



MANAGEMENT INFORMATION CIRCULAR

Dated this 9th day of August, 2023

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QUESTIONS AND ANSWERS

The following are some of the questions that you, as a shareholder (“**Shareholder**”) of Bear Creek Mining Corporation (the “**Company**”) may have in respect of the issuance of a five-year convertible promissory note (the “**Note**”) to defer a US\$25 million current liability owed by the Company to Premier Gold Mines Limited (“**Premier**”). These questions and answers are provided for convenience only and should be read in conjunction with the remainder of this management information circular (the “**Circular**”).

What is the background to the Note?

On April 21, 2022, the Company completed its acquisition (the “**Mercedes Acquisition**”) of the Mercedes gold-silver mine (“**Mercedes**”) located in Sonora, Mexico from Premier, a wholly owned subsidiary of Equinox Gold Corp. (TSX: EQX, NYSE American: EQX) (“**Equinox Gold**”). The Mercedes Acquisition was completed pursuant to a share purchase agreement (the “**Mercedes SPA**”) dated December 16, 2021 among the Company, Equinox Gold and Premier. Consideration owed to Premier under the Mercedes SPA included, in part, a deferred cash payment of US\$25 million due within six months of the date of closing (the “**Deferred Payment**”), such date being October 21, 2022.

On October 24, 2022, Premier granted an extension and waiver to the Company in connection with the Deferred Payment extending the due date to October 26, 2022 to give Premier 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 and Premier entered into a Heads of Agreement 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 June 30, 2023, Premier and the Company settled the form of the Note and entered into an agreement whereby the Company has 85 days to hold a meeting of its Shareholders to obtain Shareholder Approval (as defined below) for the Note. In the event that Shareholder Approval is not obtained, the Note shall be of no force or effect and the Company’s obligations regarding the Deferred Payment under the Mercedes SPA will remain in full force and effect, and any amounts paid by the Company in connection with the Deferred Payment, including any interest payments made since October 26, 2022, shall automatically be applied against the Deferred Payment.

What are the principal terms of the Note?

The following is a summary of some of the principal terms of the Note and is qualified in its entirety by the full text of the Note attached in Schedule “B” hereto.

The Note provides for the conversion of the Deferred Payment into a secured, convertible, interest bearing promissory note with a principal amount of approximately US\$27 million (the “**Principal**”). The Principal reflects the Deferred Payment less US\$1.4 million in prior payments plus approximately US\$3.4 million in accrued interest from October 26, 2022 to September 30, 2023. The Note will mature on the date that is five years following the date of issuance of the Note (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\$160,000 per month. The Note will be secured by first and second lien pledges on certain of the Company’s equity interests (of which the first lien pledge is shared *pari passu* with certain security held by the Company’s existing creditors).

In connection with the issuance of the Note, Premier and the Company intend to amend and restate their shareholder agreement dated April 21, 2022 such that, for so long as Premier owns at least 10% of the

issued and outstanding common shares of the Company (each, a “**Common Share**”) and subject to prior TSXV approval, Premier shall have the right to nominate one individual to the board of directors of the Company (the “**Board**”).

At any time at or prior to the Maturity Date, Premier may elect to convert (the “**Conversion Right**”) the unpaid Principal into Common Shares at a price per share equal to C\$0.73 (the “**Conversion Price**”); such Conversion Price being 1.25 times the volume-weighted average price (“**VWAP**”) of the Common Shares on the TSX Venture Exchange (the “**TSXV**”) for the 10 trading-day period ending on May 29, 2023.

Subject to the Conversion Right, the Company may elect to prepay any portion of the Note at any time after the second anniversary of the date of issuance of the Note and before the Maturity Date; provided that, if at the time of such voluntary prepayment, the VWAP of the Common Shares on the TSXV for the 10 trading-day period ending on the last trading day before the date of such prepayment (the “**Prepayment Price**”) is greater than the Conversion Price, a top-up cash payment representing the option value calculated of the difference between these amounts (*i.e.*, the product of (i) the amount prepaid; multiplied by (ii) the difference between the Prepayment Price and the Conversion Price) shall be paid by the Company to Premier in addition to the Principal amount prepaid.

What is the existing relationship between the Company, Premier and Equinox Gold?

Equinox Gold, through its wholly owned subsidiary Premier, was the previous owner of Mercedes. Pursuant to the Mercedes SPA, the Company completed the Mercedes Acquisition on April 21, 2022. As partial consideration for the Mercedes Acquisition, the Company issued 24,730,000 Common Shares to Premier. Premier currently holds 25,397,160 Common Shares representing approximately 14.82% of the total issued and outstanding Common Shares. The Company owes US\$25 million to Premier pursuant to the Deferred Payment. The total Principal amount currently owing to Premier is approximately US\$27 million as described above.

What is the current status of the Note?

The form of the Note has been settled between Premier and the Company, but it has not been issued. The Note will not be issued until and unless Shareholder Approval and final approval by the TSXV are obtained. In the event that Shareholder Approval is not obtained by September 28, 2023 (such date being 85 days from July 5, 2023, the date of settling the form of the Note), the Note shall be of no force or effect and the Company’s obligations regarding the Deferred Payment under the Mercedes SPA will remain in full force and effect and any amounts paid by the Company in connection with the Deferred Payment, including any interest payments made since October 26, 2022, shall automatically be applied against the Deferred Payment.

Why is the Meeting being held?

The Meeting (as defined below) is being held to permit Shareholder Approval to be obtained for the Note. It is a condition of the issuance of the Note that Shareholder Approval be obtained at the Meeting.

What am I being asked to vote on at the Meeting?

Shareholders are being asked to vote on an ordinary resolution (the “**Note Resolution**”), set out in Schedule “A” of this Circular, to approve the: (i) issuance of the Note; and (ii) creation of a new “**Control Person**” (as defined in the policies of the TSXV) of the Company, which will occur if Premier’s exercise of the Conversion Right increases its ownership interest in the Company to greater than 20% of the issued and outstanding Common Shares. The Note Resolution is required under the policies of the TSXV and applicable securities laws. For more information regarding these requirements, see “*Business of the Meeting - Securities Law Considerations*”.

What level of Shareholder support is required to approve the Note Resolution?

In order to become effective, the Note Resolution must be approved by a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting and entitled to vote at the Meeting, excluding the votes cast by such Shareholders that are required to be excluded pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) and to the extent applicable, the requirements of the TSXV (“**Shareholder Approval**”). To the knowledge of the Company, only the votes attached to the Common Shares owned or controlled by Premier, and any of its related parties, associates or affiliates, and any joint actors of the foregoing (collectively, the “**Excluded Shareholders**”), representing in the aggregate approximately 14.82% of the issued and outstanding Common Shares, will be excluded from the required vote. See “*Business of the Meeting - Securities Law Considerations*”.

Who is entitled to vote?

Shareholders, not including the Excluded Shareholders, at the close of business on the Record Date of August 9, 2023 or, in each case, their duly appointed representatives, are entitled to vote on the Note Resolution at the Meeting.

Why are Premier and its associates and affiliates not permitted to vote?

Premier is a “related party” of the Company within the meaning of applicable securities laws, and potentially a new “Control Person” of the Company within the meaning of the policies of the TSXV. As such, the issuance of the Note constitutes: (i) a “related party transaction” (as such term is defined in MI 61-101) for the Company; and (ii) potentially the creation of a new “Control Person” of the Company, and accordingly, the issuance of the Note is subject to, among other things, the requirement to obtain approval of a “majority of the minority” of Shareholders, excluding the Excluded Shareholders.

What other approvals are required in connection with the Note?

The issuance of the Note is also subject to certain regulatory and corporate law approvals including the approval of the TSXV for the Note (the “**TSXV Approval**”) and approval of the Note by Premier’s board of directors.

Why should I vote in favour of the Note?

The Board has undertaken a careful consideration of the terms of the Note and has unanimously determined that the Note is in the best interest of the Company and considers it to be fair to the Shareholders (excluding the Excluded Shareholders). The Board considers the Note to be offered on commercially reasonable terms that it believes to be similar or better to terms the Company would reasonably expect if it obtained similar financing from a person dealing at arm’s length with the Company. The Board’s approval of the Note was based upon its assessment that, among other things, the restructuring of the Deferred Payment pursuant to the Note will improve the Company’s working capital position and reduce monthly interest and principal repayments and provide the Company with the financial flexibility to better align debt repayments to production and cash flow trends.

The Board recommends that Shareholders vote **FOR** the Note Resolution set out in Schedule “A” of this Circular.

When does the Company expect the Note to be issued?

Assuming the Company obtains Shareholder Approval and final approval from the TSXV, the Company expects the Note to be issued to Premier in late September 2023. However, it is not possible to state with certainty when or if the Note will be issued.

What happens if the Note is not approved?

In the event that Shareholder Approval is not obtained at the Meeting, the Note shall be of no force or effect and the Company's obligations regarding the Deferred Payment under the Mercedes SPA will remain in full force and effect, and any amounts paid by the Company in connection with the Deferred Payment, including any interest payments made since October 26, 2022, shall automatically be applied against the Deferred Payment.

Are there risks I should consider in connection with the Note?

Yes. A number of risk factors that you should consider in connection with the Note are described in the section of this Circular entitled "Risk Factors"; such risks include but are not limited to: completion of the issuance of the Note being subject to the satisfaction or waiver of several conditions, risks regarding the Company's ability to make monthly interest payment and the Principal payment, the potentially dilutive effect on your Common Shares in the event that Premier elects to exercise its Conversion Right, and potential implications to Shareholders if the Company fails to complete the issuance of the Note, which may include dilution to existing shareholders, exposure of the Company to legal action, negative impacts on the Company's relationship with Premier and Equinox Gold, and/or negative impacts on the Company's financial position.

What constitutes quorum at the Meeting?

In accordance with the articles of the Company, a quorum for the transaction of business at any meeting of Shareholders is one person present or represented by proxy.

How many Common Shares are entitled to vote?

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As of August 9, 2023 (the Record Date and the date of this Circular), there are 171,365,386 Common Shares issued and outstanding. Excluding Common Shares held by the Excluded Shareholders, there are 145,968,226 Common Shares entitled to vote on the Note Resolution.

GENERAL INFORMATION

The Company is providing this Circular and a form of proxy in connection with management's solicitation of proxies for use at the special meeting (the "**Meeting**") of the Company to be held on Thursday, September 21, 2023 at the time and place and for the purposes set forth in the accompanying notice of meeting (the "**Notice of Meeting**") and at any adjournments or postponements thereof. Unless the context otherwise requires, when we refer in this Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

In this Circular references to "\$" or "C\$" are to amounts in Canadian dollars and references to "US\$" are to amounts in United States dollars.

This Circular and certain information referenced within it, are publicly available on the Company's website at www.bearcreekmining.com, and under the Company's profile on SEDAR+ at www.sedarplus.ca.

The information below includes references to Shareholders, registered Shareholders (“**Registered Shareholders**”) and non-registered, or beneficial, Shareholders (“**Beneficial Shareholders**”). A Shareholder is any person or entity owning Common Shares. Registered Shareholders are those who hold Common Shares in their own names. Beneficial Shareholders are those whose Common Shares are held in, and registered to the name of, a nominee such as a brokerage firm through which they purchased the shares, a bank, trust company, trustee or administrator of self-administered RRSP’s, RRIF’s, RESP’s and similar plans or a clearing agency such as The Canadian Depository for Securities Limited (each a “**Nominee**”). If you purchased your Common Shares through a broker, you are likely a Beneficial Shareholder.

Notice and Access

The Company is sending this Circular to Registered Shareholders and Beneficial Shareholders using the notice-and-access (“**Notice and Access**”) provisions described in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”). Notice and Access provisions allow reporting issuers to post electronic versions of proxy-related materials on SEDAR+ and a non-SEDAR+ website, rather than delivering the materials by mail. The use of Notice and Access provisions reduces paper waste and mailing costs to the Company. For the Company to employ Notice and Access provisions, it must send a notice to Shareholders indicating that the proxy-related materials have been posted electronically and explaining how a Shareholder can access them or obtain a paper copy of those materials from the Company. The required elements of such notice have been provided in the Notice of Meeting that accompanies this Circular.

The Meeting materials, including this Circular, are available under the Company’s profile on SEDAR+ at www.sedarplus.ca and on the Company’s website at <https://bearcreekmining.com/investors/agm-materials/> and will remain on the website for at least one full year from the date that the Meeting materials are posted on SEDAR+.

For additional information about Notice and Access provisions, Shareholders may contact the Company’s transfer agent, Computershare Trust Company of Canada (“**Computershare**”), at 1-866-964-0492 (toll-free), or visit www.computershare.com/noticeandaccess.

The Company will not use stratification procedures in its use of Notice and Access provisions in relation to the Meeting. “Stratification” occurs when a reporting issuer using Notice and Access provisions provides a paper copy of the relevant Circular to some, but not all, Shareholders with the notice package regarding the relevant meeting. In relation to the Meeting, Registered Shareholders will receive a paper copy of each of the Notice of the Meeting and a form of proxy (each, a “**Form of Proxy**”), whereas non-registered Shareholders (see “Non-Registered Holders” below) will receive a paper copy of the Notice of the Meeting and a voting instruction form (each, a “**Voting Instruction Form**”).

