

# **ANNUAL INFORMATION FORM**

**For the year ended December 31, 2024**



## **BEAR CREEK MINING CORPORATION**

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Dated April 16, 2025

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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 - Intercompany Relationships", below.

### **Date**

All information contained herein is as, at, and for the year ended December 31, 2024 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.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.bearcreekmining.com](http://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 16, 2025. 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 information and 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 forward-looking 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. Actual results may vary materially from those set out in any forward-looking statements. Forward-looking statements made or incorporated by reference in this AIF include, but are not limited to, statements with respect to:

- operating results from the Mercedes mine ("**Mercedes Mine**" or "**Mercedes**");
- production, development and exploration plans and objectives;
- the realization of mineral reserve and mineral resource estimates;
- the timing and amount of estimated future production;
- estimated costs of production and capital expenditures, which may include estimates such as cash costs per ounce of gold sold and all-in-sustaining costs ("**AISC**") per ounce of gold sold, which are non-GAAP financial measures (see "Notice Regarding Non-GAAP Financial Measures"), and the reliability of such estimates;
- factors underlying the Company's ability to execute its business plans and strategies;
- the Company's ability to complete a transaction pursuant to the Strategic Review process (as defined below) and the structure, scope, timing and terms of any potential transaction stemming therefrom;
- future debt repayments by the Company in accordance with the Stream Amendments, the Note, the Amended Convertible Debenture, the Sandstorm Promissory Note and the Short-Term Loan (each, as defined below) and any amendments thereto;

- the potential issuance of common shares of the Company, and the number of shares issuable, upon the conversion of any Convertible Debt facilities, the exercise of Warrants, the exercise of stock options and/or the vesting of RSUs or DSUs, (each as defined below);
- the Company's ability to meet any contractual obligations, including in respect of metals streaming or royalty agreements;
- anticipated completion of the 2025 Sandstorm Note (as defined below);
- the receipt, in a timely manner, of regulatory and other required approvals and clearances, including but not limited to final approval of the Debt Amendments and 2025 Sandstorm Note by the TSX Venture Exchange (the "**Exchange**" or the "**TSX-V**");
- the conclusion of the Oxides assessment on the Corani property ("**Corani Property**") and, if warranted, disclosure and filing of any supporting documents including a technical report in compliance with NI 43-101 (as defined below);
- expectations regarding the presence and continuity of mineral deposits;
- anticipated tonnages and grades of mineral resources and mineral reserves;
- the potential for discovery of mineralization at any of the Company's exploration targets;
- the estimation of any new mineral resources or mineral reserves based on exploration or development drilling results;
- the conversion of any mineral resources into mineral reserves or of any category of mineral resources or mineral reserves into a higher category thereof;
- the Company's ability to secure project financing for development and construction of the Corani Property;
- the Company's ability to fund working capital requirements;
- the outcome of any potential future legal actions;
- the receipt and/or renewal of permits related to the Company's material properties;
- growth strategies;
- expectations about future market prices, and global metal supply and demand;
- currency exchange rates;
- appropriate discount rates;
- future royalty and tax payments and rates;
- expectations regarding possible impacts of litigation and regulatory actions;
- expectations regarding environmental or social issues that may affect exploration, development or operations;
- the potential effects of climate change on the Company's properties and operations;
- the anticipated impacts and benefits of social programs at any of the Company's properties;
- anticipated effects of commodity prices on revenues;
- unanticipated reclamation expenses;
- expected costs and benefits of capital projects;
- title disputes or claims; and
- the content, cost, timing and results of future exploration programs.

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.

The forward-looking statements made in this AIF are based on certain assumptions that the Company believes are reasonable, but which may prove to be incorrect, including that:

- timing and cost estimates of exploration, development, operating and capital projects are correct;
- gold, silver, base metal and other commodity prices used in the Technical Reports (as defined herein) will be sustained or improved;
- the Company’s material obligations can be met;
- the Company will be able to fund, or obtain funding, for its outstanding commitments;
- 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, supply chain disruptions, or failure of plant or equipment.

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 the risks and uncertainties described below under “Risk Factors, as well as other risks and uncertainties related to the Company’s prospects, properties and business strategy that may be unknown to the Company. 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 Cash Cost and All-In Sustaining Cost (“AISC”). The non-GAAP financial measures used in this AIF are not standardized financial measures under IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) 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 Company has adopted the practice of calculating a performance measure consisting of the net cost of producing an ounce of gold after deducting revenues gained from silver by-product production.

Cash Cost and AISC are calculated net of credits for realized silver revenues and are calculated per ounce of gold sold. The Company adds the governmental royalty of 1% for special mining law, third-party net smelter royalties, and adjustments for finished goods related to the increase or decrease in remaining inventory to the cost of production. Other adjustments may be made as required. For further information regarding these non-GAAP financial measures including reconciliations of these measures to the applicable costs items as reported in the consolidated financial statements for the respective periods, 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 three months and year ended December 31, 2024 (available on the Company's website and on SEDAR+), which section is incorporated by reference in this AIF.

### **Cautionary Note to United States Investors**

Disclosure regarding the Company's mineral properties, including with respect to Mineral Reserve and Mineral Resource estimates included in this AIF, was prepared in accordance with Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and uses terms defined in the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards for Mineral Resources and Mineral Reserves 2014 ("**CIM Definition Standards**"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the Securities and Exchange Commission ("**SEC**") generally applicable to domestic U.S. companies.

Accordingly, 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 reporting pursuant to SEC disclosure requirements.

### **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 regarding mineral properties material to the Company, is based on work programs and initiatives conducted under the supervision of, and has been reviewed and approved by, Donald Mc Iver, Fellow SEG and Fellow Aus-IMM. Mr. Mc Iver is Vice President, Exploration and Geology of Bear Creek Mining Corporation and is a qualified person ("**Qualified Person**" or "**QP**") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Technical and scientific information presented in Appendix "A" and Appendix "B" of this AIF are excerpts from the most recently filed 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+. With the exception of Mr. Donald Mc Iver, who is an employee of the Company, each of the authors of the Technical Reports is an

independent QP. As the Company is a producing issuer, Mr. Mc Iver's participation in the preparation of the 2024 Mercedes Report (as defined below) is subject to National Instrument 43-101, Section 5.3(3).

The Technical Reports, as listed below, are available on the Company's website and on SEDAR+.

- The Technical Report entitled "NI 43-101 Technical Report, Mercedes Gold - Silver Mine, Sonora State, Mexico" (the "**2024 Mercedes Report**") dated effective September 30, 2024 and filed on SEDAR+ on March 14, 2025. The 2024 Mercedes Report and was prepared on behalf of the Company by Global Resource Engineering Ltd. ("**GRE**") and the following QPs, employed by the respective firms as at the date of the 2024 Mercedes Report: Terre Lane, MMSA and SME Registered Member, Principal Mining Engineer at GRE; Todd Harvey, PhD, PE and SME Registered Member, Principal Metallurgist at GRE; Hamid Samari, PhD, MMSA, Principal Geologist at GRE; Larry Breckenridge, PE (Colorado, USA), Principal Environmental Engineer at GRE; Luis Quirindongo, SME Registered Member, Principal Geotechnical Engineer at GRE; and Donald Mc Iver, FAusIMM Member and FSEG Member, Vice President Exploration and Geology at Bear Creek Mining Corporation.
- 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 International Accounting Standards Board (IASB). The IASB 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 <a href="http://www.sedarplus.ca">www.sedarplus.ca</a>
"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

Au - Gold  
Ag – Silver  
Pb – Lead  
Zn – Zinc

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>	
<b>“Mineral Resource” or “mineral resource”</b>	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.
<b>“Measured Mineral Resource” or “measured mineral resource”</b>	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.
<b>“Indicated Mineral Resource” or “indicated mineral resource”</b>	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.
<b>“Inferred Mineral Resource” or “inferred mineral resource”</b>	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.
<b>“Mineral Reserve” or “mineral reserve”</b>	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.

<b>“Modifying Factors”</b>	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.
<b>“Proven Mineral Reserve” or “proven mineral reserve”</b>	The economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.
<b>“Probable Mineral Reserve” or “probable mineral reserve”</b>	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.
<b>“Preliminary Economic Assessment” or “scoping study”</b>	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.
<b>“Pre-feasibility study” or “preliminary feasibility study”</b>	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
<b>“Feasibility study”</b>	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.

## 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 the Company 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.

### **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 3200, 733 Seymour Street, Vancouver, British Columbia, V6B 0S6 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 15703, 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 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.

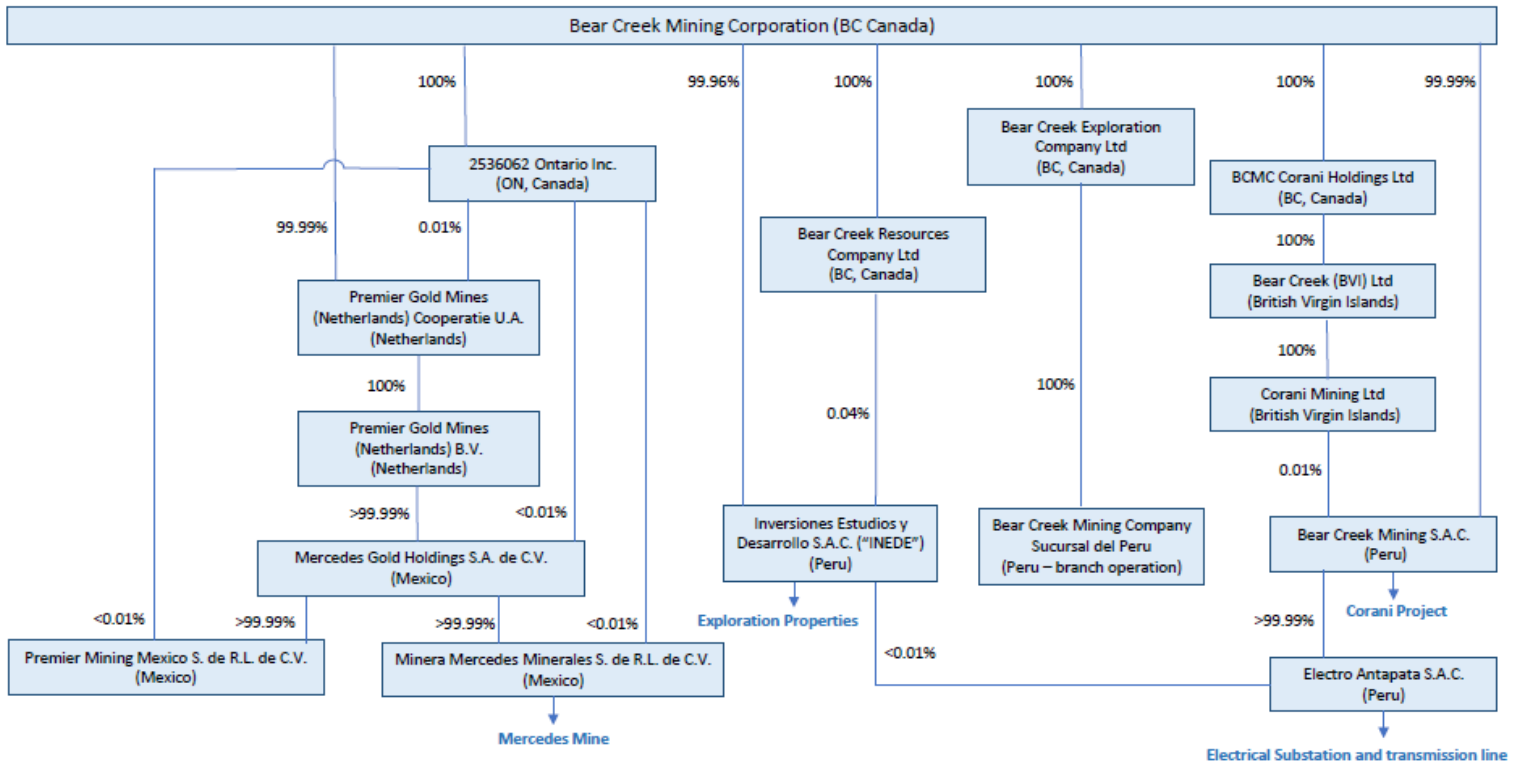
### **Intercorporate Relationships**

The Company holds its exploration, development and operating assets through a series of subsidiaries.

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

The Company's organizational chart, as of the date of this AIF, is shown in the diagram below. The percentage ownerships shown in the diagram below 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.

**Bear Creek Mining Corporation  
Organizational Chart (December 31, 2024)**



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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, 292,175,785 Common Shares of the Company were issued and outstanding as fully paid and non-assessable 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. Common Shares are the Company's only class of shares and the only securities of the Company to which voting rights are assigned.

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.

#### Warrants

The Company has 27,195,000 warrants ("**Warrants**") issued and outstanding as of the date of this AIF (see also "Three Year History and Significant Acquisitions", below). The Warrants are governed by an agreement (the "**Warrant Indenture Agreement**") dated October 5, 2023 between the Company and Computershare Trust Company of Canada as the Warrant Agent. Each Warrant confers upon the holder the right to subscribe for and purchase one Common Share for each Warrant at the exercise price (the "**Warrant Exercise Price**") of C\$0.42 before October 5, 2028. The number of Common Shares that may be purchased upon exercise of the Warrants, and the Warrant Exercise Price, are subject to adjustment provisions and other terms and conditions of the Warrant Indenture Agreement.

Ownership of the Warrants does not confer any right or interest as a shareholder of the Company and Warrants are not ascribed the right to vote at, to receive notice of, or to attend meetings of shareholders or the right to dividends or other allocations.

#### Stock Options

The Company's rolling 10% stock option plan (the "**2022 Plan**") was revised in 2023 to conform to Exchange Policy 4.4, ("**Policy 4.4**"), which revisions were approved by the Board on April 17, 2023. The 2022 Plan was most recently approved by Shareholders at the Company's annual general meeting on June 6, 2024 and by the Exchange on June 13, 2024. Additional non-material revisions to the 2022 Plan were requested by the Exchange in 2024 and were approved by the Board on April 16, 2025. In accordance with TSX-V policies, the 2022 Plan must be approved by shareholders of the Company and the Exchange annually.

A synopsis of the 2022 Plan is provided below and a copy of the full 2022 Plan is available on request from the Company.

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 of Directors. Pursuant to the 2022 Plan, the Board of Directors 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 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 (the "**SOP Limit**"). In addition to the SOP Limit, the number of Shares which may be reserved for issuance pursuant to the 2022 Plan are subject to the following limitations (unless otherwise specified, capitalized terms in the following bullets are as defined in the 2022 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 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
- 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.

Any Options issued to Insiders of the Company (including Directors, Officers, Promoters, Consultants and persons holding securities carrying more than 10% of the voting rights attached to the Issuer's securities) or at any discount to the Market Price, to a maximum of the Discounted Market Price (as such terms are defined in the 2022 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.

The 2022 Plan contains no vesting requirements but permits the Board of Directors to specify a vesting schedule at its discretion, subject to the Exchange's minimum vesting requirements. The vesting of any Options issued to Investor Relations Service Providers will not be accelerated without the prior written approval of the Exchange.

Under the 2022 Plan, Optionees may 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 Exchange Policy 4.4).

All Options granted under and governed by the Company's pre-existing stock option plans (the "**Existing Options**") count against the number of Shares reserved for issuance under the 2022 Plan as long as such Existing Options remain outstanding and are governed by the 2022 Plan; however, any vesting schedule imposed by a pre-existing stock option plan in respect of the Existing Options remains in full force and effect.

As of the date of this AIF, the Company had 8,512,500 outstanding Options under grant, to purchase up to 8,512,500 Common Shares of the Company, representing approximately 2.9% of the Company's issued and outstanding shares, at exercise prices ranging from C\$0.185 to C\$2.58 and expiring periodically through to August 2, 2034.

Additional details regarding the 2022 Plan, including change of control and other adjustment provisions, vesting and exercise provisions, termination provisions and blackout provisions, are provided in the Company's Information Circular dated April 16, 2025, 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 disinterested shareholders (defined as Shareholders other than Insiders, including Directors and senior officers of the Company, to whom units may be granted under the LTIP, and their associates) at the Company's annual general meeting held on June 2, 2016. The LTIP is a fixed number plan, which, in accordance with Exchange Policy 4.4, does not require annual Shareholder approval and hence remains subject to the terms and provisions of Exchange Policy 4.4 as constituted at the time the LTIP was approved by Shareholders.

The LTIP provides the Company with the ability to grant Restricted Share Units ("**RSUs**") and Deferred Share Units ("**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.

Under the rules of the Exchange, the SOP Limit is impacted by the LTIP. While the maximum number of Common Shares the Company is entitled to issue from treasury under the LTIP for payments in respect of awards of DSUs and RSUs is an aggregate of 5,000,000 Common Shares (the "**LTIP Limit**"). The 2022 Plan is affected by the LTIP inasmuch as the SOP Limit of the 2022 Plan, together with the LTIP, 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 2,622,500 RSUs (of which 1,000,000 RSUs have vested and been paid to holders) and 1,000,000 DSUs (of which 500,000 have vested and been paid to holders). The cumulative grant to date of 3,622,500 RSUs and DSUs is within the LTIP Limit and represents approximately 1.2% of the Company's issued and outstanding shares as of the date of this AIF.

Additional details regarding the LTIP are provided in the Company's Information Circulars dated April 16, 2025 and April 20, 2016, which are available on SEDAR+. A copy of the LTIP is available on request from the Company.

#### **Fully Diluted Capitalization**

In addition to its issued and outstanding Common Shares, as of the date of this AIF the Company has 10,618,088 securities-based awards under grant and outstanding to Directors, officers, employees and consultants of the Company, comprised of 8,512,500 Options, 1,605,588 unvested and un-forfeited RSUs and 500,000 unvested and un-forfeited DSUs, cumulatively representing 3.6% 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 17,082,579 Options, RSUs and DSUs, representing 17,082,579 underlying common shares, are reserved, and are eligible, for future issuance, of which no more than 1,377,500 may be in the form of RSUs and/or DSUs (the 5,000,000 LTIP Limit, less 3,622,500 cumulative RSUs and DSUs granted to date). As disclosed above under "Warrants", the Company additionally has 27,195,000 Warrants issued and outstanding. Each RSU, DSU, Option and Warrant represents the right to receive or acquire one Common Share of the Company.

Accordingly, the Company's fully diluted capitalization inclusive of its issued and outstanding Common Shares, Options, RSUs, DSUs and Warrants, as of the date of this AIF is 329,988,873 Common Shares.

#### **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. The Company's Warrants are listed and traded in Canada on the TSX-V under the symbol "BCM.WT". The Company's primary exchange is the TSX-V and the majority of its trading volume occurs on the TSX-V, with lesser trading volume occurring on the OTCQX and minimal trading volume occurring on the BVL and Börse Frankfurt.

The following table sets forth the price ranges and trading volume of the Common Shares on the TSX-V (excluding Common Shares traded by alternate exchanges through the facilities of the TSX-V) on a monthly basis during the Company's most recently completed financial year.

