



MANAGEMENT INFORMATION CIRCULAR

Dated this 21st day of April 2021

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GENERAL INFORMATION

Bear Creek Mining Corporation (the “**Company**” or “**Bear Creek**”) is providing this management information circular (the “**Information Circular**”) and a form of proxy in connection with management’s solicitation of proxies for use at the annual general meeting (the “**Meeting**”) of the Company to be held on Tuesday, June 8, 2021 at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournments or postponements thereof. Unless the context otherwise requires, when we refer in this Information 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 Information Circular references to “\$” or “C\$” are to amounts in Canadian dollars and references to “US\$” are to amounts in United States dollars.

This Information Circular and certain information referenced within it, is publicly available on the Company’s website at www.bearcreekmining.com, and under the Company’s profile on SEDAR at www.sedar.com.

The information below includes references to registered Shareholders (“**Registered Shareholders**”) and non-registered, or beneficial, Shareholders (“**Beneficial Shareholders**”). Registered Shareholders are those who hold common shares in their own names. Beneficial Shareholders are those whose shares are held in, and registered to the name of, a nominee such as a securities broker, a bank, a trust company or a trustee or another nominee. See “Non-Registered Shareholders”, below, for further information.

ATTENDING AND PARTICIPATING AT THE MEETING

Due to the ongoing COVID-19 pandemic and in consideration of the health and safety of our shareholders, colleagues and our broader community, the Meeting will be held in a virtual meeting format only. Shareholders and duly appointed proxyholders may attend the Meeting online by going to <https://web.lumiagm.com/254567990>. Registered Shareholders and duly appointed Proxyholders (as defined below) who log into the Meeting online will be able to listen, ask questions and securely vote through the web-based platform, provided they are connected to the internet and follow the instructions set out in this Information Circular.

Only Registered Shareholders and duly appointed Proxyholders are able to participate in and vote at the meeting. Guests may attend, but may not ask questions or vote at, the Meeting. Both Registered Shareholders and Beneficial Shareholders may appoint the management appointee(s) named on the Form of Proxy or Voting Instruction Form, a third party, or themselves (each, a “**Proxyholder**”) to vote their shares at the Meeting according to their preferences. Further information is provided below under the headings “Appointment and Registration of Proxyholder”, “Voting by Proxy”, and “Completion and Return of Proxy”.

To attend the Meeting online, Registered Shareholders, duly appointed Proxyholders and guests must log in online at <https://web.lumiagm.com/254567990> prior to the start of the Meeting and proceed as described below.

Registered Shareholders

Click “I have a login” and enter their **Username** and **Password** before the start of the Meeting.

The Username is the 15-digit control number located on the Form of Proxy you received from Computershare. The Password is “**bcmc2021**”.

Registered Shareholders who use their 15-digit control number Username to login to the Meeting and accept the terms and conditions will be revoking any and all previously submitted proxies, in which case they will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If Registered Shareholders DO NOT wish to revoke all previously submitted proxies, they should not accept the terms and conditions, in which case they can only enter the Meeting as a guest.

Duly appointed Proxyholders

Click “I have a login” and enter the **Username** and **Password** before the start of the Meeting.

Proxyholders who have been duly appointed and registered with Computershare as described under the heading "Appointment and Registration of Proxyholder" below will receive an assigned Username by email from Computershare after the proxy voting deadline has passed and the proxyholder has been duly appointed and registered. The Password is “**bcmc2021**”.

Shareholders who wish to appoint themselves or a third party proxyholder to represent them at the Meeting must submit their duly completed proxy or voting instruction form (as applicable) AND register their proxyholder with Bear Creek’s registrar and transfer agent, Computershare, as described below. **Shareholders must submit their duly completed proxy or voting instruction form prior to registering the proxyholder. Failure to register a duly appointed Proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting and such proxyholder would only be able to attend the Meeting as a guest.** A guest will be able to listen to the Meeting but will not be able to ask questions or vote.

It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

Guests

Registered Shareholders who do not wish to revoke their previously cast form of proxy, and Beneficial Shareholders who have not appointed themselves or a third party as a Proxyholder and who therefore do not have a control number or a Username, may still attend the Meeting by clicking “I am a guest” and completing the online form. Guests will not be able to vote or ask questions at the Meeting.

APPOINTMENT AND REGISTRATION OF PROXYHOLDER

A 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 or Voting Instruction Form are officers or Directors (“**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.

If Shareholders wish to appoint themselves or a third party Proxyholder to represent them at the Meeting, they MUST register the Proxyholder with Bear Creek's registrar and transfer agent by visiting <https://www.computershare.com/BearCreek> after submitting their form of proxy and before **2:00 PM (Pacific Time) on Friday, June 4, 2021 (the "proxy cutoff time")**, and provide their Proxyholder's contact information. After the Proxyholder is thus registered, Computershare will provide them with an online Meeting Username via e-mail.

Without obtaining a Username in advance of the meeting and before the proxy cutoff time, as described above, Proxyholders will not be able to vote at the Meeting.

US Beneficial Shareholders

In order to attend and vote at the Meeting, United States Beneficial Shareholders ("US Holders") must first obtain a valid legal proxy from their broker, bank or other agent and then register in advance to attend the Meeting. US Holders must follow instructions from their broker or bank included with these proxy materials, or contact their broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from the broker, bank or other agent, to then register to attend the Meeting, US Holders must submit a copy of their legal proxy to Computershare. Requests for registration should be directed to Computershare at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 or via email to uslegalproxy@computershare.com.

Requests for registration must be labeled as "Legal Proxy" and received no later than **2:00 PM (Pacific Time) on Friday, June 4, 2021**. US Holders will receive a confirmation of their registration by email after Computershare receives the registration materials. US Holders may then attend the Meeting and vote their Common Shares at <https://web.lumiagm.com/254567990> during the Meeting. Please note that US Holders are required to register their appointment at <https://www.computershare.com/BearCreek>.

VOTING BY PROXY

Only Registered Shareholders as of April 21, 2021 (the "Record Date") or duly appointed Proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed 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 matter to be acted upon, the 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 enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to 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 Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

If a Registered Shareholder who has a proxy attends the virtual Meeting and accepts the terms and conditions when entering the Meeting online, any votes cast by such Shareholder on a ballot during the Meeting will be counted and the previously submitted proxy will be disregarded. If registered Shareholders DO NOT wish to revoke all previously submitted proxies, they should not accept the terms and conditions, in which case such registered Shareholders can only enter the Meeting as a guest.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be submitted electronically in accordance with the instructions thereon, or deposited at Computershare's office at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the time and date of the Meeting.

In order to be counted at the Meeting, proxies must be received, and if applicable, Proxyholders must be registered, before the proxy cutoff time of 2:00 PM (Pacific Time) on Friday, June 4, 2021, 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 his or her 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.

Duly appointed Proxyholders who have been registered to attend the Meeting, as described above under the heading "Appointment and Registration of Proxyholder" will receive an e-mail from Computershare containing an assigned Username after the proxy voting deadline, described below, has passed.

NOTICE AND ACCESS

The Company is sending this Information 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 Information Circular.

The Meeting materials, including this Information Circular, are available under the Company's profile on SEDAR 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.

To obtain additional information about Notice and Access provisions, Shareholders may contact the Company's transfer agent, Computershare, at www.computershare.com/noticeandaccess or 1-866-964-0492 (toll-free).

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 Information 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, 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.

To obtain a printed paper copy of the Information Circular, please contact the Company at 604-685-6269 or info@bearcreekmining.com. The Company will, upon request, mail a paper copy of the Information 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.

BENEFICIAL SHAREHOLDERS

Only Registered Shareholders and duly appointed Proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are not Registered Shareholders but rather are non-registered Shareholders, *aka* Beneficial Shareholders. This is because the shares they own are not registered in their own names but instead are registered in 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 shares through a broker, you are likely a Beneficial Shareholder.

In accordance with securities regulatory policy, the Company has distributed copies of the relevant Meeting materials to the 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. 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. If you, as a Beneficial Shareholder, wish to vote by proxy, you should carefully follow the instructions you receive from your Nominee so that your shares are voted at the Meeting.

If you, as a Beneficial Shareholder, wish to vote at the Meeting in person, you should appoint yourself as Proxyholder by writing your 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. Do not complete the voting section of the form, as your vote will be taken at the Meeting.

NON-OBJECTING BENEFICIAL OWNERS

These Meeting materials are being sent to both Registered and Beneficial Shareholders owning common shares (the “**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 shares on your behalf. By choosing to send these materials to you directly, the

Company (and not the Nominee(s) holding your 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 does not intend to pay 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 not receive the Meeting materials unless their respective Nominee assumes the delivery costs.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a Registered Shareholder, his or her 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).

If Registered Shareholders are using a 15-digit control number to login to the Meeting and accept the terms and conditions, such Registered Shareholders will be revoking any and all previously submitted proxies, in which case, they will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If Registered Shareholders DO NOT wish to revoke all previously submitted proxies, they should not accept the terms and conditions, in which case such Registered Shareholders can only enter the Meeting as a guest.

INTEREST OF CERTAIN PERSONS IN 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, no proposed nominee of management of the Company for election as a Director of the Company, 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 other than the election of Directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of common shares (“**Common Shares**”) without par value. As of April 21, 2021 (the “**Record Date**” and the date of this Information Circular), there are 123,939,314 Common Shares issued and outstanding. The Company has only one class of shares.

Persons who are Registered Shareholders at the close of business on the Record Date will be entitled to receive notice of the Meeting and 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 all shares of the Company, except the following:

| Name | Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾ | Percentage of Outstanding Shares |
|---|--|----------------------------------|
| Equinox Partners Investment Management. LLP | 17,219,438 | 13.89% |
| Wheaton Precious Metals Corp. | 13,264,305 | 10.77% |

(1) Beneficial ownership of these shares is not known by the Company.

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.

PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the financial year ended December 31, 2020 (the "**Financial Statements**") and the auditors' report thereon will be placed before the Meeting. The Financial Statements are available on SEDAR and on the Company's website at <https://bearcreekmining.com/investors/financial-reports/>.

NUMBER OF DIRECTORS

The Directors of the Company are elected at each annual meeting of the Company's shareholders ("**Shareholders**") and hold office until the next annual general meeting or until their successors are appointed. Additionally, the Company's Articles of Incorporation allow the board of Directors (the "**Board**") to appoint one or more new Directors between annual meetings of Shareholders, up to a maximum of one third (1/3) of the number of Directors comprising the Board at the time of the appointment. At the Company's last annual meeting of Shareholders, held on June 3, 2020, the following nine (9) Directors were elected to hold office until the upcoming Meeting: Catherine McLeod-Seltzer, Anthony Hawkshaw, Andrew Swarthout, Kevin Morano, Frank Tweddle, Stephen Lang, Erfan Kazemi, Alfredo Bullard, and Alan Hair. As announced by the Company on March 29, 2021, due to the unexpected passing of Frank Tweddle on March 27, 2021, Mr. Tweddle ceased to be a Director as at such date. As of the date of this Information Circular, the Board has not filled the vacancy left by Mr. Tweddle. The Board recommends setting the number of directors at eight (8) for the ensuing year.