To obtain a printed paper copy of the Circular, please contact the Company at +1-604-685-6269 or info@bearcreekmining.com. The Company will, upon request, mail a paper copy of the Circular at no cost within three business days following receipt of such request, if received before the Meeting and within ten calendar days following receipt of such request, if received after the Meeting.

Attending the Meeting

The Company will hold the Meeting in-person at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournments or postponements thereof. For further clarity, the Company will not hold the Meeting in a virtual or hybrid (virtual and in-person) format.

Appointment of Proxyholder

A proxyholder (“**Proxyholder**”) is a person designated to vote on behalf of a Registered Shareholder or a Beneficial Shareholder, in accordance with the voting instructions given by the Shareholder in their Form of Proxy or Voting Instruction Form. The persons whose names are printed in the enclosed Form of Proxy (sent to Registered Shareholders) or Voting Instruction Form (provided to Beneficial Shareholders) are officers or directors of the Company (the “**Management Proxyholders**”).

A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent them at the Meeting and may do so by striking out the names of the Management Proxyholders and inserting the desired Proxyholder’s name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A Proxyholder need not be a Shareholder.

Voting at the Meeting or By Proxy

Only Registered Shareholders as of August 9, 2023 (the “Record Date”) or duly appointed Proxyholders are permitted to vote in person at the Meeting. If a Beneficial Shareholder wishes to vote in person at the Meeting, the Beneficial Shareholder must appoint themselves as Proxyholder by writing their name in the space provided on the request for voting instructions or proxy provided by their Nominee and return the form to the Nominee in the envelope provided. Beneficial Shareholders intending to vote at the Meeting should not complete the voting section of the Voting Instruction Form as their vote will be taken at the Meeting.

Common Shares represented by a properly executed Voting Instruction Form or Form of Proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matters to be acted upon, the Common Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as Proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The Form of Proxy or Voting Instruction Form also gives discretionary authority to the person named therein as Proxyholder with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

Completion and Return of Proxy

Completed Forms of Proxy must be submitted electronically in accordance with the instructions thereon, or mailed to Computershare’s office at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

Whether submitted electronically or by mail, **in order to be counted at the Meeting, Forms of Proxy must be received before the proxy cutoff time of 2:00 PM (Pacific Time) on Tuesday, September 19, 2023, or**

in the case of adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the revised time of the adjourned or postponed Meeting. The Chair of the Meeting, in their sole discretion, has the authority to accept proxies that are received subsequent to the proxy cutoff time but there is no assurance that proxies received subsequent to the proxy cutoff time will be accepted.

Beneficial Shareholders

In accordance with securities regulatory policy, the Company has distributed copies of the relevant Meeting materials to Nominees for distribution to Beneficial Shareholders.

Nominees are required to forward the Meeting materials to Beneficial Shareholders to seek their voting instructions in advance of the Meeting. Common Shares held by Nominees can only be voted in accordance with the instructions of the Beneficial Shareholder. The Nominees often have their own form of proxy, mailing procedures, and provide their own return instructions. Beneficial Shareholders that wish to vote by proxy should carefully follow the instructions they receive from the Nominee holding their Common Shares to ensure that their Common Shares are properly voted at the Meeting.

As described above under “*Voting at the Meeting or By Proxy*”, Beneficial Shareholders that wish to vote at the Meeting in person should appoint themselves as Proxyholder by writing their name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided.

Non-Objecting Beneficial Owners

These Meeting materials are being sent to both Registered Shareholders and Beneficial Shareholders owning Common Shares in the capital of the Company. The Company is sending the Meeting materials directly to “non-objecting beneficial owners” (“**NOBOs**”) as defined under NI 54-101. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your NOBO holdings of Bear Creek securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee(s) holding your Common Shares on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee(s) holding your Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Objecting Beneficial Owners

The Company will bear the cost for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to “objecting beneficial owners” (“**OBOs**”), as defined under NI 54-101. As a result, OBOs will receive the Meeting materials from their respective Nominee and not the Company.

Revocability of Proxy

In addition to revocation in any other manner permitted by law, a Registered Shareholder, their attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the Company’s registered office, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Chair of the Meeting on the day of the Meeting.

Only Registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote should contact their respective Nominees to revoke their proxy on their behalf before the proxy cut-off time. See “Completion and Return of Proxy”, above.

Interest of Certain Persons in the Matters to be Acted Upon

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company’s last financial year, and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in the matters to be acted upon at the Meeting.

Voting Securities and Principal Holders Thereof

Persons who are Registered Shareholders at the close of business on the Record Date will be entitled to receive Notice of the Meeting and, other than the Excluded Shareholders, will be entitled to vote at the Meeting on the basis of one vote for each Common Share held.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to the Common Shares as of the date of this Circular, except the following:

Name	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Common Shares
Premier Gold Mines Limited	25,397,160	14.82%

FORWARD LOOKING INFORMATION

This Circular contains forward-looking statements regarding the Company’s debt, share issuances, future growth, results of operations, anticipated cash flows, performance, business prospects and opportunities involving the Company and completion of the issuance of the Note. Words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or similar expressions, are forward-looking statements within the meaning of securities laws. Forward-looking statements include, without limitation, the information concerning: the Company’s reliance on certain exemptions from the requirements of MI 61-101; the receipt of Shareholder Approval and the TSXV Approval; the conversion of outstanding Principal of the Note into Common Shares; the ability of the Company to meet the monthly interest payments and Principal repayment obligations under the Note; the reduction of debt service costs over the term of the Note; the voluntary repayment of any amount owed under the Note prior to the Maturity Date; the effect of the Note to reduce monthly interest and Principal repayments; and other statements regarding future plans, expectations, exploration potential, guidance, projections, objectives, estimates and forecasts as well as the Company’s expectations with respect to such matters.

These statements are not historical facts but instead represent management’s and the Board’s expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve known and unknown risks, assumptions, uncertainties, and other factors that may cause actual results or events to differ materially from what is expressed, implied or forecasted in such forward-looking statements. In addition to the factors and assumptions the Company currently believes to be material, such as, but not limited to: that the Note will be approved by the TSXV and the

Shareholders; that the Note will be issued as expected in the form set out in Schedule “B” hereto; and that the Company will be able to meet its payment obligations under the Note. Although management considers these assumptions to be reasonable based on information available to it, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions on which they are based do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the expectations expressed in them. These risk factors may be generally stated as the risk that the assumptions expressed above do not occur, but specifically include, without limitation, risks relating to general market conditions and the additional risks described in the Company’s latest Annual Information Form, and other disclosure documents filed by the Company on its SEDAR+ page. The foregoing list of factors that may affect future results is not exhaustive. Investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on behalf of the Company, except as required by law.

BUSINESS OF THE MEETING

To the knowledge of the Company’s directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and more particularly discussed below.

Overview

At the Meeting, Shareholders, other than the Excluded Shareholders, will be asked to consider and vote on the Note Resolution, as set out in Schedule “A” hereto, to approve the: (i) issuance of the Note; and (ii) creation of a new “Control Person” (as defined in the policies of the TSXV) of the Company, in the event that Premier’s exercise of the Conversion Right increases its ownership interest in the Company to greater than 20% of the issued and outstanding Common Shares. Issuance of the Note will satisfy the Company’s obligations regarding the Deferred Payment under the Mercedes SPA, as further described below.

The purpose of the Note is to improve the Company’s balance sheet by converting a US\$25 million current liability into a long-term obligation and reducing the Company’s debt service costs by an expected US\$540,000 per month over the next twelve months. The Company anticipates that the financial flexibility this provides will allow the Company to focus the cash flow from operations at Mercedes on increasing gold production and on growth initiatives at Mercedes and at the Company’s Corani silver project in Puno, Peru (“Corani”).

If Shareholder Approval for the Note is obtained at the Meeting and the TSXV Approval is obtained, the Company expects to complete the issuance of the Note in late September 2023.

Background of the Note

On April 21, 2022, the Company completed the Mercedes Acquisition from Premier, a wholly owned subsidiary of Equinox Gold. The Mercedes Acquisition was completed pursuant to the Mercedes SPA. Consideration under the Mercedes SPA included, in part, the Deferred Payment of US\$25 million which was due within six months of the date of closing of the Mercedes Acquisition, such date being October 21, 2022.

On October 24, 2022, Premier granted an extension and waiver to the Company in connection with the Deferred Payment extending the due date to October 26, 2022 to give Premier 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 and Premier entered into a Heads of Agreement 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 June 30, 2023, Premier and the Company settled the form of the Note and entered into an agreement whereby the Company has 85 days to hold a meeting of its Shareholders to obtain Shareholder Approval. In the event that Shareholder Approval is not obtained, the Note shall be of no force or effect and the Company's obligations regarding the Deferred Payment under the Mercedes SPA will remain in full force and effect, and any amounts paid by the Company in connection with the Deferred Payment, including any interest payments made since October 26, 2022, shall automatically be applied against the Deferred Payment.

Principal Terms of the Note

The following is a summary of some of the principal terms of the Note and is qualified in its entirety by the full text of the Note which is attached in Schedule "B" hereto.

The Note provides for the conversion of the Deferred Payment into a secured, convertible, interest bearing promissory note with a Principal amount of approximately US\$27 million. The Principal reflects the Deferred Payment less US\$1.4 million in prior payments plus approximately US\$3.4 million in accrued interest from October 26, 2022 to September 30, 2023. The Note will mature on the date that is five years following the date of issuance of the Note 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\$160,000 per month. The Note will be secured by first and second lien pledges on certain of the Company's equity interests (of which the first lien pledge is shared *pari passu* with certain security held by the Company's existing creditors).

In connection with the issuance of the Note, Premier and the Company intend to amend and restate their shareholder agreement dated April 21, 2022 such that, for so long as Premier owns at least 10% of the Common Shares, Premier shall have the right, subject to prior TSXV approval, to nominate one individual to the Board.

At any time at or prior to the Maturity Date, Premier may elect to convert the unpaid Principal into Common Shares at a Conversion Price per share equal to C\$0.73; such Conversion Price being 1.25 times the VWAP of the Common Shares on the TSXV for the 10 trading-day period ending on May 29, 2023.

Subject to the Conversion Right, the Company may elect to prepay any portion of the Note at any time after the second anniversary of the date of issuance of the Note and before the Maturity Date; provided that, if at the time of such voluntary prepayment, the Prepayment Price is greater than the Conversion Price, a top-up cash payment representing the option value calculated of the difference between these amounts (*i.e.*, the product of (i) the amount prepaid; multiplied by (ii) the difference between the Prepayment Price and the Conversion Price) shall be paid by the Company to Premier in addition to the Principal amount prepaid.

Recommendation and Approval of the Board of Directors

The proposed issuance of the Note and the terms thereof were reviewed and unanimously approved by the Board by resolutions passed on June 30, 2023. The Board considers the Note to be offered on commercially reasonable terms that it believes to be similar or better to terms the Company would reasonably expect if it obtained similar financing from a person dealing at arm's length with the Company. The Board's approval of the Note was based upon its assessment that, among other things, the restructuring of the Deferred Payment pursuant to the Note will: improve the Company's working capital position and reduce monthly interest and Principal repayments; provide the Company with the financial flexibility to better align debt repayments to production and cash flow trends; and allow the Company to better direct its exploration and development drilling programs at Mercedes.

Accordingly, after careful consideration, the Board has determined that the terms of the Note are fair to the Shareholders, other than the Excluded Shareholders, and the approval of the proposed issuance of the Note is in the best interest of the Company.

Reasons for the Recommendations and Approval

In reaching a conclusion that the Note is in the best interest of the Company and considers it to be fair to the Shareholders, other than the Excluded Shareholders, and in making their recommendations to the Shareholders, the Board considers and relied upon a number of factors, including that the Board considers the Note to be offered on commercially reasonable terms that it believes to be similar or better to terms the Company would reasonably expect if it obtained similar financing from a person dealing at arm's length with the Company. The Board's approval of the Note was based upon its assessment that, among other things, the restructuring of the Deferred Payment pursuant to the Note will improve the Company's working capital position and reduce monthly interest and Principal repayments and provide the Company with the financial flexibility to better align debt repayments to production and cash flow trends.

Note Resolution

At the Meeting, the Shareholders, other than the Excluded Shareholders, will be asked to consider and, if thought fit, approve the Note Resolution set out in Schedule "A" hereto.

Pursuant to MI 61-101 and the policies of the TSXV, the Note Resolution requires the approval of a simple majority of the holders of the Common Shares, other than such Common Shares beneficially owned, or over which control or direction is exercised by the Excluded Shareholders.

Securities Law Considerations

Approval of New Control Person

At any time at or prior to the Maturity Date, Premier may elect to exercise the Conversion Right to convert the unpaid Principal into Common Shares at the Conversion Price per share equal to C\$0.73; such Conversion Price being 1.25 times the VWAP of the Common Shares on the TSXV for the 10 trading-day period ending on May 29, 2023.