TSX-V: BCM <sup>(1)</sup> 2024 Trading Data

Period	High (C\$)	Low (C\$)	Volume TSX-V
December, 2024	0.465	0.315	4,341,311
November, 2024	0.54	0.34	11,119,579
October, 2024	0.70	0.355	9,674,705
September, 2024	0.44	0.295	3,763,829
August, 2024	0.365	0.25	3,855,430
July, 2024	0.395	0.285	3,135,645
June, 2024	0.425	0.32	2,970,263
May, 2024	0.49	0.335	6,779,777
April, 2024	0.465	0.225	11,572,579
March, 2024	0.26	0.18	4,449,972
February, 2024	0.235	0.17	1,372,988
January, 2024	0.25	0.175	3,684,183

(1) Source: QuoteMedia

The following table sets forth the price ranges and trading volume of the Warrants on the TSX-V on a monthly basis during the Company's most recently completed financial year.

TSX-V: BCM.WT <sup>(1)</sup> 2024 Trading Data

Period	High (C\$)	Low (C\$)	Volume TSX-V
December, 2024	0.19	0.13	86,402
November, 2024	0.22	0.12	718,756
October, 2024	0.31	0.14	1,284,706
September, 2024	0.12	0.165	611,500
August, 2024	0.13	0.105	149,700
July, 2024	0.145	0.08	441,500
June, 2024	0.16	0.07	210,630
May, 2024	0.21	0.135	1,271,000
April, 2024	0.165	0.08	1,431,092
March, 2024	0.12	0.07	372,000
February, 2024	0.10	0.065	430,500
January, 2024	0.09	0.06	847,000

(1) Source: QuoteMedia

Prior Sales

The following table summarizes the securities of the Company that were issued by the Company during the financial year ended December 31, 2024 that are not listed or quoted on a marketplace:

Date of Issuance	Cumulative Number of Securities	Issue or Exercise Price or Fair Market Value per Common Share (C\$)	Expiry Date	Reason for Issuance
January 1, 2024	500,000 Options	\$0.175	January 4, 2034 <sup>(1)</sup>	Grant of stock options
March 19, 2024	500,000 Options	\$0.245	March 19, 2034	Grant of stock options

Date of Issuance	Cumulative Number of Securities	Issue or Exercise Price or Fair Market Value per Common Share (C\$)	Expiry Date	Reason for Issuance
June 26, 2024	1,362,500 Options	\$0.35	June 26, 2034	Grant of stock options
June 26, 2024	1,622,500 RUSs	\$0.35	November 30, 2033	Award of RSUs to Directors, Officers and Employees
August 2, 2024	200,000 Options	\$0.325	August 2, 2034	Grant of stock options

(1) All options cancelled as of June 6, 2024 due to voluntary resignation of awardee

## 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, 2022 and December 31, 2024, the Company's primary business activities related to acquisition and operation of the Mercedes Mine and ongoing development of the Corani Property.

Over the three most recently completed financial years and to the date of this AIF, the events and acquisitions described below contributed to the development of our business.

### **Year Ended December 31, 2022**

- On March 25, 2022, the Company announced it, and Equinox Gold Corp. ("**Equinox**") had signed an amendment to the definitive agreement (the "**Share Purchase Agreement**") announced on December 17, 2021, governing the Company's acquisition (the "**Acquisition**") of the Mercedes gold and silver Mine located in Sonora, Mexico. This amendment extended the outside closing date (the "**Closing Date**") of the Acquisition from March 31, 2022 to April 30, 2022. Concurrently, the Company announced it 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– 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 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) 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 Acquisition from Mexican authorities and that Trident had arrived at a settlement with Equinox that removed the Mercedes Mine from the Premier Gold Mines Offtake Agreement.
- On April 21, 2022, the Company closed the Mercedes Mine Acquisition in accordance with the Share Purchase Agreement, Gold Purchase Agreement and Convertible Debenture described above and below.

Key terms of the Share Purchase Agreement include payments to Equinox 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 (the "**Deferred 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, 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 agreed to 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 the 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.
- 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 a technical report dated April 22, 2022 in order to address comments received thereon from the British Columbia Securities Commission.
- Concurrently on July 5, 2022 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 was 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. 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 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 is, 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 at a cost of US\$2.15 million. 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**”). 148,211 tonnes of ore processed, representing an average of 1,611 tonnes per day, were processed and 11,170 ounces of gold were produced during Q3 2022.
- On October 24, 2022, Equinox granted an extension and waiver to the Company in connection with the Deferred Payment extending the due date to October 26, 2022 to give Equinox and the Company time to negotiate an agreement whereby payment of the Deferred Payment could align with cash flow generated from Mercedes.
- On October 26, 2022, the Company announced it had reached a Heads of Agreement (“**HOA**”) with Equinox and its subsidiary Premier Gold Mines Ltd. to convert the Deferred Payment into a promissory note which was subsequently amended and restated on each of March 10, 2023 and May 30, 2023.
- On November 21, 2022, the Company filed a Revised Annual Information Form for the financial year ended December 31, 2021, 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.

Year Ended December 31, 2023

- 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.
- On January 4 and February 22, 2023, the Company announced drilling results 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. Readers are referred to the Company’s news releases dated January 4, 2023 and February 22, 2023 for the full table of drill results.

- On February 24, 2023 the Company announced 2023 production guidance for the Mercedes Mine of 65,000 to 75,000 ounces of gold. The Company noted that neither the Marianas nor Rey de Oro deposits contributed significantly to Mercedes' gold production in 2022 but, together with anticipated production from San Martin, were expected to become larger contributors to production as working areas continue to be developed.

The February 24, 2023 production guidance estimates for the Mercedes Mine were 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 assumed 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 assumed 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.

- On April 3, 2023 the Company filed a short form base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada, except Québec. The base shelf prospectus dated April 3, 2023 is available on SEDAR+.
- On April 14, 2023 the Company announced it produced 12,025 ounces of gold and 40,105 ounces of silver from Mercedes during the three months ended March 31, 2023 ("**Q1 2023**"). The Company noted that slower than expected advances in development work delayed production, and the expected accompanying increase in grade, from the San Martin and Rey de Oro deposits.
- On May 2, 2023 the Company announced Anthony Hawkshaw had signaled his intent to retire as Chief Executive Officer on June 5, 2023, and that the Board, through its succession planning process, selected Mr. Eric Caba, President and Chief Operating Officer of Bear Creek to assume the role of President and CEO concurrent with Mr. Hawkshaw's retirement.
- On May 11, 2023 the Company announced that Sandstorm had advanced Bear Creek an additional US\$5 million pursuant to an amendment to the Gold Purchase Agreement between the two parties originally dated December 17, 2022. The terms of the amended Gold Purchase Agreement (the "**Amended Gold Purchase Agreement**") extend the Fixed Delivery Period and deliverable gold ounces, pursuant to which Bear Creek will deliver to Sandstorm 600 ounces of gold per month for an additional seven months (a new total of 29,400 ounces over 49 months) at a price equal to 7.5% of the spot gold price at the time of delivery. All other delivery and payment terms of the Gold Purchase Agreement remain unchanged. Proceeds from the additional stream advance are expected to be used to accelerate access to certain higher-grade areas of the Mercedes Mine and for general working capital purposes.
- On May 30, 2023 the Company announced it had executed a non-binding indicative term sheet with Equinox to extend, over a five-year period, payment of the final US\$25 million Deferred Payment owed to Equinox in respect of the Company's acquisition of Mercedes by issuing convertible promissory note. The term sheet replaces the planned two-year amortizing note that was previously announced by the Company. Key terms include an interest rate of 7%, monthly interest payments of approximately US\$150,000, a maturity date of 5 years and conversion of any unpaid principal into common shares of the Company at a price of C\$0.73.
- On June 5, 2023, Eric Caba was appointed President and CEO of the Company. Concurrently, Anthony Hawkshaw, former CEO, was appointed Vice Chair of the Board.
- On July 5, 2023 the Company announced it had executed an agreement with a subsidiary of Equinox, to convert the Deferred Payment into a five-year convertible interest-bearing promissory note (the

**“Note”**), the form of which was settled and executed by Equinox and the Company on June 30, 2023. The principal amount of approximately US\$26 million (the **“Principal”**) reflects the Deferred Payment less US\$1.4 million in prior payments and approximately US\$2.5 million in interest accrued since October 26, 2022. The Note matures on the date that is five years following its issuance (the **“Maturity Date”**) with all of the outstanding Principal and accrued and unpaid interest due on the Maturity Date. Interest will accrue monthly on the unpaid Principal at a rate equal to 7% per annum starting on the last day of the month following the month of issuance of the Note and on the last day of each month thereafter, at an approximate amount of US\$152,000 per month. At any time at or prior to the Maturity Date, the unpaid Principal may be converted into Common Shares at a price per share equal to C\$0.73 (the **“Conversion Price”**). The Company stated it would seek approval of the Note from disinterested shareholders pursuant to section 5.6 of MI 61-101.

- On July 18, 2023 the Company announced it produced 9,199 ounces of gold and 39,841 ounces of silver from Mercedes during the three months ended June 30, 2023 (**“Q2 2023”**). The Company noted that delays in development work experienced during the first quarter of 2023, which manifested in lower grades available to process, impacted Mercedes' operations during Q2 2023. The Company also announced it had revised the mining methods employed at the Marianas and San Martin deposits to better align with their structural and geologic characteristics and reduce costs and, where applicable, dilution.
- On July 21, 2023, the Company announced that it had closed a private placement financing (the **“Private Placement”**) wherein it raised gross proceeds of approximately C\$8.2 million through the issuance of 16,725,000 common shares at a price of C\$0.49 per share.
- On August 29, 2023, the Company announced its financial and operating performance for Q2 2023. The Company explained that Mercedes Mine had been inconsistent in achieving the anticipated gold grades projected in the mine plans and geological models the Company inherited upon its acquisition of Mercedes in April 2022 and the Company had consequently commenced a review and rework of the geological interpretation of the Mercedes mine to understand the controls on mineralization better, improve the predictability of ore grades, and ultimately increase the grade of ore sent to the mill. Revisions to the reserve block modeling and mine sequencing were also initiated. The Company revised its 2023 annual production guidance, issued on February 24, 2023, to 45,000 - 55,000 ounces gold production.
- On August 30, 2023 the Company announced results from underground definition and delineation drilling at the Marianas, Rey de Oro, Diluvio and Lupita deposits at Mercedes. The Company noted that this drilling campaign included intercepts with gold grades substantially higher than the currently defined resources of the deposits in which they occur, and provided geological evidence suggesting the source of mineralization in the Mercedes district may occur in the unexplored northern extensions of the important Marianas structure. Readers are referred to the Company's news release dated August 30, 2023 and for the full table and location map of drill results.
- On September 1, 2023 Erfan Kazemi retired from the Board to concentrate on his other business obligations and on September 11, 2023 Tony Hawkshaw retired from the Board due to a medical condition. Mr. Hawkshaw subsequently passed away on November 4, 2023.
- On September 13, 2023, the Company entered into a short term loan with Equinox (the **“Short Term Loan”**) in the amount of \$1.3 million. The Short Term Loan bears interest at 13% with interest calculated daily and the outstanding balance (interest and principal) and became payable on January 7, 2024. No call notice has been received, as of the date of this AIF and the balance remains outstanding.

- On September 21, 2023 the Company held a Special Meeting of shareholders, wherein disinterested shareholders of the Company passed a special resolution approving the issuance of the Note and the creation of Equinox (and/or any of its affiliates) as a new Control Person (as defined in the policies of the TSX-V) of the Company. Fifty-seven percent of shares eligible to be voted at the Meeting were cast and the resolution was passed by 88.9% of votes cast at the Special Meeting. In addition to shareholder approval, the Company received final approval for the Note from the TSX-V on November 29, 2023.
- On September 28, 2023 the Company announced that it had made the final gold delivery pursuant to a gold pre-pay streaming agreement with Nomad Royalty Co. Ltd. (the "**Nomad Gold Stream**"), which the Company assumed upon its acquisition of Mercedes in April 2022. As a result, over 300 additional ounces of gold produced at Mercedes per month were made available for sale by the Company.

Concurrently, the Company announced that the Auramet Note entered into in July 2022, subsequently acquired by a subsidiary of Sandstorm, was amended to extend the maturity date to November 30, 2023 and to make available to the Company an additional advance of up to \$3 million, for an aggregate principal amount of \$9 million.

- On September 28, 2023, the Company entered into a restructuring framework agreement (the "**Restructuring Agreement**") with Sandstorm, to restructure its existing stream and debt obligations (the "**Stream Amendments**" and "**Debt Amendments**", respectively) with Sandstorm and its subsidiaries (the "**Restructuring Transaction**"). The Restructuring Transaction closed on January 22, 2024. Additional details of the Restructuring Transaction are provided under "Recent Developments", below and in the Company's news releases dated September 28, 2023 and January 22, 2024.
- On October 5, 2023 the Company closed a bought deal financing (the "**Offering**") conducted by BMO Capital Markets ("**BMO**") in which the Company issued 27,200,000 units ("**Units**") at a price of C\$0.35 per Unit for gross proceeds of C\$9.5 million. Each Unit is comprised of one Common Share and one Warrant. Each Warrant will be exercisable to acquire one Common Share at an exercise price of C\$0.42 until October 5, 2028 (see also "Description of Capital Structure", above). The Company paid BMO a cash commission equal to 6% of the aggregate gross proceeds of the Offering. Proceeds of the Offering are intended to be used to support additional development and exploration work at Mercedes and for general working capital purposes, including to reduce Mercedes' trade payables. The Offering was completed under a prospectus supplement dated October 2, 2023 to the Company's short form base shelf prospectus dated April 3, 2023.
- On October 19, 2023 the Company issued the Note, in the amount of US\$26,632,458 to Equinox.
- On October 20, 2023 the Company announced it produced 9,158 ounces of gold and 34,929 ounces of silver from Mercedes during the three months ended September 30, 2023 ("**Q3 2023**"). The Company noted that while efforts to increase development, decrease costs, eliminate operating inefficiencies, and improve staffing had been largely successful, it was taking longer than anticipated for these measures to be reflected in production, and as a result revised its gold production guidance for 2023 to 39,000 – 45,000 ounces.
- On November 7, 2023 the Company announced the appointment of Susan Toews and Sandra Daycock to its Board.
- On November 27, 2023 the Company announced that it had entered into an agreement to amend the Note issued to Equinox such that Equinox may not exercise its right to convert that portion of the Principal Amount under the Note that, upon conversion into Common Shares, would result in Equinox and its affiliates holding more than 19.99% of the total outstanding Common Shares on a non-diluted basis as of the date of such conversion, except under certain circumstances.



- On December 31, 2023 Stephen Lang retired from the Board.

Year Ended December 31, 2024

- On January 16, 2024 the Company announced it produced 13,478 ounces of gold and 52,144 ounces of silver from Mercedes during the three months ended December 31, 2023 ("**Q4 2023**"), a 47% increase in gold production in Q4 2023 compared to Q3 2023 driven primarily by higher gold grades mined during Q4 2023. Mercedes production for 2023 totaled 43,860 ounces of gold and 167,019 ounces of silver, placing it near the high end of the Company's most recent 2023 production guidance of 39,000 – 45,000 gold ounces. The Company did not provide production guidance for 2024.
- On January 22, 2024 the Company closed the Restructuring Transaction announced on September 28, 2023, whereby existing stream and debt obligations with Sandstorm and its subsidiaries were restructured. The Restructuring Transaction was approved by the TSX-V on April 30, 2024.

The Stream Amendments include a reduction in the number of gold ounces delivered per month from 600 to 275; the suspension of silver deliveries until April 2028 (previously 25,000 ounces per month); and an increase in the cash payments to the Company for streamed ounces to 25% of the spot price on all gold and silver deliveries (from 7.5% on fixed gold deliveries and 20% on all silver deliveries). As consideration for the Stream Amendments, the Company issued the following consideration to Sandstorm: (i) 28,767,399 Common Shares at a deemed price of C\$0.27 per Common Share for an aggregate value of approximately C\$7,767,198 or US\$5,751,350 (bringing Sandstorm's ownership interest in the Company to approximately 19.99% of the outstanding Common Shares); (ii) granted Sandstorm a 1.0% net smelter returns royalty (the "**Royalty Agreement**") on and over the Corani property; and (iii) increased the principal amount of the Sandstorm Promissory Note (as defined below) by US\$4,248,650.

The Debt Amendments include an extension to the maturity date, interest rate and conversion price of a US\$22,500,000 convertible debenture the Company entered into with Sandstorm on December 16, 2021 (the "**Amended Convertible Debenture**") and includes the provision that Sandstorm's ownership interest in the Company will not exceed 19.99%. Pursuant to the Restructuring Transaction, the Company also refinanced a US\$14,373,000 promissory note issued by the Company to an affiliate of Sandstorm, by entering into a new amended and restated secured promissory note (the "**Sandstorm Promissory Note**") with a principal amount equal to up to US\$21,642,612 (inclusive of up to \$8.0 million in interim credit ("**Interim Credit**") made available to the Company). The Sandstorm Promissory Note shares substantially the same maturity date and conversion terms as the Amended Convertible Debenture.

- On March 19, 2024 the Company announced that pursuant to the Sandstorm Promissory Note US\$750,000 had been drawn down by the Company from the Interim Credit facility for each of February and March 2024. Under the terms of the Sandstorm Promissory Note the Company may draw up to US\$375,000 per month from February 2024 to August 2024 from the Interim Credit facility. The total principal amount of the Sandstorm Promissory Note consequently increased to US\$19,767,612.
- On April 17, 2024 the Company announced it produced 12,228 ounces of gold and 44,040 ounces of silver from Mercedes during the three months ended March 31, 2024 ("**Q1 2024**"). The Company noted that Q1 2024 production results were positively impacted by an increase in the gold grade of ore processed during the quarter. The Company noted it was discontinuing development of the central ramp at the Marianas deposit and would drive a new lateral ramp in substantially more stable rock. The central ramp was situated in the hanging wall of a significant shear zone which was contributing to the poor ground conditions, cost overruns and development delay experienced at

Marianas in 2023. The decision to develop the new lateral ramp at Marianas was made knowing that there would be a reduction in the Au ounces produced in mid-2024.