Shareholder approval will be sought to fix the number of Directors of the Company at eight. The Management Proxyholders named in the form of proxy which accompanies this Information Circular intend to vote FOR the resolution to set the number of Directors of the Company at eight unless the Shareholder has specified in the form of proxy that the Common Shares represented by such proxy are to be voted against such resolution.

ELECTION OF DIRECTORS

The following table sets for the name of each of the persons proposed to be nominated by management for election as a Director for the ensuing year (each, a "**Proposed Director**") and, for each Proposed Director, their province or state (if applicable) and country of residence; their position(s) currently held with the Company; their principal occupation or employment for the last five years; the committee(s) of the Board on they currently serve; the year in which they first became a Director of the Company; and, the approximate number of Common Shares they beneficially own, control or direct, directly or indirectly, as of the date of this Information Circular.

| Name and Jurisdiction of Residence | Current position(s) with the Company | Principal occupation or employment and, if not a previously elected Director, principal occupation or employment during the past 5 years | Current Board committee membership(s) ⁽¹⁾ (*Chair) | Director Since | Number of Common Shares beneficially owned, controlled or directed, directly or indirectly ⁽²⁾ |
|--|--------------------------------------|--|--|--------------------|---|
| Catherine McLeod-Seltzer British Columbia, Canada | Chair | Corporate Director | Compensation | September 30, 1999 | 1,216,562 |
| Anthony Hawkshaw British Columbia, Canada | President and CEO, and Director | President and CEO, and Director of Bear Creek Mining Corporation | | October 1, 2017 | 137,100 |
| Andrew T. Swarthout Oregon, USA | Director | Former Executive Chairman, and former President and CEO, of Bear Creek Mining Corporation | Operations, Safety and Sustainability | April 22, 2003 | 1,344,592 |
| Kevin Morano Florida, USA | Director | Principal of KEM Capital LLC, a private investment and advisory firm, and director of one other public company | Compensation*, Nominating and Corporate Governance | April 22, 2003 | 1,231,262 ⁽³⁾ |
| Stephen Lang Missouri, USA | Director | Chairman of Hudbay Minerals Inc. and a Director of Centerra Gold Inc., Alio Gold Inc. and International Tower Hill Mines Ltd. | Nominating and Corporate Governance*, Audit, Operations, Safety and Sustainability | June 6, 2018 | Nil |
| Erfan Kazemi British Columbia, Canada | Director | Chief Financial Officer of Sandstorm Gold Ltd. | Audit* | June 6, 2018 | 25,000 |
| Alfredo Bullard Lima, Peru | Director | Lawyer, author, professor and partner in the legal firm of Bullard Falla Ezcurra + | Audit | March 6, 2019 | Nil |

| Name and Jurisdiction of Residence | Current position(s) with the Company | Principal occupation or employment and, if not a previously elected Director, principal occupation or employment during the past 5 years | Current Board committee membership(s) ⁽¹⁾ (*Chair) | Director Since | Number of Common Shares beneficially owned, controlled or directed, directly or indirectly ⁽²⁾ |
|------------------------------------|--------------------------------------|--|---|--------------------|---|
| Alan Hair Ontario, Canada | Director | Retired mineral engineer and mining company senior executive. | Operations, Safety and Sustainability* | September 16, 2019 | Nil |

- (1) The Board currently has four standing committees, including an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, and an Operations, Safety and Sustainability Committee, and may constitute additional committees, as necessary. Directors are appointed to these committees annually, following their election to the Board at the Company's annual meeting of Shareholders. The current members of these committees are indicated in the table above. See also "Corporate Governance Disclosure" below.
- (2) The information as to Common Shares of the Company beneficially owned or over which a Director exercises control or direction, not being within the Company's knowledge, has been furnished by the respective Directors individually. Unless otherwise indicated, such shares are held directly.
- (3) These Common Shares are held by Mr. Morano indirectly, though KEM Capital LLC, a private investment and advisory firm controlled by Mr. Morano.

Corporate Cease Trade Orders or Bankruptcies

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

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

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

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

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

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

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

Advance Notice Policy

On April 22, 2013, the Company adopted an advance notice policy (the “**Advance Notice Policy**”), which was ratified, confirmed, authorized, and approved by Shareholders at the Company’s annual general meeting held on May 29, 2013. The Advance Notice Policy is available on the Company’s website. The Advance Notice Policy sets forth procedures for Shareholders to nominate a person for election as a Director of the Company and stipulates a deadline by which Shareholders must notify the Company of their intention to nominate Directors and information that must be provided in respect of the nominating Shareholder and their Director nominee(s).

As of the date of this Information Circular, the Company has not received any Director nominations pursuant to the Advance Notice Policy.

The Board recommends voting FOR the election of each of the nine proposed Directors listed above. The Management Proxyholders named in the form of proxy which accompanies this Information Circular intend to vote FOR the election to the Board of the eight proposed Directors listed above unless the Shareholder has specified in the form of proxy that the Common Shares represented by such proxy are to be withheld from voting in respect thereof.

APPOINTMENT OF AUDITOR

PricewaterhouseCoopers LLP has served as the independent auditors for the Company since August 1, 2006. On the advice of the Audit Committee, the Board recommends the re-appointment of PricewaterhouseCoopers LLP as auditor for the Company for the ensuing year at a remuneration to be fixed by the Directors.

Shareholder approval will be sought for this appointment. The Management Proxyholders named in the form of proxy which accompanies this Information Circular intend to vote FOR the resolution to appoint PricewaterhouseCoopers LLP as the Company’s auditor for the ensuing year at a remuneration to be

fixed by the Directors unless the Shareholder has specified in the form of proxy that the Common Shares represented by such proxy are to be voted against such resolution.

RE-APPROVAL OF ROLLING STOCK OPTION PLAN

Under the policies of the TSX Venture Exchange (the “**Exchange**”), a “rolling” stock option plan must be re-approved on a yearly basis by Shareholders. Accordingly, the Shareholders will be asked to pass an ordinary resolution approving the Company's rolling stock option plan (the “**Plan**”), which was approved by the Directors on March 19, 2008. The details of the Plan are set forth below.

At the annual meeting of Shareholders held on May 22, 2008, the Company's Shareholders approved the Plan, pursuant to which the maximum number of Common Shares that may be reserved for issuance under outstanding stock options will be 10% of the Company's issued and outstanding Common Shares as constituted on the date of any grant of options under the Plan (the “**SOP Limit**”). At the Company's most recent annual general on June 3, 2020, Shareholders re-approved the Plan as required under the policies of the Exchange.

In addition to the Plan, the Company's Board adopted a long-term incentive plan (the “**LTIP**”) effective April 2, 2016, providing the Company with the ability to grant deferred share units (“**DSUs**”) and restricted share units (“**RSUs**”) to eligible participants. The LTIP was approved by disinterested Shareholders (defined as Shareholders other than Insiders, including Directors and senior officers of the Company, to whom units may be granted under the LTIP, and their associates) at the Company's annual general meeting held on June 2, 2016. The LTIP is described under “Elements of Executive Compensation”, below, and more thoroughly in the Company's Information Circular dated April 20, 2016, available on SEDAR and on the Company's website.

Under the rules of the Exchange, the SOP Limit is impacted by the LTIP. While the maximum number of Common Shares the Company is entitled to issue from treasury under the LTIP for payments in respect of awards of DSUs and RSUs is an aggregate of 5,000,000 Common Shares (the “**LTIP Limit**”). the Plan is affected by the LTIP inasmuch as the SOP Limit of the Plan, together with the LTIP, may not result in:

- (i) the number of Common Shares reserved for issuance exceeding 10% of the outstanding issue;
- (ii) the number of Common Shares reserved for issuance to Insiders exceeding 10% of the outstanding issue;
- (iii) the issuance to insiders, within a one-year period, of a number of Common Shares exceeding 10% of the outstanding issue; or
- (iv) the issuance to any one insider and such insider's associates, within a one-year period, of a number of Common Shares exceeding 5% of the outstanding issue.

Upon disinterested Shareholder approval of the LTIP at the Company's 2016 annual general meeting, the Plan was amended such that the SOP Limit (being 10% of the total number of issued and outstanding Common Shares) is effectively reduced by a number equal to the LTIP Limit (being an aggregate of 5,000,000 Common Shares), assuming the LTIP Limit is met and, in any event, reduced by a number equal to the actual number of Common Shares reserved for issuance under outstanding awards of DSUs and RSUs granted under the LTIP. As of the date of this Information Circular, 1,000,000 RSUs have been granted to Directors and officers of the Company.

The purpose of the Plan is to allow the Company to grant Options to Directors, officers, employees and consultants, as additional compensation and as an opportunity to participate in the Company's success. Additionally, the Plan is designed to attract and retain high-caliber management and employees in a highly competitive market for competent technical personnel in the natural resources sector. The granting of such Options is intended to align such persons' interests with that of the Company's Shareholders of the Company.

Under the Plan, options are exercisable over periods of up to 10 years as determined by the Board of Directors and are required to have an exercise price no less than the closing market price of the Company's shares on the trading day immediately preceding the day on which the Company announces the grant of options (or, if the grant is not announced, the closing market price prevailing on the day that the option is granted), less the applicable discount, if any, permitted by the policies of the Exchange and approved by the Board of Directors. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to Directors, officers, employees, and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The maximum number of Common Shares that may be issued pursuant to options previously granted and those granted under the Plan will be 10% of the issued and outstanding Common Shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed (without Shareholder approval) 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Plan contains no vesting requirements but permits the Board of Directors to specify a vesting schedule at its discretion, subject to the Exchange's minimum vesting requirements.

The Plan provides that if a change of control (as defined in the Plan) occurs, or if the Company is subject to a take-over bid, all shares subject to stock options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. The Board may also accelerate the expiry date of outstanding stock options in connection with a take-over bid.

The Plan contains adjustment provisions with respect to outstanding options in cases of share reorganizations, special distributions, and other corporation reorganizations, including an arrangement or other transaction under which the business or assets of the Company become, collectively, the business and assets of two or more companies with the same Shareholder group upon the distribution to the Company's Shareholders, or the exchange with the Company's Shareholders, of securities of the Company or securities of another company.