Premier's exercise of the Conversion Right in full would result in the issuance of approximately 48.78 million Common Shares which would represent approximately 22.2% of the resulting issued and outstanding Common Shares. Partial or full exercise of the Conversion Right may cause Premier to become a Control Person of the Company and would require the approval of disinterested shareholders of the Company. Following full exercise of Premier's Conversion Right, and assuming Premier does not dispose

of any of its currently held Common Shares, Premier's ownership percentage is anticipated to be approximately 74.17 million Common Shares or 33.7% of the then issued and outstanding Common Shares.

Convening a meeting of Shareholders to approve the creation of Equinox Gold, Premier, and/or any affiliates of Equinox Gold, as a Control Person would entail additional time and expense to the Company. Shareholders are therefore being asked to approve the creation of Equinox Gold, Premier, and/or any affiliates of Equinox Gold, as a Control Person, pursuant to the exercise of the Conversion Right or pursuant to future acquisitions of Common Shares and/or securities convertible into Common Shares by way of private placement or public offering, and will be asked to approve the Note Resolution, attached as Schedule "A" hereto, at the Meeting.

The policies of the TSXV require that this approval be obtained by ordinary resolution at a meeting of the Shareholders provided that the votes attached to Common Shares held by the new Control Person and its associates and affiliates are excluded from the calculation of any such approval. Therefore, the Note Resolution must be passed by a simple majority of votes cast by Shareholders who vote in person or by proxy at the Meeting, excluding the Excluded Shareholders.

MI 61-101

As a reporting issuer in Ontario and an issuer listed on the TSXV (and therefore subject to TSXV Policy 5.9 - *Protection of Minority Security Holders in Special Transactions*) the Company is subject to MI 61-101. MI 61-101 governs transactions that raise the potential for conflicts of interest. MI 61-101 is intended to regulate insider bids, issuer bids, business combinations and related party transactions to ensure equality of treatment among securityholders, generally by requiring enhanced disclosure, minority securityholder approval, and, in certain instances, independent valuations and approval and oversight of certain transactions by a special committee of independent directors. Under MI 61-101, a "related party" of an entity includes, among others, a control person of the entity, common directors, executive officers and shareholders holding over 10% of the voting rights attached to the voting securities of the issuer. Premier is a "related party" of the Company pursuant to MI 61-101 as it has beneficial ownership of, or control or direction over, directly or indirectly, securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding securities. The issuance of the Note will constitute a "related party transaction" under MI 61-101 because it is a transaction in which the Company materially amends the terms of an outstanding obligation owed to a related party and the Company will provide security for a liability of a related party.

Minority Approval Requirements

The Company is seeking Shareholder Approval in accordance with Section 5.6 of MI 61-101. In determining minority approval for a related party transaction, the Company is required to exclude the votes attached to Common Shares that, to the knowledge of the Company or any "interested party" or their respective directors and senior officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by "interested parties" and their "related parties" and "joint actors" (all as defined in MI 61-101). At the Meeting, the Common Shares held by the Excluded Shareholders will be excluded for the purposes of determining minority approval of the Note.

To the best of the Company's knowledge, approximately 25,397,160 Common Shares, representing approximately 14.82% of the Company's issued and outstanding Common Shares, are beneficially owned by Premier and its related parties, associates or affiliates as of the date hereof. Accordingly, the

25,397,160 Common Shares beneficially owned, or over which control or direction is exercised, by the Excluded Shareholders, will be excluded from the vote.

Formal Valuation

The Company is relying upon the exemption described in Section 5.5(b) of MI 61-101, which provides that an issuer is exempt from the formal valuation requirement if none of its securities are listed or quoted on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the AIM Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc. The Company will rely on the exemption contained in section 5.5(b) of MI 61-101 (Issuer Not Listed on Specified Markets) by virtue of the fact that: (i) the Common Shares are listed on the TSXV; (ii) the Common Shares are not listed on a stock exchange in the United States; and (iii) none of its securities are listed or quoted on any stock exchange outside of Canada and the United States, by virtue of the following orders and guidance of the relevant securities commissions.

The Common Shares trade on the Open Market (previously known as the Regulated Unofficial Market of the Frankfurt Stock Exchange or RUM), which is a stock exchange outside of Canada and the United States. However, the Company is relying guidance issued by the Canadian Securities Administrators that trading on the Open Market does not constitute a listing or quotation. The Common Shares are also listed on the Risk Capital Segment of the Lima Stock Exchange (Segmento de Capital de Riesgo de la Bolsa de Valores de Lima) in Peru (the “**Lima Exchange**”). However, the Company is relying on an order dated December 18, 2008 (2009 BCSECCOM 62) issued by the British Columbia Securities Commission, as principal regulator for the Company, and the Ontario Securities Commission, granting the Company an exemption to qualify as a “venture issuer” within the meaning of applicable securities laws, notwithstanding the Company’s listing on the Lima Exchange.

Prior Valuations

Neither the Company nor any of its officers or directors, after reasonable inquiry, are aware of any prior valuations or *bona fide* offers that have been completed or received by the Company in the past 24 months in respect of the Company that relate to the subject matter of or are otherwise relevant to the Note.

RISK FACTORS

Shareholders should carefully consider the following risks related to the Note and the Company. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the Company, may also adversely affect it and the Note. The following risk factors are not a definitive list of all risk factors associated with the Note and readers should review the risk factors below in conjunction with the additional risks described in the Company’s latest Annual Information Form, and other disclosure documents filed by the Company on its SEDAR+ page.

Required Shareholder Approval

In order to issue the Note, the Company requires that the Shareholders, not including the Excluded Shareholders, approve the Note Resolution as set out in Schedule “A” hereto. There can be no certainty, nor can the Company provide any assurance, that Shareholder Approval will be obtained. If Shareholder Approval is not obtained, the Company will not be able to issue the Note.

Failure to Obtain Required Regulatory Approvals

The completion of the issuance of the Note is conditional upon the receipt of the TSXV Approval. There can be no certainty that the Company will obtain the TSXV Approval.

Completion of the Issuance of the Note is Subject to the Satisfaction or Waiver of Several Conditions

The completion of the issuance of the Note is subject to a number of conditions precedent, some of which are outside of the control of the Company, including obtaining Shareholder Approval and the TSXV Approval, and the satisfaction of customary closing conditions. There can be no certainty, nor can the Company provide any assurance, that all conditions precedent to the Note will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. If the Note is not issued for any reason, there are risks that the announcement of the Note and the dedication of substantial resources of the Company to the completion thereof could have a negative impact on the Company and its affiliates' current business relationships (including with future and prospective employees, joint venture partners and other third parties) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Company. Furthermore, if the Note is not issued, the market price of the Common Shares may decline to the extent that such price reflects a market assumption that the Note will be issued. As a result, the business of the Company may suffer, and the Company will remain liable for significant accounting and legal costs related to the Note.

The Company may not Generate Cash Flow Sufficient to Fulfill its Obligations

The Company's ability to make payments and to fund their operations, working capital and capital expenditures, depends on their ability to generate cash in the future. The Company's cash flow is subject to general economic, industry, financial, competitive, operating, regulatory and other factors that are beyond the control of the Company. The Company's business may not generate cash flow in an amount sufficient to enable it to make the payments required by the Note, or to fund its other liquidity needs. The Company may need to refinance all or a portion of the Note on or before the Maturity Date. The Company's ability to refinance or obtain additional financing will depend on, among other factors, the Company's financial condition at the time, restrictions under any of the Company's debt or credit agreements and other factors, including the condition of the financial markets or the mining industry. As a result, the Company may not be able to refinance the Note, if necessary, on commercially reasonable terms, or at all. If the Company does not generate sufficient cash flow from operations and additional borrowings or refinancing or proceeds of asset sales are not available to The Company, the Company may not have sufficient cash to enable it to meet all of the Company's obligations, including payments on the Note.

Dilution of Common Shares upon Conversion

In that event that Premier elects to exercise its Conversion Right, this would have a dilutive effect on the Common Shares which may cause the market price of the Common Shares to decline. As a result, Shareholders may lose value on the investments they hold in Common Shares.

Failure to Complete the Issuance of the Note may Expose the Company to Significant Business and Legal Risks

If the Company does not obtain Shareholder Approval or TSXV Approval or for any other reason is unable to complete the issuance of the Note, the Company's obligations regarding the Deferred Payment under

the Mercedes SPA will remain in full force and effect. As at March 31, 2023 the Company had a working capital deficit of US\$60.0 million. The Company may be required to raise funds through the issuance of equity or by other means to meet its obligations in respect of repayment of the Deferred Payment under the Mercedes SPA. There can be no assurances that such funding will be available on commercially reasonable terms, or at all. If available, raising additional funds through the issuance of equity or debt instruments may be dilutive to existing shareholders. The Company may be subject to legal action if its obligations under the Mercedes SPA are not fulfilled.

Failure to Complete the Issuance of the Note may Negatively Impact the Company's relationship with Premier and Equinox Gold

If the issuance of the Note is not completed, this could have a negative impact on the current business relationship between the Company and Premier and could affect the ability of the Company to further advance the development of its mineral properties. To the extent alternative financing is required, such alternative financing may not be available when needed and on terms acceptable to the Company. Failure of the Company to secure such financing on reasonable terms could have a material and adverse effect on the business, financial condition, results of operations or prospects of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Note will be secured by first and second lien pledges on certain of the Company's equity interests (of which the first lien pledge is shared *pari passu* with certain security held by the Company's existing creditors). The Company's existing creditors include, amongst other entities, Sandstorm Gold Ltd. ("**Sandstorm**") and Nomad Royalty Company Ltd. (a subsidiary of Sandstorm). Messrs. Andrew Swarthout and Erfan Kazemi are directors of the Company, and are a director, and Chief Financial Officer, respectively of Sandstorm.

Other than Premier and Equinox Gold, management of the Company is not aware of any material interest, direct or indirect, of any director or executive officer of the Company, any person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any other "informed person" (as defined in NI 51-102) or any associate or affiliate of such persons, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected, or is reasonably expected to materially affect, the Company or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.bearcreekmining.com. Shareholders may contact the Company at (604) 685-6269 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial period, which are filed on SEDAR+ and on the Company's website.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented

thereby in accordance with their best judgment on such matter.

APPROVED BY THE BOARD OF DIRECTORS

s/ "Eric Caba"

Eric Caba, President and Chief Executive Officer

DATED this 9th day of August 2023.

SCHEDULE "A"
NOTE RESOLUTION

WHEREAS the Shareholders of Bear Creek Mining Corporation (the "Company"), excluding Premier Gold Mines Limited ("**Premier**") and any of its related parties, associates or affiliates, and any joint actors of the foregoing, wish to approve:

- (a) the issuance of a five year convertible promissory note (the "**Note**") to Premier to defer a US\$25 million current liability; and
- (b) the creation of a new Control Person (as such term is defined in the policies of the TSX Venture Exchange) of the Company,

as further described in the Company's management information circular dated August 9, 2023 (the "**Circular**").

BE IT RESOLVED that:

1. the issuance of the Note, the actions of the directors of the Company in approving the Note, and actions of the directors and officers of the Company in executing and delivering the Note, and any amendments, modifications or supplements thereto, and all transaction contemplated thereby, are hereby ratified, authorized and approved;
2. the creation of Equinox Gold Corp. ("**Equinox Gold**"), Premier, and/or any affiliates of Equinox Gold, as a new Control Person of the Company, as more particularly described in the Circular be and is hereby authorized and approved;
3. any officer or director (each an "**Authorized Signatory**") be and is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such Authorized Signatories determine may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing; and
4. Subject to the terms and conditions of the Note, notwithstanding the foregoing approvals, the directors of the Company be and are hereby authorized to exercise their discretion as directors to proceed or not to proceed with the Note and the transactions contemplated by the Note.

SCHEDULE "B"
FORM OF PROMISSORY NOTE

(See attached)

Secured Promissory Note

Dated [●], 2023

RECITALS:

- A. **WHEREAS** pursuant to a share purchase agreement dated as of December 16, 2021 (as amended, restated or otherwise modified, the “SPA”) between, *inter alios*, Bear Creek Mining Corporation (the “**Borrower**”) and Premier Gold Mines Limited (the “**Lender**”), the Borrower purchased all of the issued and outstanding shares (the “**Subsidiary Shares**”) of 1336991 B.C. Ltd. (the “**Subsidiary**”).
- B. **WHEREAS** pursuant to the SPA the Borrower promised to pay to the Lender an amount equal to US\$25,000,000 for the second cash payment of the purchase price, which amount was decreased by US\$1,400,000 in prior payments and increased by (i) US\$2,530,068 in accrued interest since October 26, 2022 to and including June 30, 2023 and (ii) US\$[892,274] in accrued interest from July 1, 2023 until the date hereof, for an aggregate outstanding amount of US\$[27,022,342]¹ (the “**Principal Amount**”) and this promissory note (as amended, restated or otherwise modified, this “**Note**”) serves as evidence of such promise.
- C. **WHEREAS** the Borrower has agreed to grant security in favour of the Lender (or a collateral agent on the Lender’s behalf) in connection with this Note.
- D. **WHEREAS** certain subsidiaries of the Borrower, being 2536062 Ontario Inc. (“**2536062**”), Mercedes Gold Holdings, S.A. de C.V. (“**MGH**”), Minera Mercedes Minerales S. de R.L. de C.V (the “**Mine Owner**”) and Bear Creek Mining S.A.C. (“**Bear Creek Peru**”) have agreed to guarantee the obligations of the Borrower to the Lender pursuant to the terms and conditions of this Note.
- E. **WHEREAS** the Borrower is also indebted to Sandstorm Gold Ltd. (“**Sandstorm**”), Nomad Royalty Company Ltd. (“**Nomad**”), and 1368445 B.C. Ltd. (“**1368445**”). Each of the Lender, Sandstorm, 1368445, and Nomad have agreed that the relative priority of the Borrower’s and Guarantors’ obligations and related mortgages, pledges or other security shall in all respects be determined by the terms and conditions of the amended and restated intercreditor agreement dated on or about the date hereof (as may be amended, restated, modified, supplemented or replaced from time to time, the “**Intercreditor Agreement**”) among Sandstorm (in its capacities as Collateral Agent, Sandstorm Holder and Sandstorm Purchaser (under and as defined in the Intercreditor Agreement)), Nomad (in its capacity as Nomad Stream Agent (under and as defined in the Intercreditor Agreement)), 1368445, the Lender, Premier Gold Mines (Cayman) Ltd. (“**Premier Cayman**”), the Borrower, 2536062, MGH and the Mine Owner.