- On July 8, 2024 the Company announced that pursuant to the Sandstorm Promissory Note US\$1,125,000 had been drawn down by the Company from the Interim Credit facility for each of April, May and June 2024. Under the terms of the Sandstorm Promissory Note the Company may draw up to US\$375,000 per month from February 2024 to August 2024 from the Interim Credit facility. The total principal amount of the Sandstorm Promissory Note consequently increased to US\$20,892,612.
- On July 19, 2024 the Company announced it produced 9,304 ounces of gold and 40,893 ounces of silver from Mercedes during the three months ended June 30, 2024 ("**Q2 2024**"). The Company noted that a decrease in the tonnage of ore mined and processed, resulting from delays in the preparation of certain mining faces as a result of equipment availability and remediations required for rock stability, led to lower gold and silver ounces produced during Q2 2024 in comparison to the first quarter of the year.
- On August 21, 2024 the Company announced that pursuant to the Sandstorm Promissory Note US\$750,000 had been drawn down by the Company from the Interim Credit facility for each of July and August 2024. Under the terms of the Sandstorm Promissory Note the Company may draw up to US\$375,000 per month from February 2024 to August 2024 from the Interim Credit facility. The Company noted that an aggregate of US\$2,625,000 has been drawn down under the Additional Credit for a total principal amount of US\$21,642,612.35 outstanding under the Sandstorm Promissory Note and that no further funds were available to be drawn down under the Additional Credit facility
- On September 9, 2024 the Company announced it was commencing an assessment of the recoverability potential of near-surface silver-rich oxidized material (the "**Oxides**") that occur within the Este, Main and Minas deposits at the Corani Project, and the potential economic viability of developing the Oxides as a first phase of production followed by extraction of the silver-lead-zinc sulphide resources outlined in the 2019 Corani Report. The Company noted it anticipated producing a Preliminary Economic Assessment detailing a proposed new development plan for Corani, which has not been concluded as of the date of this AIF.
- On October 18, 2024 the Company announced it produced 10,751 ounces of gold and 76,939 ounces of silver from Mercedes during the three months ended September 30, 2024 ("**Q3 2024**"). The Company noted that Gold production improved during Q3 2024 relative to the previous quarter as a result of an increase in mined and processed tonnage coupled with slightly higher gold recovery rates. Silver production increased substantially due to increased silver recovery rates, (rising to approximately 54% in September 2024 from approximately 30% in January 2024) that are a result of processing optimizations coupled with naturally occurring metallurgical differences in silver mineralogy.

#### Recent Developments

- On January 29, 2025 the Company announced new estimates of Mineral Resources and Mineral Reserves for the Mercedes Mine, effective as of September 30, 2024, superseding those last announced in July 2022, and on March 14, 2025 the Company filed the 2024 Mercedes Report supporting the results disclosed on January 29, 2025. See "Material Projects – Mercedes Mine" and Appendix "A", below, for details of the updated Mercedes Mineral Resources and Mineral Reserves. The 2024 Mercedes Report, supporting the new Mercedes Mineral Resource and Mineral Reserve estimates, was filed, in compliance with NI 43-101, on March 14, 2025.
- On January 31, 2025 the Company announced it produced 7,937 ounces of gold and 55,803 ounces of silver from Mercedes during the three months ended December 31, 2024 ("**Q4 2024**"). Mercedes

production for 2024 totaled 40,220 ounces of gold and 217,675 ounces of silver. The Company noted that Q4 2024 production was impacted by unforeseen delays related to the transition of mining methods and contractors during the quarter; in particular contractor delays in obtaining certain equipment and supplies necessary to transition from the bulk mining methods used at the San Martin deposit to narrow vein mining methods required to effectively mine at the Marianas deposit and delays related to unplanned remediation of ground conditions.

- On March 4, 2025, the Company announced it had initiated a comprehensive and thorough strategic review process (the “**Strategic Review**”) to explore and evaluate the strategic and financial options available to the Company with the ultimate view of enhancing value. The Company also announced it had established a special committee of independent directors, and had appointed Mr. Christian Milau as an advisor thereto, to manage the Strategic Review with a goal to complete the process on an expeditious basis.

Concurrently, the Company announced it had entered into an agreement with BMO Capital Markets to act as sole bookrunner, on behalf of a syndicate of underwriters, on a bought deal basis, for a private placement of 64,445,000 common shares of the Company (each, a “**Share**”), at a price of C\$0.225 per Share (the “**Offering Price**”) to raise aggregate gross proceeds of approximately C\$14.5 million (the “**March Offering**”). In addition, the Company announced it would enter into amending agreements (the “**Debt Agreements**”) with each of Sandstorm and Equinox to temporarily defer the payment of interest under certain outstanding debt arrangements, and an agreement with Sandstorm to extend up to \$6.5 million in additional credit to the Company for working capital purposes by way of the issuance of a secured promissory note (the “**2025 Sandstorm Note**”).

The Company also announced that it had appointed Mr. Peter C. Mitchell and Mr. Ian Grundy to its Board of Directors.

The March Offering closed on March 11, 2025. The Debt Agreements were approved by the TSX-V, and closed on April 10, 2025. The 2025 Sandstorm Note has not yet been issued and remains subject to the approval of the Board and the board of directors of Sandstorm, and the approval of the TSX-V.

- On March 20, 2025 the Company announced the retirement of Mr. Andrew Swarthout and Ms. Sandra Daycock from its Board of Directors and expressed its sincere gratitude to both for their valuable contributions to the Company.

## 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". 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 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 Mexican 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.

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: an 8.5% mining tax on earnings before interest, taxes, depreciation, and amortization; and a royalty amounting to 1% gross revenue from gold and silver sales.

On May 9, 2023 Mexico's mining law was modified to include provisions that reduce the life of mining concessions, tighten rules relating to water usage, require engagement in indigenous and community consultation including retroactive consultation for previously granted concessions and other measures that may impact exploration and mining in the country. Regulations to implement the new Mexican mining law are in process and the full impact of the revised law are not fully known as of the date of this AIF.

Ms. Claudia Sheinbaum was elected as the President of Mexico on June 2, 2024. The general election took place concurrently with the 2024 state elections and in addition to the election of the President all 500 members of the Chamber of Deputies and all 128 members of the Senate of the Republic were decided.

### Operating in Peru

Peru is the fourth largest country in Latin America by area, with a population of approximately 33 million people. Peru is bordered by Ecuador, Colombia, Brazil, Bolivia, Chile, and the Pacific Ocean and 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 20<sup>th</sup> century and to date in the 21<sup>st</sup> 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 largest 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%. The SMT 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.

In late 2022 the President of Peru, 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.

**Environment, Social Responsibility and Governance ("ESG")**

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

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.

The Company is committed to operating its Mercedes Mine and developing its Corani project in a manner that minimizes environmental risks and impacts and provides tangible and sustainable social and economic benefits to communities. 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 and deliver superior returns to Shareholders. The Operations, Safety and Sustainability Committee provides oversight of ESG matters and disclosures on behalf of the Board.

As described in further detail below, the Company adopted a Health, Safety, Environmental Protection and Social Responsibility ("HSES") Policy in April 2025 that formalizes its dedication to promoting the health and safety of its worksites and all who work there, the environment and the communities in which it operates.

The following table highlights the Company's ESG practices currently in place.

ESG Area	Practices
Governance	<ul style="list-style-type: none"><li>• A majority of Directors are independent.</li><li>• The Audit Committee is composed exclusively of independent Directors and the Compensation, Nominating and Corporate Governance, and Operations, Safety and Sustainability Committees are composed of a majority of independent Directors.</li><li>• 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 a Diversity Policy, and a Health, Safety, Environmental Protection and Social Responsibility Policy, and conducts annual reviews of these policies as well as of the Company's Board Mandate and committee Charters.</li><li>• Additional corporate policies have been adopted by certain of the Company's subsidiaries that are specific to its Peru and Mexico operations.</li><li>• The positions of Chairman and CEO are separated.</li><li>• All Directors stand for re-election annually.</li><li>• The Board and its committees hold regular in-camera meetings, without the presence of management and without non-independent directors.</li></ul>

	<ul style="list-style-type: none"> <li>• The Company issued its most recent ESG report on June 5, 2023, 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.</li> </ul>
Environmental Stewardship	<p><u>Mercedes Mine:</u></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Quarterly surveillance and monitoring of the sanitary wastewater treated at Mercedes, as well as of the biosolids generated during water treatment, is carried out.</li> <li>• 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.</li> <li>• A drinking water treatment plant with ultrafiltration membranes treats the mine's working water for use in sanitary and personal hygiene services.</li> <li>• Mercedes employs a water quality monitoring program, at surface and underground, and upstream and downstream of the operation.</li> <li>• Mercedes has authorized waste management plans (Mining, Hazardous and Special Handling), intended to reduce &amp; valorize waste.</li> <li>• Semiannual monitoring of the waste material banks and tailings dams is performed for the evaluation and analysis of acid drainage.</li> <li>• 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.</li> <li>• The Mercedes operation submits an annual report of the Annual Operation Card (COA), to report fixed source emissions under Mexican federal jurisdiction.</li> <li>• A Perimeter Noise Monitoring Program is in place at Mercedes to evaluate the noise levels generated by the operation.</li> <li>• Municipal solid waste, special handling waste and hazardous waste are properly handled and managed.</li> <li>• Stream sediments are sampled and analyzed to ensure they are not contaminated by heavy metals.</li> <li>• Mercedes houses a nursery in which plants native to the region are grown.</li> <li>• All new Mercedes employees receive training regarding the operation's environmental programs and practices and the Company's commitment to environmental stewardship .</li> </ul> <p><u>Corani Project:</u></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Comprehensive water quality testing is in place both at the Corani deposit site and downstream.</li> <li>• The Corani operation design provides for numerous environmental impact measures including the capture and recycling of water resources; the employment of emissions</li> </ul>

	<p>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.</p> <ul style="list-style-type: none"> <li>• The Company seeks opportunities to reduce the environmental impact of its activities through conservation and recycling initiatives.</li> </ul>
Social Responsibility	<p><u>Mercedes Mine:</u></p> <ul style="list-style-type: none"> <li>• The Mercedes Mine has been awarded distinction as a Socially Responsible Company (ESR) annually for over a decade, 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• The Mercedes operation invites and encourages community and student groups to visit and learn about the operation.</li> </ul> <p><u>Corani Project:</u></p> <ul style="list-style-type: none"> <li>• The Company signed a Life of Mine community benefits agreement with the regional authority and affected communities in the vicinity of the Corani project.</li> <li>• 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.</li> <li>• The Company is developing systems to ensure compliance with Equator Principles and IFC guidelines.</li> <li>• Numerous successful social programs have been instituted at the Corani project, details of which are available on the Company's website.</li> </ul>

### **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 of December 31, 2024 the Company employed 311 people, comprised of 2 employees based in Canada (full-time), 61 employees based in Peru (37 full-time and 24 contract), and 248 employees based in Mexico (107 full-time unionized and 141 full-time non-unionized).

### **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 fatalities, 1 lost time incident and no reportable environmental incidents during the year ended December 31, 2024.

On April 16, 2025, the Board adopted its HSES Policy, which lays out the Company's expectations with respect to leadership and accountability in meeting its goals of striving for best practices in health, safety, environmental protection and social responsibility, in compliance with all applicable laws and regulations. The objectives of the HSES Policy are to promote, in an effective and responsible manner, a positive culture of safety, sustainability and well-being amongst the Company's directors, officers, employees, contractors, consultants and others, as well as toward the environment, and the communities in which we operate.

### **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, tariffs, inflationary pressure or supply chain disruptions due to global events such as pandemics, natural disasters or other events, which may make them more difficult to procure and in turn 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. During the financial year ended December 31, 2024 the Company received between \$2,001 and \$2,782 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, or if other risks and uncertainties unknown to the Company, 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 and future results 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 or exhaustive 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's liquidity and working capital deficiency may affect its ability to remain a going concern**

The Company has limited financial resources. Cash and cash equivalents plus short-term investments as of December 31, 2024 were \$6.7 million compared to \$3.9 million at December 31, 2023. As of December 31, 2024 the Company had a working capital deficiency (meaning current liabilities exceed current assets) of \$97.0 million (compared to \$89.7 million at December 31, 2023, as restated under IAS 1).

The Company does not have sufficient funds to cover its working capital deficiency and fund ongoing obligations and therefore its ability to continue as a “going concern” is at risk. Material uncertainty remains as to Company’s ability to achieve the operating results and necessary cash flow generation from the Mercedes Mine required in order to avoid seeking additional financing, which may give rise to significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent on numerous factors including the ability of its operations to attain and maintain profitability, the Company’s ability to raise equity capital financings, the success of its exploration initiatives, and the completion of further share issuances to satisfy working capital and operating needs.

The Company has not yet closed, nor received Exchange approval of the 2025 Sandstorm Note. Failure to close or receive Exchange approval of the 2025 Sandstorm Note may impact the Company’s liquidity.

*The carrying value of the Company’s assets is subject to change*

During the year ended December 31, 2024, the Company concluded that sufficient impairment indicators exist for the Mercedes Mine and updated the estimate of the recoverable amount of the Mercedes Mine, recognizing an impairment loss of \$27.2 million. Further adjustments to the carrying value of the Mercedes Mine or the Company’s other assets, liabilities, the reported revenues and expenses, and the balance sheet classifications used could be material and cause the Company be unable to continue as a going concern.

*The Company has a history of net losses*

For the year ended December 31, 2024 the Company incurred comprehensive net losses of \$66.8 million and had an accumulated deficit of \$383.2 million (compared to a loss of \$39.0 million and an accumulated deficit of \$316.4 million for the year ended December 31, 2023). The \$27.8 million increase in comprehensive loss year over year was primarily due to the \$27.2 million impairment loss as noted above. The Company may incur further losses in the development of its business and there is no certainty that the Company will operate profitably or provide a return on investment in the future.

*There is uncertainty related to estimates of mineral resources and mineral reserves and the conversion of resources to 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. There can be no assurance that the tonnages and grades anticipated in the estimates of mineral resources and mineral reserves in the 2024 Mercedes Report and the 2019 Corani Report 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.

The most recent estimates of mineral resources and mineral reserves for the Mercedes mine and the Corani Property are those included in the 2024 Mercedes Report and the 2019 Corani Report, respectively.

Numerous factors may render mineral reserves uneconomic, including market fluctuations and the prices of metals, operating parameters such as ground conditions, equipment costs and availability, labour costs, relative exchange rates , and short-term operating factors such as the need for orderly development of the deposits or the processing of new or different grades of ore. These and other factors that may negatively impact the economics of extracting mineral reserves may cause any mining operation to be unprofitable in any particular financial period.

Furthermore, there is no guarantee that any or all material classified as Mineral Resources will ever be converted to Mineral Reserves. Mineral Reserves are that portion of Mineral Resources that, after the

application of modifying factors, are determined to be economically mineable. Mineral Reserves at the Mercedes Mine are estimated in the 2024 Mercedes Report to total approximately 54,000 ounces of gold and 312,000 ounces of silver. While the Company reasonably anticipates that some of the Mineral Resources estimated in the 2024 Mercedes Report may be converted to Mineral Reserves in the future, there is no guarantee that this will occur, which may impact the longevity of the Mercedes Mine.

*The Strategic Review Process outcome is uncertain*

On March 4, 2025 the Company announced it had initiated a comprehensive and thorough strategic review process (the “**Strategic Review**”) to explore and evaluate, on an expeditious basis, the strategic and financial options available to the Company with the ultimate view of enhancing value. The strategic and financial options that may be considered under the Strategic Review include, but are not limited to, recapitalization, the sale of all or some of the Company’s assets, a merger, joint venture, business combination or any combination thereof. There is no deadline or definitive timetable for completion of the Strategic Review and there are no assurances or guarantees that the Strategic Review will result in a transaction or, if a transaction is undertaken, the terms or timing of such a transaction. Failure to complete a transaction may cause the Company’s share price to be negatively affected and may impact the Company’s ability to remain a going concern.

*Production, cost and cash flow results may differ from those expected*

The Company did not issue production guidance for the year ended December 31, 2024 and to date has not provided production guidance for 2025. The Company’s efforts to improve the Mercedes operation, including increasing underground development, improving processing grades, reducing dilution and eliminating operating inefficiencies, continued throughout 2024, however challenges remain, particularly in the transition to narrow vein mining at the Marianas deposit, which is expected to be the primary source of production throughout 2025.

Mercedes’ ability to generate free cash flow (after all operating and capital expenditures, royalties, taxes, changes in working capital and streams) is subject to numerous factors, many of which may be outside of the Company’s control. There can be no guarantee that future gold and silver production from the Mercedes Mine will remain consistent or within expectations. Lower levels of production and the operating costs associated therewith may negatively impact Mercedes’ ability to generate cash flow and the financial viability of the operation.

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.

*There are risks associated with debt and debt facilities*

The Company has incurred debt, in the form of the Note in a principal amount of \$26.6 million payable to Equinox, the Amended Convertible Debenture in a principal amount of \$22.5 million payable to Sandstorm and the Sandstorm Promissory Note in a principal amount of \$21.6 million and anticipates closing the 2025 Sandstorm Note in the amount of \$6.5 million payable to Sandstorm subsequent to the date of this AIF. Monthly interest payments payable pursuant to the Note, the Amended Convertible Debenture and the Sandstorm Promissory Note were deferred for the period February to November 2025 pursuant to the Debt Arrangements. See “Three Year History and Significant Acquisitions”, above for information related to the 2025 Sandstorm Note and the Debt Arrangements.

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 also carries various trade payables in respect of its Mercedes Mine operations. Failure to pay suppliers on a timely basis may result in delays to, or the cessation of, the delivery of supplies and services, which can materially affect Mercedes operations and the production of gold and silver.

*There are risks associated with the Company's stream commitments*

The Company's ability to make deliveries pursuant to the Stream Amendments is dependent on the Company's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond the Company's control, including the other factors set out in these Risk Factors. Failure to fulfill the Company's commitments under these agreements could result in adverse impacts on the Company's business. Further, if metal prices improve over time, these agreements may reduce the Company's ability to sell resources later at higher market prices due to obligations under these agreements.

*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 March 7, 2025. 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.

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

The Company does not presently have sufficient financial resources or operating cash-flow to undertake by itself all of its planned exploration and development programs, to fund additional work and capital expenditures at the Mercedes Mine and Corani Property, or to complete certain programs on any of its other properties should it determine to advance such properties in future. Future exploration, advancement, development and construction initiatives at the Company's properties may therefore depend on the Company's ability to obtain additional financing. There is no assurance the Company will be successful in obtaining such financing on terms acceptable to it, or at all, the lack of which could result in the loss or substantial dilution of its interests (as existing or as proposed to be acquired) in its properties.

Recent changes to the Mexican mining legislation and political instability in Peru in recent years (see "Foreign Operations", above) have had a negative impact on the ability to attract financing to these jurisdictions, which may further inhibit the Company's ability to fund and maintain operations.

The Corani Property will require significant additional capital to construct, which will likely require the involvement of multiple capital sources and participants. The availability of Corani Property construction financing and the details and terms of any future 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.

