adjacent Properties

There are no adjacent mineral properties which might materially affect the interpretation or evaluation of the mineralization or exploration targets of the Corani Project.

Other Relevant Data and Information

Project execution plan

A Project Execution Plan (PEP) has been prepared by Bear Creek and Ausenco creating a project development pathway considering location and site conditions to:

- minimize risk and uncertainty
- manage construction performance and schedule
- deliver the Project on budget.

The Project is planned to be constructed over a three year time period.

The PEP defines the overall approach that will be taken in the project and details the specific philosophies, strategies, methods of work, accountabilities, and resources that will be used in the execution of the Corani Project.

The PEP also serves to align different functions within the project team and quickly orient new team members coming into the project. The Project will be executed in accordance with the PEP to achieve the following objectives:

- achieve an unparalleled safety and environmental record
- educate and involve the local communities and stakeholders in the project
- utilize an efficient “fit for purpose” design
- be constructed on time and on cost
- ensure compliance with project quality standards.

Project development schedule

The project development schedule will begin with the construction of the camp, followed by road construction, then engineering in parallel with the procurement of the first equipment from the second quarter of 2021. Construction activities continue through 2021 and 2023, with the planned start-up until the first quarter of 2024.

The following list shows the estimate time duration for each main activity:

- detailed engineering – 12 months
- early works (camp, power line, access road) – 23 months
- mine construction/pre-stripping – 22 months
- plant construction – 25 months
- commissioning and initial ramp-up – 4 months.

The total time from a decision to proceed is estimated to be approximately 36 months.

Project delivery

The contracting strategy adopted for the project is aimed at minimising risk, by having an experienced EPC/EPCM company for the process plant and a major mining contractor for pre-stripping and mine operations. Responsibilities for scope will be split between the EPCM company and BCM with BCM managing mining related works and some general earthworks and infrastructure. The detailed engineering work will be developed by the EPC/EPCM company.

Due to the location and altitude of the site, pre-fabrication and skid-mounted packages will be considered to the greatest extent practical. Pre-assembled modules will be equipped with piping, valves, wiring and instrumentation to reduce onsite labour.

The majority of equipment and materials are expected to be sourced from USA, Canada, Europe, Chile and China. Some mechanical equipment, consumables and material will be procured from Peruvian suppliers, such as platework and steel structure.

Subcontract packages will be let on a horizontal trade basis for earthworks, concrete works, SMP and E&I. Certain trade packages may be combined should the benefits offered by the subcontractor be large enough to make it worthwhile.

A construction execution plan has been developed to facilitate construction planning with a particular emphasis on strategy, set-up, construction team and functional activities.

Commissioning includes those activities necessary for an effective transition between construction and mechanical completion when systems are turned over to the commissioning and start-up team.

The commissioning and start-up team is planned to be an integrated organization of plant operators, contractors and suppliers.

Recommendations

Recommendations for further work and associated costs are summarised in Section 26. The key recommendations relate to the concentrate marketing, main dump geotechnical stability, mine geotechnical studies, metallurgical test work, water balance and environmental/social/permitting activities.

Project execution risk can be reduced through further detailed planning, materials sources, site geotech and early contractor involvement for sub-contract and major fabrication activities. However, this work should not be commenced until sufficient project finance is in place to ensure a continuous progression to construction completion.”