NOW THEREFORE, in consideration of the foregoing promises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby agree as follows:

¹ NTD: to be updated as of the date of issuance.

1. **Defined Terms.**

Certain defined terms are set forth in Schedule A hereto. Capitalized terms used but not otherwise defined in this Note shall have the meanings given to them in the SPA.

2. **Principal.**The Borrower unconditionally promises to pay the Principal Amount and all interest accrued pursuant to Section 3 hereof by the date that is five years following the date hereof (the “**Maturity Date**”) by deposit to the Lender’s account set out in Schedule B hereto (the “**Account**”).

3. **Interest.**Subject to Section 4 hereof, interest on the outstanding principal balance of the Principal Amount shall accrue monthly from the date hereof at a nominal rate of interest equal to 7% per annum, and payable in full on the Maturity Date by deposit to the Account.

4. **Repayment.**The Borrower shall repay the outstanding principal to the Lender as follows:

- (a) commencing on the last day of the month following the month of issuance of this Note and on the last day of each month thereafter, the Borrower shall make monthly interest payments in an amount equal to USD\$[159,384]² to the Lender; and
- (b) on the Maturity Date, the Borrower shall repay to the Lender, in full the unpaid and outstanding principal together with all accrued and unpaid interest thereon.

5. **Conversion.**

The Lender may, at its election and in its sole discretion, upon delivery of a completed notice of conversion (the “**Conversion Notice**”) in the form attached hereto as Schedule I, at any time (including prior to a Change of Control) prior to the close of business on the Maturity Date convert that portion of the Principal Amount, after conversion into Canadian dollars in accordance with this Section 5, described in the Conversion Notice (the “**Principal Conversion Amount**”) into common shares in the authorized share structure of the Borrower (each, a “**Common Share**”) (without adjustment for interest accrued but unpaid hereon, which interest shall be paid to the Lender in cash) (a “**Lender Conversion**”) according to the formula and as indicated by the hypothetical example set out in Schedule I. Prior to a Lender Conversion, the Principal Conversion Amount shall be converted from United States dollars into Canadian dollars at an exchange rate equal to the Conversion Exchange Rate.

Notwithstanding any other provision in this Note, the Borrower shall in no case be required to issue fractional Common Shares. Any fractions will be rounded down to the next lower whole number, and a cash amount shall be payable by the Borrower to the Lender in lieu of any fractional Common Share upon the conversion of the Note, calculated based on the fractional amount (subject to any adjustments pursuant to Section 6 and Section 7) and the Conversion Price.

6. **Adjustment to Conversion Price.**

If and whenever the Borrower shall (i) subdivide or redivide the outstanding Common Shares into a greater number of Common Shares; (ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of Common Shares; (iii) issue any Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend, then the Conversion Price for the purposes of any Lender Conversion under Section 5 on and at any time after the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Common Shares

² NTD: to be updated as of the date of issuance.

by way of a stock dividend, as the case may be (and as a result of such adjustment, the corresponding number of Common Shares which may be acquired pursuant to such Lender Conversion), shall, subject to prior TSX Venture Exchange approval, except where such adjustment relate to a subdivision, redivision, reduction, combination or consolidation, be adjusted according to the following formula:

$$\text{Adjusted Conversion Price} = \frac{\text{Conversion Price multiplied by X}}{Y}$$

where:

- X = the number of Common Shares outstanding before such subdivision, redivision, reduction, combination, consolidation or dividend
- Y = the number of Common Shares outstanding after such subdivision, redivision, reduction, combination, consolidation or dividend

If a dispute shall at any time arise with respect to any adjustments of the Conversion Price or the number of Common Shares issuable upon a Lender Conversion, such disputes shall be conclusively determined by an independent auditor, which shall be a firm of Certified Public Accountants certified and licenced in Canada as may be selected by mutual agreement in writing between the Borrower and the Lender, acting reasonably, and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to this Section 6 or Section 7 and shall be binding upon the Borrower and the Lender.

7. Change of Control Adjustment.

If the Lender elects not to convert all or any portion of the Principal Amount upon a Change of Control, the conversion rights under this Note following such Change of Control will be adjusted to ensure that the Lender would receive, assuming conversion occurs immediately following such Change of Control, the kind and amount of shares and other securities or property, as applicable, which the Lender would have been entitled to receive if it had been the registered holder of the number of Common Shares upon such Change of Control that it would have received upon the full exercise of a Lender Conversion on the effective date of such Change of Control, with such adjustments to apply to any exercise by the Lender of a Lender Conversion thereafter.

8. **Seniority.** The obligations of the Borrower in respect of the Principal Amount and accrued and unpaid interest thereon from time to time will be senior to, and will rank in priority over all obligations outstanding to any vendor under an Acquisition consummated by the Borrower after the acquisition by the Borrower of the Subsidiary Shares from the Lender, and the Borrower will, at the Lender's request, obtain an acknowledgement of the Lender's priority and senior ranking from any such party, which may be in the form of a priority agreement or other written instrument satisfactory in both form and substance to the Lender. For greater certainty, the relative priority of the Borrower's obligations to each of the Lender, Sandstorm, 1368445, and Nomad shall be in all respects determined by the terms and conditions of the Intercreditor Agreement.

9. **Voluntary Prepayment and Top-Up Payment.** Subject to the Lender's right of conversion set out in Section 5, the Note Obligations may be prepaid, in whole or in part, by the Borrower at any time after the second anniversary of the date hereof and prior to the Maturity Date, together with accrued and unpaid interest thereon; provided that, if at the time of such voluntary prepayment, the volume weighted average price of the Common Shares for the 10-day period ending on the last trading day prior to the date of such prepayment (the "**Prepayment Price**") is greater than the Conversion Price (as defined below), a top-up cash payment (the "**Top-Up Payment**") equal to the amount calculated

pursuant to the formula in Schedule H attached hereto shall be paid by the Borrower to the Lender in addition to the principal amount prepaid.

10. **Security.**The Borrower agrees that its obligations under this Note (collectively, the “**Note Obligations**”), including, the repayment in full of the Principal Amount and all accrued interest thereon, will be secured by:
- (a) a first-ranking security interest (which shall be shared *pari passu* with Sandstorm and Nomad) over the issued and outstanding shares or other equity interests held by the Borrower, any Guarantor, or any subsidiary thereof, in the capital of the Mine Owner, including without limitation, pursuant to a pledge of equity interests governed by the laws of Mexico granted by each of the applicable Guarantors with respect to its shares in the capital of the Mine Owner; and
 - (b) a second-ranking security interest over the issued and outstanding shares or other equity interests held by the Borrower in the capital of Bear Creek Peru, including without limitation, pursuant to a pledge of equity interests governed by the laws of Peru granted by the Borrower with respect to its shares in Bear Creek Peru (the “**Subordinated Peru Share Pledge**”),

(collectively, the “**Note Security**”).

The property and assets charged by the Note Security shall hereinafter be referred to collectively as the “**Collateral**”. The Borrower shall use commercially reasonable efforts to have all Note Security in place as soon as practicable but in any event no later than the date that is 120 days from the date hereof, and all Note Security shall remain in place until the Borrower has performed all of the Note Obligations.

For greater certainty:

- (c) the Lender hereby acknowledges, confirms and agrees that its security interests pursuant to the Subordinated Peru Share Pledge shall in all respects rank subordinate to any security interests held by Sandstorm, 1368445, or Nomad encumbering the same collateral, and that the right of the Lender to receive payment of the Note Obligations shall in all respects be subject to the terms of the Intercreditor Agreement; and
 - (d) the Lender shall further subordinate its security under the Subordinated Peru Share Pledge in favour of (i) Sandstorm in the event of a subsequent financing by Sandstorm or (ii) another third party providing financing for the Corani Deposit, in each case, on commercially reasonable terms in connection with such financing.
11. **Representations and Warranties of the Borrower.**The Borrower hereby represents and warrants to the Lender as of the date hereof that:
- (a) the Borrower and each Guarantor (together, the “**Note Parties**” and each a “**Note Party**”) has been duly incorporated and organized under the laws of its jurisdiction of incorporation and is validly existing and is current and up-to-date with all filings required to be made under the laws of its jurisdiction of incorporation to maintain its corporate existence and has all requisite corporate power to carry on its business as now conducted and to own, lease or operate its property, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;

- (b) each Note Party and any representative signing on its behalf has full power and capacity to enter into each of this Note and the Note Security (collectively, the “**Note Documents**”) to which it is a party and to do all acts and things and execute and deliver all documents as are required hereunder or thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof, and each Note Party has taken all necessary corporate action to duly authorize the creation, execution, delivery and performance of each of the Note Documents to which it is a party and to observe and perform the provisions of such Note Documents in accordance with the provisions thereof;
- (c) upon the execution and delivery thereof, the Note Documents will create legal, valid and binding obligations of each Note Party that is party to them enforceable against each such Note Party in accordance with their respective terms;
- (d) the entry into and the performance of its obligations under each Note Document to which it is a party is in its best interests and for a proper purpose;
- (e) none of the execution and delivery of the Note Documents, the compliance by the Note Parties with the provisions of the Note Documents or the consummation of the transactions contemplated herein, does or will (i) require the Authorization, order or agreement of, or registration or qualification with, any Governmental Authority, court, stock exchange, securities regulatory authority or other Person, except those listed on Schedule C; (ii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which any Note Party is a party or by which it or any of its properties or assets is bound; or (iii) conflict with or result in any breach or violation of any provisions of, or constitute a default under the constating documents of any Note Party or any resolution passed by the directors (or any committee thereof) or shareholders of any Note Party, or any statute or any judgment, decree, order, rule, policy or regulation of any court, Governmental Authority, any arbitrator, stock exchange or securities regulatory authority applicable to any Note Party or any of the properties or assets thereof;
- (f) the corporate structure of the Note Parties and their subsidiaries is as set forth in Schedule D hereto. Except as set forth in Schedule D, none of the Note Parties own, beneficially or of record, or exercise control or direction over, any equity interests of any Person;
- (g) each Note Party is licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of any of its owned or leased properties or assets or the nature of the activities conducted by it make licensing, registration or qualification necessary and is carrying on the business thereof in compliance with all Applicable Laws of each such jurisdiction;
- (h) except as described in Schedule E, each Note Party has conducted and is conducting its business in compliance in all material respects with Applicable Law and possesses all required Authorizations necessary to carry on the business currently carried on by it, is in compliance in all respects with the terms and conditions of all such Authorizations, and none of the Note Parties has received any notice of the modification, revocation or cancellation of, any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such Authorization;
- (i) no Note Party has incurred any indebtedness for borrowed money or guaranteed the obligations of any Person, except as disclosed in Schedule F;

- (j) each Note Party has good and valid right, title and interest in and to all of its properties and assets, movable (personal) or immovable (real), free and clear of all Encumbrances, whether registered or unregistered, except Permitted Encumbrances, and no such properties or assets are subject to any earn-in right, right of first refusal, purchase, Acquisition or similar right, granted in favour of any Person, except Permitted Encumbrances;
- (k) no Note Party maintains, or has any obligation or liability in relation to, any pension plan;
- (l) except as described in Schedule E, there are no pending or threatened (in writing) legal actions or proceedings of any kind which could reasonably be expected to have a Material Adverse Effect;
- (m) except as described in Schedule G, there are no royalty obligations or similar obligations applicable to the properties of any Note Party, including but not limited to the property interests comprising the Mine;
- (n) no Note Party has approved entering into any agreement in respect of (i) the sale of any property of such Note Party, or assets or any interest therein or the sale, transfer or other disposition of any property of such Note Party, or assets or any interest therein currently owned, directly or indirectly, by such Note Party whether by asset sale, transfer of shares or otherwise, or (ii) any Change of Control;
- (o) none of the Note Parties has any liabilities, fixed or contingent, of the type required to be reflected as liabilities in financial statements prepared in accordance with IFRS, that are not reflected in the consolidated financial statements of the Borrower or in the notes thereto;
- (p) all Taxes, other than Contested Taxes, of each Note Party have been paid and all Tax returns, declarations, remittances and filings required to be filed by any Note Party have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings were, at the time of filing, complete and accurate in all respects and no fact or facts have been omitted therefrom which could make any of them misleading. There are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by any Note Party and no examination of any Tax return of any Note Party is currently in progress (save in respect of any issue, dispute or examination which the relevant Note Party (or Note Parties) is disputing in good faith and pursuant to appropriate proceedings diligently conducted);
- (q) except as described in Schedule E, (i) no Note Party is in material violation of any Environmental Laws including laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum by-products (collectively, “**Hazardous Materials**”) or the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials; (ii) each Note Party has all material Authorizations required under any applicable Environmental Laws and, each Note Party is in compliance with such Authorizations; (iii) there are no pending or threatened (in writing) administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against any Note Party; and (iv) there are no events or circumstances that could be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding

by any private party or Governmental Authority, against or affecting any Note Party relating to any Environmental Laws;