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, in a timely manner or at all, obtain experienced personnel, equipment, permits, material and services essential to developing the projects; 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*

In addition to the Mercedes stream obligations, there are underlying royalties 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 obtain or maintain community acceptance of the Company's activities on its mineral properties*

The Company's ongoing and future success depends on developing and maintaining productive relationships with the communities surrounding its operations, including indigenous peoples who may have rights or may assert rights to certain of the Company's properties, and other stakeholders in its operating locations. The Company believes its operations can provide valuable benefits to surrounding communities, in terms of direct employment, training and skills development and other benefits associated with ongoing payment of taxes. In addition, the Company seeks to maintain its partnerships

and relationships with local communities, including indigenous peoples, and stakeholders in a variety of ways, including in-kind contributions, local procurement of goods and services, volunteer time, sponsorships and donations. Notwithstanding the Company's ongoing efforts, local communities and stakeholders can become dissatisfied with its activities or the level of benefits provided, which may result in civil unrest, protests, direct action or campaigns against it. Any such occurrence could materially and adversely affect the Company's business, financial condition or results of operations.

*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.

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 as of the date of this AIF. Applications for annual renewal of the Mercedes Water Discharge Permit and Mining Exploration Informative Permit have been made and are awaiting approval by the relevant authority, until such time as which the existing permits remain valid. Application for approval of the Tailings Storage Facility #3 Environmental Impact Statement was made in May 2023 and as of the date of this AIF is proceeding through the Mexican regulatory process (see "Foreign Operations", above).

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 and renewals are in process for the Mercedes Mine:

Permit	Authority	Status
Tailings Storage Facility #3 Environmental Impact Statement Resolution	Secretaria del Medio Ambiente y Recursos Naturales ("SEMARNAT")	Application Pending
Water Discharge Permit	Comisión Nacional del Agua (CONAGUA)	Renewal Pending
Integrated Environmental Permit	Comisión de Ecología y Desarrollo Sustentable del Estado de Sonora (CEDES)	Authorization in process

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 require renewal in the coming two years:

Permit	Authority	Expected Renewal Date
Mercedes		
Annual Explosives Permit	Secretaría de la Defensa Nacional (SEDENA)	September 2025



Permit	Authority	Expected Renewal Date
Corani		
Surface Water Use Authorization for Construction - Renewal	Autoridad Nacional de Agua	October 2025
	Ministerio de Desarrollo Agrario y Riego	
Water Availability Accreditation Renewal - Camp	Autoridad Nacional de Agua	May 2026
	Ministerio de Desarrollo Agrario y Riego	
ESIA Update for Corani	Servicio Nacional de Certificación Ambiental para las Inversiones Sostenibles	2026
	Ministerio del Ambiente	

*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 and the Company maintains an office in Hermosillo, 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 is located in the Republic of Peru and the Company maintains an office in Lima, 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. Social unrest and mass demonstrations in Peru, including the blockade of transportation networks and other infrastructure, are not uncommon and often lead to clashes amongst protestors, civilians, and security forces.

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.

*Recent legislative changes in Mexico may affect the Company's operations*

The Mexican Senate approved modifications to its mining law, which came into effect on May 9, 2023, introducing new policies and regulations, the exact impacts of which are unknown at this time. These changes include the shortening of concession life, tightening of rules relating to water, the requirement to engage in indigenous and community consultation (including the retroactive consultation for previously granted concessions), limitation of the ability of mining companies to expropriate privately-owned property necessary for mining operations, and profit sharing requirements to give back a portion of profits to local communities. The Company initiated an Amparo legal process to protect its interests from negative impacts stemming from the new Mexican mining law and received a final ruling on the Amparo in its favor during 2024. See "Legal Proceedings and Regulatory Actions", below.

The Mercedes Mine is held by the Company through its wholly owned subsidiary Minera Mercedes Minerales S. de R.L. de C.V. and it is not expected that this will change under the modified legislation, although no assurances can be given as the full impact of the changes are unknown at this time. In addition, while the Company has nurtured relationships with in-country stakeholders, there is no assurance that these relationships will continue. The full impact of the legislative changes have not yet been completely assessed and the Company will continue to monitor this closely in order to best deal with the changes. There is no assurance that these changes will not adversely affect the Company or its Mexican properties and assets.

*Termination of mining concessions could materially impact the Company's financial condition*

Under the laws of the jurisdictions where the Company's operations, exploration and development projects and prospects are located, mineral resources belong to the state and governmental concessions are required to explore for, and exploit, mineral reserves. The Company holds mining, exploration and other related concessions in these jurisdictions. The concessions held by the Company in respect of its operations, exploration and development projects and prospects may be terminated under certain circumstances, including where minimum production levels are not achieved by the Company (or a corresponding penalty is not paid), if certain fees and/or royalties are not paid or if environmental and safety standards are not met. Termination of any of the Company's concessions could have a material adverse effect on the Company's business, financial condition, or results of operations.

*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.

*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. On December 31, 2024, approximately 99% of the Company's consolidated cash balance was held in US dollars, 0.2% was held in Canadian dollars, 0.1% was held in Peruvian soles and 0.7% was held in Mexican pesos. Over 99% of the Company's consolidated US Dollar equivalent cash balance was held in Canada on December 31, 2024, with the remaining balance held in Peru and Mexico.

*Supply chain disruptions may negatively impact the Company's operations*

Global supply chains have experienced significant disruption in recent years as a result of the COVID-19 pandemic and 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.

*Local, regional, national or international health emergencies could materially affect the Company's business, operations and financial condition*

On March 5, 2023 the World Health Organization announced that COVID-19 was no longer a global health emergency, effectively ending the global pandemic declared on March 11, 2020. However, COVID-19 continues to evolve new variants as it circulates endemically around the world.

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.

*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.

*Market liquidity may restrict the purchase or sale of the Company's Securities*

The Company's shareholders and Warrant holders may be unable to sell large quantities of Common Shares or Warrants (together, the "**Securities**") into the public trading markets without a significant reduction in the price of the Securities, or at all. There can be no assurance that there will be sufficient liquidity of the Securities on the trading market, and that the Company will continue to meet the listing requirements of the TSX-V, the OTCQX, the Börse Frankfurt, or the BVL or achieve listing on any other public listing exchange.

*The exercise of Options, RSUs, DSUs and Warrants may result in dilution*

The Company currently has outstanding Options and DSUs that represent a right to receive Common Shares upon the vesting and/or exercise of the Options and DSUs. The Company may also enter into commitments in the future, including the grant of additional Options, RSUs or DSUs, or may grant additional share purchase warrants, which would require the issuance of additional Common Shares and the Company. The exercise of Options or Warrants and the vesting of DSUs and the subsequent resale in the public market of any Common Shares issued thereupon could adversely affect the prevailing market price of the Common Shares and the Company's ability to raise equity capital in the future at a time and price which it deems appropriate. Furthermore, any share issuances from the Company's treasury will result in immediate dilution to existing shareholders' percentage interest in the Company.

*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 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.

*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 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 its Warrants on the TSX-V, and complying with the conditions of trading on the OTCQX (the Company incurs no expenses in respect of its listing on the Börse Frankfurt), new reporting requirements required of Canadian-based and Canadian-listed public companies have come into effect in recent years and the Company anticipates that costs related to disclosure obligations and compliance with evolving securities legislation in Canada, Peru, the United States, Mexico and internationally will 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 or as executive officers.

*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, officers or executives 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.

*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 subsidiary companies in various jurisdictions as described under "Intercorporate Relationships", 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.

*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.

*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, 2024, 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 has been reviewed and approved by, Donald Mc Iver, Fellow SEG and Fellow Aus-IMM. Mr. Mc Iver is Vice President, Exploration and Geology of Bear Creek Mining Corporation and is a Qualified Person.

For details related to the Mercedes Mine property, please refer to Appendix "A" to this AIF and the 2024 Mercedes Report.

**Introduction**

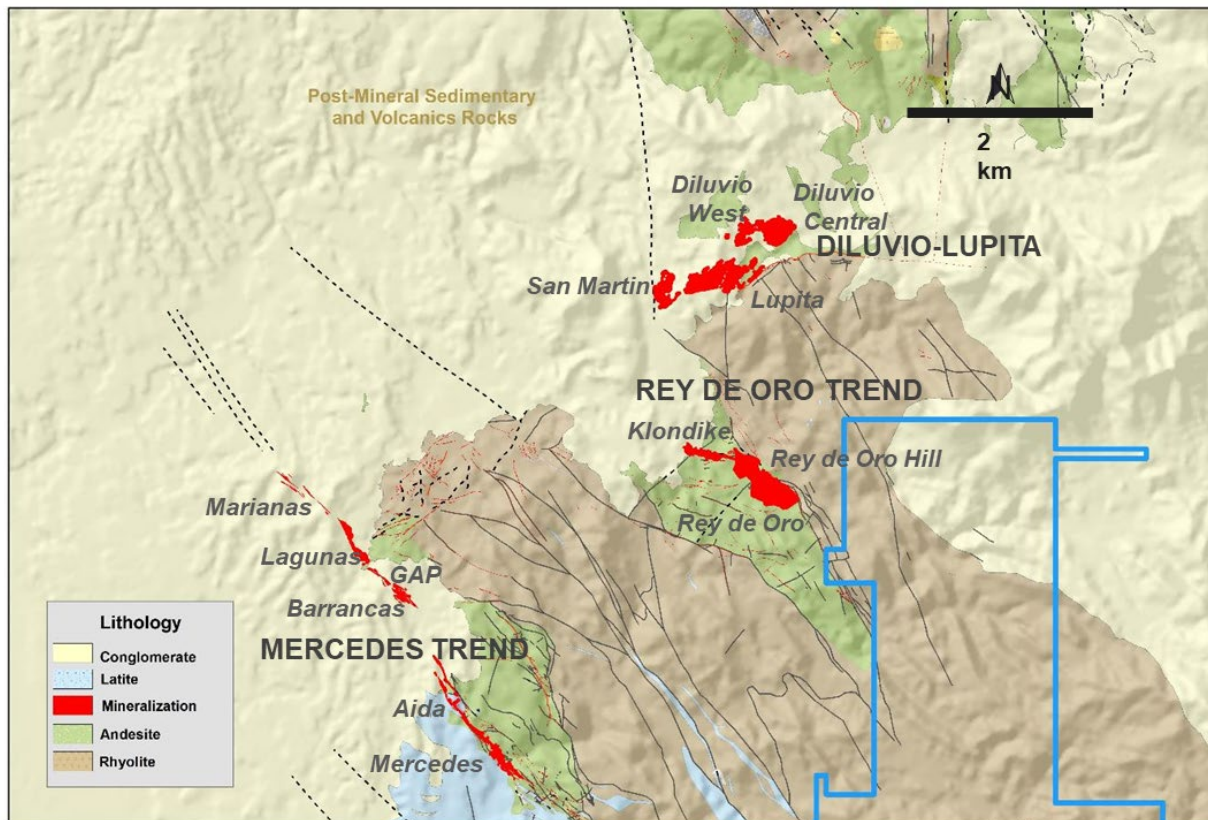
On April 21, 2022, Bear Creek completed its acquisition of the Mercedes Mine property. Details regarding the terms of this acquisition are provided above under "Three Year History and Significant Acquisitions". Bear Creek holds a 100% indirect interest in the Mercedes Mine (see "Intercorporate Relationships", 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 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, Barrancas, 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. See Figure 1 below. Mineralization at Mercedes is primarily hosted in epithermal veins and related structures.

Figure 1. Mercedes workings and deposits



#### Recent Exploration, Development and Production

##### *Exploration Drilling*

Exploration at Mercedes consists primarily of diamond core drilling from both surface and underground platforms, and lesser amounts of surface-only reverse circulation drilling. Mercedes drill programs and budgets are divided into greenfield exploration programs (drilling from surface at prospective stand-alone targets without prior Mineral Resources estimates), brownfield exploration programs (surface and underground exploration drilling at highly prospective Mineral Resource extension targets located near to existing Mineral Resources and established underground access infrastructure), Mineral Resource delineation programs (drilling from surface or underground at established Mineral Resource extension



targets with the goal of upgrading and/or expanding Mineral Resource categories from Inferred to Indicated and/or Measured), and Mineral Resource definition programs (primarily underground drilling conducted at known Mineral Resource extension targets with the goal of converting Mineral Resources having reasonable expectations for eventual economic extraction, into Mineral Reserves).

During the year ended December 31, 2024, a total of 28,374 meters, at a total cost of approximately \$4.3 million, were drilled at Mercedes. The table below indicates the distribution of the 2024 Mercedes drilling program.

Category	2024 Meters Drilled		2024 Expenditure	Targets
	Reverse Circulation	Core		
Exploration	0	11,209	\$1,517,988	Marianas Deep, Diluvio NW, Klondike displacement, Lagunas West, Margarita East, Rey de Oro, San Martin Displacement
Delineation	0	17,165	\$2,824,943	Marianas, Diluvio West, Diluvio Intermediate, GAP, Barrancas, San Martin, Neo
Definition	0	0	0	N/A

Exploration drilling at Mercedes during the year ended December 31, 2024 focused primarily on delineation and infill drilling at existing workings, with the goal of upgrading Mineral Resources to higher categories and converting Resources to Mineral Reserves.

#### *Exploration Target Generation*

The 69,284-hectare Mercedes concession area is located at the convergence of three discrete porphyry, epithermal & orogenic belts. The Company's concessions represent a highly prospective environment that is largely unexplored outside of the areas nearby to established Mercedes mine deposits. During 2024 the Company commenced a target generation program to delineate new prospects with the potential to lead to the discovery of new Mineral Resources proximal to Mercedes' current operations. This program integrated traditional exploration work, results from ground-based geochemistry, geological observations and a high-tech reinterpretation of aeromagnetic survey data. Additionally, specialized geological consultants were engaged to help better understand the complex structural environment of precious metal deposition at Mercedes and, with improved comprehension of mineralizing controls, to more precisely guide ongoing exploration efforts. Most known Mercedes' economically mineralized deposit extensions were originally blind-to-surface targets with little to no surface expression and were discovered through carefully considered targeting of surface exploration drill holes.

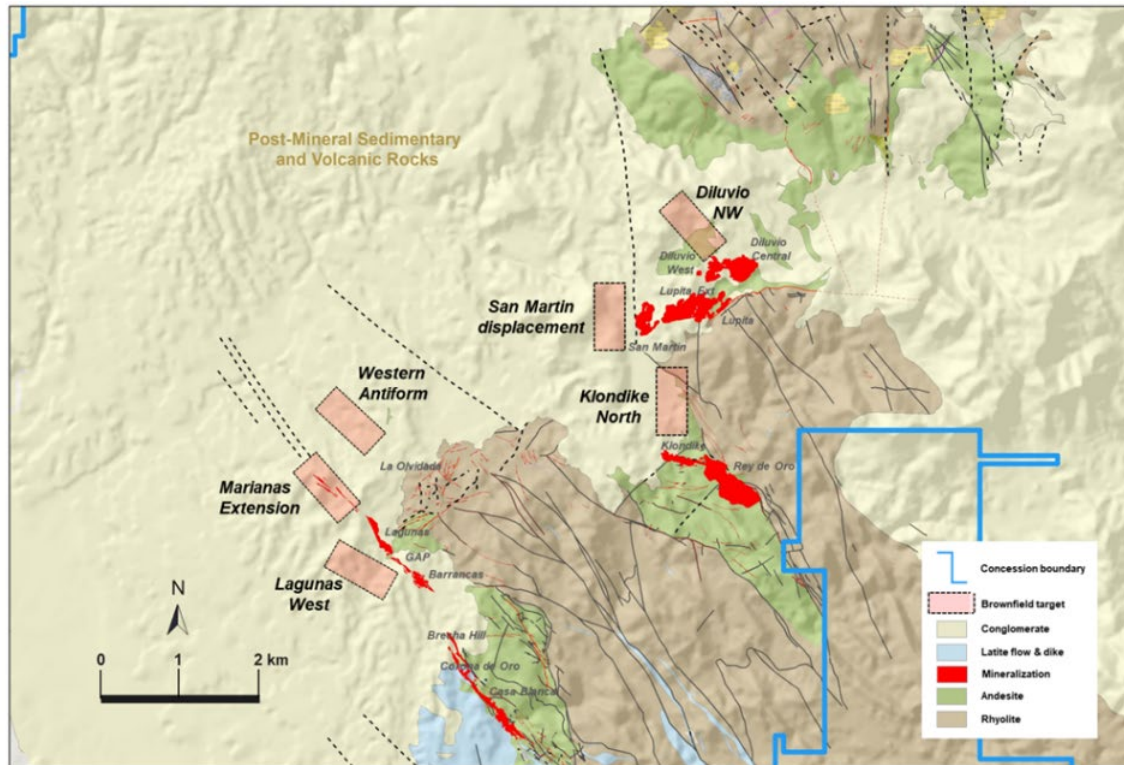
The 2024 target-generation program resulted in the identification of six new high priority brownfield targets and confirmed the presence of six pre-existing and/or new greenfield targets, as shown in Figures 2 and 3, below.

The prospective brownfield targets shown in Figure 2 and described below are high priority targets as they are proximal to existing infrastructure. The focus of the Marianas Extension target is on the conversion of Inferred to Indicated Resources. The Lagunas West target is an open-ended structure sub-parallel to the prolific Mercedes trend. Three holes were drilled in the Lagunas West target during 2024, all of which successfully intercepted the expected structure and returned anomalous levels of gold mineralization. The Diluvio NW, Klondike North, and San Martin Displacement targets are possible extensions and offshoots of known mineralized orebodies, and the Western Antiform target is a large blind target, interpreted to

be relatively shallow, located in association with a covered antiform structure, which geologically offers attractive and prospective structural preparation for the deposition of potentially economic low-sulphidation epithermal mineralization.

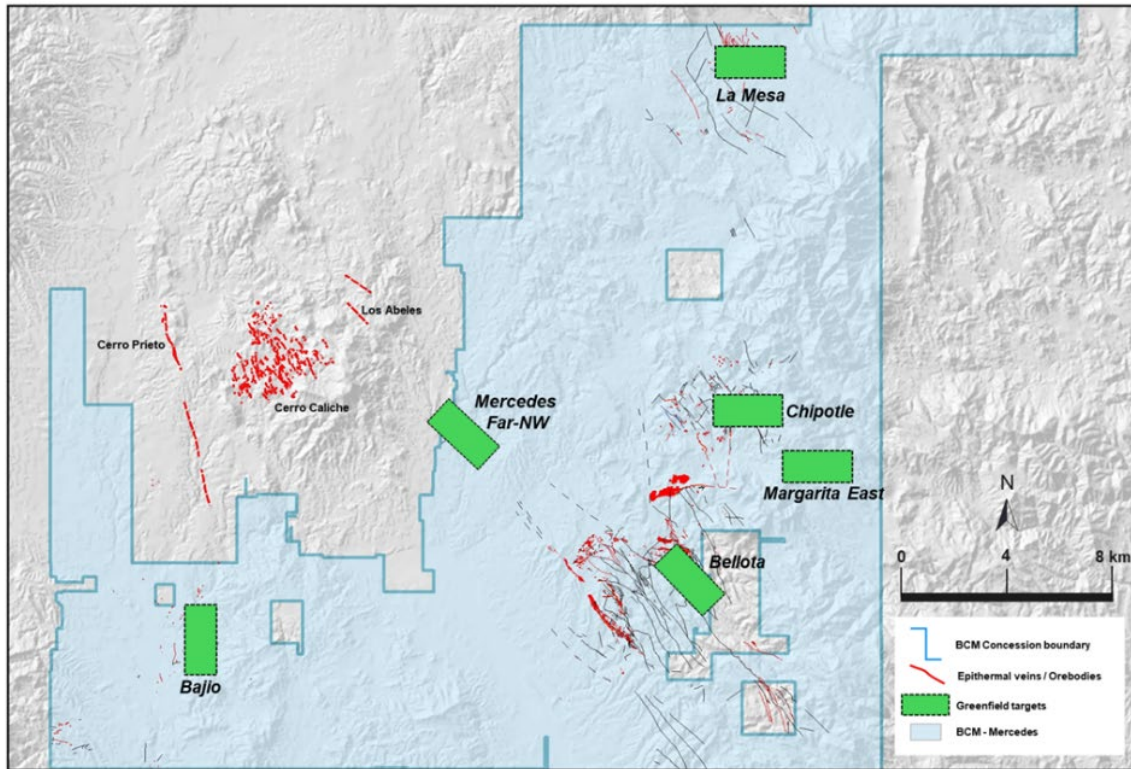
The greenfield targets shown in Figure 3 are prospective surface exploration prospects identified on the basis of their geological, geochemical, geophysical, and/or structural settings.