The Plan provides that, on the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Company.

The Plan contains a provision that, if pursuant to the operation of an adjustment provision of the Plan an optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the optionee's options under the Plan (the "**Subject Options**"), the New Options shall expire on the earlier of: (i) the expiry date of the Subject Options; (ii) if the optionee does not become

an eligible person in respect of the New Company, the date that the Subject Options expire pursuant to the applicable provisions of the Plan relating to expiration of options in cases of death, disability or termination of employment discussed in the preceding paragraph above (the “**Termination Provisions**”); (iii) if the optionee becomes an eligible person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to the Termination Provisions; and (iv) the date that is two (2) years after the optionee ceases to be an eligible person in respect of the New Company or such shorter period as determined by the Board.

The Plan also contains a blackout provision. In accordance with good corporate governance practices and as recommended by National Policy 51-201 - *Disclosure Standards*, the Company imposes blackout periods restricting the trading of its securities by Directors, officers, and any other insiders of the Company during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board of Directors. To ensure that holders of outstanding stock options are not prejudiced by the imposition of such blackout periods, any outstanding stock options with an expiry date occurring during a blackout period or within five days thereafter will be automatically extended to a date that is 10 trading days following the end of the blackout period.

A copy of the Plan is available on request from the Company.

The Shareholders at the Meeting will be asked to pass an ordinary resolution re-approving the Plan. All Shareholders present at the Meeting, whether in person or by proxy, will be entitled to vote on the following resolution:

“BE IT RESOLVED THAT the Company's Stock Option Plan dated March 19, 2008, be and is hereby ratified, confirmed and approved with such additional provisions and amendments of a clerical or non-material nature, provided that such are not inconsistent with the Policies of the TSX Venture Exchange, as the Directors of the Company may deem necessary or advisable.”

Management of the Company believes re-approval of the Plan as described above is in the best interests of the Company and recommends that Shareholders vote FOR the ordinary resolution to re-approve the Plan. Management Proxyholders named in the form of proxy which accompanies this Information Circular intend to vote FOR the resolution to approve the Plan unless the Shareholder has specified in the form of proxy that the Common Shares represented by such proxy are to be voted against such resolution.

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Objectives

The objectives of the Company's executive compensation program are:

- to attract and retain highly qualified individuals;
- to align the interests of executives with those of Shareholders; and,
- to link elements of individual executives' compensation to their performance in achieving the Company's corporate goals and executing its strategy.

The Company offers compensation to its executives consisting of a base salary, cash bonus awards, and equity-based awards in the form of stock options ("**Options**"), restricted share units ("**RSUs**") and deferred share units ("**DSUs**") (RSUs and DSUs collectively referred to as "**Share Based Awards**"). Competitive base salary levels serve to attract and retain executive talent. The granting of Options and Share Based Awards serves to align the interest of executives with those of the Company's Shareholders, and eligibility for cash bonus awards and the potential size of individual Option and Share Based Awards, being at the discretion of the Board, further act as incentive for executives to achieve corporate objectives related to their position and to successfully execute the Company's corporate strategy. Additional information related to Option and Share Based Awards is provided above, under "Re-Approval of Rolling Stock Option Plan" and below, under "Option and Share Based Awards".

Role of the Compensation Committee

The Board is responsible for approving all compensation matters related to the Company's executives. To assist with the oversight of the Company's executive compensation program, the Board has established a Compensation Committee consisting of three independent Directors. As mandated in its charter, the Compensation Committee is responsible for ensuring the Company's executive compensation levels are competitive and sufficiently motivating to attract, hire, retain, and inspire the Company's executives, and for recommending compensation paid to Directors (see "Director Compensation" below). A copy of the Compensation Committee charter is available on the Company's website.

The Compensation Committee reviews the salary levels of the Company's Named Executive Officers ("**NEOs**") and other senior executives on a regular basis, at least annually. The Compensation Committee reviews the performance of senior executive officers in discussions with the CEO and reviews the performance of the CEO in an executive session without the CEO present.

The Company does not currently have a prescriptive executive compensation plan. When making compensation decisions regarding the Company's executives, the Compensation Committee considers the level of responsibility, experience, and skills of the executive, the executive's performance in relation to achievement of the Company's strategic goals, the executive's performance in managing unplanned situations, the financial and operating performance of the Company, and general market conditions and trends relevant to the Company and the mining industry in general. The Compensation Committee compares the Company's executive compensation levels and components to compensation information for mining and mineral exploration companies sourced from independent survey data, including *The Bedford Report – Board and Executive Compensation in the Mining Industry*, published by the Bedford Consulting Group Inc. to ensure its executive compensation levels are comparable to industry ranges for companies of a comparable size. The Compensation Committee may also compare the Company's executive compensation levels and components to publicly available compensation information that is prepared or collected by the Company (see "Benchmarking", below). While it has not done so during the past three financial years, the Compensation Committee has the authority to engage a third-party consultant to assist the Compensation Committee in its review of the Company's executive or Director compensation programs.

Benchmarking

The Company has not undertaken formal benchmarking of its compensation levels or components to those of a peer group during the past three financial years, including during the financial year ended December 31, 2020. In its annual evaluation of executive and Director compensation during this period,

including for the financial year ended December 31, 2020, the Compensation Committee relied on its members' substantial executive experience in the mining industry and their knowledge of typical mining industry executive compensation levels, resulting from the Company's recruitment of several senior executives over the last three years, to arrive at its recommendations for executive salary increases and Share Based Award compensation. The Committee also utilizes publicly available broad-based surveys of executive compensation in the mining industry as an additional reference in setting executive and Director's compensation.

The Company has determined that as it executes its growth strategy, formal benchmarking of its executive compensation to a peer group is warranted. As a result, in April 2021, the Compensation Committee selected a peer group of precious metals focused, late exploration, development, or junior producer companies with projects in North and South America (including Discovery Metals; Integra Resources; Bluestone Resources; Alexco Resource; Orla Mining; Sabina Gold and Silver; Silvercrest Metals; MAG Silver; Wesdome Gold Mines; Americas Gold and Silver; Great Panther Mining and Victoria Gold) against which to benchmark its executive and Director compensation levels and components.

Elements of Executive Compensation

Base Salary

The Board approves the initial base salary paid to each of the Company's executives when the executive is made an offer of employment. An executive's initial base salary is recommended by the Compensation Committee, based on the committee members' knowledge of typical mining industry salary levels commensurate with the executives' level of experience and skill set. Thereafter, the Compensation Committee conducts annual executive salary reviews, based on management recommendations for executives other than the CEO and upon their analysis in respect of the CEO (as described above, under "Role of the Compensation Committee"). These annual management salary reviews consider each executives' performance in relation to achievement of the Company's corporate strategic goals, as well as current labour market conditions and executive retention priorities, to determine whether an increase in their base salary should be recommended to the Board. The base salary level of an executive may otherwise be increased in connection to his or her promotion within the Company or to ensure alignment with industry market standards.

Bonuses

The Company's executives are eligible for cash bonuses, if and as provided in their employment agreements. In its annual management compensation review, the Compensation Committee may consider, and recommend the Board approve, the payment of a cash bonus to one or more executives to reward the achievement of performance goals or successful execution of the Company's corporate strategy. The Company does not generally award cash bonuses to all executives as part of its annual executive compensation.

The Compensation Committee considers the award of cash bonuses annually, taking into consideration the Company's financial condition and prevailing market conditions as well as executives' performance. The Company does not currently generate revenue and places a high degree of importance on the judicious use of its cash balances, which for the year ended December 31, 2020 were primarily directed toward advancing its mineral development projects. As a result, the Compensation Committee did not recommend cash bonus awards for any of its executives during the most recently completed financial year. The Board awarded a small cash bonus to one NEO (as described below under "NEO Compensation")

during the year ended December 31, 2019 to align that executive's prior year bonus with bonuses awarded to other senior management during the year ended December 31, 2018. The column entitled "Annual Incentive Plan" in the "Summary Compensation Table" below, provides further details regarding cash bonuses awarded to the Company's NEOs for the three most recently completed financial years.

Option and Share Based Awards

The Compensation Committee has the responsibility to administer the compensation policies related to the Company's executive management, including compensation made by way of the granting of Options and Share Based Awards. The Company believes that having the ability to manage overall compensation by including the flexible and discretionary award of Options and/or Share Based Awards, helps it to attract and retain Directors, executives, and employees by providing them with an opportunity to participate in Bear Creek's future success and to align the interests of such eligible participants with the Company's interests and the interests of its Shareholders.

Stock Option Plan

The Plan governs the Company's award of incentive stock options to executives and other eligible participants. In awarding Options to executives, the Board takes into consideration each executive's level of responsibility and their impact or contribution to the longer-term operating performance of the Company as well as the overall compensation of the executive including the number and exercise price of options, if any, previously granted to them. These considerations ensure that such Option grants are in accordance with the policies of the Exchange and closely align the interests of the executive with the interests of Shareholders. The Board determines the vesting provisions of all Option grants.

A description of the material terms of the Plan is provided under the heading "Approval of Rolling Stock Option Plan" above. The column entitled "Option-Based Awards" in the NEO Summary Compensation and Director Compensation tables, below, provides further details regarding Options awarded to the Company's NEOs and Directors for the three most recently completed financial years.

Long-Term Incentive Plan

The LTIP provides the Company with the ability to grant RSUs and DSUs to eligible participants (as defined in the LTIP). The LTIP was adopted by the Board on April 2, 2016, and approved by disinterested Shareholders (defined as Shareholders other than Insiders, including Directors and senior officers of the Company, to whom units may be granted under the LTIP, and their associates) at the Company's annual general meeting held on June 2, 2016.

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

The LTIP is described in the Company's information circular dated April 20, 2016 (a copy of which is available on SEDAR and on the Company's website) and a synopsis is provided above under the heading "Approval of Rolling Stock Option Plan".

During the financial year ended December 31, 2020, the Company granted 1,000,000 RSUs to eligible persons, of which 400,000 were granted to NEOs, 550,000 were granted to Directors who are not NEOs, and 50,000 were granted to a non-NEO officer. The column entitled "Share Based Awards" in the NEO Summary Compensation and Director Compensation tables, below, provides further details regarding RSUs awarded to the Company's NEOs and Directors for the three most recently completed financial years.

Compensation Risk Considerations

The Compensation Committee considers the implications of risk associated with the Company's compensation policies and practices, and if necessary, recommends corrective action in relation to any compensation policies and practices that could encourage officers, Directors, or employees to take inappropriate or excessive risks that could negatively impact the Company. Under the terms of its charter, the Compensation Committee reports to the Board at least annually with regard to the Committee's consideration of such risks.