- (r) except as contemplated in Section 12(k), the assets of each Note Party and their respective businesses and operations are insured against loss or damage with insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, such coverage is in full force and effect, and no Note Party has failed to promptly give any notice of any claim thereunder. There are no claims by any Note Party under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights or similar clause;
- (s) no Note Party is in violation of any term of its constating documents. No Note Party is in violation of any term or provision of any agreement, indenture or other instrument applicable to it which could reasonably be expected to result in any Material Adverse Effect, and there is no action, suit, proceeding or investigation commenced, pending or threatened (in writing) which, either in any case or in the aggregate, could reasonably be expected to result in any Material Adverse Effect or which places, or could place, in question the validity or enforceability of this Note, or any document or instrument delivered, or to be delivered, by any Note Party pursuant hereto;
- (t) no Note Party is in default of any term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which any Note Party is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of an amount in excess of \$500,000 owing thereunder or which could reasonably be expected to have a Material Adverse Effect;
- (u) no Note Party has committed or commenced any act of bankruptcy, administration, liquidation, receivership, dissolution, winding-up, adjustment of debt, relief of debtors, is otherwise insolvent, has proposed a compromise or arrangement to its respective creditors generally, has had a petition or receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any proceedings with respect to a compromise or arrangement, has taken any proceedings to have a receiver appointed for any of its property or has had any execution or distress become enforceable or become levied against it or upon any of its property or assets;
- (v) except as described in Schedule E, there are no actions, suits, proceedings, inquiries or investigations existing, pending or threatened against or adversely affecting any Note Party or to which any of their properties or assets is subject, at law or equity, or before or by any Governmental Authority and no Note Party is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, in each case, except as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;
- (w) no Note Party and no director or officer, and to the best of the knowledge of the Note Parties after all due inquiry, no agent, employee or other Person acting on behalf of any Note Party has, in the course of its actions for, or on behalf of, any Note Party (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to

any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the *Corruption of Foreign Public Officials Act* (Canada), the *US Foreign Corrupt Practices Act of 1977*, or any other similar laws; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official, employee or other Person; and

- (x) no Note Party enjoys immunity from suit or execution in relation to its obligations under any Note Document to which it is a party.

12. **Covenants of the Borrower.** So long as any Note Obligations remain outstanding, the Borrower covenants and agrees with the Lender as follows:

- (a) the Borrower will duly and punctually pay or cause to be paid to the Lender all Note Obligations, including, without limitation, the Principal Amount, together with accrued and unpaid interest thereon, on the Maturity Date, at the places, in the currency and in the manner mentioned herein;
- (b) the Note Parties will at all times maintain their corporate existence, obtain and maintain all Authorizations required or necessary in connection with their business, the Mine and/or all of their property, assets and undertaking, observe and perform in all respect all their obligations under all Authorizations and to carry on and conduct their business and exploit the Mine in accordance with prudent mining industry standards;
- (c) they will keep or cause to be kept proper books of account and make or cause to be made therein true and complete entries of all of their dealings and transactions in relation to their businesses in accordance with IFRS, and at all times they will furnish or cause to be furnished to the Lender or its duly authorized representative, agent or attorney such information relating to their operations as the Lender may request and such books of account shall be open for inspection by the Lender or such representative, agent or attorney, upon reasonable prior notice (unless an Event of Default is continuing, in which case no prior notice shall be required) and during regular business hours in the location of the requested information (unless an Event of Default is continuing, in which case the Lender will be entitled to conduct such inspection at any time);
- (d) they will (at the Borrower's cost and expense) provide the Lender and its representatives or any agent or attorney thereof reasonable access to all its properties (including the Mine), assets and books and records, upon reasonable prior notice and during regular business hours (unless an Event of Default exists and is continuing in which case no prior notice is required and the Lender will have access at any time);
- (e) the Borrower will and will cause each other Note Party to diligently pursue, in all respects, all mining and related activities in respect of the Mine;
- (f) the Borrower will and will cause each other Note Party to diligently pursue all requisite Authorizations for the transactions contemplated herein;
- (g) the Borrower will and will cause each other Note Party to ensure that each item of the Note Security will at all times constitute valid and perfected first ranking security on all of the Collateral, in accordance with their terms, subject only to Permitted Encumbrances, and at all times take all actions necessary or requested by the Lender to create, perfect and

maintain the Encumbrances granted pursuant to the Note Security as perfected first ranking security over the Collateral, subject only to Permitted Encumbrances;

- (h) the Borrower will and will cause each other Note Party to duly and punctually perform and carry out all of the covenants and acts or things to be done by them as provided in this Note and each of the other Note Documents;
- (i) the Borrower will and will cause each other Note Party to comply, and conduct their business in such a manner so as to comply in all material respects with all Applicable Law, including all Environmental Law (including, without limitation, laws relating to the release or threatened release of Hazardous Materials and the manufacture, processing distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials) and Authorizations;
- (j) the Borrower shall promptly, and in any event no later than two Business Days after the Borrower obtains knowledge thereof, deliver written notice to the Lender of the occurrence of: (i) any material environmental accident or spill affecting any Note Party or the Mine or (ii) any other condition, event or circumstance that results in material non-compliance by any Note Party or the Mine with any Environmental Law or Authorizations;
- (k) from and at all times after the date that is 6 months following the date hereof, the Borrower will and will cause each other Note Party to (i) maintain policies of insurance with carriers and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Note Parties operate and otherwise on terms and in such amounts as may be acceptable to the Lender, acting reasonably; and (ii) on an annual basis and/or at any other time, promptly at the request of the Lender, deliver to the Lender evidence of and all certificates and reports prepared in connection with such insurance;
- (l) the Borrower will and will cause each other Note Party to promptly notify the Lender in writing upon becoming aware of: (i) any Event of Default, or (ii) any suit, proceeding or governmental investigation pending or threatened or any notification of any challenge to the validity of any Authorization, relating to the Note Parties, the Mine or any of the Collateral;
- (m) the Borrower will and will cause each other Note Party to maintain, preserve and protect or cause to be maintained, preserved and protected the Collateral and the Mine in accordance with prudent mining industry standards (and in the case of tangible Collateral, in good condition subject to normal wear and tear);
- (n) the Borrower will and will cause each other Note Party to timely file all Tax returns as and when required pursuant to Applicable Law and pay and discharge or cause to be paid and discharged, promptly when due, all Taxes imposed upon them or in respect of the Mine or any of the Collateral or upon the income or profits therefrom as well as all claims of any kind (including claims for labour, materials, supplies and rent) which, if unpaid, might become an Encumbrance thereupon; provided however, that they shall not be required to pay or cause to be paid any such Tax if the amount, applicability or validity thereof shall concurrently be contested in good faith by appropriate proceedings diligently conducted;
- (o) the Borrower will and will cause each other Note Party to cause all necessary and proper steps to be taken diligently to protect and defend the Mine and the Collateral and the

proceeds thereof against any adverse claim or demand, including without limitation, the employment or use of counsel for the prosecution or defence of litigation and the contest, settlement, release or discharge of any such claim or demand; and

- (p) if, after the date hereof, the Lender, through information received from any Governmental Authority or any other Person as a result of a request for information delivered by or on behalf of the Lender or otherwise, identifies any material adverse condition or circumstance relating to any Note Party or the Mine, each Note Party shall take all steps as may be required by the Lender to remedy any such adverse condition or circumstance to the satisfaction of the Lender.

13. **Information Rights.** So long as any Note Obligations remain outstanding, the Borrower shall furnish the Lender with the following information and access rights:

- (a) no later than 15 Business Days following the last day of each calendar month, provide the Lender with consolidated monthly financial and operational reports, standard monthly costs, operating reports and a forecast report for the balance of the current calendar year, including a comparison of reported consolidated operating results and cash flows to the most recently furnished forecast report, in the form agreed with the Lender from time to time, and such other information with respect to the Note Parties as the Lender may request; and
- (b) reasonable access to the Mine site, Mine site personnel and books and records, should the Lender wish to conduct a site visit of the Mine and/or to review and/or discuss operating results relating to the Mine with Mine personnel or management of the Borrower or the Subsidiary.

14. **Covenants Regarding Note Parties.** So long as any Note Obligations remain outstanding, the Borrower hereby covenants and agrees with the Lender that, except with prior written consent of the Lender, none of the Note Parties will:

- (a) directly or indirectly issue, incur, assume or otherwise become liable for or in respect of any indebtedness for borrowed money or guarantee the obligations of any other Person other than Permitted Indebtedness;
- (b) directly or indirectly create, incur, assume, permit or suffer to exist any Encumbrance against any of their properties or assets, including, without limitation, the Mine, or any of the Collateral, other than Permitted Encumbrances;
- (c) convey, sell, lease, assign, transfer or otherwise dispose of (i) any of their properties or assets other than pursuant to a Permitted Disposal or (ii) directly or indirectly, any interest in the Borrower or any other Note Party;
- (d) directly or indirectly consummate, agree to consummate or take any steps to consummate any Acquisition, except with the prior written consent of the Lender;
- (e) enter into or amend, modify, vary or terminate any material contract, or Authorization now or hereafter held by any of the Note Parties in a manner which could reasonably be expected to have a Material Adverse Effect;

- (f) enter into any scheme for the reconstruction or reorganization of it or any of its subsidiaries or for the consolidation, amalgamation, merger, arrangement or similar transaction of it or any of its subsidiaries with or into any other Person, except for any such transaction involving only the Borrower and one or more of its subsidiaries, and provided that (i) the Borrower is a surviving entity of such transaction and, (ii) if requested by the Lender, the Borrower and any Guarantor (or any successor entity thereof) which is surviving entity enters into a confirmation of the Note Obligations and/or the obligations under the Note Security of such surviving entity and any of its predecessors;
- (g) make any payment, repayment, prepayment on, purchase, redeem, or otherwise acquire or retire for value, prior to any scheduled final maturity, any indebtedness for borrowed money other than the Note Obligations;
- (h) purchase, redeem, retire, repurchase and cancel or otherwise acquire for cash any equity interest in the capital of the Borrower;
- (i) make any change to their constating documents in a manner that adversely affects the interests of the Lender, or any Encumbrance granted to the Lender under the Note Security;
- (j) change the name of any Note Party without the prior written approval of the Lender, which approval shall not be unreasonably withheld or delayed;
- (k) allow any Note Party (other than the Borrower) to cease to be a direct or indirect wholly-owned subsidiary of the Borrower;
- (l) declare, make, provide for or pay any dividend or other distribution on the shares or other equity interests in its capital stock, except for distributions by any subsidiary of the Borrower to the Borrower;
- (m) make any payment in relation to any shareholder loan or other indebtedness to any non-arm's-length party or enter into any transaction with any non-arm's-length party;
- (n) make any payment to any shareholder or its affiliates unless such payment is expressly permitted hereunder;
- (o) provide any financial assistance to any Person other than the Lender;
- (p) enter into or become party or subject to any dissolution, winding-up, reorganization, arrangement or similar transaction or proceeding;
- (q) engage in the conduct of any business other than the business of such Note Party as existing on the date of this Note or in businesses reasonably related thereto on a basis consistent with the conduct of such business as conducted on the date of this Note; or
- (r) maintain, or have any obligation or liability in relation to, any pension plan.