Figure 2. New High Priority Brownfield Exploration Targets (2024)



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Figure 3. Greenfield Exploration Targets (2024)



#### *Mercedes Resources and Reserves Updates*

During 2024 the Company prepared new geological and block models for Mercedes, which were reviewed by external experts and showed a high degree of alignment with actual economically mineralized deposits and production performance. The upgraded block models were then used to update the Mercedes Mineral Resource and Mineral Reserve estimates (the “**2024 Estimates**”), which were announced in January 2025 and subsequently described in detail in the 2024 Mercedes Report, the Summary section of which is provided in Appendix “A” to this AIF. The effective date of the 2024 Estimates is September 30, 2024.

The 2024 Mineral Resource estimate was prepared by the Company and reviewed, audited and validated by Global Resource Engineering Ltd (“GRE”) and the 2024 Mineral Reserve estimate was prepared by GRE, based on current operational conversion parameters provided by the Company.

#### **2024 Mineral Resource Estimate**

<b>2024 Mineral Resources <sup>(1)</sup>, Mercedes Mine (effective September 30, 2024)</b>					
<b>Classification</b>	<b>Tonnes</b>	<b>Au (gpt)</b>	<b>Ag (gpt)</b>	<b>Contained Au (troy ounces)</b>	<b>Contained Ag (troy ounces)</b>
Measured	792,569	6.62	58.10	168,575	1,480,539
Indicated	1,546,484	5.65	49.06	281,102	2,439,101
<b>Measured + Indicated</b>	<b>2,339,053</b>	<b>5.98</b>	<b>52.12</b>	<b>449,677</b>	<b>3,919,640</b>
Inferred	383,417	5.26	36.06	64,884	444,563
<b>Total</b>	<b>2,722,470</b>	<b>5.88</b>	<b>49.86</b>	<b>514,561</b>	<b>4,364,203</b>

- (1) 2024 Mineral Resources are inclusive of the 2024 Mineral Reserves presented below. Additional information regarding the 2024 Mineral Resources is available in the 2024 Mercedes Report.

The 2024 Mineral Resource estimate is comprised of ten deposit areas: Barrancas, Diluvio, Gap, Klondike, Lagunas, Lupita, Marianas, San Martin, Rey de Oro and Rey de Oro Hill (see Figure 1, above). Small amounts of peripheral mineralized extensions from four additional deposit areas representing historic mine workings (Aida, Brecha Hill, Casa Blanca and Corona de Oro), previously included in the 2021 Estimates, have been re-categorized as condemned materials and are excluded from the 2024 Mineral Resources summarized above. These areas are currently, and for the foreseeable future, being backfilled with low strength paste. The 2024 Mineral Resources, based on an appropriate cut-off gold grade for each deposit area included in the tabulation, consider different mining extraction scenarios and processing recoveries. The cut-off grades for the various deposits included in the 2024 Mineral Resource vary from 2.1 to 3.0 gpt gold.

The 2024 Mineral Resources were reviewed and validated by GRE based on their review of the Mercedes database, the new geological model, and the Mineral Resource block model including the classification of resources based on drill spacing and geological and grade continuity. GRE reported that the Mineral Resource Estimate block models conform to industry standard practices and show a good correlation with the extensive drill hole database.

#### 2024 Mineral Reserve Calculation

2024 Mineral Reserves, Mercedes Mine (effective September 30, 2024)					
Classification	Ore Tonnes	Au (gpt)	Ag (gpt)	Contained Au (troy ounces)	Contained Ag (troy ounces)
Proven	9,392	4.25	24.67	1,282	7,448
Probable	418,584	3.94	22.67	53,009	305,048
<b>Total</b>	<b>427,976</b>	<b>3.95</b>	<b>22.71</b>	<b>54,291</b>	<b>312,496</b>

The 2024 Mineral Reserve Calculation comprises five deposit areas: Marianas, Barrancas, Gap, Rey de Oro and Rey de Oro Hill (see Figure 1, above).

Considering relevant mining methods, underground mine designs were created by the Company to determine economic zones for extraction. The mine designs were reviewed and verified by GRE and modified to remove certain areas based on various mining considerations including dilution, likelihood of extraction, recovery factors and stope economics, and taking into account updated operational costs and cut-off grades. Areas with a reasonable expectation for economic extraction were comprised to form the 2024 Mineral Reserves tabulated above.

Planned and unplanned dilution factors were estimated for each Mercedes deposit. Planned dilution includes material required to be excavated for minimum mining widths (3.5 meters) or to address geo-mechanical or geometrical constraints. Capital development costs and operating development costs were estimated to be \$4,320 per meter and \$2,853 per meter, respectively. Cut-off grades were estimated for each deposit area based on break-even feed grades taking into consideration the mining method and costs specific to each deposit, and processing costs, general and administrative costs, gold price, gold recovery and refinery costs. GRE used the estimated cut-off grade for each deposit to calculate respective Net Smelter Revenue ("NSR") cut-offs, which were then used to calculate the 2024 Mineral Reserves presented above.

Credits related to revenue from silver extraction were not included as historically the low silver mill recovery at Mercedes does not represent significant value.

There is no evidence at present, nor can there be any assurances, that any portion of the 2024 Mineral Resources will be converted in the future to Mineral Reserves or that the Mercedes Mine life will be extended beyond production anticipated from the 2024 Mineral Reserves.

#### **Factors Impacting 2024 Estimates**

The 2024 Mineral Resource and Mineral Reserve Estimates were impacted primarily by the following factors that occurred since the prior estimation of Mercedes' Mineral Resources and Mineral Reserves in 2021 (the "Intervening Period"):

- Significantly improved metal price estimates.
- Depletion of ore as a result of production of 127,108 ounces of gold (1.3 million tonnes at an average gold grade of 3.08 gpt) during the Intervening Period.
- The removal of areas of mineralization contained within inner ribs and crown pillars and from deposits now deemed inaccessible or uneconomic due to development requirements.
- A reduction in economically minable ore due to higher operating and processing costs, higher development costs, increased estimated dilution and lower recovery estimates.
- Infill drilling at the Mercedes Mine during the Intervening Period added approximately 0.98 million tonnes grading 3.31 gpt gold (representing approximately 104 thousand ounces of gold) to Mineral Resources. Any new Mineral Reserves created during the Intervening Period as a result of this infill drilling were mined prior to the 2024 Mineral Reserve effective date.

#### *Development*

During 2024 the Company achieved the following development meters at the Mercedes Mine:

	<b>Q1 2024</b>	<b>Q2 2024</b>	<b>Q3 2024</b>	<b>Q4 2024</b>	<b>Full Year 2024</b>
Development (meters)	2,780	2,569	2,025	3,090	10,464

Bear Creek made the strategic decision in early 2024 to discontinue development of the central vertical ramp at the Marianas deposit. The central vertical ramp was situated in the hanging wall of a significant shear zone, which caused poor ground conditions contributing to rock stability issues, cost increases and lower production. The new lateral ramp allows for both development to the north ore body of Marianas and for reestablishment of a new central vertical ramp that is offset from the hanging wall shear zone. The new lateral ramp was completed in September 2024.

Other development work undertaken at Mercedes during 2024 includes the completion of a new vent raise at the San Martin deposit, development of portal access to the Rey de Oro Alta deposit, and planning for a new tailings storage facility. A land use permit for the new tailings facility was issued during Q1 2024, however final permitting has been impacted by bureaucratic delays in the implementation of Mexico's new mining law announced in 2023. Alternative plans for the deposition of tailings are underway, including utilizing a third-party engineering firm to engineer and design a dry stack tailings disposal option.

Sustaining capital expenditures related to Mercedes underground development work, mine infrastructure and facilities construction in 2024 amounted to \$12.9 million.

## Production

During the year ended December 31, 2024 the Mercedes Mine produced a total of 40,220 ounces of gold and 217,676 ounces of silver. Cash cost and All-In Sustaining Costs (“AISC”) per ounce of gold sold were \$1,471 and \$1,888, respectively. See "Notice Regarding Non-GAAP Financial Measures".

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Full Year 2024 <sup>(1)</sup>
Ore Mined (tonnes)	106,365	93,093	103,889	95,204	398,552
Ore Processed (tonnes)	109,280	95,727	102,535	93,170	400,711
Gold grade processed (gpt)	3.69	3.23	3.40	2.79	3.30
Gold recovery (%)	94%	93%	96%	95%	95%
Gold ounces produced	12,228	9,304	10,751	7,937	40,220
Silver ounces produced	44,040	40,893	76,939	55,803	217,676
Development (meters)	2,780	2,569	2,025	3,090	10,464
AISC <sup>(2)</sup> per oz gold sold	\$1,588	\$2,058	\$1,697	\$2,410	\$1,888

(1) Full year 2024 numbers may not add due to rounding

(2) Non-GAAP Measure. Please see "Notice Regarding Non-GAAP Financial Measures " for further information.

Throughout 2024 the Company adhered to its focus on first principles both in operations and contractor management and controls. First principles in mining include ground control management plans for all mines with prescribed fortification, proper ventilation raises, first, in San Martin, which witnessed an increase in ore extraction rates. The Company has finalized ventilation designs for the Marianas deposit and the installation of a ventilation raise is expected to be completed during the second quarter of 2025. Cost control initiatives, including contracts that help to replace aged machinery with equipment that is right sized for the extraction and exploitation of the Marianas ore body, are continuing in an effort to further optimize and improve Mercedes’ production results. During the year, a new haulage contract, that consolidated both surface and underground operations with one contractor was executed. The Company selected one primary mining contractor that will be supplying equipment suitable for narrow vein mining both in Marianas and Rey de Oro Alta deposits through 2025.

As of the date of this AIF Bear Creek has not provided 2025 production guidance for the Mercedes Mine.

## Mercedes Streams, Royalties and NSRs

As of the date of this AIF the Mercedes Mine has the following streams, royalties and NSRs (see “Three Year History and Significant Acquisitions” for additional information regarding streams, including the Stream Amendments).

## *Streams*

<b>Sandstorm Gold Stream</b>	Fixed delivery period	Jan 2024 – Apr 2028
	Fixed deliveries	275 oz per month
	Long-term tail	4.4%
	Cash payment	25% for ALL deliveries
<b>Nomad Silver Stream</b>	Current Delivery Rate	Nil from Jan 2024 – April 2028
	Long-term tail	100%
	Cash payment	25%
	Top-up	No Minimums

### *Royalties and NSRs*

- A 1% 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 2024 Mercedes Report dated March 14, 2025 with an effective date of September 30, 2024. Additional details including assumptions, qualifications and procedures contained in the 2024 Mercedes Report are hereby incorporated by reference. Any references cited within the excerpted information in Appendix "A" are provided in the 2024 Mercedes Report and any defined terms that are not otherwise defined herein will have the definitions ascribed to them in the 2024 Mercedes Report. Such excerpted information is valid as of the date of the 2024 Mercedes Report and has not been superseded by any new scientific or technical information except as disclosed by the Company.

### *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, Donald Mc Iver, Fellow SEG and Fellow Aus-IMM. Mr. Mc Iver is Vice President, Exploration and Geology of Bear Creek Mining Corporation and is a Qualified Person.

For details related to the Corani Property, please refer to Appendix "B" to this AIF and the 2019 Corani Report.

### *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.

### *Background*

The Corani Property has been explored by the Company continuously since 2005 and has been advanced by the completion of approximately 600 exploration drill holes totaling over 105,000 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 website and under its 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, 2024 focused primarily on assessment of the Oxides opportunity, continuation of a geometallurgical test program, and ongoing community support initiatives.

#### *Oxides Opportunity*

In September 2024 the Company announced it was assessing the silver resource and recoverability potential of the Oxides, near-surface, silver-rich oxidized material that occurs within the Este, Main and Minas deposits at Corani as outlined in the 2019 Corani Report, as well as the potential economics of developing the Oxides as a first phase of production for the proposed Corani mine to be followed by the development and extraction of the silver-lead-zinc sulphide resources. This assessment has not been completed as of the date of this AIF.

The 2019 Corani Report estimates that Corani contains "potentially leachable material" (the Oxides) totaling 39 million ounces of silver in measured and indicated Mineral Resource categories and 29.9 million ounces of silver in the inferred Mineral Resource category.

Category	Tonnes (Mt)	Silver (g/t)	Silver (Moz)
Measured	4.3	28.9	4.0
Indicated	36.1	30.1	35.0
<b>Measured and Indicated Subtotal</b>	<b>40.4</b>	<b>30.0</b>	<b>39.0</b>
<b>Inferred</b>	<b>24.3</b>	<b>38.2</b>	<b>29.9</b>

Notes:

1. Oxides Mineral Resource estimate is based on a 15 g/t silver cutoff and is not included in the Mineral Reserve estimate disclosed in the 2019 Corani Report.
2. See 2019 Corani Report for information regarding the assumptions used in the preparation of the Oxides Mineral Resource estimates.



The 100% Oxides are not included in the Proven and Probable Reserves of 229 million ounces of silver (at a grade of 51.3 gpt), 2.7 billion pounds of lead (at a grade of 0.90%) and 1.7 billion pounds of zinc (at a grade of 0.55%) that were outlined in the 2019 Corani Report, which focused solely on exploitation of the “sulfide” and “transitional” material.

The Oxides outlined above are currently contained within the 2019 Mineral Reserve pit shells as waste, forming a portion of the 196 Mt of pre-stripping and waste that would be mined over the Corani mine life.

As part of the Oxides assessment the Company undertook a metallurgical program to test the recoverability of silver from the Oxide material. Bottle roll tests were conducted in 2024 on sixteen samples selected from four of nine fresh Corani metallurgical diamond drill cores drilled in 2023. The tests were designed to simulate amenability for both heap leach recovery with coarse crushed ½” samples (the “**2024 Coarse Leach Tests**”) and agitated leach recovery with fine ground 75-micron samples (the “**2024 Fine Leach Tests**”). The results from the 2024 Coarse Leach Tests were highly variable and require additional investigation to better understand. Silver extraction from the 2024 Fine Leach Tests ranged from 13% to 93% with elevated extractions on the higher-grade material. Filtering these results to remove samples with average silver grades below 30 gpt provides a weighted average silver extraction of 79%. The results from the 2024 Fine Leach Tests are similar to leach optimization tests conducted at Corani in 2009, which obtained an average 85% extraction of silver from oxide samples under similar test conditions.

The Oxides assessment is ongoing. Regardless of its final outcome, the Oxides represent a sizeable, potentially leachable resource that is open for expansion beyond current pit-limits with further drilling, and provide an intriguing long-term opportunity for the Corani project, with the capacity to materially increase the project’s silver Mineral Resources and Reserves and to expand or extend the life of mine silver production from the proposed Corani mine.

#### *Geometallurgical Program*

The Company commenced a geometallurgical test program during the year ended December 31, 2023 to establish updated data in preparation for moving Corani toward development. The geometallurgical program involved drilling 9 new drill holes totaling approximately 1,230 meters, and logging, sampling and assaying the drill core. Assay results were substantially in line with the existing Corani block model.

#### *Social and Environmental Initiatives*

During 2024 the Company continued environmental monitoring of the area around the Corani camp and the within the Corani Property. The Company additionally negotiated agreements with the Peruvian government to provide financial support for connection of the Company’s Antapata electrical substation with the partially completed transmission line, to allow the substation to become operational and provide electricity to communities experiencing long-standing energy shortfalls. The Company will continue to support this initiative with detailed engineering and project coordination assistance.

#### *Corani Streams, Royalties and NSRs*

As of the date of this AIF the Corani Property has the following streams, royalties and NSRs (see “Three Year History and Significant Acquisitions”).

- A 1.0% net smelter returns royalty granted to Sandstorm on and over the Corani property (granted in partial consideration of the Stream Amendments, as described under “Three Year History and Significant Acquisitions”, above)

- A 1% to 12% sliding scale Mining Royalty payable to the Government of Peru, applied to operating margin (as further described under "Foreign Operations").

**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. Such excerpted information is valid as of the date of the 2019 Corani Report and has not been superseded by any new scientific or technical information except as disclosed by the Company.

**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.

Common Shares are the Company's only class of Shares and the only securities of the Company to which voting rights are assigned.