Executive compensation comprises both short-term compensation in the form of a base salary and long-term compensation through the award of Options and Share Based Awards. This structure ensures that executive officer compensation is industry-competitive, performance-based and incentivizing. By providing a significant portion of executive compensation in the form of Options and Share Based Awards, which are both long-term and "at risk", the Company's compensation of executives is linked to the achievement of business results and the creation of Shareholder value.

The Board can set out vesting periods in each Option, RSU and DSU agreement. As the benefits of such compensation, if any, are not realized until a significant period of time has passed or important milestones are achieved, the ability of executives to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and its Shareholders is minimal. Options typically vest over 18 months, although the vesting terms of some Option grants may be linked to the achievement of defined corporate milestones. Unless otherwise approved by the Board, any RSUs granted will vest over three years. Furthermore, except for the Board-approved base salary levels of executives and Director compensation paid pursuant to the Director Compensation Plan (as described below under "Director Compensation"), all elements of executive and Director compensation are discretionary. This provides a further disincentive for an executive or Director to take inappropriate or excessive risks at the expense of the Company or its Shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the Company's relatively small size and its current executive group, the Board is able to closely monitor and consider any risks associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular meetings of the Board and its committees, during which financial and other information of the Company is reviewed.

As of the date of this Information Circular, no risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Financial Instruments

The Company's officers and Directors are prohibited from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds designed to hedge or offset a decrease in the market value of the Company's securities.

Compensation Governance

The Company has a Compensation Committee, which is further described above under "Role of the Compensation Committee" and below, under "Corporate Governance Disclosure - Compensation".

NAMED EXECUTIVE OFFICERS

The individuals listed in the table below comprise the Company's Named Executive Officers (or "NEOs") for the financial year ended December 31, 2020.

An NEO is a person acting as the Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") for all or any portion of the most recently completed financial year, and each of the three most highly compensated executive officers of the Company or its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, as at December 31, 2020, whose individual total compensation for the most recently completed financial year exceeded C\$150,000 and any individual who would have satisfied these criteria but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of the most recently completed financial year.

| Name of NEO | Position |
|---|--|
| Anthony Hawkshaw | President and Chief Executive Officer |
| Paul Tweddle | Chief Financial Officer |
| Elsiario Antunez de Mayolo ⁽¹⁾ | Chief Operating Officer and Vice President, Operations |
| Eric Caba ⁽²⁾ | Vice President, Project Development |
| Andrew Swarthout ⁽³⁾ | Executive Chairman |

(1) Mr. Antunez de Mayolo retired from the Company effective December 31, 2020.

(2) Mr. Caba was promoted to Chief Operating Officer of the Company effective January 1, 2021.

(3) Mr. Swarthout is the former President and CEO of the Company. Upon retiring as the President and CEO on September 31, 2017, he was appointed Executive Chairman and served in this role until June 3, 2020. Effective June 3, 2020 the Company has not appointed an Executive Chairman. Mr. Swarthout remains a Director of the Company as of the date of this Information Circular.

SUMMARY COMPENSATION TABLE

The following table (presented in accordance with National Instrument Form 51-102F6 - *Statement of Executive Compensation*) ("**NI-51-102F6**") sets forth all annual and long-term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company, in respect of the NEOs named above.

| NEO Name and Principal Position | Year | Salary (US\$) ⁽¹⁾ | Share-Based Awards (US\$) ⁽¹⁾⁽²⁾ | Option-Based Awards (US\$) ⁽¹⁾⁽³⁾ | Non-Equity Incentive Plan Compensation (US\$) | | All Other Compensation (US\$) ⁽¹⁾ | Total Compensation (US\$) ⁽¹⁾ |
|--|------|---------------------------------|--|---|--|---------------------------|---|---|
| | | | | | Annual Incentive Plans ⁽⁴⁾ | Long-term Incentive Plans | | |
| Anthony Hawkshaw <i>President and CEO</i> | 2020 | 350,000 | 144,826 | Nil | Nil | Nil | Nil | 494,826 |
| | 2019 | 341,667 | Nil | 119,366 | Nil | Nil | Nil | 461,033 |
| | 2018 | 300,000 | Nil | Nil | Nil | Nil | Nil | 300,000 |
| Paul Tweddle ⁽⁵⁾ <i>CFO</i> | 2020 | 261,786 | 108,624 | Nil | Nil | Nil | 3,500 | 373,910 |
| | 2019 | 242,857 | Nil | Nil | Nil | Nil | Nil | 242,857 |
| | 2018 | 164,752 | Nil | 741,383 | Nil | Nil | Nil | 906,135 |
| Elsario Antunez de Mayolo ⁽⁶⁾ <i>Chief Operating Officer</i> | 2020 | 325,000 | 108,624 | Nil | Nil | Nil | 155,334 | 588,958 |
| | 2019 | 320,549 | Nil | 238,733 | 20,000 | Nil | 20,000 | 599,282 |
| | 2018 | 297,861 | Nil | 174,042 | 100,000 | Nil | 7,553 | 579,456 |
| Eric Caba ⁽⁷⁾ <i>Senior Vice President, Project Delivery</i> | 2020 | 269,643 | 108,624 | Nil | Nil | Nil | 4,000 | 382,267 |
| | 2019 | 242,857 | Nil | 198,944 | Nil | Nil | Nil | 441,801 |
| | 2018 | 158,968 | Nil | 490,705 | Nil | Nil | Nil | 649,673 |
| Andrew Swarthout ⁽⁸⁾ <i>Executive Chairman</i> | 2020 | 150,000 | 108,619 | Nil | Nil | Nil | Nil | 258,619 |
| | 2019 | 150,000 | Nil | 258,627 | Nil | Nil | Nil | 408,627 |
| | 2018 | 150,000 | Nil | 157,926 | Nil | Nil | Nil | 307,926 |

- (1) All compensation amounts awarded, earned, paid, or payable are reflected in US Dollars, which is the functional/reporting currency of the Company. Amounts denominated in C\$ have been converted into US\$ for reporting purposes at an average exchange rate. For the financial year ended December 31, 2020 the average exchange rate was C\$1.3403/US\$1.00. For the financial years ended December 31, 2019 and 2018 the average exchange rate was C\$1.3268/US\$1.00 and C\$1.2952/US\$1.00, respectively. Amounts denominated in Peruvian Soles have been converted into US\$ for reporting purposes at an average exchange rate. For the financial year ended December 31, 2020 the average exchange rate was Peruvian Soles 3.51/US\$1.00. For the financial years ended December 31, 2019 and 2018 the average exchange rate was Peruvian Soles 3.34/US\$1.00 and 3.29/US\$1.00, respectively.
- (2) Share-based awards consist of RSUs granted on April 22, 2020 at a Fair Market Value of C\$2.05. The US\$ equivalent Fair Market Value has been calculated using the Bank of Canada US\$ exchange rate on April 22, 2020 of C\$1.4154/US\$1.00. The Company issued no Share-based awards during the financial years ending December 31, 2019 or 2018. The Company used the Black-Scholes model as the methodology to calculate the grant date fair value and relied on the following the key assumptions and estimates for the 2020 calculation in respect of share-based awards: expected dividend yield of 0%, weighted average expected stock price volatility 79.64%, weighted average risk free interest rate of 0.34%, and expected life of share awards of 2.31 years. The Company chose this methodology as it is consistent with the methodology used in its audited consolidated financial statements in accordance with IFRS 2 – *Share Based Payments*.
- (3) The Company did not grant Options in 2020. The methodology and inputs used in determining the value of Options granted in prior years is provided in the Company's information circulars for the years ended December 31, 2019 and 2018, dated April 16, 2020 and April 11, 2019, respectively.

- (4) If awarded, annual incentives are paid as cash bonuses and are based on the evaluation of performance for the financial year noted but may be paid in the following year. With the exception of the annual incentives paid to Mr. Antunez de Mayolo in 2018 and 2019 there were no annual incentives paid to the Company's current NEO's during the financial years ended December 31, 2020, 2019 and 2018.
- (5) Mr. Tweddle was hired as the Company's CFO effective March 1, 2018. Mr. Tweddle's compensation for 2018 reflects amounts paid to him from March 1 to December 31, 2018. Other Compensation paid to Mr. Tweddle in 2020 relates to insurance premiums paid on his behalf by the Company.
- (6) Mr. Antunez de Mayolo's salary is denominated in Peruvian Soles and converted to US for reporting purposes. The average Soles to US\$ exchange rate for the years ended December 31, 2020, 2019 and 2018 are provided in Footnote 1, above. Mr. Antunez de Mayolo resigned from the Company effective December 31, 2020. Other Compensation paid to Mr. Antunez de Mayolo in 2020 consists of severance and accrued, unused vacation payments made upon his retirement, in accordance with his employment agreement. Additional information regarding Mr. Antunez de Mayolo's terms of employment applicable during the financial years ended December 31, 2018, 2019 and 2020 is provided below under "Termination and Change of Control Benefits".
- (7) Mr. Caba was hired as the Company's Vice President, Project Development effective March 15, 2018. Mr. Caba's compensation for 2018 reflects amounts paid to him from March 15 to December 31, 2018. Mr. Caba was appointed to the position of Chief Operating Officer effective January 1, 2021. Other Compensation paid to Mr. Caba in 2020 relates to tax preparation services paid on his behalf by the Company.
- (8) Mr. Swarthout retired as the Company's President and CEO effective September 30, 2017 at which time he was appointed Executive Chairman of the Company. Effective June 3, 2020, the Company has not appointed an Executive Chairman and for the remainder of 2020, and to date, Mr. Swarthout serves as a Director of the Company. Mr. Swarthout's compensation reflects compensation he received pursuant to his role as Executive Chairman for 2018, 2019 and from January 1 through June 3, 2020 and for his role as Director from June 4 through December 31, 2020. Mr. Swarthout remains a Director of the Company as of the date of this Information Circular.

DISCUSSION OF SUMMARY COMPENSATION TABLE

Components of Compensation

Mr. Hawkshaw has been employed as the Company's President and CEO since October 1, 2017, at an initial annual base salary of US\$300,000. In January 2019, the Board approved an increase in Mr. Hawkshaw's annual base salary to US\$350,000. In addition to his base salary, Mr. Hawkshaw was granted 150,000 stock options, 100,000 RSUs and no cash bonus awards during the three most recently completed financial years.

Mr. Tweddle was appointed as the Company's CFO effective March 1, 2018 at an initial annual base salary of US\$200,000. Mr. Tweddle's base salary was raised, upon approval by the Board, to US \$250,000 in January 2019 and to US\$265,000 in March 2020. In addition to his base salary, Mr. Tweddle was granted a cumulative total of 650,000 stock options, 75,000 RSUs and no cash bonus awards during the three most recently completed financial years.