15. **Events of Default.** So long as any Note Obligations remain outstanding, if any of the following events shall occur (collectively, the “**Events of Default**” and each an “**Event of Default**”):
- (a) the Borrower shall fail to pay any of the principal amount, together with all accrued interest, owing under this Note when due, and such failure shall continue unremedied for a period of 5 days;
 - (b) the Borrower shall fail to observe or perform any of the obligations under the Note Security or the SPA, and such failure shall continue unremedied for a period of 30 days;
 - (c) any representation, warranty or statement made by or on behalf of the Borrower to the Lender in the Note Security or the SPA is untrue in any material respect when made;
 - (d) the Borrower becomes insolvent or bankrupt, or makes or files a proposal, a notice of intention to make a proposal or an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement Act* (Canada) or other comparable legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Borrower; or, if proceedings are initiated under any legislation by or against the Borrower seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
 - (e) a receiver, trustee, custodian or other similar official is appointed with respect to the Borrower or any material part of its property;
 - (f) any Person holding an Encumbrance with respect to any material part of the Borrower’s property takes possession of all or any material part of the Borrower’s property, or a distress, execution or other similar process is levied against all or any material part of the Borrower’s property;
 - (g) the Borrower challenges or threatens to challenge the validity or enforceability of this Note, the Note Security or the SPA;
 - (h) any Encumbrance purported to be created by the Note Security shall cease to be, or shall be asserted by the Borrower not to be, a valid, perfected, first priority, Encumbrance,
 - (i) an Event of Default under the (i) convertible debenture dated as of December 16, 2021 (the “**Sandstorm Debenture**”) between the Borrower and Sandstorm or (ii) gold purchase agreement dated as of December 16, 2021, as amended by amendment agreement dated as of May 11, 2023 (the “**Sandstorm GPA**”) between the Borrower and Sandstorm (in each case, as may be further amended, restated, modified, supplemented or replaced from time to time);
 - (j) an Event of Default under the third amended and restated purchase and sale agreement dated as of April 21, 2022 between Premier Cayman, Nomad and certain other purchasers from time to time party thereto (as may be amended, restated, modified, supplemented or replaced from time to time, the “**Nomad Stream Agreement**”); or
 - (k) an Event of Default under the promissory note dated July 28, 2022, for a principal amount of US\$5,000,000 plus interest owing thereunder, granted by the Borrower in favour of 1368445 by way of assignment of debt and security dated April 27, 2023 among the Borrower, as borrower, Bear Creek Peru, as guarantor, 1368445, as assignee, and Auramet

International, Inc. (as successor-in-interest to Auramet International, LLC), as assignor (as may be amended, restated, modified, supplemented, replaced or assigned from time to time, the “**1368445 Note**”).

then, (A) and at any time thereafter during the continuance of such Event of Default, the Lender may by notice to the Borrower declare any and all Note Obligations then outstanding, including but not limited to the principal and any accrued interest then outstanding, to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal so declared to be due and payable, together with accrued interest thereon, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower, except as set out earlier in this paragraph, and (B) in the case of any Event of Default described in subparagraphs (d), (e) and (f) of this Section 15, the Note Obligations then outstanding shall automatically become due and payable or deliverable, as the case may be, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

16. **Conditions Subsequent.** Within the applicable period specified below, each of the following conditions subsequent shall have been satisfied or waived in writing by the Lender:

- (a) within 3 days of the date hereof, the Lender, shall have received the following documentation or evidence of satisfaction of the relevant condition, as applicable, in form and substance satisfactory to the Lender:
 - (i) all of the representations and warranties of the Note Parties contained herein or in any other Note Document are true and correct on and as of the date hereof as though made on and as of such date, and the Lender has received a certificate of an officer of the Borrower so certifying to the Lender;
 - (ii) all of the covenants and agreements of each of the Note Parties contained herein or in any other Note Document required to be fulfilled or satisfied on or before the date hereof have been so fulfilled or satisfied, and the Lender has received a certificate of an officer of the Borrower so certifying to the Lender;
 - (iii) no Event of Default has occurred and is continuing, and the Lender has received a certificate of an officer of the Borrower so certifying to the Lender;
 - (iv) no event or circumstance shall have occurred or exist as of the date hereof that could be expected to have a Material Adverse Effect and there shall be no pending or threatened (in writing) litigation, proceedings or investigations which could be expected to have a Material Adverse Effect; and
 - (v) the Lender has received payment of all fees and all costs and expenses which have been incurred and are payable by the Borrower to the Lender on or prior to the date hereof;
- (b) 120 days of the date hereof (the “**CS Satisfaction Date**”), the Lender shall have received the following documentation or evidence of satisfaction of the relevant condition, as applicable, in form and substance satisfactory to the Lender:
 - (i) duly executed copies of the Note Security and any other Note Documents;

- (ii) customary search reports as the Lender may require;
- (iii) certificates of status or other similar type of evidence of existence for each of the Note Parties from all relevant jurisdictions;
- (iv) certified copies of the constating documents of each of the Note Parties;
- (v) certified copies of directors' resolutions for each of the Note Parties with respect to its authorization, execution and delivery of the Note Documents to which it is a party and the performance of all its obligations thereunder;
- (vi) certificates of a director, managing partner or authorized officer, as applicable, of each of the Note Parties, in each case providing customary certifications including certifying the names and the true signatures of the officers authorized to sign the Note Documents to which it is a party;
- (vii) all requisite Authorizations and regulatory approvals to the transactions contemplated herein, including the third-party consents and approvals listed in Schedule C;
- (viii) releases, discharges and postponements (in registrable form where appropriate) covering all Encumbrances affecting any of the Collateral secured by the Note Security which are not Permitted Encumbrances;
- (ix) evidence that all Encumbrances granted pursuant to the Note Documents have been duly perfected and registered in all relevant jurisdictions as required by the Lender and the Lender's legal counsel;
- (x) there shall be no other Encumbrances whatsoever attaching to the Collateral, other than Permitted Encumbrances;
- (xi) all of the representations and warranties of the Note Parties contained herein or in any other Note Document are true and correct on and as of the CS Satisfaction Date as though made on and as of such date, and the Lender has received a certificate of an officer of the Borrower so certifying to the Lender;
- (xii) all of the covenants and agreements of each of the Note Parties contained herein or in any other Note Document required to be fulfilled or satisfied on or before the CS Satisfaction Date have been so fulfilled or satisfied, and the Lender has received a certificate of an officer of the Borrower so certifying to the Lender;
- (xiii) no Event of Default has occurred and is continuing as of the CS Satisfaction Date, and the Lender has received a certificate of an officer of the Borrower so certifying to the Lender;
- (xiv) the Lender has received payment of all fees and all costs and expenses which have been incurred and are payable by the Borrower to the Lender on or prior to the CS Satisfaction Date;
- (xv) no event or circumstance shall have occurred or exist as of the CS Satisfaction Date that could be expected to have a Material Adverse Effect and there shall be

no pending or threatened (in writing) litigation, proceedings or investigations which could be expected to have a Material Adverse Effect; and

- (xvi) such other conditions subsequent (including the delivery of such documents, certificates, opinions and agreements) as the Lender may require based on its due diligence review.

17. **Guarantee.** Each of the Guarantors agrees to guarantee the Note Obligations as follows:

- (a) Capitalized words and phrases used in this Guarantee (as defined below) without express definition herein shall, unless something in the subject matter or context is inconsistent therewith, have the same defined meanings as are ascribed to such words and phrases in the Note. In addition, in this Section 17, unless something in the subject matter or context is inconsistent therewith:

“**Default Rate**” means a rate per annum that is equal to the rate of interest applicable to the Note Obligations pursuant to Section 3 plus 5.0% per annum.

“**Guarantee**” means the guarantee set forth in this Section 17, as amended, modified, supplemented or restated from time to time.

- (b) Each Guarantor hereby unconditionally and irrevocably guarantees to the Lender the payment and performance of all of the Note Obligations, together with interest thereon as provided in Section 17(o).
- (c) If any or all of the Note Obligations are not duly paid or performed by the relevant Note Parties and are not recoverable under Section 17(b) for any reason whatsoever, each Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Lender from and against all losses resulting from the failure of the relevant Note Parties to pay and perform such Note Obligations.
- (d) If any or all of the Note Obligations are not duly paid or performed by the relevant Note Parties and are not recoverable under Section 17(b) or the Lender is not indemnified under Section 17(c), in each case, for any reason whatsoever, such Note Obligations shall, as a separate and distinct obligation, be recoverable by the Lender from each Guarantor as the primary obligor and principal debtor in respect thereof and shall be paid to the Lender forthwith after demand therefor as provided herein.
- (e) The liability and obligations of each Guarantor hereunder shall be continuing, unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, limited or otherwise affected by:
 - (i) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any Note Obligation, security, person or otherwise, including any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release of any of the Note Obligations, covenants or undertakings of the Borrower or any other Note Party under the Note Documents;
 - (ii) any modification or amendment of or supplement to the Note Obligations;

- (iii) any loss of or in respect of any security held by the Lender, whether occasioned by the fault of the Lender or otherwise, including any release, non perfection or invalidity of any such security;
- (iv) any change in the existence, structure, constitution, name, control or ownership of the Borrower, any other Note Party or any other person, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower, any other Note Party or any other person or their respective assets;
- (v) the existence of any set off, counterclaim, claim or other right which such Guarantor, the Borrower or any other Note Party may have at any time against the Lender or any other person, whether in connection with this Note, the Guarantee or any unrelated transaction;
- (vi) any provision of applicable law purporting to prohibit or limit the payment by the Borrower or any other Note Party of any Note Obligation, and the foregoing is hereby waived by such Guarantor to the extent permitted under applicable law;
- (vii) any limitation, postponement, prohibition, subordination or other restriction on the right of the Lender to payment of the Note Obligations;
- (viii) any release, substitution or addition of any other guarantor of the Note Obligations;
- (ix) any defence arising by reason of any failure of the Lender to make any presentment, demand, or protest or to give any other notice, including notice of all of the following: acceptance of this Guarantee, partial payment or non payment of all or any part of the Note Obligations and the existence, creation, or incurring of new or additional Note Obligations;
- (x) any defence arising by reason of any failure of the Lender to proceed against the Borrower, any other Note Party or any other person, or to apply or exhaust any security held from the Borrower, any other Note Party or any other person for the Note Obligations, to proceed against, apply or exhaust any security held from such Guarantor or any other person, or to pursue any other remedy available to the Lender;
- (xi) any defence arising by reason of the invalidity, illegality or lack of enforceability of the Note Obligations or any part thereof or of any security or guarantee in support thereof, or by reason of any incapacity, lack of authority, or other defence of the Borrower, any other Note Party or any other person, or by reason of any limitation, postponement or prohibition on the Lender's rights to payment, or the cessation from any cause whatsoever of the liability of the Borrower, any other Note Party or any other person with respect to all or any part of the Note Obligations (other than irrevocable payment to the Lender in full, in cash, of the Note Obligations), or by reason of any act or omission of the Lender or others which directly or indirectly results in the discharge or release of the Borrower, any other Note Party or any other person or of all or any part of the Note Obligations or any security or guarantee therefor, whether by contract, operation of law or otherwise;

- (xii) any defence arising by reason of the failure by the Lender to obtain, register, perfect or maintain an Encumbrance in or upon any property of the Borrower, any other Note Party or any other person, or by reason of any interest of the Lender in any property, whether as owner thereof or as holder of an Encumbrance therein or thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment of any right or recourse to collateral;
- (xiii) any defence arising by reason of the failure of the Lender to marshal assets;
- (xiv) to the extent permitted under applicable law, any defence based upon any failure of the Lender to give to the Borrower, or any Note Party or such Guarantor notice of any sale or other disposition of any property securing any or all of the Note Obligations or any other guarantee thereof, or any notice that may be given in connection with any sale or other disposition of any such property;
- (xv) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Borrower, any other Note Party or any other person, including any discharge or bar against collection of any of the Note Obligations; or
- (xvi) any other law, event or circumstance or any other act or failure to act or delay of any kind by the Borrower, any other Note Party, the Lender or any other person, which might, but for the provisions of this Section, constitute a legal or equitable defence to or discharge, limitation or reduction of such Guarantor's obligations hereunder, other than as a result of the payment or extinguishment in full of the Note Obligations.

The foregoing provisions apply and the foregoing waivers, to the extent permitted under applicable law, shall be effective even if the effect of any action or failure to take action by the Lender is to destroy or diminish any Guarantor's subrogation rights, any Guarantor's right to proceed against the Borrower or any other Note Party for reimbursement, any Guarantor's right to recover contribution from any other guarantor or any other right or remedy of any Guarantor.

- (f) The Lender, without releasing, discharging, limiting or otherwise affecting in whole or in part any Guarantor's liability and obligations hereunder, may:
 - (i) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower, any other Note Party or any other guarantor or endorser;
 - (ii) take or abstain from taking security or collateral from the Borrower, any other Note Party or any other guarantor or endorser or from perfecting security or collateral of the Borrower or any other guarantor or endorser;
 - (iii) accept compromises from the Borrower, any other Note Party or any other guarantor or endorser;
 - (iv) subject to the Note Documents, apply all money at any time received from the Borrower, any other Note Party or from security upon such part of the Note Obligations as the Lender may see fit or change any such application in whole or in part from time to time as the Lender may see fit; or

- (v) otherwise deal with the Borrower, any other Note Party and all other persons and security as the Lender may see fit.
- (g) The Lender shall not be bound or obligated to exhaust their recourse against the Borrower, any other Note Party or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 17(l)) before the Lender shall be entitled to demand, enforce and collect payment from a Guarantor hereunder.
- (h) Any account settled or stated in writing by or between the Lender and the Borrower or other relevant Note Party shall be *prima facie* evidence that the balance or amount thereof appearing due to the same is so due.
- (i) In any claim by the Lender against a Guarantor hereunder, such Guarantor shall not claim or assert any set off, counterclaim, claim or other right that the Borrower, any other Note Party or such Guarantor may have against the Lender.
- (j) This Guarantee shall be a continuing guarantee and shall continue to be effective even if at any time any payment of any of the Note Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Lender for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Borrower or any other Note Party), all as though such payment had not been made.
- (k) If at any time, all or any part of any payment previously received by the Lender and applied to any Note Obligation must be rescinded or returned by the Lender for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Borrower or any other Note Party), such Note Obligation shall, for the purpose of this Guarantee, to the extent that such payment must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Note Obligation as though such application by the Lender had not been made.
- (l) The Lender shall be entitled to make demand upon a Guarantor at any time during the continuance of an Event of Default and upon any such demand the Lender may treat all Note Obligations as due and payable and may forthwith collect from such Guarantor all Note Obligations. Each Guarantor shall make payment to or performance in favour of the Lender of all Note Obligations forthwith after demand therefor is made upon such Guarantor by the Lender as aforesaid.
- (m) If acceleration of the time for payment of any amount payable by the Borrower or any other Note Party in respect of the Note Obligations is stayed upon the insolvency, bankruptcy, arrangement or reorganization of the Borrower or such other Note Party or any moratorium affecting the payment of the Note Obligations, all such amounts that would otherwise be subject to acceleration shall nonetheless be payable by each Guarantor hereunder forthwith on demand by the Lender.
- (n) Each Guarantor shall pay to the Lender all reasonable out-of-pocket costs and expenses, including all reasonable legal fees (on a solicitor and his own client basis) and other expenses incurred by the Lender from time to time in the enforcement, realization and collection of or in respect of this Guarantee. All such amounts shall be payable by a Guarantor on demand by the Lender.