Name and Jurisdiction of Residence <sup>(1)</sup>	Current position(s) with the Company	Principal occupation or employment during the past 5 years <sup>(1)</sup>	Current Board committee membership(s) <sup>(1)</sup> (*Chair)	Director or Officer Since	Number of Common Shares beneficially owned, controlled or directed, directly or indirectly <sup>(2)</sup>
<b>Catherine McLeod-Seltzer</b> British Columbia, Canada	Chair	Corporate Director	Compensation, Nominating and Corporate Governance, Special Committee	September 1999	2,743,228
<b>Eric Caba</b> Lima, Peru	President and CEO	Former COO of Bear Creek Mining Corporation		June 2023	908,162

Name and Jurisdiction of Residence <sup>(1)</sup>	Current position(s) with the Company	Principal occupation or employment during the past 5 years <sup>(1)</sup>	Current Board committee membership(s) <sup>(1)</sup> (*Chair)	Director or Officer Since	Number of Common Shares beneficially owned, controlled or directed, directly or indirectly <sup>(2)</sup>
<b>Kevin Morano</b> Florida, USA	Director	Principal of KEM Capital LLC, a private investment and advisory firm	Compensation*, Audit*, Operations, Safety and Sustainability, Special Committee	April 2003	1,546,262
<b>Alan Hair</b> Ontario, Canada	Director	Corporate Director	Operations, Safety and Sustainability*, Nominating and Corporate Governance*, Audit	September 2019	137,211
<b>Susan Toews</b> British Columbia, Canada	Director	General Counsel at Equinox Gold Corp.	Nominating and Corporate Governance	November 2023	0
<b>Ian Grundy</b> <sup>(3)</sup> Ontario, Canada	Director	Executive Vice President, Corporate Development at Sandstorm Gold Ltd.	Operations, Safety and Sustainability, Compensation	March 2025	0
<b>Peter C. Mitchell</b> <sup>(3)</sup> Florida, USA	Director	Corporate Director, former mining executive	Special Committee*, Audit	March 2025	0
<b>Zoya Shashkova</b> Ontario, Canada	Chief Financial Officer	VP, Treasurer at Torex Gold, Chief Financial Officer at EnviroGold Global, Director at Excellon Resources Inc. and Standard Uranium Ltd.	N/A	March 2024	0
<b>Brian Peer</b> Texas, USA	Chief Operating Officer	Mine Operations Manager at Jervois Global, Vice President Operations, Mexico and Peru at Great Panther Limited	N/A	November 2023	0

Name and Jurisdiction of Residence <sup>(1)</sup>	Current position(s) with the Company	Principal occupation or employment during the past 5 years <sup>(1)</sup>	Current Board committee membership(s) <sup>(1)</sup> (*Chair)	Director or Officer Since	Number of Common Shares beneficially owned, controlled or directed, directly or indirectly <sup>(2)</sup>
<b>Barbara Henderson</b> British Columbia, Canada	Vice President Corporate Communications and Corporate Secretary	Officer of Bear Creek Mining Corporation	N/A	June 2015	160,647

- (1) The Board currently has four standing committees, including an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, and an Operations, Safety and Sustainability Committee, and may constitute additional committees as necessary. Directors are appointed to these committees annually, following their election to the Board at the Company's annual meeting of Shareholders. On March 3, 2025 the Board struck a non-standing special committee (the "Special Committee"), which remains in force as of the date of this AIF. The current members of all committees, with Chairs identified by an \*, are indicated in the table above.
- (2) The information as to Common Shares of the Company beneficially owned or over which a Director exercises control or direction, not being within the Company's knowledge, has been furnished by the respective Directors individually. Unless otherwise indicated, such Shares are held directly.
- (3) Mr. Grundy and Mr. Mitchell were appointed to the Board on March 3, 2025 and to the committees indicated above on March 19, 2025.

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, 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 5,495,510 common shares of the Company, representing approximately 1.9% of the issued and outstanding common shares of the Company as at the date of this AIF. In addition, the Directors and executive officers of the Company listed above hold a cumulative total of 5,680,000 Options, 1,055,000 RSUs and 425,000 DSUs pursuant to which an aggregate of 7,160,000 Common Shares in the capital of the Company may be issued or purchased, of which the Options have exercise prices ranging from C\$0.185 to C\$2.58 and expire periodically through to June 26, 2034.

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

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.

#### **Cease Trade Orders**

To the knowledge of the Company, except Alan Hair as disclosed below in relation to Great Panther, no Director is as at the date of this AIF, or has been within ten years before the date of this AIF, 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 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 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.

### Bankruptcies

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 as disclosed below in relation to Great Panther, no Director:

- (a) is as at the date of this AIF, or has been within the 10 years before the date of this AIF, 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 AIF, 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 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 Director.

On September 6, 2022, Great Panther 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.

### **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.

Ms. Susan Toews is a Director of the Company and is employed by Equinox in the role of General Counsel, which company, inclusive of its affiliates, is a party to the Note (including any amendments thereto) the Short-Term Loan and the amended Debt Agreements (as described above under "Three Year History and Significant Acquisitions" and "Mercedes Streams, Royalties and NSR"). Ms. Toews declared her conflict of interest and did not participate in discussions regarding, and abstained from voting to approve any aspect of these agreements and any other matters in which both the Company and Equinox had an interest.

Mr. Andrew Swarthout is a former Director of the Company and serves as a director of Sandstorm, which company, inclusive of its affiliates, is a party to the Amended Convertible Debenture, the Sandstorm Promissory Note, the Interim Credit; the Royalty Agreement, the Sandstorm Gold Stream, the Nomad Silver Stream, and the amended Debt Agreements and anticipated Credit Extension (as described above under "Three Year History and Significant Acquisitions" and "Mercedes Streams, Royalties and NSR "). Mr. Swarthout retired from the Board of the Company on March 18, 2025. He declared his conflict of interest and did not participate in discussions regarding, and abstained from voting to approve any aspect of these agreements and any other matters in which both the Company and Sandstorm had an interest.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

### **Legal Proceedings**

Except as described below, 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.

During the year ended December 31, 2023 the Mexican Senate approved modifications to its mining law, which came into effect on May 9, 2023 (see "Foreign Operations", above). On June 16, 2023 Bear Creek filed an application with the District Court in the state of Sonora, Mexico for a stay (an "Amparo") against the new mining law in respect of the Mercedes mine. A final ruling on the Amparo, in favor of the Company, was received during the fourth quarter of 2024.

### **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 AIF; (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 AIF.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as set forth below and except for the fact that certain Directors and officers of the Company are Shareholders, none of the persons who were Directors or executive officers of the Company or a

subsidiary at any time during the Company's last completed financial year, the Proposed Directors, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the Common Shares, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

#### Informed Persons

Each of Equinox and Sandstorm are Informed Persons (as such term is defined in NI 51-102) of the Company as, to the knowledge of the Company, each beneficially own, directly or indirectly, 10% or more of the voting securities of the Company. Equinox's head office is located at Suite 1501, 700 West Pender St., Vancouver, BC, Canada V6C 1G8. Sandstorm's head office is located at 733 Seymour Street, Suite 3200, Vancouver, BC V6B 0S6.

#### January 2024 Restructuring Transactions

On September 28, 2023, the Company entered into the Restructuring Transaction, wherein certain stream and debt obligations (the Stream Amendments and Debt Amendments, respectively) with Sandstorm and its subsidiaries were restructured. The Restructuring Transaction closed on January 22, 2024.

The Stream Amendments include a reduction in the number of gold ounces delivered per month from 600 to 275; the suspension of silver deliveries until April 2028 (previously 25,000 ounces per month); and an increase in the cash payments to the Company for streamed ounces to 25% of the spot price on all gold and silver deliveries (from 7.5% on fixed gold deliveries and 20% on all silver deliveries). As consideration for the Stream Amendments, the Company issued the following consideration to Sandstorm: (i) 28,767,399 Common Shares at a deemed value of C\$0.27 per Common Share for an aggregate value of approximately C\$7,767,198 or US\$5,751,350 (bringing Sandstorm's ownership interest in the Company to approximately 19.99% of the outstanding Common Shares); (ii) granted Sandstorm a 1.0% net smelter returns royalty on and over the Corani property; and (iii) increased the principal amount of the Sandstorm Promissory Note (as defined below) by US\$4,248,650.33.

The Debt Amendments include an extension to the maturity date, interest rate and conversion price of a US\$22,500,000 convertible debenture the Company entered into with Sandstorm on December 16, 2021 (the Amended Convertible Debenture) and includes the provision that Sandstorm's ownership interest in the Company will not exceed 19.99%. Pursuant to the Restructuring Transaction, the Company also refinanced a US\$14,373,000 promissory note issued by the Company to an affiliate of Sandstorm, by entering into the Sandstorm Promissory Note with a principal amount equal to up to US\$21,642,612.35. The Sandstorm Promissory Note shares substantially the same maturity date and conversion terms as the Amended Convertible Debenture. Details regarding the Stream Amendments and Debt Amendments are provided in the Company's news releases dated September 28, 2023 and January 22, 2024.

#### March 2025 Private Placement

On March 11, 2025, the Company closed the March Offering, a bought deal private placement of 64,445,000 Common Shares at a price of C\$0.225 per Common Share for aggregate gross proceeds of C\$14,500,125. The Company paid the Underwriters a cash commission of C\$522,004.50, which is equal to 6.0% of the gross proceeds received by the Company from the issuance and sale of 38,667,000 Common Shares. No other bonus, finder's fee or commission is payable by the Company in connection with the March Offering.

Both Sandstorm and Equinox participated in the March Offering. Each of Sandstorm and Equinox purchased 32,222,500 Common Shares on a gross basis pursuant to the March Offering, or 12,889,000 Common Shares on a net basis after giving effect to Equinox and Sandstorm concurrently disposing of

19,333,500 Common Shares to an arm's length third-party at the Offering Price immediately prior to the closing of the March Offering (the "**Concurrent Sale**"). The Company did not receive any proceeds from the Concurrent Sale. Prior to the Concurrent Sale and the March Offering, Sandstorm and Equinox held 45,492,399 and 25,397,160 Common Shares, respectively, which represented approximately 19.97% and 11.15%, respectively, of the total issued and outstanding Common Shares on a non-diluted basis. Following the Concurrent Sale and the March Offering, Sandstorm and Equinox hold 58,381,399 and 38,286,160 Common Shares, respectively, which represent approximately 19.98% and 13.10%, respectively, of the total issued and outstanding Common Shares on a non-diluted basis. The March Offering did not result in the creation of a new "Control Person" (as defined under applicable securities laws). The Concurrent Sale was a condition precedent to the closing of the March Offering.

#### 2025 Credit Extension

The Company proposes to issue the 2025 Sandstorm Note to an affiliate of Sandstorm in the principal amount of up to US\$6,500,000 with the Company anticipating that Sandstorm will commit up to US\$600,000 per month to the Company in available credit for working capital purposes, subject to the terms of the 2025 Sandstorm Note, once settled. It is anticipated that the 2025 Sandstorm Note will be on terms substantially similar to the Sandstorm Promissory Note including, an interest rate of 7% per annum and a maturity date of September 22, 2028.

It is anticipated that, subject to prior Exchange approval, the principal amount of the 2025 Sandstorm Note will be convertible at Sandstorm's election into Common Shares at a price equal to the greater of C\$0.73 or the minimum price acceptable to the Exchange. The Company anticipates that the 2025 Sandstorm Note will include a conversion restriction such that Sandstorm may not exercise its conversion right thereunder if such conversion would result in Sandstorm holding more than 19.99% of the total outstanding Common Shares as of the date of such conversion. There is no guarantee that the 2025 Sandstorm Note will be issued on the terms set out above or at all and the 2025 Sandstorm Note is subject to certain approvals including the directors of the Company, the directors of Sandstorm and the Exchange.

### **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**

Aside from contracts entered into in the ordinary course of business, the following agreements (each as defined elsewhere in this AIF unless otherwise specified) entered into between January 1, 2024 and the date of this AIF, are considered by the Company to be Material Contracts as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*:

- The Amended Gold Purchase Agreement (dated January 22, 2024);
- The Amended Convertible Debenture (dated January 22, 2024);
- The Sandstorm Promissory Note (dated January 22, 2024);
- An agreement with Nomad Royalty Co. Ltd. (the "Nomad Amendment Agreement") (dated January 22, 2024) to amend the Nomad Gold Stream agreement; and
- The Royalty Agreement (dated January 22, 2024).



These Material Contracts are filed under the Company's profile on SEDAR+.

## 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 2024 Mercedes Report was authored by the following QPs, employed by the respective firms as at the date of the 2024 Mercedes Report: Terre Lane, MMSA and SME Registered Member, Principal Mining Engineer at GRE; Todd Harvey, PhD, PE and SME Registered Member, Principal Metallurgist at GRE; Hamid Samari, PhD, MMSA, Principal Geologist at GRE; Larry Breckenridge, PE (Colorado, USA), Principal Environmental Engineer at GRE; Luis Quirindongo, SME Registered Member, Principal Geotechnical Engineer at GRE; and Donald Mc Iver, FAusIMM Member and FSEG Member, Vice President Exploration and Geology at Bear Creek Mining Corporation.
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 are based on work programs and initiatives conducted by or under the supervision of, Donald Mc Iver, Fellow SEG and Fellow Aus-IMM. Mr. Mc Iver is Vice President, Exploration and Geology of Bear Creek Mining Corporation and is a Qualified Person.
4. The Company's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor's report in respect of the Corporation's consolidated financial statements as at December 31, 2024 and December 31, 2023 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.

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 as of the date of this AIF:

<b>Name</b>	<b>Independence <sup>(1)</sup></b>	<b>Financial Literacy <sup>(1)</sup></b>
Kevin Morano (Chair)	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Alan Hair	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Peter C. Mitchell	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

(1) As defined in NI 52-110.

Messrs. Morano, Hair and Mitchell 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. Morano, Chair of the Audit Committee, 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 a 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.

Mr. Hair is a mineral engineer and senior executive with over 40 years of experience in the mining and metals industry. Mr. Hair is the former President and CEO of Hudbay Minerals Inc., a company he joined in 1996 as a senior operations manager and at which he served in a series of progressively senior roles culminating in the position of President and CEO from 2016 to 2019. During his tenure at Hudbay, Mr. Hair oversaw the successful acquisition, construction and development of the Constancia Mine in southern Peru. His areas of expertise span all aspects of mining operations and management including engineering and operations, business development, finance, marketing, environment, health and safety, risk management and legal and regulatory matters. Mr. Hair holds a Bachelor of Science degree in Mineral Engineering from the University of Leeds and the ICD.D designation from the Institute of Corporate Directors.

Mr. Mitchell is a veteran financial executive with 25 years of senior-level experience in financial and operational management, executive leadership, Board of Directors experience, acquisitions and divestitures, and tax and compliance for private equity sponsored and publicly held companies. Mr. Mitchell most recently served as Senior Vice President and Chief Financial Officer of Coeur Mining, Inc., a leading precious metals producer that owns and operates mines throughout North America. Having joined Coeur as CFO in 2013, Peter was responsible for investor relations, financial planning and analysis, financial reporting, information technology, tax and compliance. He was a key team member managing Coeur's acquisition and divestiture activities and led all capital markets activity in multiple equity and debt financings. Prior to Coeur, Peter held executive leadership positions in finance and operations with a variety of U.S. and Canadian public and private equity sponsored companies. He is currently a Director

and the Audit Committee Chair of Stabilis Solutions, Inc., Northcliff Resources Ltd., and Taseko Mines Limited. Mr. Mitchell earned a BA in Economics from Western University, an MBA from the University of British Columbia, and is a Chartered Accountant (CPA-CA).

#### 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.

The Company is relying upon the exemption in section 6.1 of NI 52-110 for the requirements of Part 5 (Reporting Obligations) 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, 2024. 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):

<b>Financial Year Ended</b>	<b>Audit Fees <sup>(1)</sup> (C\$)</b>	<b>Audit-Related Fees <sup>(2)</sup> (C\$)</b>	<b>Tax Fees <sup>(3)</sup> (C\$)</b>	<b>All Other Fees <sup>(4)</sup> (C\$)</b>
December 31, 2024	469,350	75,000	0	2,610
December 31, 2023	445,400	72,000	14,850	124,912

(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.

(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."

(3) "Tax Fees" are fees charged by the Company's auditors for tax compliance, tax advice and tax planning.

(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. During 2023 these fees related primarily to auditors' review of a base shelf prospectus and a prospectus supplement filed in respect of a bought deal financing.

## **APPENDIX "A" – EXCERPT FROM THE 2024 MERCEDES REPORT**

The following information is an excerpt of the chapter entitled "Summary" from the 2024 Mercedes Report dated March 14, 2025 with an effective date of September 30, 2024. Additional details including assumptions, qualifications and procedures contained in the 2024 Mercedes Report are hereby incorporated by reference. Any references cited within this excerpted information are provided in the 2024 Mercedes Report and any defined terms that are not otherwise defined herein will have the definitions ascribed to them in the 2024 Mercedes Report.

### **"Summary"**

#### ***Introduction***

In April 2022, Bear Creek Mining Corporation (TSXV: BCM) (OTCQX: BCEKF) (BVL: BCM) announced the completion of its acquisition of a 100% interest in the Mercedes gold-silver mine in Sonora, Mexico, from Equinox Gold Corp. Under a share purchase agreement between Bear Creek, Equinox Gold, and Premier Gold Mines Limited, the company acquired, directly and indirectly, all issued and outstanding shares of certain Equinox Gold subsidiaries that collectively own the Mercedes mine. All mining concessions are held by Minera Mercedes Minerals (MMM), a wholly-owned subsidiary of Bear Creek.

The purpose of this technical report is to support the disclosure of Mineral Reserves and Mineral Resources at the Mine in accordance with the guidelines of the Canadian Securities Administrators National Instrument 43-101 and Form 43-101F1.

The Qualified Persons (QPs) responsible for the preparation of this Technical Report are:

Terre Lane, MMSA 01407QP, Society of Mining, Metallurgy, and Exploration (SME) Registered Member 4053005

Todd Harvey, PhD, PE, SME Registered Member 4144120

Hamid Samari, PhD, MMSA 01519QP

Larry Breckenridge, P.E.: No. 12694 in New Hampshire and No. 38048 in Colorado.

Luis Quirindongo, SME Registered Member 4208172

Donald Mc Iver, MSc., FAusIMM Member 223767 and FSEG Member 512015

#### ***Terms of References***

Mineral Resources and Mineral Reserves are reported in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM 2014) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (CIM 2019).

Units used in the report are metric units unless otherwise noted. Monetary units are in US dollars (\$) unless otherwise stated. The Report uses US English.

#### ***Property Description and Location***

The Mercedes Mine is located in the state of Sonora, northwest Mexico, within the Cucurpe municipality. Mine is located 250 km northeast of Hermosillo, Sonora's capital city, and 300 km south of Tucson, Arizona.

Mercedes is located at 30° 19' 47" N latitude and 110° 29' 02" W longitude. The UTM coordinates are NAD 27, Zone 12, 549,452 m E, 3,355,473 m N.

### ***Mineral Tenure, Royalties, Environmental Liabilities and Permitting***

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 and can be renewed for another 50 years. All of the concessions are owned by MMM, a wholly owned subsidiary of Bear Creek.

Production from the Mercedes property is subject to a 1% net smelter return royalty payable to Elemental Royalties Corp. and a 2% net smelter return on gold equivalent ounces produced by the Mercedes Mine payable to Versamet Royalties. Silver and gold production from the Mercedes property are also subject to a purchase and sale agreement with Sandstorm whereby Mercedes is required to deliver 275 oz of gold per month through April 2028 and Mercedes sells this material to Sandstorm at 25% of the market price. The Nomad silver stream was suspended until April 2028.

There are no known environmental concerns with respect to the Mercedes property.

MMM has all the required permits to conduct 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-grade areas in the exploited veins.

Production by MMM at Mercedes is shown in Table 1-1.