Mr. Antunez de Mayolo was employed by the Company from April 2010 to December 31, 2020. Mr. Antunez de Mayolo was initially hired as the General Manager of the Company's subsidiary Bear Creek Exploration Company Ltd. In February 2011 he was promoted to Vice President of Operations of the Company and General Manager of the Company's Peruvian operations, and in August 2013, was appointed Chief Operating Officer ("**COO**") of the Company at an annual salary of US\$286,500. Concurrently, Mr. Antunez de Mayolo's base salary was converted to a Peruvian Soles equivalent and from August 2013 onward, Mr. Antunez de Mayolo's annual salary has been denominated in Peruvian Soles and expressed in US dollars for reporting purposes. In February 2018 and subsequently in January 2019, the Board approved increases in Mr. Antunez de Mayolo's salary to the equivalent of US\$300,000 and US\$325,000, respectively. In addition to his base salary, Mr. Antunez de Mayolo was granted a cumulative

total of 450,000 stock options and 75,000 RSUs during the three most recently completed financial years and a cash bonus awards of US\$100,000 during 2018 and US\$20,000 during 2019. Mr. Antunez de Mayolo retired from the Company effective December 31, 2020 and was paid US\$150,820 in severance and US\$4,514 in accrued unused vacation time upon his resignation.

Mr. Caba was appointed as the Company's Vice President, Project Development effective March 15, 2018 at an initial annual base salary of US\$200,000. Mr. Caba's base salary was raised, upon approval by the Board, to US \$250,000 in January 2019 and to US\$275,000 in March 2020, at which time he was promoted to Senior Vice President, Project Delivery. Mr. Caba was promoted to COO effective January 1, 2021. In addition to his base salary, Mr. Caba was granted a cumulative total of 650,000 stock options, 75,000 RSUs and no cash bonus awards during the three most recently completed financial years.

Mr. Swarthout was employed as the Company's CEO from its inception until September 30, 2017 and additionally served as the Company's President from 2003 to 2011 and from 2013 to September 30, 2017, at which time he resigned as the President and CEO and was appointed to the role of Executive Chairman. For the years ended December 31, 2018 and 2019, Mr. Swarthout's cash compensation related entirely to his role as Executive Chairman and totalled US\$150,000 annually. Following the election of Directors, including Mr. Swarthout, at the Company's annual general meeting held on June 3, 2020, the Board determined that an Executive Chairman position was not required for governance purposes. Compensation paid to Mr. Swarthout for the year ended December 31, 2020 relates to Mr. Swarthout's role as Executive Chairman from January 1 to June 3, 2020, and to his role as a Director from June 4 to December 31, 2020. Additional information applicable to Mr. Swarthout's compensation is provided under "Director Compensation", below. In addition to his base salary, Mr. Swarthout was granted a cumulative total of 450,000 stock options and no cash bonus awards during the three most recently completed financial years.

As the Company continues its planned transition from an exploration and development company to a metal producer, the executive officers' responsibilities may increase. The Compensation Committee may periodically recommend salary increases to its officers based on the Compensation Committee's review of comparable companies and mining industry surveys, each individual officer's performance, and market conditions. Salary increases for the Company's executives require approval of the Board.

Please refer to "Incentive Plan Awards" for additional details regarding stock option awards to the NEOs for the three most recently completed financial years.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following table, (presented in accordance with NI 51-102F6) sets forth information concerning all Option and Share Based Awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for each of the Named Executive Officers.

| NEO Name and Principal Position ⁽¹⁾ | Grant Date | Expiry Date | Option-Based Awards | | | Share-Based Awards | | |
|---|------------|-------------|--|--|--|---|--|---|
| | | | Number of Securities Underlying Unexercised Options ⁽²⁾ (#) | Option Exercise Price ⁽³⁾ (C\$) | Value of Unexercised In-The-Money Options ⁽⁴⁾ (C\$) | Number of Shares or Units of Shares That Have Not Vested ⁽⁵⁾ (#) | Market or Payout Value of Share-Based Awards That Have Not Vested ⁽⁶⁾ (C\$) | Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (C\$) |
| Anthony Hawkshaw <i>President and CEO</i> | 3-Oct-17 | 3-Oct-27 | 1,000,000 ⁽⁷⁾ | 2.25 | 880,000 | | | |
| | 1-Feb-19 | 1-Feb-29 | 150,000 | 1.50 | 244,500 | | | |
| | 22-Apr-20 | 22-Apr-23 | | | | 100,000 | 313,000 | N/A |
| Paul Tweddle <i>CFO</i> | 2-Mar-18 | 2-Mar-28 | 650,000 ⁽⁸⁾ | 2.05 | 702,000 | | | |
| | 22-Apr-20 | 22-Apr-23 | | | | 75,000 | 234,750 | N/A |
| Elsiario Antunez de Mayolo <i>COO</i> | 17-June-16 | 17-June-21 | 120,000 | 2.48 | 78,000 | | | |
| | 16-Feb-17 | 16-Feb-22 | 135,000 | 2.73 | 54,000 | | | |
| | 26-Feb-18 | 26-Feb-28 | 150,000 | 2.05 | 162,000 | | | |
| | 22-Apr-20 | 22-Apr-23 | | | | 75,000 | 234,750 | N/A |
| Eric Caba <i>Senior Vice President, Project Delivery</i> | 16-Mar-18 | 16-Mar-28 | 400,000 ⁽⁹⁾ | 2.24 | 356,000 | | | |
| | 1-Feb-19 | 1-Feb-29 | 250,000 ⁽⁹⁾ | 1.50 | 407,500 | | | |
| | 22-Apr-20 | 22-Apr-23 | | | | 75,000 | 234,750 | N/A |
| Andrew Swarthout <i>Executive Chairman</i> | 17-June-16 | 17-June-21 | 200,000 | 2.48 | 130,000 | | | |
| | 16-Feb-17 | 16-Feb-22 | 225,000 | 2.73 | 90,000 | | | |
| | 26-Feb-18 | 26-Feb-28 | 125,000 | 2.05 | 135,000 | | | |
| | 1-Feb-19 | 1-Feb-29 | 150,000 | 1.50 | 244,500 | | | |
| | 1-Feb-19 | 1-Feb-29 | 175,000 ⁽¹⁰⁾ | 1.50 | 285,250 | | | |
| | 22-Apr-20 | 22-Apr-23 | | | | 75,000 | 234,750 | N/A |

- (1) The employment histories of Messrs. Hawkshaw, Tweddle, Caba, Antunez de Mayolo and Swarthout are provided under the heading "Discussion of Summary Compensation Table", above.
- (2) Unless otherwise indicated, the Options vest 25% immediately upon the grant date, and an additional 25% vest every six (6) months thereafter.
- (3) Options awarded by the Company are priced in C\$.
- (4) This amount is calculated by multiplying the number of unexercised Options by the difference between the exercise price of the Options and the closing price of the Company's Common Shares on the Exchange on December 31, 2020, which was C\$3.13. These Options have not been exercised and actual gains, if any, on exercise will depend on the value of the Company's shares on the date of exercise.
- (5) Unless otherwise indicated, the Share Based Awards vest as 1/3 on each of the anniversaries of the grant date.
- (6) This amount is calculated by multiplying the number of Share Based Awards unvested on December 31, 2020 by the closing price of the Company's Common Shares on the Exchange on December 31, 2020, which was C\$3.13.
- (7) These Options vest as to 50% at earlier of a Corani construction decision and October 3, 2019 and 100% at earlier of Corani commercial production or October 3, 2022.

- (8) These Options vest as to 50% at earlier of a Corani construction decision and March 2, 2020 and 100% at earlier of Corani commercial production or March 2, 2023.
- (9) These Options vest as to 50% at earlier of a Corani construction decision and March 16, 2020 and 100% at earlier of Corani commercial production or March 16, 2023.
- (10) These Options vested in full on the date of grant.

Value Vested or Earned During the Year

The value of incentive plan awards granted to Named Executive Officers that vested or were earned during the most recently completed financial year are provided in the following table (presented in accordance with NI 51-102F6).

| NEO Name and Principal Position ⁽¹⁾ | Option-Based Awards | | Share-Based Awards | | Non-Equity Incentive Plan Compensation - Value Earned During the Year ⁽⁴⁾ (C\$) |
|---|---|---|---|------------------------------------|--|
| | Number of Options that Vested During the Year | Value Vested During the Year ⁽²⁾ (C\$) | Number of Awards that Vested During the Year ⁽³⁾ | Value Vested During the Year (C\$) | |
| Anthony Hawkshaw <i>President and CEO</i> | 37,500 | 33,375 | Nil | Nil | Nil |
| | 37,500 | 69,375 | | | |
| Paul Tweddle <i>CFO</i> | 325,000 | Nil | Nil | Nil | Nil |
| Elsario Antunez de Mayolo <i>COO</i> | 37,500 | 33,375 | Nil | Nil | Nil |
| | 37,500 | 69,375 | | | |
| Eric Caba <i>Senior Vice President, Project Delivery</i> | 200,000 | Nil | Nil | Nil | Nil |
| | 125,000 | Nil | | | |
| Andrew Swarthout <i>Executive Chairman</i> | 37,500 | 33,375 | Nil | Nil | Nil |
| | 37,500 | 69,375 | | | |

- (1) The employment histories of Messrs. Hawkshaw, Tweddle, Caba, Antunez de Mayolo and Swarthout are provided under the heading "Discussion of Summary Compensation Table", above.
- (2) This amount is the dollar value that would have been realized if the Options that vested during the year ended December 31, 2020 had been exercised on the vesting date, calculated for each tranche of vested Options as to $(a - b) * c$ where: a = the closing price of the underlying securities on the vesting date; b = the exercise price of the Options that vested; and c = the number of Options that vested during the year. If $a < b$, the value vested during the year is Nil. These Options have not been exercised and actual gains, if any, on exercise will depend on the value of the Company's shares on the date of exercise.
- (3) No Share-Based Awards vested during the financial year ended December 31, 2020.
- (4) The Company did not award any non-equity incentive compensation (bonuses) during the financial year ended December 31, 2020.