- (o) Any payment obligation comprised in the Note Obligations guaranteed hereunder which is not paid by a Guarantor when due hereunder shall bear interest, both before and after default or judgment, from the date of demand pursuant to Section 17(l) to the date of payment at the Default Rate. Any other amounts payable pursuant hereto, including pursuant to Section 17(n), which are not paid when due hereunder shall bear interest, both before and after default or judgment, from the date of demand pursuant to Section 17(l) to the date of payment or reimbursement thereof by such Guarantor at a rate per annum that is equal to the Default Rate. All such interest shall accrue daily and shall be payable by a Guarantor on demand by the Lender.
- (p) Until all the Note Obligations have been irrevocably paid in full in cash no Guarantor shall have any right of subrogation to and each Guarantor waives, to the fullest extent permitted by applicable law, any right to enforce any remedy which the Lender now has or may hereafter have against the Borrower or any other Note Party in respect of the Note Obligations and until such time each Guarantor waives any benefit of and any right to participate in any security now or hereafter held by the Lender for the Note Obligations. If (i) a Guarantor performs or makes payment to the Lender of all amounts owing by such Guarantor under this Guarantee and (ii) the Note Obligations are performed and irrevocably paid in full then the Lender will, at such Guarantor's request, execute and deliver to such Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to such Guarantor of the Lender's interest in the Note Obligations and any security held therefor resulting from such performance or payment by such Guarantor.
- (q) Each Guarantor hereby waives promptness, diligence, presentment, demand of payment, notice of acceptance and any other notice with respect to this Guarantee and the obligations guaranteed hereunder, except for the demand pursuant to Section 17(l).
- (r) This Guarantee shall enure to the benefit of the respective successors and permitted assigns of the Lender and be binding upon the successors of each Guarantor.
- (s) The Guarantors shall make payment relative to each Note Obligation in the currency (the "**original currency**") in which the Borrower is required to pay such Note Obligation. If a Guarantor makes payment relative to any Note Obligation to the Lender in a currency (the "**other currency**") other than the original currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment shall constitute a discharge of the liability of such Guarantor hereunder in respect of such Note Obligation only to the extent of the amount of the original currency which the Lender is able to purchase with the amount of other currency they receive on the date of receipt in accordance with normal practice. If the amount of the original currency which the Lender is able to purchase is less than the amount of such currency originally due in respect of the relevant Note Obligation, such Guarantor shall indemnify and save the Lender harmless from and against any loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Guarantee, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Lender and shall continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order. A certificate of the Lender as to any such loss or damage shall constitute *prima facie* evidence thereof, in the absence of manifest error.

- (t) No failure on the part of the Lender to exercise and no delay in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
 - (u) Any provision of this Guarantee may be amended, waived or a consent given in respect thereof with the concurrence of the Guarantors and the Lender. Any waiver and any consent by the Lender under any provision of this Guarantee must be in writing signed by the Lender and may be given subject to any conditions thought fit by the Lender. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.
 - (v) This Guarantee is in addition and without prejudice to any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Lender and any other rights or remedies the Lender might have.
 - (w) The rights of the Lender under this Guarantee may be assigned by the Lender to any assignee or all or any part of the Note Obligations and without the consent of the Borrower or the Guarantors. No Guarantor may assign its obligations under this Guarantee.
 - (x) Each Guarantor is fully aware of the financial condition of the Borrower and the other Note Parties and acknowledges that it shall receive a benefit from the Lender entering into the Note Documents. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and the other Note Parties' financial condition and assets, and of all other circumstances bearing upon the risk of non payment or non performance of the Note Obligations and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and agrees that the Lender shall not have a duty to advise such Guarantor of information known to any of them regarding such circumstances or risks.
 - (y) Each Guarantor hereby acknowledges receipt of a true and complete copy of the other Note Documents and all of the terms and conditions thereof.
18. **Payment of Fees.** The Borrower will pay for the Lender's reasonable and documented legal fees (on a solicitor and own-client basis) and all other reasonable and documented costs, charges and expenses (including all due diligence expenses) of and incidental to the preparation, execution and completion of this Note and the other Note Documents (including notaries' and translator's fees where such notarial and translation services are customarily required), and all amendments thereto, and as may be required by the Lender or the Lender's legal counsel to complete or facilitate the transactions contemplated herein, including but not limited to technical consulting and other due diligence and ongoing compliance and monitoring costs. The Borrower further covenants and agrees to pay all of the Lender's legal fees (on a solicitor and own-client basis) and all other costs, charges and expenses of and incidental to the recovery of all amounts owing hereunder, including but not limited to those incurred in connection with any enforcement or realization proceedings under or in connection with this Note and/or any of the other Note Documents, including the Note Security. All amounts referred to herein will be payable upon demand. If not paid within three Business Days of demand, all such amounts shall accrue interest at the rate set forth in Section 3 from the date of demand.
19. **Governing Law.** This Note shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in that Province. The Borrower waives presentment for payment, notice of dishonour, protest and notice of protest in respect of this

Note. This Note shall become effective when it has been executed and delivered. Time shall be of the essence in this Note in all respects. This Note constitutes the entire agreement of the parties pertaining to the indebtedness evidenced by this Note.

20. **Confidentiality.** The Lender agrees that it shall maintain as confidential and shall not disclose, and shall cause its affiliates, employees, officers, directors, advisors, agents and representatives to maintain as confidential and not to disclose, any information (whether written, oral or in electronic or other format) received, reviewed, or observed by the Lender from the Borrower or Guarantors, their affiliates, employees, officers, directors, advisors, agents or representatives as a result of or in connection with the financial reporting, site inspections, or other reporting made available by the Borrower pursuant to this Note (such information referred to herein as “**Confidential Information**”), except the Lender may disclose Confidential Information:
- (a) to its professional advisors, including legal counsel, provided each person to whom the Confidential Information is disclosed agreed to be bound by these terms of confidentiality (or is bound by such professional obligation to maintain confidentiality) and may only use such Confidential Information for the limited purpose for which it was disclosed;
 - (b) where such disclosure is necessary to comply with any Applicable Law or court order, its disclosure obligations and requirements under Applicable Securities Law, provided that such disclosure is limited to factual matters and that the Lender will have availed itself of the full benefits of Applicable Securities Law as to disclosure of a confidential basis to which it may be entitled, including redacting all proprietary, structural or other confidential information of the Borrower or its affiliates prior to making such disclosure and only following the prior review of the Borrower;
 - (c) where such Confidential Information is already public knowledge other than by breach of the confidentiality terms of this Note or obtained independently of this Note and the source of such information is not known to the Lender, after reasonable inquiry, to be by any confidentiality agreement or otherwise prohibited from transmitting the Confidential Information by a contractual, legal or fiduciary obligation; and
 - (d) with the approval of the Borrower.

The Lender shall ensure that its and its affiliates’ employees, directors, officers, agents and professional advisors, where applicable, are made aware of this Section 20 and comply with the provisions of this Section 20. The Lender shall be liable to the Borrower for any improper use or disclosure of such terms or information by such persons.

No party to this Note shall file this Note on SEDAR without reasonable prior consultation with the other party, and the parties shall consult with each other with respect to any proposed redactions to this Note in compliance with Applicable Laws before it is filed on SEDAR.

21. **Headings.** The headings of the articles, sections, subsections and clauses of this Note have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Note.

[Signature pages follow]

IN WITNESS WHEREOF the undersigned has caused this Note to be duly executed as of the date first written above.

The Borrower

BEAR CREEK MINING CORPORATION

By: _____
Name: Eric Caba
Title: President and Chief Executive
Officer

The Guarantors:

2536062 ONTARIO INC.

By: _____
Name:
Title:

MERCEDES GOLD HOLDINGS S.A. de C.V.

By: _____
Name:
Title:

**MINERA MERCEDES MINERALES S. de R.L.
de C.V.**

By: _____
Name:
Title:

BEAR CREEK MINING S.A.C.

By: _____
Name: Andrés Franco
Title: Authorized Signatory

Schedule A

Certain Defined Terms

In the Note to which this Schedule A is annexed, unless there is something in the subject matter or context inconsistent therewith:

“**Acquisition**” means, with respect to any Person, any purchase or other acquisition by such Person, regardless of how accomplished or effected (including any such purchase or other acquisition effected by way of amalgamation, merger, arrangement, business combination or other form of corporate reorganization or by way of purchase, lease or other acquisition arrangements), of (i) any other Person (including any purchase or acquisition of such number of the issued and outstanding securities of, or such portion of an equity interest in, such other Person so that such other Person becomes a subsidiary of the purchaser or of any of its affiliates) or of all or substantially all of the property of any other Person, or (ii) any division, business, project, operation or undertaking of any other Person or of all or substantially all of the property of any division, business, project, operation or undertaking of any other Person;

“**Applicable Law**” means, at any time, with respect to any Person, property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official requests, directives, rules, guidelines, orders, policies, practices and other requirements of any Governmental Authority relating or applicable at such time to such Person, property, transaction, event or other matter, and also includes any interpretation thereof by any Person having jurisdiction over it or charged with its administration or interpretation;

“**Applicable Securities Laws**” means collectively, the applicable securities laws of all of the provinces and territories of Canada except for the Province of Québec, the regulations, rules, rulings and orders made thereunder, the applicable published policy statements issued by the securities commissions thereunder and the rules and policies of the TSX Venture Exchange;

“**Authorization**” means any authorization, consent, approval, resolution, licence, permit, concession, exemption, filing, notarization or registration;

“**Business Day**” means any day other than Saturday, Sunday or a statutory holiday when banks are not open in Vancouver, British Columbia;

“**Change of Control**” means the occurrence of any of the following events:

- (a) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as such term is defined in section 1.1 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*) has acquired beneficial ownership (within the meaning of the Securities Act) of, or the power to exercise control or direction over, or securities convertible into, any Voting Shares, that together with the offeror's securities (as such term is defined in section 1.1 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*) in relation to any Voting Shares, would constitute Voting Shares representing more than 20% of the total voting power attached to all Voting Shares then outstanding;
- (b) there is consummated any amalgamation, consolidation, statutory arrangement (involving a business combination) or merger of the Borrower (i) in which the Borrower is not the continuing or surviving corporation or (ii) pursuant to which any Voting Shares would be reclassified, changed or converted into or exchanged for cash, securities or other property,

other than (in each case) an amalgamation, consolidation, statutory arrangement or merger of the Borrower in which the holders of the Voting Shares immediately prior to the amalgamation, consolidation, statutory arrangement or merger have, directly or indirectly, more than 80% of the Voting Shares of the continuing or surviving corporation immediately after such transaction; or

- (c) any Person or group of Persons shall succeed in having a sufficient number of its nominees elected as directors of the Borrower such that such nominees, when added to any existing directors after such election who were nominees of or affiliates or related Persons of such Person or group of Persons, will constitute a majority of the directors;

“Conversion Exchange Rate” means the Bank of Canada’s daily exchange rate on the day prior to the date on which the Conversion Notice is delivered to the Borrower;

“Conversion Price” means the price equal to the Deemed Price multiplied by 1.25;

“Corani Deposit” means the Corani silver-lead-zinc property located in the district of Corani, province of Carabaya, in the department of Puno in southern Peru;

“Deemed Price” means \$0.58 such amount being the volume-weighted average price of the Common Shares for the 10-day period ending on May 29, 2023, such date being the day prior to the date on which the Note was announced;

“Encumbrance” means, with respect to any Person, any mortgage, debenture, pledge, hypothec, lien, charge, claim, deed of trust, royalty, assignment by way of security, hypothecation, security interest, conditional sales agreement, lease or title retention agreement, financing statement or other registration or recording in any public registry system affecting any of such Person’s property or other encumbrance, granted or permitted by such Person or arising by operation of law, in respect of any of such Person’s property, or any consignment by way of security or capital lease of property by such Person or consignee or lessee, as the case may be, or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation;