**Table 1-1: Gold production history from 2011 to December 31, 2024**

<b>Year</b>	<b>Ore processed (000)</b>	<b>Gold Grade (gpt Au)</b>	<b>Silver Grade (gpt Au)</b>	<b>Gold Ounces (000)</b>	<b>Silver Ounces (000)</b>
2011	48	7.55	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	688	4.52	48.4	93	425
2017	684	3.93	37.6	83	338
2018	666	3.34	35.3	69	309
2019	668	2.91	26.2	60	191
2020	399	2.87	33.1	35	168

Year	Ore processed (000)	Gold Grade (gpt Au)	Silver Grade (gpt Au)	Gold Ounces (000)	Silver Ounces (000)
2021	512	2.69	21.2	42	123
2022	611	2.52	23.5	47	152
2023	522	2.77	31.0	44	165
2024	401	3.27	38.1	40	218
<b>Total</b>	<b>7,868</b>	<b>4.00</b>	<b>43.84</b>	<b>955</b>	<b>4,014</b>

#### *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 purchase 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 from 2022*

In December 2021, Equinox agreed to sell the Mercedes Mine to Bear Creek Mining Corp., and the mine has been in operation since the 2011 Yamana Gold start-up until the current time.

### ***Geologic Setting and Mineralization***

The Mine is located on the northwestern edge of Mexico's epithermal (Au-Ag) deposits belt 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 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. These rocks have been moderate to strongly faulted and folded, related to thin-skinned, northeast-directed thrusting during the Late Cretaceous Laramide Orogeny.

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

Andesitic flows and flow breccias (with local coeval andesite dike emplacement events) 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 rhyolitic tuff, hosts all known economic epithermal vein deposits in the district.

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 18.2 km of gold-silver bearing epithermal low sulfidation veins have been identified within some 6 km width across the northwest-trending Mercedes belt 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° to 70°W at 60° to 90° dips northeast or southwest, 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.

### ***Deposit Type***

Gold-silver mineralization on the Mercedes property is hosted within epithermal, low-sulfidation (adularia-sericite) veins, stockwork, and breccia zone (Buchanan 2016). These deposits form on predominately felsic subaerial volcanic complexes in extensional and strike-slip structural regimes. Near-surface hydrothermal systems, including surface hot springs and deeper hydrothermal fluid-flow zones, are the sites of mineralization. Mineral deposition took place as the hot mineralizing fluids underwent cooling by fluid mixing, boiling, and decompression.

In 2000, a fluid inclusion study was carried out by J. Reynolds from Fluid Inc. on vein samples from the Mercedes, Saucito/Tucabe, and Klondike veins. This study confirmed that the sampled material was typical of those from a low sulfidation system. Reynolds noted samples from the Mercedes vein contain quartz that formed at temperatures above 200°C, although some minor quartz formed at temperatures as high as 240°C to 250°C, with evidence for minor boiling.

### ***Exploration***

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

Drilling to extend Mineral Resources around the Marianas/GAP/Barrancas trend;

Expanding and confirming Mineral Resource extension at Diluvio/Diluvio West/San Martin/Lupita;

Defining deeper continuation of mineralization at Rey de Oro;

Testing several exploration targets at Diluvio, Diluvio NW, Rey de Oro Deep, Neo, San Martin Displacement, Klondike Displacement, Margarita, Margarita East, and Lagunas West.

### ***Drilling and Channeling***

By the end of December 2024, 167 RC holes, covering 26,881.63 meters, and 3,250 core holes, totaling 674,569.45 meters, had been drilled on the Mercedes Mine property. By the date mentioned, a combined total of 3,417 Mineral Resource exploration holes had been drilled on the Mercedes Mine property, covering 701,451.08 meters and including 184,709 samples.

The process of selecting drill hole locations at Mercedes is carried out by the on-site geological team. Drill holes test extensions of the known vein systems in addition to completing exploration to discover new mineralized horizons.

Surveyors mark up drill hole collars prior to the drill set-up and again after the hole is completed. MMM staff prepare core and RC logging procedures. Geologists collect drill log information on standard logging forms, and the information collected typically includes main lithological units with brief lithological descriptions, vein type, zone, hydrothermal alteration minerals,

geotechnical information such as rock quality designation (RQD), and standard header information such as collar coordinates and hole inclination. Structural measurements are also recorded.

Mineralized zones at Mercedes, Klondike, Barrancas, Diluvio, Lupita, Marianas, and Rey de Oro were drilled on approximately 20 m to 30 m centers using a combination of diamond drilling and a small amount of RC pre-collar drilling. Recent delineation drilling, aimed at converting Inferred Resources up to the Indicated ( $\pm$ Measured) categories, was also conducted at San Martin and Lupita Extension. Between 2022 and the end of 2024 (December 31, 2021), a total of 60,151 m in 397 drill holes had been completed on the property by Bear Creek.

By December 31, 2024, 24,914 underground channels had been sampled, for a total of 142,298 channel samples representing 126,950.43 meters of sampling. 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 periodically, if not regularly, as the mine development progressed. Predominantly in the underground production areas, channel sampling constitutes an important part of the dataset for geomodelling, QAQC, Mineral Resource estimation, and grade control purposes.

#### ***Sample Preparation, Analysis, and Security***

Layne Drilling of Hermosillo performed reverse circulation (RC) drilling in 2000-2001 using a Drill Tech wheel rig equipped with a 350/750 psi primary compressor. Diversified Drilling of Hermosillo contracted for the 2006 RC drilling and completed it using a portable track RC drill. All RC holes were drilled using a face discharge hammer or a Mission hammer with an interchange.

The 2000-2001 RC drill samples were collected at 1.5 m intervals (50% split) until the vein zone was approached. Then, samples were collected on 0.75 m intervals in and near the vein zones of most holes, allowing a better definition of vein boundaries and providing additional samples for assay. All 2006 RC sampling was done on 1.0 m spacing, with three samples per 3.0 m drill rod.

Major Drilling has been the preferred contractor retained to carry out most core drilling campaigns at Mercedes, with the exception of a small program conducted by BDW International in 2006. From 2006 to 2019, core boxes were regularly collected at the drill rig under the supervision of MMM geologists and transported to the camp core logging facility.

Underground, channel/chip samples are collected daily at the active fronts where mine development takes place. After the face has been cleared of muck, scaled off, and secured, the advance is measured, a plan & section sketch is drawn, and markings are placed to identify geo-references and summarily describe the mineralized structures from the host rock.

In December 2021, Equinox Gold agreed to sell the Mercedes Mine to Bear Creek (the issuer) less than one year after Equinox acquired the project from Premier Gold Mines. Premier Gold operated from 2016 to 2021, and Equinox Gold operated from 2021 to December 2021. Both operators used the same protocols.

From 2022, Bear Creek has kept the previous protocol conducted by Premier Gold and Equinox Gold and followed the exact core drilling, channeling, and sampling procedures conducted from 2016 to 2021.

Almost all 2000 to 2020 assaying was completed at ALS laboratories (ISO 17025:2017 certified) and predecessors Bondar-Clegg and Chemex in Vancouver, British Columbia. Due to extreme



sample volumes, some sample preparation in 2011, 2019, and 2020 was done by Chemex at preparation facilities in Chihuahua, Zacatecas, and Guadalajara, Mexico.

At ALS, the sample is logged in the tracking system, weighed, dried at 120°C, and finely crushed to better than 70%, passing a 2 mm screen. A split of up to 250 g is taken and pulverized to plus 85% passing a 200-mesh screen. Gold analyses were completed using a FA-AA finish, with all samples over 5.0 gpt Au re-analyzed by the FA-gravimetric finish method. From 2020, that threshold was brought to 10 gpt Au.

From 2022 to August 1, 2024, core samples were sent to ALS laboratory (ISO 17025:2017 certified) in Hermosillo for sample preparation and then to ALS Canada for analysis. During this period, the sample tracking, preparation and analytical procedures imitated the 2000 to 2020 procedures. From August 1, 2024, core samples were sent to SGS in Hermosillo for sample preparation and then to SGS (ISO 17025:2012 certified) in Canada for analysis, the methodology used is similar as previously described for ALS, by logging the samples in the tracking system, weighed, dried at 120°C, and finely crushed to better than 70%, passing a 2 mm screen. A split of up to 250 g is taken and pulverized to plus 85% passing a 200-mesh screen. Gold analyses were completed using a FA-AA finish, with all samples over 10.0 gpt Au re-analyzed by the FA-gravimetric finish method. Silver analyses were completed using four-acid digestion, and the digested sample solution was subjected into a Flame Atomic Absorption Spectrometer (AAS).

Channel samples from development headings and underground infill drilling are processed at the Mine laboratory. For gold, samples are analyzed by FA with an AA finish, and if the results are greater than 5.0 gpt Au, the samples are re-analyzed by FA and gravimetric finish, with both procedures using a 30 g pulp sample. For silver, samples are assayed by FA with a total digestion using four acids.

### ***Data Verification***

In 2013, part of the resource database and several drill logs were reviewed by RPA for accuracy of assay transcription from the assay certificates. Approximately 1,400 assays from drill holes in the database were compared to the original assay certificates with no errors noted.

In 2016, RPA compared approximately 6,200 of 21,600 assay certificate values from 2014 and 2015 exploration with the resource database. RPA examined the bulk of the assays taken with the Au\_ppm\_FA50 and Ag\_ppm\_MAAASOG laboratory methods. Of the 6,200 matches, only 40 assays differed from the certificates by more than 0.1 gpt Au, with only 11 assays differing by more than 0.5 gpt Au, with the largest discrepancy at 0.58 gpt Au. Only two silver assays differed from the certificates by more than 10 gpt Ag, with the largest discrepancy at 22 gpt Ag. These discrepancies may, at least in part, be accounted for by re-assays for various reasons.

In 2017, RPA compared approximately 21,800 assay certificates from the exploration and mine laboratories with the resource database.

Drill logs for four holes were compared to the core stored at the site in 2013, three holes were reviewed in 2016, and two holes were reviewed in 2017. It was determined that the logging and sampling were completed to industry standards.

In 2020, BBA completed a data verification program for a significant portion of the historical drill hole database. BBA reviewed and examined the project's drill hole database, which contained assay, survey, and geological information for historical drill campaigns up to 2020. BBA also compared approximately 2,100 of 12,500 assay certificate values from the 2018 exploration drilling and mine sampling work and approximately 1,700 of 14,000 assay certificate values from similar work in 2019. The bulk of the assays taken with the Au\_ppm\_FA50 and

Ag\_ppm\_MAAASOG laboratory methods were examined. BBA declared that the drilling, sampling, and assaying protocols in place for the Mine appear to comply with industry standards and that the database is adequate for Mineral Resource estimation.

In 2021, BBA prepared a National Instrument 43-101 compliant Mineral Resource estimate for Mercedes Gold-Silver Mine. BBA assessed the assay certificates for all holes drilled in 2020 and 2021. Assays of Au and Ag were verified for 10% of the database. The assays recorded in the database were compared to the certificates from the different laboratories, and no significant discrepancies were detected. QA/QC reports were reviewed and although no significant issues were observed for gold, these reports revealed issues with silver QA/QC for underground channel samples where the failure rate of the silver standard has generally been high over the last six years; only in 2021 did it show acceptable results. This QA/QC issue only affects underground channel samples (which are prepared and analyzed in the Mine laboratory as opposed to drill core samples which are all prepared and analyzed in independent analytical laboratories); QA/QC for both gold and silver samples from the drill core is acceptable.

The drilling and channeling data were submitted to GRE for a desktop review in January 2025. GRE's Qualified Person (QP), Dr. Hamid Samari, conducted an independent review of the database, which included drilling data from 2000 to 2024 and channeling data from 2012 to 2024.

Only assay data for gold and silver from the 2000, 2001, and 2005 to 2007 drilling programs are available in the database from 2000 to 2007. Mercedes' database does not contain assay certificates for these drilling programs. During this period, 131 RC holes were drilled, yielding 7,739 assays over 19,806.63 meters, along with 170 core holes containing 9,942 assays over 46,428.13 meters. No channeling data is available in Mercedes' database for this exploration period.

The pre-Bear Creek drilling program from 2008 to 2015 includes 1,276 core holes, comprising 82,827 assays for a total of 348,775.28 meters of drilling. The original assay certificates for this period are available in the Mercedes database, along with the collar, survey, gold and silver assays, and QA/QC data. For these drilling campaigns, GRE's QP manually audited approximately 10% of the original assay certificates from 2008 to 2015 and found no material errors. GRE's QP also reviewed and spot-checked some of the existing QA/QC data for this drilling exploration period, as well as some of the QA/QC data from the channeling programs between 2012 and 2015, and found no errors that could affect the Mineral Resource Estimate (MRE).

The pre-Bear Creek drilling programs from 2016 to 2021 include 1,443 core holes, comprising 69,733 assays for a total of 226,289.73 meters of drilling. Completed data on the QA/QC programs for this period, along with collar, survey, assay data, and all original assay certificates, are available in Mercedes' database. During this period, a complete database for channel sampling is also available, containing 75,246 samples and corresponding QA/QC data. GRE's QP reviewed all available historical data for drilling and channeling programs during this period. For the drilling campaigns, GRE's QP conducted a manual audit of approximately 10% of the original assay certificates for core hole samples from 2016 to 2021 and found no material errors. GRE's QP also reviewed the existing QA/QC data for this period and found no errors that could affect the MRE.

For the 2021 exploration period, as the Mercedes Mine transitioned from Premier Gold to Equinox Gold and then to Bear Creek, GRE's QP reviewed all QA/QC data for both drilling and channeling programs and presented the results in this technical report (see Verification of Pre-Bear Creek Analytical Control Data), showing no errors that could affect the MRE.

From 2022 to 2024, Bear Creek completed 53,076.31 meters of core drilling, consisting of 14,468 assay samples from 361 core drill holes within the project site. The current data was provided to GRE in .csv format, including collar, survey, assay, and geology data for the entire database, along with Bear Creek's comprehensive in-house QA/QC files. GRE independently analyzed Bear Creek's data relevant to the 2022 to 2024 drilling programs, comparing the assay data with the provided assay certificates. Approximately 10% of all original assay certificates from the 2022 to 2024 drilling programs were manually spot-checked against the database for accuracy, and no errors were found.

For this exploration period, GRE's QP reviewed all QA/QC data for the drilling and channeling programs and found no critical errors that could affect the MRE.

### ***Mineralogical Processing and Metallurgical Testing***

The Mercedes process plant has been operating since the end of 2011 and has shown consistent operating performance over this time period. There is not much room for process optimization. Review of the available test work indicates that in most cases the Mercedes materials leaches very well, with gold recoveries in excess of 90% often closer to 95%. Silver extractions are typically lower ranging from 20% to 40% in most cases. Mineralogy suggests that the presence of refractory compounds such as electrum, tellurides, argentite, and other silver sulfide minerals may be responsible for some of the variations in gold and silver recovery reported.

### ***Mineral Resource Estimate***

The QP has reviewed the Mineral Resource estimates of the various deposits at the Mine as of September 30, 2024. As part of this review, the QP carried out a series of visual and statistical reviews, such as a review of the database, the geological solids, capping and other key parameters, composites, the interpolation procedures and methodology, depletion, and 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, and review of the reconciliation.

The QP reviewed the end of September 2024 reconciliation analysis documented by MMM and concludes that the block model is performing well.

The Mineral Resource Estimate presented herein is presented as underground Mineral Resources using appropriate cut-off grades. A summary of the Mineral Resource Estimate inclusive of Mineral Reserves is presented in Table 1-2.

**Table 1-2: Mineral Resources, Inclusive of Mineral Reserves – effective 30 September 2024**

<b>Classification</b>	<b>Tonnes (000)</b>	<b>Au (gpt)</b>	<b>Ag (gpt)</b>	<b>Contained Au tr oz (000)</b>	<b>Contained Ag tr oz (000)</b>
Measured	793	6.62	58.10	169	1,481
Indicated	1,546	5.65	49.06	281	2,439
<b>Measured + Indicated</b>	<b>2,339</b>	<b>5.98</b>	<b>52.12</b>	<b>450</b>	<b>3,920</b>
Inferred	383	5.26	36.06	65	445
<b>Total</b>	<b>2,722</b>	<b>5.88</b>	<b>49.86</b>	<b>515</b>	<b>4,364</b>

Mineral Resources are reported using the 2014 CIM Definition Standards, with an effective date of 30 September 2024. The Qualified Person for the estimate is Ms. Terre Lane, MMSA QP, a GRE employee.

Mineral Resources are reported inclusive of those Mineral Resources converted to Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

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.

Mineral Resources are reported using a cutoff grade varying from 2.1 to 3.0 gpt Au for the varying Mercedes deposits: gold price of US\$2,360/oz; gold recovery of 94%; reference mining cost ranging from of \$73.51/t processed to \$137.47/t processed; processing cost of \$29.35 /t processed; general and administrative costs of \$ 35.27/t processed; and refining costs of \$13.36 /oz Au.

Calculations used metric units (metre, tonne).

Numbers have been rounded and may not sum.

The QP Ms. Lane 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 Mineral Resource Estimate.

### ***Mineral Reserve Estimation***

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

Mineral Reserves are estimated by the application of mining shapes, governed by a minimum mining width of 3 m, to the Mineral Resource shapes. Appropriate factors for planned dilution, unplanned dilution, and ore recovery have been included as part of the estimate.

Ms. Lane (QP) has reviewed the work by MMM 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.

The Mineral Reserve estimate for the Mercedes Mine is summarized in Table 1-3.

**Table 1-3: Mineral Reserve Statement**

<b>Classification</b>	<b>Tonnes (000)</b>	<b>Au (gpt)</b>	<b>Ag (gpt)</b>	<b>Contained Au tr oz (000)</b>	<b>Contained Ag tr oz (000)</b>
Proven	9	4.25	24.67	1	7
Probable	419	3.94	22.67	53	305
<b>Total</b>	<b>428</b>	<b>3.95</b>	<b>22.71</b>	<b>54</b>	<b>312</b>

Mineral Reserves are reported using the 2014 CIM Definition Standards, with an effective date of 30 September 2024. The Qualified Person for the estimate is Ms. Terre Lane, MMSA QP, a GRE employee.

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

Mineral Reserves are reported using a NSR cutoff cost varying from US\$152 to US\$216/t processed: gold price of US\$2,360/oz; gold recovery of 94%; reference mining cost ranging from of \$73.51/t processed to \$137.47/t processed; processing cost of \$29.35/t processed; general and administrative costs of \$ 35.27/t processed; and refining costs of \$13.36 /oz Au.

A minimum mining width of 3 m was used in the creation of all reserve shapes.

Calculations used metric units (metre, tonne).

Numbers have been rounded and may not sum.

The QP Ms. Lane 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 Mineral Reserve Estimate.

### ***Mining Methods***

The Mine currently plans the majority of mining to be completed using mechanized long hole stoping mining and the mechanized cut & fill mining method. In Marianas, Barrancas, and Gap

the Mine utilizes a mechanized long hole stoping mining method where the ground conditions and ore geometry allow for bulk mining methods.

The mechanized cut & fill mining method is employed at Rey de Oro and Rey de Oro High, where the activities are typically planned as an overhand mining method with multiple available mining horizons to increase the overall productivity of the method. Ore is hauled to the surface via the main ramps and stockpiled on the surface near the individual portals. Ore from the portals is subsequently hauled to a common stockpile area near the jaw crusher.