PENSION PLAN BENEFITS

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

As of the date of this Information Circular, the Company has employment agreements (“**Agreements**”) with Messrs. Hawkshaw, Tweddle, and Caba that provide for compensation in the form of salary, bonuses, Options, and Share Based Awards as well as the payment of benefits in the event of termination of employment or change of control of the Company. As of September 30, 2017, Mr. Swarthout ceased to be employed by the Company under an Agreement, and the termination and change of control provisions of his prior Agreement are no longer in effect. As of December 31, 2020, Mr. Antunez de Mayolo ceased to be employed by the Company under an Agreement, and the termination and change of control provisions of his prior Agreement are no longer in effect. In accordance with Peruvian legislation and his Agreement, which was in effect during the most recently completed financial year, and as disclosed above under "Discussion of Summary Compensation Table", Mr. Antunez de Mayolo was paid a cumulative total of US\$155,334 in severance and accrued unused vacation time upon his resignation from the Company.

In the Agreements, “change of control” is defined as a direct or indirect acquisition, by a person or combination of persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, of such number of voting securities of the Company at the time held by such person or persons, exceeds 35% of the voting rights attached to all outstanding shares of the Company.

In the Agreements, an “event of termination” is defined as the occurrence of any of the following events, at any time after a change of control, without the written consent of the employee, which event is not rectified by the Company within 30 days of occurrence:

- (i) a change by the Company (other than changes that are contemplated by the Agreement, or clearly consistent with a promotion) in the employee’s position or duties, responsibilities (including, without limitation, the person(s) to whom he reports, and who report to him), title or office in effect immediately prior to the Control Change, which includes any removal of him from or any failure to re-engage him in such position or offices;
- (ii) any failure by the Company to maintain the employee’s salary, benefits, or other form of remuneration or, if relevant, to increase his salary, benefits, or other form of remuneration in a manner consistent (both as to frequency and as to percentage increase) with increases granted generally to the Company’s other executive officers;
- (iii) the Company relocating the employee to any place other than the location at which he reported for work on a regular basis immediately prior to the Control Change; or
- (iv) failure by the Company to obtain an effective assumption of its obligations hereunder by any successor to the Company, including a successor to a material portion of its business.

If, as the result of a change of control (as defined in the Agreements) of the Company, Mr. Hawkshaw, Mr. Tweddle, or Mr. Caba experience an “event of termination” as described above, each is entitled to a severance payment of two years’ salary and can exercise any Options previously granted, concurrent with the completion of any take-over bid or within 30 days in the event of termination after a change of control which is not a take-over bid or similar transaction.

At any time in circumstances where there is no cause for termination and no change of control, by the provision of written notice of termination from the Company, the Company is obligated to provide Messrs. Hawkshaw, Tweddle, and Caba with one year’s written notice of termination, or at the Company’s sole discretion, payment of one year’s salary in lieu of notice, or a combination thereof.

The termination and change of control treatment of Share Based Awards granted to each NEO are not specified in their Agreements and are therefore governed by the terms of the Company's LTIP.

Estimated Incremental Payment on Change of Control

The information below sets out the estimated incremental payments, payables, and benefits due to Messrs. Hawkshaw, Tweddle, and Caba, assuming a triggering event on the last business day of the Company's most recently completed financial year. NEOs not mentioned immediately below are not entitled to such incremental payments on a change of control.

Under the terms of Mr. Hawkshaw's Agreement, the estimated incremental payment upon termination by the Company on a change of control of the Company to which he is entitled is approximately US\$700,000 (calculated as at the last business day of the Company's most recently completed financial year) representing an amount equal to two years' salary, plus any amounts owed in respect of accrued vacation, earned bonuses and the accelerated option value of his existing stock options.

Under the terms of Mr. Tweddle's Agreement, the estimated incremental payment upon termination by the Company on a change of control of the Company to which he is entitled is approximately US\$530,000 (calculated as at the last business day of the Company's most recently completed financial year) representing an amount equal to two years' salary, plus any amounts owed in respect of accrued vacation, earned bonuses and the accelerated option value of his existing stock options.

Under the terms of Mr. Caba's Agreement, the estimated incremental payment upon termination by the Company on a change of control of the Company to which he is entitled is approximately US\$550,000 (calculated as at the last business day of the Company's most recently completed financial year) representing an amount equal to two years' salary, plus any amounts owed in respect of accrued vacation, earned bonuses and the accelerated option value of his existing stock options.

DIRECTOR COMPENSATION

According to the Company's Articles, Directors are elected at an annual meeting of Shareholders, to hold office until the following annual meeting of Shareholders. At the Company's last annual meeting of Shareholders, held on June 3, 2020, the following nine (9) Directors were elected to hold office until the upcoming Meeting: Catherine McLeod-Seltzer, Anthony Hawkshaw, Andrew Swarthout, Kevin Morano, Frank Tweddle, Stephen Lang, Erfan Kazemi, Alfredo Bullard, and Alan Hair. As mentioned above under "Business of the Meeting", Frank Tweddle ceased to be a Director on March 27, 2021.

The Board adopted a Directors' compensation plan (the "**Directors' Compensation Plan**") in November 2010 with the following objectives:

- to attract and retain Directors with the skills and experience necessary to provide excellence in board oversight;
- to remunerate Directors for the substantial amount of time and level of responsibility dedicated to the Company;
- to align Directors' interests with those of Shareholders;

The Directors' Compensation Plan was amended as follows:

- in 2017, to provide additional remuneration to the Chair of the Transaction Response Committee (if such a committee is constituted)
- in 2018 (retroactive to October 2017), to provide remuneration for the role of Executive Chairman (if an appointment to such role is made);
- in 2020, to provide remuneration for service as a Qualified Person (as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*).

Under the Company's Directors' Compensation Plan, the Directors who are also Company employees do not receive remuneration for Board service. As of the end of the most recently completed financial year, Mr. Hawkshaw, the Company's President and CEO, is the only Director who is also an employee and as such, the only Director who is not compensated under the Directors' Compensation Plan.

Under the current Directors' Compensation Plan, Mr. Swarthout, who served in the role of Executive Chairman from October 17, 2017 to June 3, 2020 and who is currently a Director who serves as a Qualified Person, receives an annual flat fee of US\$150,000, with no additional fees payable for meeting attendance or committee service. The remaining non-employee Directors are paid the following fees:

| Position | Annual Retainer Fee (US\$) |
|---|---|
| Member of the Board of Directors (excluding Director Qualified Person and CEO) | \$20,000+ \$1,000 per board or committee meeting attended in person or electronically |
| Chair (additional) | \$50,000 |
| Chair of the Audit Committee (additional) | \$5,000 |
| Chair of the Transaction Response Committee (additional) | \$20,000 |
| Director Qualified Person | \$150,000 |

Payments to the Directors are made bi-annually in June and December. Additional discussion about the Board and its function during the year ended December 31, 2020 is provided under "Corporate Governance Disclosure", below.

In addition to the cash fees and retainers paid to Directors under the Directors' Compensation Plan as discussed above, the Board may consider discretionary grants of Options and Share Based Awards, pursuant to Plan and the LTIP, respectively, to non-employee Directors. The Company also reimburses Directors for all reasonable out-of-pocket costs incurred by them in connection with their services to the Company.

Aside from the revisions to the Directors Compensation Plan discussed above there have been no significant changes to the compensation structure of Directors since adoption of the Directors' Compensation Plan in 2010.

Director Compensation Table

The following table (presented in accordance with NI 51-102F6) sets forth all amounts of compensation earned by non-NEO Directors for the Company's most recently completed financial year. Mr. Hawkshaw and Mr. Swarthout were both NEOs during the financial year ended December 31, 2020 and information

regarding their compensation is provided under " Summary Compensation Table" and the pertinent disclosure thereto, above.

| Director Name | Fees Earned (US\$) ⁽¹⁾ | Share-Based Awards ⁽²⁾ (US\$) | Option Based Awards ⁽³⁾ (US\$) | Non-equity Incentive Plan Compensation (US\$) | Pension Value (US\$) | All Other Compensation (US\$) | Total (US\$) |
|------------------------------|-----------------------------------|--|---|---|----------------------|-------------------------------|--------------|
| Catherine McLeod-Seltzer | 76,000 | 144,826 | Nil | Nil | Nil | Nil | 220,826 |
| Kevin Morano | 27,000 | 108,619 | Nil | Nil | Nil | Nil | 135,619 |
| Frank Tweddle ⁽⁴⁾ | 27,000 | 108,619 | Nil | Nil | Nil | Nil | 135,619 |
| Stephen Lang | 30,000 | 108,619 | Nil | Nil | Nil | Nil | 138,619 |
| Erfan Kazemi | 34,000 | 108,619 | Nil | Nil | Nil | Nil | 142,619 |
| Alfredo Bullard | 29,000 | 108,619 | Nil | Nil | Nil | Nil | 137,619 |
| Alan Hair | 25,000 | 108,619 | Nil | Nil | Nil | Nil | 133,619 |

- (1) All compensation amounts awarded, earned, paid, or payable are reflected in US Dollars, which is the functional/reporting currency of the Company. Amounts denominated in C\$ have been converted into US\$ for reporting purposes at an average exchange rate. For the financial year ended December 31, 2020 the average exchange rate was C\$1.3403/US\$1.00.
- (2) Share-based awards consist of RSUs granted on April 22, 2020 at a Fair Market Value of C\$2.05. The US\$ equivalent Fair Market Value has been calculated using the Bank of Canada US\$ exchange rate on April 22, 2020 of C\$1.4154/US\$1.00. The Company used the Black-Scholes model as the methodology to calculate the grant date fair value and relied on the following the key assumptions and estimates for the 2020 calculation in respect of share-based awards: expected dividend yield of 0%, weighted average expected stock price volatility 79.64%, weighted average risk free interest rate of 0.34%, and expected life of share awards of 2.31 years. The Company chose this methodology as it is consistent with the methodology used in its audited consolidated financial statements in accordance with IFRS 2 – *Share Based Payments*.
- (3) The Company did not grant Options in 2020. The methodology and inputs used in determining the value of Options granted in prior years is provided in the Company's information circulars for the years ended December 31, 2019 and 2018, dated April 16, 2020 and April 11, 2019, respectively.
- (4) Mr. Tweddle ceased to be a Director on March 27, 2021.

Director Incentive Plan Awards

As described above in relation to the NEOs, the Company may grant Options and Share Based Awards pursuant to the Plan and the LTIP, respectively, to its Directors, officers, employees and consultants. Material terms of the Plan and the LTIP are provided under the heading "Approval of Rolling Stock Option Plan", above. The purpose of granting Options and Share Based Awards to the Company's Directors is to assist the Company in attracting, retaining, and motivating Directors and to closely align the personal interests of such persons to that of the Company's Shareholders.