“Environmental Laws” means all federal, provincial, state, municipal, national, county, local and other laws, statutes, codes, ordinances, by-laws, rules, regulations, policies, guidelines, certificates, approvals, permits, consents, directions, standards, judgments, orders and other Authorizations, as well as common law, civil law and other jurisprudence or authority, in each case, domestic or foreign, having the force of law at any time relating in whole or in part to any Environmental Matters and any permit, order, direction, certificate, approval, consent, registration, licence or other Authorization of any kind held or required to be held in connection with any Environmental Matters;

“Environmental Matters” means:

- (a) any condition or substance, heat, energy, sound, vibration, radiation or odour that may affect any component of the earth and its surrounding atmosphere or affect human health or any plant, animal or other living organism; and
- (b) any waste, toxic substance, contaminant or dangerous good or the deposit, release or discharge of any thereof into any component of the earth and its surrounding atmosphere;

“Governmental Authority” means each national, state, provincial, county, municipal or other such governmental or public authority, including their authorized administrative bodies, courts, tribunals, commissions and agents, which have legal jurisdiction over a Person or a matter relevant to this Note;

“Guarantor” means each subsidiary of the Borrower that has granted a guarantee in favour of the Lender in connection with the Note Obligations, including without limitation, a guarantee pursuant to Section 17 of this Note;

“IFRS” means international financial reporting standards, approved by the International Accounting Standards Board or any successor thereto (**“IASB”**), as at the date on which any calculation or determination is required to be made, provided that, in accordance with such international financial reporting standards, where the IASB includes a recommendation concerning the treatment of any accounting matter, such recommendation shall be regarded as the only international financing reporting standard;

“Material Adverse Effect” means, when used with reference to any event or circumstance, any event or circumstance which has, had, or could reasonably be expected to have a material adverse effect on:

- (a) the business, operations, results of operations, assets, liabilities (contingent or otherwise), capitalization, condition (financial or otherwise) or cash flows of any of the Note Parties;
- (b) the ability of the Note Parties or any of them to perform any of their obligations under this Note or any of the other Note Documents;
- (c) the validity or enforceability of this Note or any other Note Document; or
- (d) the priority or ranking of any Encumbrance granted pursuant to any of the Note Security or any of the rights or remedies of the Lender thereunder or under any other Note Document,

in each case as determined by the Lender;

“Mine” means the Mercedes mine project located in Sonora State, Mexico, approximately 250 kilometres northeast of Hermosillo, Sonora’s capital city, and 300 kilometres south of Tucson, Arizona.

“Permitted Disposal” means any sale, lease, license, transfer or other disposal:

- (a) of inventory in the ordinary course of business;
- (b) made by a Note Party to another Note Party, provided that if the disposing Note Party had granted an Encumbrance in favour of the Lender over the asset or property subject to such disposal, equivalent security over such asset or property shall be granted in favour of the Lender by the acquiring Note Party, in each case, on terms and conditions satisfactory to the Lender, acting reasonably;
- (c) of obsolete or redundant (i) vehicles, (ii) plant and equipment, (iii) supplies or (iv) repair and maintenance inventory, for cash;
- (d) of fixed assets in the ordinary course of business (and excluding, for certainty, the Mine) where the proceeds of disposal are used to purchase replacement assets comparable or superior as to type, value and quality; or

- (e) made with the prior written consent of the Lender;

“Permitted Encumbrances” means with respect to any Note Party:

- (a) any Encumbrance granted pursuant to the Note Security;
- (b) any Encumbrance or deposit under workers’ compensation, social security or similar legislation or in connection with bids, tenders, leases or contracts or to secure related public or statutory obligations, surety and appeal bonds where required by law;
- (c) any builders’, mechanics’, materialman’s, carriers’, warehousemen’s and landlords’ liens and privileges, in each case, which relate to obligations not yet due or delinquent or, if due or delinquent, which the relevant Note Party is contesting in good faith by appropriate proceedings diligently conducted if such contest would involve no material risk of loss of any material part of the property of the Note Party;
- (d) any Encumbrance for Taxes, assessments, unpaid wages or governmental charges or levies for the then current year and not at the time due and delinquent or the validity of which Taxes (**“Contested Taxes”**) the Borrower is reasonably contesting at the time in good faith by appropriate proceedings diligently conducted, provided that (i) the Borrower has set aside on its books adequate reserves in respect of such Contested Taxes or (ii) failure to set aside on its books such reserves could not reasonably be expected to have a Material Adverse Effect;
- (e) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant, claim or permit held or acquired by any Note Party, or by any statutory provision, to terminate the lease, licence, franchise, grant, claim or permit or to purchase assets used in connection therewith or to require annual or other periodic payments as a condition of the continuance thereof;
- (f) any Encumbrance created or assumed by any Note Party in favour of a public utility when required by the utility in connection with the operations of such Note Party that do not in the aggregate materially detract from the value of any of the Collateral or materially impair their use in the operation of the business of such Note Party;
- (g) any reservations, limitations, provisos and conditions expressed in original grants from any Governmental Authority;
- (h) any applicable municipal and other Governmental Authority restrictions affecting the use of land or the nature of any structures which may be erected thereon, any minor Encumbrance, such as easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons, rights-of-way for sewers, electric lines, telegraph and telephone lines, oil and natural gas pipelines and other similar purposes, or zoning or other restrictions applicable to the use of real property by any Note Party, or title defects, encroachments or irregularities, that do not materially detract from the value of the property or materially impair its use in the operation of the business of any Note Party;
- (i) undetermined or inchoate liens and charges incidental to construction or current operations (including unpaid sellers’ liens) which have not at such time been filed pursuant to law against a Note Party or which relate to obligations not due or delinquent or, if due or

delinquent, the validity of which is being contested at the time in good faith if such contest will involve no material risk of loss of any material part of the property of such Note Party;

- (j) landlords' liens or any other rights off distress reserved in or exercisable under any lease of real property for rent and for compliance with the terms of such lease; provided that such lien does not attach generally to all or substantially all of the undertaking, assets and property of the Note Party;
- (k) pledges or deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property, in each case, to which the Note Party is a party;
- (l) pledge or deposits of cash, deposit instruments, guaranteed investment certificates or securities to secure Permitted Indebtedness referred to under paragraph (i) of the definition of "Permitted Indebtedness";
- (m) any Encumbrance that secures Permitted Indebtedness referred to under paragraph (h) of the definition of "Permitted Indebtedness" provided that such Encumbrance is limited to the mobile equipment which was acquired with the proceeds of such Permitted Indebtedness; and
- (n) any Encumbrance that secures Permitted Indebtedness referred to under paragraph (b) of the definition of "Permitted Indebtedness";

"Permitted Indebtedness" means:

- (a) the Note Obligations;
- (b) the existing indebtedness for (i) borrowed money and obligations under guarantees described in Schedule F, or (ii) royalty or similar interests described in Schedule G;
- (c) indebtedness comprised of amounts owed to trade creditors and accruals in the ordinary course of business, which are either not overdue by more than 30 days or, if disputed and in that case whether or not overdue, are being contested in good faith by such Note Party by appropriate proceedings diligently conducted, and provided always that: (i) the failure to pay such contested indebtedness pending resolution of such dispute could not reasonably be expected to result in a Material Adverse Effect and (ii) the aggregate amount of such contested indebtedness does not exceed \$150,000;
- (d) any indebtedness approved by the Lender and, if applicable, permitted pursuant to the terms of an inter-creditor agreement, in form and substance satisfactory to the Lender providing for the full subordination and postponement of such indebtedness and any security therefor to the Note Obligations and the Encumbrances granted under the Note Security, executed and delivered in favour of the Lender;
- (e) any inter-company indebtedness between any Note Parties provided such indebtedness comprises part of the Collateral pursuant to the Note Security or is subject to a subordination and postponement agreement in form and substance satisfactory to the Lender;
- (f) any guarantee or indemnity in respect of Permitted Indebtedness;

- (g) any other indebtedness which the Lender agrees in writing is Permitted Indebtedness for the purposes of this Note;
- (h) any indebtedness under capital leases and purchase money obligations, which indebtedness does not exceed U.S. \$500,000 in the aggregate for the Note Parties at any time;
- (i) any other indebtedness of the Note Parties, which indebtedness does not exceed \$150,000 in the aggregate for the Note Parties at any time; and
- (j) Funds advanced by Wheaton Precious Metals International Ltd. (the “**WPM Loan**”) to the Borrower up to a maximum amount of one million five hundred thousand dollars (\$1,500,000) for the purpose of geometallurgical test work on the Corani deposit;

“**Person**” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, or corporation with or without share capital, body corporate, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, government or Governmental Authority or entity, however designated or constituted;

“**Taxes**” means all taxes, assessments, rates, levies, royalties, imposts, deductions, withholdings, dues, duties, fees and other charges of any nature, including any interest, fines, penalties or other liabilities with respect thereto, imposed, levied, collected, withheld or assessed by any Governmental Authority (of any jurisdiction), and whether disputed or not; and

“**Voting Shares**” means shares of capital stock of any class of the Borrower carrying voting rights under all circumstances, provided that for the purposes of such definition, shares which only carry the right to vote conditionally on the happening of any event shall not be considered Voting Shares, whether or not such event shall have occurred, nor shall any shares be deemed to cease to be Voting Shares solely by reason of a right to vote accruing to shares of another class or classes by reason of the happening of such event.

Schedule B

Payment Routing Instructions

Please see attached

Schedule C

Required Authorizations

1. Approval from the TSX Venture Exchange of the proposed loan transaction;

Schedule D

Corporate Structure

Please see attached.

Schedule E

Environmental Notice of Embargo Event

None.

Schedule F

Existing Indebtedness

1. the 1368445 Note;
2. the Sandstorm Debenture; and
3. \$500,000 due under certain circumstances pursuant to the WPM Loan. This amount may eventually reach \$1,500,000.

Schedule G

Royalties and Similar Interests/Encumbrances

1. the Nomad Stream Agreement;
2. the Sandstorm GPA;
3. an offtake agreement dated July 28, 2022 between the Borrower, the Mine Owner, 1336991 B.C. Ltd. and Auramet International Inc. (as successor-in-interest to Auramet International, LLC) with respect to the Mine;
4. a call option agreement dated July 28, 2022 between the Mine Owner, 1336991 B.C. Ltd. and Auramet International Inc. (as successor-in-interest to Auramet International, LLC) with respect to the Mine;
5. an Elemental Royalties Corp. 1% net smelter return royalty;
6. a Mexican government agreement with respect to 0.5% royalty tax and 7.5% mining tax on operating income; and
7. a Sandbox Royalties Corp. 2% net smelter return royalty.

Schedule H

TOP-UP PAYMENT CALCULATION

Formula:

$$\text{Top-Up Payment (USD)} = (D - E) \times (C / E)$$

A = Prepayment Price (CAD)

B = Conversion Price (CAD) = Deemed Price (CAD) x 1.25

C = Voluntary prepayment amount (USD)

D = Prepayment Price in USD = A / F

E = Conversion Price in USD = B / F

F = Bank of Canada daily exchange rate on the day before the date of this Note

Illustrative Example:

$$\text{Top-Up Payment (USD)} = (D - E) \times (C / E)$$

$$\text{Top-Up Payment (USD)} = (\text{US\$}0.74 - \text{US\$}0.55) \times (\text{US\$}10,000,000 / \text{US\$}0.54)$$

$$\text{Top-Up Payment (USD)} = (\text{US\$}0.19) \times (\text{US\$}18,518,518.52)$$

$$\text{Top-Up Payment (USD)} = \text{US\$}3,518,518.52$$

A = C\$1.00

B = (C\$0.58 x 1.25) = C\$0.7375

C = US\$10 million

D = (C\$1.00 / 1.35) = US\$0.74

E = (C\$0.7375 / 1.35) = US\$0.55

F = 1.35

Schedule I

**SAMPLE CALCULATIONS OF THE NUMBER OF COMMON SHARES
TO BE ISSUED UPON A LENDER CONVERSION³**

Formula:

Number of Common Shares Issuable upon a Lender Conversion	=	$\frac{\text{Principal Conversion Amount} \times \text{Conversion Exchange Rate}}{\text{Conversion Price}}$
Conversion Exchange Rate	=	the Bank of Canada's daily exchange rate on the day prior to the date on which the Conversion Notice is delivered to the Borrower
Conversion Price	=	1.25 x Deemed Price

Example:

This example sets out a hypothetical working example of how the number of Common Shares to be issued on a Lender Conversion is to be calculated pursuant to the formula above and the terms of the Note.

Number of Common Shares Issuable upon a Lender Conversion	=	$\frac{\text{Principal Conversion Amount} \times \text{Conversion Exchange Rate}}{\text{Conversion Price}}$
Hypothetical Principal Conversion Amount	=	US\$25,839,110
Hypothetical Conversion Exchange Rate	=	1.3603
Conversion Price	=	1.25 x CAD\$0.58
Number of Common Shares Issuable upon a Lender Conversion	=	$\frac{\text{US\$25,839,110} \times 1.3603}{\text{CAD\$0.7375}}$
	=	47,659,581 ⁽¹⁾

Note:

(1) Such number rounded down to the nearest whole Common Share in accordance with Section 5

³ NTD: sample calculation to be updated for final principal amount of Note when issued.