Ms. Lane (QP) is of the opinion that the selected mining methods are appropriate for the deposits, but further planning should be considered to perform selective mining to reduce the dilution.

### ***Recovery Methods***

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.

### ***Project 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 a safety room are also in place;

Tailings management infrastructure for surface disposal and underground disposal.

A paste plant for underground backfill. A portion of the tailings is mixed with cement, yielding a nominal output rate of 94 tph of paste backfill at 55 wt% solids content 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 concrete as required;

Underground mine dewatering, which meets all of the project's water supply needs. The volume pumped is in excess of project needs and is secure from drought conditions.

Water treatment, which treats for arsenic prior to discharge.

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 posts at mine entries;

Ore and waste stockpiles areas.

### ***Market Studies and Contracts***

Mineral Resource and Mineral Reserve economics have been assessed using the following metal price provided by BCMC: Gold price = \$2,360.00/oz and Silver Price = \$29.25/oz.

No market studies have been conducted by BCMC or its consultants on the gold and silver produced at Mercedes. Gold and silver are freely traded commodities on the world market for which there is a steady demand from numerous buyers.

The Mercedes Mine has outstanding royalties with Elemental Royalties Corp. (Elemental), the Mexican government (government), and a net smelter return (NSR) with Versamet Royalties. Sandstorm streams are delivered from production according to the agreed gold and silver repayment ounces which was restructured in January of 2024 resulting in a reduction of the gold ounces to 275 per month until termination in April of 2028. The silver stream is suspended until 2028 at which time 100% of the silver ounces produced will be delivered to Sandstorm

### ***Environmental Studies, Permitting, And Social or Community Impact***

#### ***Water Supply Summary***

The site is supplied entirely with underground mine dewatering water. This water supply source does not negatively impact local or regional water users, and the use of the water is fully permitted. The water supply source is not sensitive to climate change.

#### ***Environmental Summary***

The mine is a fully permitted operation that is in compliance with local and federal regulations. Due to favorable geochemical conditions, there is a very low risk of water quality impacts common in gold mines, such as Acid Rock Drainage (ARD) and Metal Leaching (ML).

There are no known prior environmental liabilities on the site, and no long-term post-closure liabilities will exist. The closure cost estimate is included in the cost model for this technical report.

#### ***Social Summary***

The mine has not had a labor dispute, strike, or protest since its inception. The site appears to have good relations with the surrounding landowners and the community and, as a result, has a Social License to Operate.

### ***Capital and Operating Costs***

Mercedes is currently operating, and the capital cost estimate covers the ongoing operations. The LOM capital expenditures total US\$26.7 million as summarized in Table 1-4.

**Table 1-4: Forecast LOM capital costs**

Category	Cost (US\$ M)
Underground Mine Development	10.00
Other Sustaining Capital Cost	4.71
Tailings Dam TSF1 Expansion and permitting	0.35
Exploration Drilling	1.21
Salvage Cost Estimate	-6.39
Reclamation and Closure Cost	16.83
<b>Total Capital Cost</b>	<b>26.70</b>

The unit operating costs (\$/t milled) for the life of mine (LOM) are summarized in Table 1-5.

**Table 1-5: Forecast unit operating costs (\$/t milled)**

Category	Costs (US\$/ t milled)
Mine Administration and Underground	93.02
Process Plant	32.11
General & Administration (incl. Site Overhead)	37.28
Refining Cost	1.99
<b>Total Operating Cost</b>	<b>164.40</b>

### ***Economic 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 outcome is a positive cash flow that supports the statement of Mineral Reserves at a gold and silver price of US\$2,360/oz and US\$29.25/oz respectively.

The current LOM is stated for two years with the current mining reserves. The undiscounted pre-tax cash flow is US\$4.61M and after-tax cash flow is US\$3.38M. At a discount rate of 5%, the pre-tax NPV is US\$6.22M, and the after-tax NPV is US\$5.06M.

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

### ***Interpretation and Conclusions***

#### ***Introduction***

The QPs note the following interpretations and conclusions in their respective areas of expertise, based on the reviews and interpretations of data available for this Report.

#### ***Mineral Tenure, Surface Rights, Water Rights, Royalties, and Agreements***

Mineral tenure held is valid and sufficient to support a declaration of Mineral Resources and Mineral Reserves.

To the extent known to the QP, there are no other significant factors and risks that may affect access, title, or right or ability to perform work on the Project that are not discussed in this Report.

#### *Geological Setting and Mineralization*

The Mercedes Mine is located on the northwestern edge of Mexico's epithermal (Au-Ag) deposits belt, surrounded by world-class deposits like Cananea and Nacozari. Mercedes is one of the most accessible mining projects in Mexico, covering 69,285 ha and is located approximately 250 km from Hermosillo, Sonora, and Tucson, Arizona.

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

The geology of the Mercedes area is dominated by two northwest-trending arches, cut by numerous northwest-trending high-angle structures. These structures have exposed older marine sediments, 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. Most known economic low sulphidation epithermal vein deposits on the Mercedes concessions occur within the lower portions of the andesite package, locally over 500 m thick, and are frequently associated with the lower contact zone with underlying rhyolitic tuffs.

Some 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 latite flow margins.

Over 18 km of gold-silver-bearing epithermal low sulfidation veins have been identified within or along the margins of the andesite-filled basins, which constitute the primary exploration target on the property. Following the major regional structural pattern, major veins like those of the Mercedes vein system, typically trend N30° —70°W at 60° to 90° dips northeast or southwest.

Mineralogical studies have identified iron oxides, pyrite, gold, electrum, stibnite, and rare pyrrargyrite, within a gangue of substantial chalcedony, quartz, and carbonate. Due to the substantial depth of oxidation up to over 500 m in mineralized structures, sulfides are rarely observed. An important component in some economically mineralized zones is the presence of hematite and manganese oxides.

Understanding the Mercedes Mine deposit setting, lithologies, mineralization style and the geological and structural controls on mineralization provides support for the estimation of Mineral Resources and Mineral Reserves.

#### *Exploration, Drilling, and Analytical Data Collection in Support of Mineral Resource Estimation*

The exploration programs completed at the Project to date reveal important aspects of the geology, mineralization, and deposit style on the Property. By the end of December 2024, a total of 3,417 holes had been drilled on the Mercedes Mine property, covering 701,451.08 meters and including 184,709 samples. In addition, 24,914 underground channels were completed, totaling 126,950.43 meters, with 142,298 channel samples taken.



The historical drilling and sample collection methods and the recent drilling and sampling conducted by Bear Creek at the Project are acceptable for estimating Mineral Resources and Reserves.

The sample preparation, analysis, and security practices used by Yamana Gold, Premier Gold, and Equinox Gold at the Project from 2008 to 2022 are acceptable, meet most industry-standard practices, and are sufficient to support Mineral Resource and Mineral Reserve estimation. Over the years, the Mercedes QA/QC protocol became more comprehensive and detailed.

Bear Creek continued the established QA/QC protocols for the Project and applied this to all sample collection and analysis streams from 2022 and 2024. Although the QA/QC submission rates did not meet industry-accepted standards for most of the drilling programs, a review of the QA/QC by GRE's QP did not identify any material issues. The data collected still supports the Mineral Resource and Mineral Reserve estimations.

Data verification concludes that the project data adequately supports the geological interpretations and constitutes a database of sufficient quality to support the application of the data in Mineral Resource and Mineral Reserve estimation.

#### *Metallurgy and Mineral Processing*

Review of the available test work indicates that in most cases the Mercedes materials leaches very well, with gold recoveries in excess of 90% often closer to 95%. Silver extractions are typically lower ranging from 20% to 40% in most cases. Mineralogy suggests that the presence of refractory compounds such as electrum, tellurides, argentite, and other silver sulfide minerals may be responsible for some of the variations in gold and silver recovery reported.

#### *Mineral Resource Estimates*

The Mineral Resource estimation for the Project conforms to industry-accepted practices and is reported using the 2014 CIM Definition Standards.

Factors that may affect the estimate include: changes to metal price assumptions; changes in local interpretations of mineralization geometry and continuity of mineralized zones; changes to the density values applied to the mineralized zones; changes to geological shape and continuity assumptions; potential for unrecognized bias in the assay results from legacy drilling where there was limited documentation of the QA/QC procedures; changes to the input values used to generate the cut-off grade; changes to metallurgical recovery assumptions; changes in assumptions of marketability of final product; changes to the input assumptions for assumed underground operations; changes to environmental, permitting and social license assumptions.

#### *Mineral Reserve Estimates*

The Mineral Reserve estimation for the Project conforms to industry-accepted practices and is reported using the 2014 CIM Definition Standards.

Factors that may affect the estimate include: metal price and exchange rate assumptions; changes to the assumptions used to generate the cut-off grade; changes in local interpretations of mineralization geometry and continuity of mineralized zones; changes to geological and mineralization shapes, and geological and grade continuity assumptions; density and domain assignments; changes to the underground mining method; changes to metallurgical recovery assumptions; changes to the input and design parameter assumptions; assumptions as to the continued ability to access the site, retain mineral and surface rights titles, obtain and maintain environmental and other regulatory permits, and obtain the social license to operate.

### *Mining Methods*

The Mine currently plans and undertakes most of the mining to be completed using the mechanized long hole stoping mining and mechanized cut & fill mining methods.

The current Mineral Reserves, a total of 428 Kt grading 3.95 gpt Au and 22.71 gpt Ag, will be mined over a mine life of 2 years (January 2025 to January 2027).

### *Project Infrastructure*

The Mine currently has all the major surface and underground infrastructure necessary to operate the site. No major upgrades or modifications are required; however, tailings management requires re-evaluation.

Due to the current political stance of the Mexican government regarding conventional tailings facilities and its approval, Mercedes Mine paused the TSF3 project, and it is in the process of developing a new strategy. The new strategy consists of converting the tailings management from conventional tailings to filtered tailings for dry-stacking. This conversion allows for the vertical expansion of TSF1. In its current state, this alternative could provide approximately 924,000 m<sup>3</sup> of storage capacity.

### *Environmental Studies, Permitting & Social or Community Impact*

The mine operates with a fully permitted, sustainable water supply from underground dewatering, unaffected by climate change and without impact on local users. It complies with all regulations and has minimal environmental risk due to favorable geochemical conditions, reducing Acid Rock Drainage (ARD) and Metal Leaching (ML) concerns. There are no known historical or long-term post-closure liabilities, with closure costs included in the cost model. Strong community relations and a history free of labor disputes ensure a stable Social License to Operate.

### *Project Economics*

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 outcome is a positive cash flow that supports the statement of Mineral Reserves at a gold and silver price of US\$2,360/oz and US\$29.25/oz respectively.

The current LOM is stated for two years with the current mining reserves. The undiscounted pre-tax cash flow is US\$4.61M and after-tax cash flow is US\$3.38M. At a discount rate of 5%, the pre-tax NPV is US\$6.22M, and the after-tax NPV is US\$5.06M.

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

### *Other Relevant Data*

#### *Risk*

The QPs, as authors of this Technical Report, have noted the following risks:

Exchange rates, operating costs (fuel and electricity), and, in particular, metal prices all have the potential to affect the economic results of the mine. Negative variances to assumptions made in the budget forecasts would reduce the profitability of the mine, thereby impacting the mine plan. (General)

Stope optimization blocks can be improved. Associated risks are sterilizing of ore and reduction of reserves through the creation of poor mine designs, which impact the mine economics and production schedule. (Mining and Reserves)

Reassessment of unplanned dilution and ore loss for mining methods in different mining areas can adversely impact the mine's overall head grade to the mill. Risks associated are the mine economics and schedule. (Mining and Reserves)

Maintenance of on-site infrastructure and equipment (Mobile and fixed) for maintaining the estimated salvage value. The risks associated are to the mine economics. (Infrastructure, Mining, and Processing)

UG tailings placement estimations may be reduced due to uncertainties in the estimate, i.e., MMM was not able to corroborate the survey of mine due to safety aspects. This may reduce the estimated storage capacity of the LSBF plan, thus increasing the need for new storage facilities. (Infrastructure)

Mexican regulatory expectations for environmental and social responsibility continue to evolve. This has the potential to increase costs for final closure and/or post-closure monitoring. (Permitting)

Inflation costs of consumables and labor costs for estimated CAPEX items for the mine site expansion and reclamation are future mine economics risks. (Economics).

#### Opportunities

The QPs, as authors of this Technical Report, have noted the following opportunities:

Additional exploration drilling can contribute to the geological understanding of the mine and assist in identifying future Mineral Resource extension and exploration targets.

Additional definition drilling and channel sampling near active mining fronts will minimize the risk of grade fluctuation.

Mapping and characterization of mineralized material within historical waste piles to determine if the material can be processed economically. This material could be used to fill the mill to capacity during periods of reduced ore availability from the mines. (Processing).

Continue the optimization of the tailings deposition and management options currently implemented can increase the storage capacity of the existing TSF postponing the need for additional storage facilities. (Tailings).

Evaluate the areas proposed for underground low-strength backfill deposition for the presence of any economical material that can be mined before backfilling. (Mining and Reserves).

Evaluate alternative mining methods, focusing on narrow vein techniques to reduce dilution and convert in situ Mineral Resources to Reserves. (Mining and Reserves).

#### *Conclusion*

Under the assumptions in this Report, the Project shows a positive cash flow over the life-of-mine and supports the Mineral Reserve estimates. The projected mine plan is achievable under the set of assumptions and parameters used.

#### **Recommendations**

##### *Geology*

More than a century of mining activities and geological studies within the BCMC concessions have identified over 18 km of frequently blind-to-surface economically mineralized low-sulphidation Au-Ag epithermal veins and stockwork structures. Despite historical drilling campaigns having demonstrated proven discovery success across the project areas within the

Mercedes corridor, there remains considerable Mineral Resource extension exploration opportunity in the immediate surroundings of the Mine deposits. Together with constant improvement in the understanding of mineralizing controls, this implies that testing of blind-to-surface targets can now be undertaken with more confidence. It is thus recommended to focus exploration efforts on testing of blind-to-surface prospective zones (Klondike North), as well as strike extensions (Diluvio NW) & depth extensions (Lagunas West) of known open-ended mineralized structures.

To advance initial 2025 exploration testing of targets (to be selected from those described in Item 9), a conservative 24-hole diamond drilling (DDH) program, with average hole depth of 575 meters (15,350 m) is proposed. A budget of \$2.1 million is recommended.

#### *Sampling and QA/QC*

Sample collection, preparation, analysis, and security practices for the 2022 to 2024 core drilling programs are in line with industry-standard protocols for gold and silver deposits and should be retained for future drill campaigns. It is recommended that the CRM, blanks, and duplicate sample submission rates should be increased to meet industry-accepted norms for future drilling programs.

#### *Metallurgy and Mineral Processing*

The Mercedes process plant has been operating since 2012 and little in the way of process optimization is required. However, there are certain aspects of the plant operation that may be worth investigating such as:

Conduct a tradeoff study on the impact of additional cyanide dosing and silver recovery.

Examine the grind influence on recovery across a wider P80 range. The grind size impacts the metal recovery but it also has knock on effects including settling and filtering. With a potential for the installation of drystack tailings handling or even underground disposal, a coarser grind may present many physical benefits to be weighted against a potential recovery reduction.

Validate that the deepest extent of the orebody responds similarly to the current metallurgical performance.

Conduct metallic screens on tailings to monitor for coarse gold.

The estimated cost for the above recommendations is \$50,000.

#### *Mining*

Due to current narrow mineralized orebody widths and challenging rock quality conditions, BCMC experiences excessive planned and unplanned dilution. To minimize mining dilution and ultimately improve mine design, it is recommended to evaluate alternative mining equipment (narrower) and mining methods (such as resuing or other narrow vein techniques). The estimated duration of the recommended study, which will additionally assess the potential economic impact of decreasing operating costs and improving the conversion of in situ Mineral Resources to Reserves, is two months with an associated cost estimated at \$200,000.

With the same objectives as mentioned above, it is further recommended to update procedures for the collection and use of geological, structural, density and geotechnical data taken from future drill core to facilitate and enhance interpretation of underground allocated rock quality designations.

The following recommendations have been made for mine planning:

Acquire geomechanical point load test equipment to improve confidence relating to rock quality designation in new mining areas (\$5,000).

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.

Integrate short-term planning processes 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.

Review mined material movement and rehandling after it is removed from the face, as it contributes towards ore loss, dilution, and increased costs.

Increase definition drilling to reduce dilution and improve grade control.

#### *Project Infrastructure*

If new areas are identified for operation, the Expansion of TSF1 is required for smooth operation. The estimated cost is \$15,000,000.

The following recommendations have been made for the TSF and tailings management:

Conduct frequent inspections of TSF1 and TSF2 and establish a maintenance schedule. Items to be considered are:

Housekeeping – Remove trash and debris that can be detrimental to the facilities, especially the liner system.

Inspect embankment crest and slopes for signs of instability, erosion, and excessive vegetation and correct such observations.

Inspect and repair liner systems for any surficial damage.

Conduct frequent inspections of TSF2 diversion channels. Look for sediment accumulation and culvert blockage. These must be informed and cleared out, especially for the rainy season.

Develop an Emergency Action Plan/Response Plan (EAP/ERP).

Review the storage capacity of the underground deposition plan.

Upon review of the monitoring system in place, it is necessary to replace the water level meter and calibrate the inclinometer. Upon completion, the new information must be provided to the Engineer for review. Based on the Engineer's recommendations, the monitoring plan must be updated as needed. The estimated cost is \$200,000.

#### *Environmental Studies, Permitting, & Social or Community Impact*

The mine has a well-run environmental program, and the QP does not have any recommendations apart from the continuation of the existing plans and procedures.

The mine closure plan requires a more detailed management plan. This cost (\$630,750) is included in the closure cost estimate and the mine cost model.

## **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.

### **"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 (NPV<sub>5</sub>), 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 <sub>5</sub>	\$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
<b>Total Proven + Probable</b>	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 Huiquis 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 completely 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%
<b>LOM</b>	<b>138,582</b>	<b>51</b>	<b>0.90%</b>	<b>0.55%</b>	<b>62.9%</b>	<b>57.2%</b>	<b>6.1%</b>	<b>72.3%</b>

### ***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
<b>Measured + Indicated</b>	<b>238,635</b>	<b>42.1</b>	<b>0.66</b>	<b>0.44</b>	<b>322.7</b>	<b>3,466</b>	<b>2,313</b>
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	Contained Metal		
		Silver g/t	Lead %	Zinc %	\$/t	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
<b>Total Proven + Probable</b>	<b>138,582</b>	<b>51.3</b>	<b>0.90</b>	<b>0.55</b>	<b>30.2</b>	<b>228.6</b>	<b>2,740</b>	<b>1,694</b>

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
<b>TOTAL</b>	<b>603</b>

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
	<b>Total</b>	<b>371</b>	<b>208</b>	<b>579</b>

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
<b>Total Operating Cost</b>	<b>18.70</b>

### ***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) <sup>1</sup>	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

<sup>1</sup>excluding 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.”