Outstanding Share-Based Awards and Option-Based Awards

The following table (presented in accordance with NI 51-102F6) sets forth information concerning all incentive plan awards granted to Directors that are outstanding at the end of the most recently completed

financial year, including awards granted before the most recently completed financial year, for each of the Directors who was a member of the Board on December 31, 2020 and who is not an NEO. Mr. Hawkshaw and Mr. Swarhout were both NEOs on December 31, 2020 and information regarding incentive plan awards granted to each of them is provided in "Outstanding Share-Based Awards and Option-Based Awards", under "Named Executive Officers" above.

| | | | Option-Based Awards | | | Share-Based Awards | | |
|------------------------------|------------|-------------|--|--|--|---|--|---|
| Director Name | Grant Date | Expiry Date | Number of Securities Underlying Unexercised Options ⁽¹⁾ (#) | Option Exercise Price ⁽²⁾ (C\$) | Value of Unexercised In-The-Money Options ⁽³⁾ (C\$) | Number of Shares or Units of Shares That Have Not Vested ⁽⁴⁾ (#) | Market or Payout Value of Share-Based Awards That Have Not Vested ⁽⁵⁾ (C\$) | Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (C\$) |
| Catherine McLeod-Seltzer | 17-June-16 | 17-June-21 | 120,000 | 2.48 | 78,000 | | | |
| | 16-Feb-17 | 16-Feb-22 | 135,000 | 2.73 | 54,000 | | | |
| | 26-Feb-18 | 26-Feb-28 | 125,000 | 2.05 | 135,000 | | | |
| | 1-Feb-19 | 1-Feb-29 | 125,000 | 1.50 | 203,750 | | | |
| | 1-Feb-19 | 1-Feb-29 | 125,000 ⁽⁶⁾ | 1.50 | 203,750 | | | |
| | 22-Apr-20 | 22-Apr-23 | | | | 100,000 | 313,000 | N/A |
| Kevin Morano | 17-June-16 | 17-June-21 | 120,000 | 2.48 | 78,000 | | | |
| | 16-Feb-17 | 16-Feb-22 | 135,000 | 2.73 | 54,000 | | | |
| | 26-Feb-18 | 26-Feb-28 | 100,000 | 2.05 | 108,000 | | | |
| | 1-Feb-19 | 1-Feb-29 | 125,000 | 1.50 | 203,750 | | | |
| | 1-Feb-19 | 1-Feb-29 | 150,000 ⁽⁶⁾ | 1.50 | 244,500 | | | |
| | 22-Apr-20 | 22-Apr-23 | | | | 75,000 | 234,750 | N/A |
| Frank Tweddle ⁽⁷⁾ | 17-June-16 | 17-June-21 | 64,000 | 2.48 | 41,600 | | | |
| | 16-Feb-17 | 16-Feb-22 | 72,000 | 2.73 | 28,800 | | | |
| | 26-Feb-18 | 26-Feb-28 | 75,000 | 2.05 | 81,000 | | | |
| | 1-Feb-19 | 1-Feb-29 | 75,000 | 1.50 | 122,250 | | | |
| | 22-Apr-20 | 22-Apr-23 | | | | 75,000 | 234,750 | N/A |
| Stephen Lang | 12-June-18 | 12-June-28 | 75,000 | 1.92 | 90,750 | | | |
| | 1-Feb-19 | 1-Feb-29 | 75,000 | 1.50 | 122,250 | | | |
| | 22-Apr-20 | 22-Apr-23 | | | | 75,000 | 234,750 | N/A |
| Erfan Kazemi | 12-June-18 | 12-June-28 | 75,000 | 1.92 | 90,750 | | | |
| | 1-Feb-19 | 1-Feb-29 | 75,000 | 1.50 | 122,250 | | | |
| | 22-Apr-20 | 22-Apr-23 | | | | 75,000 | 234,750 | N/A |
| Alfredo Bullard | 6-Mar-19 | 6-Mar-29 | 75,000 | 1.41 | 129,000 | | | |
| | 22-Apr-20 | 22-Apr-23 | | | | 75,000 | 234,750 | N/A |

| | | | Option-Based Awards | | | Share-Based Awards | | |
|---------------|------------|-------------|--|--|--|---|--|---|
| Director Name | Grant Date | Expiry Date | Number of Securities Underlying Unexercised Options ⁽¹⁾ (#) | Option Exercise Price ⁽²⁾ (C\$) | Value of Unexercised In-The-Money Options ⁽³⁾ (C\$) | Number of Shares or Units of Shares That Have Not Vested ⁽⁴⁾ (#) | Market or Payout Value of Share-Based Awards That Have Not Vested ⁽⁵⁾ (C\$) | Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (C\$) |
| Alan Hair | 6-Nov-19 | 6-Nov-29 | 75,000 | 2.58 | 41,250 | | | |
| | 22-Apr-20 | 22-Apr-23 | | | | 75,000 | 234,750 | N/A |

- (1) Unless otherwise indicated, the stock options awarded vest 25% immediately upon the grant date, and an additional 25% vest every six (6) months thereafter.
- (2) Stock options awarded by the Company are priced in C\$.
- (3) This amount is calculated by multiplying the number of unexercised stock options by the difference between the exercise price of the stock options and the closing price of the Company's Common Shares on the Exchange on December 31, 2020, which was C\$3.13. These stock options have not been exercised and actual gains, if any, on exercise will depend on the value of the Company's stock price on the date of exercise.
- (4) Unless otherwise indicated, the Share Based Awards vest as to 33.3% on each of the anniversaries of the grant date.
- (5) This amount is calculated by multiplying the number of Share Based Awards unvested on December 31, 2020 by the closing price of the Company's Common Shares on the Exchange on December 31, 2020, which was C\$3.13.
- (6) The stock options awarded vested in full on the date of grant.
- (7) Mr. Tweddle ceased to be a Director on March 27, 2021.

Value Vested or Earned During the Year

The following table (presented in accordance with NI 51-102F6) sets forth information concerning the value of all incentive plan awards that vested or were earned during the most recently completed financial year, including awards granted before the most recently completed financial year, for each of the Directors who was a member of the Board on December 31, 2020 and who is not an NEO. Mr. Hawkshaw and Mr. Swarthout were both NEOs during the financial year ended December 31, 2020 and information regarding the value of awards granted to each of them that vested or were earned during the most recently completed financial year is provided in the table entitled "Value Vested or Earned During the Year", under "Named Executive Officers", above.

| Director Name | Option-Based Awards | | Share-Based Awards | | Non-Equity Incentive Plan Compensation - Value Earned During the Year ⁽³⁾ (C\$) |
|--------------------------|---|---|---|------------------------------------|--|
| | Number of Options that Vested During the Year | Value Vested During the Year ⁽¹⁾ (C\$) | Number of Awards that Vested During the Year ⁽²⁾ | Value Vested During the Year (C\$) | |
| Catherine McLeod-Seltzer | 31,250 | 27,813 | Nil | Nil | Nil |
| | 31,250 | 57,813 | | | |

| Director Name | Option-Based Awards | | Share-Based Awards | | Non-Equity Incentive Plan Compensation - Value Earned During the Year ⁽³⁾ (C\$) |
|------------------------------|---|---|---|------------------------------------|--|
| | Number of Options that Vested During the Year | Value Vested During the Year ⁽¹⁾ (C\$) | Number of Awards that Vested During the Year ⁽²⁾ | Value Vested During the Year (C\$) | |
| Kevin Morano | 31,250 | 27,813 | Nil | Nil | Nil |
| | 31,250 | 57,813 | | | |
| Frank Tweddle ⁽⁴⁾ | 18,750 | 16,688 | | | |
| | 18,750 | 34,688 | | | |
| Stephen Lang | 18,750 | 16,688 | | | |
| | 18,750 | 34,688 | | | |
| Erfan Kazemi | 18,750 | 16,688 | Nil | Nil | Nil |
| | 18,750 | 34,688 | | | |
| Alfredo Bullard | 18,750 | 8,250 | Nil | Nil | Nil |
| | 18,750 | 33,263 | | | |
| Alan Hair | 18,750 | Nil | Nil | Nil | Nil |
| | 18,750 | 14,438 | | | |

- (1) This amount is the dollar value that would have been realized if the Options that vested during the year ended December 31, 2020 had been exercised on the vesting date, calculated for each tranche of vested Options as to $(a - b) * c$ where: a = the closing price of the underlying securities on the vesting date; b = the exercise price of the Options that vested; and c = the number of Options that vested during the year. If $a < b$, the value vested during the year is Nil. These Options have not been exercised and actual gains, if any, on exercise will depend on the value of the Company's shares on the date of exercise.
- (2) No Share-Based Awards vested during the financial year ended December 31, 2020.
- (3) The Company did not award any non-equity incentive compensation (bonuses) during the financial year ended December 31, 2020.
- (4) Mr. Tweddle ceased to be a Director on March 27, 2021.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table (presented in accordance with NI 51-102F6) sets forth all compensation plans under which equity securities of the Company are authorized for issuance, as at the end of the most recently completed financial year.

| Equity Compensation plan Category ⁽¹⁾ | (a) Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽²⁾ | (b) Weighted-average exercise price of outstanding options, warrants and rights | (c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) ⁽²⁾⁽³⁾ |
|--|--|---|---|
| Plan ⁽⁴⁾⁽⁶⁾ | 6,512,500 | C\$2.13 | 3,731,431 |
| LTIP ⁽⁵⁾⁽⁶⁾ | 1,000,000 | N/A | |
| Equity compensation plans not approved by Shareholders | Nil | N/A | Nil |
| Total | 7,512,500 | C\$2.13 | 3,731,431 |

- (1) Details regarding the Plan and the LTIP are provided under "Re-Approval of Rolling Stock Option Plan", above.
- (2) The securities to be issued or available for future issuance, as applicable, are Common Shares.
- (3) Represents the number of securities cumulatively available for future issuance under the Plan and the LTIP as at December 31, 2020.
- (4) Represents the number of shares to be issued upon exercise of outstanding stock options as at December 31, 2020.
- (5) Represents the number of shares to be issued upon exercise of RSUs and DSUs as at December 31, 2020.
- (6) Securities granted pursuant to the Plan may not exceed 10% of the Company's issued and outstanding shares. At December 31, 2020, the Company had 112,439,314 shares issued and outstanding. Securities granted pursuant to the LTIP may not exceed the lesser of 5,000,000 units or 10% of the Company's issued and outstanding Common Shares less the number of securities issued pursuant to the Plan.

INDEBTEDNESS TO COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS AND SENIOR OFFICERS

As of the date of this Information Circular, there is no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or any of its subsidiaries that is owing to the Company or any of its subsidiaries, or owing to another entity that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, either pursuant to a purchase of securities of the Company or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company, and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person who is not an executive officer of the Company. Please see the footnotes to the "Summary Compensation Table" and the "Termination and Change of Control Benefits" sections above for a summary of the employment contracts of the Company's NEOs for the year ended December 31, 2020.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the rules, policies and practices that govern the conduct of the Company to ensure accountability to stakeholders and compliance with the laws and regulations applicable to the Company. The Board has a pivotal role in ensuring the Company is following best practices in corporate governance and in overseeing the executives charged with day to day management of the Company.

As part of its ongoing commitment to best practices in corporate governance, the Board established a Nominating and Corporate Governance Committee in April 2013, pursuant to corporate governance guidelines under National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**"). Additionally, in 2013 the Board, with the assistance of the Nominating and Corporate Governance Committee, reviewed and assessed the Company's various corporate governance policies and guidelines, including the Board's mandate, committee charters, and various terms of reference, and approved certain amendments and replacements of such documents as appropriate. In 2018 the Board adopted an Anti-Bribery and Anti-Corruption Policy and updated certain of its corporate governance policies accordingly. The corporate governance disclosure in this Information Circular, including the Board mandate and Audit committee charter provided in Schedules "B" and "C", respectively, is current as of the date of this Information Circular.

As disclosed under "Number of Directors" and "Director Compensation", above, the Directors of the Company are elected at each annual meeting of Shareholders to hold office until the next annual meeting of Shareholders or until their successors are appointed. Immediately following the annual meeting of Shareholders, the Board appoints a Chair of the Board, other Board positions, officers, and members and chairs of its standing committees, and constitutes and appoints members to other committees, all as it deems necessary for effective oversight and governance.

NP 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices, which such disclosure is set out below.

STRUCTURE AND FUNCTION OF THE BOARD

Independence of Members of the Board

As at the date of this Information Circular, the Company's Board consists of nine Directors each of whom were elected at the Company's annual meeting of Shareholders held on June 3, 2020. All of the Company's current Directors are standing for re-election at the Meeting (see "Election of Directors" above).

The criteria for, and definition of, Director independence are set forth in National Instrument 52-110 - *Audit Committees* ("NI 52-110"). As of the date of this Information Circular, the Company's Board consists of a majority of independent Directors (7 of 9). Catherine McLeod-Seltzer (Chair), Kevin Morano, Frank Tweddle, Stephen Lang, Erfan Kazemi, Alfredo Bullard and Alan Hair are independent as defined in NI 52-110. Anthony Hawkshaw is not considered independent as he is the President and Chief Executive Officer of the Company. Andrew Swarthout is not considered independent as he was the Executive Chairman of the Company within the past three financial years. If all nine Directors nominated to the Board are elected or re-elected at the Meeting, the Company's Board will continue to consist of a majority of independent Directors (7 of 9).

Lead Director

Prior to June 3, 2020, the Board had appointed an Executive Chairman (who was not considered independent) and a Co-Chairman (who was considered independent) and appointed a Lead Director to provide an additional level of independent oversight of management. As the Director appointed to the sole position of Chair on June 3, 2020, Ms. McLeod-Seltzer, is independent as disclosed under "Independence of Members of the Board" above, the Board did not appoint a Lead Director during the most recently completed financial year.

Management Supervision by Board

The President and CEO, the COO and the CFO report upon the operations of the Company on a quarterly basis directly to the independent Directors of the Board. Each month management presents a written summary of activities and performance relative to an approved budget to the Directors. The independent Directors meet without the presence of non-independent Directors following each meeting of the Board, and as necessary if and when matters arise that require their independent consideration and approval. The Board encourages the independent Directors to meet at any time they consider necessary without any members of management or non-independent Directors being present. The Company's auditors, legal counsel and certain employees may also be invited to attend. As discussed under "Board Governance, Policies and Committees" below, the Audit, Nominating and Corporate Governance, and Compensation Committees are composed entirely of independent Directors and meet without the presence of management following each committee meeting. The Audit Committee additionally meets with the Company's auditors without management in attendance.

The independent Directors exercise their responsibilities for independent oversight of management through their majority control of the Board (see "Independence of Members of the Board" above).

Participation of Directors in Other Reporting Issuers

The participation of each Director as a director or senior officer in other reporting issuers, as of the date of this Information Circular, is described in the table attached hereto as Schedule "A".

The Board has reviewed the various director and officer positions held by the Company's Directors in other reporting issuers and determined, in its view, that these outside responsibilities do not present any reasonable expectation that the independent judgment or ability to act in the best interests of the Company would be compromised. While there are no interlocking board relationships amongst the Company's current Directors, those that may occur will be considered by the Board on a case-by-case basis having regard to the specific circumstances.

Participation of Directors in Board Meetings

The Board meets at least once every quarter to review, among other things, the financial and operating performance of the Company relative to its corporate goals, plans and performance in prior years. The Board also holds a meeting each year to review and assess the Company's financial budget and business plan for the ensuing year and its overall strategic objectives. This process establishes, among other things, key milestones against which the Board may assess the performance of management. Additional meetings of the Board are called from time to time to address special matters as circumstances require. In the year ended December 31, 2020 the following Board and committee meetings were held:

- five (5) meetings of the Board of Directors;
- four (4) meetings of the Audit Committee;
- one (1) meeting of the Compensation Committee; and,
- one (1) meeting of the Nominating and Corporate Governance Committee.

The Board constituted a new standing committee on June 3, 2020 (the "Operations, Safety and Sustainability Committee"), which met for the first time on February 2, 2021.

The attendance record of each Director who served on the Board at any time during the most recently completed financial year, at each of the meetings of the Board and of the committees on which they served, held during 2020, is as follows:

| Director Name ⁽¹⁾ | Board Meetings Attended | Audit Committee Meetings Attended ⁽²⁾ | Compensation Committee Meetings Attended ⁽³⁾ | Nominating and Corporate Governance Committee Meetings Attended ⁽⁴⁾ | Total Number of Meetings Attended (at which the Director's attendance was required) | Attendance Record |
|----------------------------------|-------------------------|--|---|--|---|-------------------|
| Non-Independent Directors | | | | | | |
| Anthony Hawkshaw | 5 (100%) | 4 ⁽⁵⁾ | 1 ⁽⁵⁾ | 1 ⁽⁵⁾ | 5 of 5 | 100% |
| Andrew Swarthout | 5 (100%) | 0 | 0 | 0 | 5 of 5 | 100% |

| Director Name ⁽¹⁾ | Board Meetings Attended | Audit Committee Meetings Attended ⁽²⁾ | Compensation Committee Meetings Attended ⁽³⁾ | Nominating and Corporate Governance Committee Meetings Attended ⁽⁴⁾ | Total Number of Meetings Attended (at which the Director's attendance was required) | Attendance Record |
|------------------------------|-------------------------|--|---|--|---|-------------------|
| Independent Directors | | | | | | |
| Catherine McLeod-Seltzer | 5 (100%) | 0 | 1 (100%) | 0 | 6 of 6 | 100% |
| Kevin Morano | 5 (100%) | 0 | 1 (100%) | 1 (100%) | 7 of 7 | 100% |
| Frank Tweddle | 5 (100%) | 0 | 1 (100%) | 1 (100%) | 7 of 7 | 100% |
| Stephen Lang | 5 (100%) | 4 (100%) | 0 | 1 (100%) | 10 of 10 | 100% |
| Erfan Kazemi | 5 (100%) | 4 (100%) | 0 | 0 | 9 of 9 | 100% |
| Alfredo Bullard | 5 (100%) | 4 (100%) | 0 | 0 | 9 of 9 | 100% |
| Alan Hair | 5 (100%) | 0 | 0 | 0 | 5 of 5 | 100% |

(1) The independence or non-independence of each of the Company's Directors is discussed under "Independence of Members of the Board", above.

(2) The Audit Committee consists of Messrs. Kazemi (Chair), Lang and Bullard.

(3) The Compensation Committee consist of Messrs. Morano (Chair) and Tweddle and Ms. McLeod-Seltzer.

(4) The Nominating and Corporate Governance Committee consists of Messrs. Lang (Chair), Morano and Tweddle.

(5) Mr. Hawkshaw's attendance at the 2020 Audit, Compensation and Nominating and Corporate Governance Committee meetings was as a guest.

BOARD GOVERNANCE, POLICIES AND COMMITTEES

Board Mandate

The Board has adopted a Board Mandate, the text of which is attached as Schedule "B" to this Information Circular.

As prescribed by the Business Corporations Act (British Columbia), the mandate of the Board is to manage, or supervise the management of, the business and affairs of the Company and to act with a view to the best interests of the Company. The Board oversees the management of the Company's affairs directly and through its committees. In fulfilling its mandate, the Board, among other matters, is responsible for:

- reviewing and approving the Company's overall business strategies and its annual business plan;
- reviewing and approving the annual corporate budget and forecast;
- reviewing and approving significant capital investments outside the approved budget;
- reviewing major strategic initiatives to ensure that the Company's proposed actions accord with Shareholder objectives;
- reviewing succession planning;

- assessing management's performance against approved business plans and industry standards;
- reviewing and approving the financial reports and other disclosure issued to Shareholders;
- ensuring the effective operation of the Board; and,
- safeguarding Shareholders' equity interests through the optimum utilization of the Company's capital resources.

The Board relies on management to provide it with periodic reports on the Company's operations and performance, and to provide the support and information necessary to enable the Board to fulfill its obligations effectively. Major decisions and other significant matters are set out in reports prepared by management and submitted to the Board for approval. All material transactions must be reviewed and approved by the Board prior to implementation. Any responsibility that is not delegated to senior management or a Board committee remains with the full Board. One of the Board's responsibilities is to review and, if thought fit, to approve business opportunities as presented by management and to provide guidance to management. The Board expects management to operate the business of the Company in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

The Board also meets to:

- plan for the future growth of the Company;
- identify risks of the Company's business, thus ensuring the implementation of appropriate systems to manage these risks;
- monitor senior management; and,
- ensure timely disclosure of material transactions.

The frequency of Board meetings and the nature of agenda items changes depending upon the state of the Company's affairs and in light of opportunities or risks that the Company faces. When necessary and appropriate, issues may be approved and adopted by the Board by way of written resolutions in accordance with applicable corporate law.

Position Descriptions

The Board has adopted written position descriptions in the form of terms of reference for the Chair of the Board and the Lead Director (if appointed). The Company has also adopted terms of reference for the committees, including the roles of the respective chairs, and terms of reference for the Directors. Stand-alone terms of reference have not been adopted for the individual chairs of each of its committees, as the Board is of the view that the terms of reference for the committees and charters of each the respective committees are sufficiently specific that no separate descriptions are necessary.

The Board has also adopted terms of reference for the President and CEO. In addition, the CEO's annual performance objectives, which are reviewed and approved by the Board, further delineate the CEO's role and responsibilities and further define the responsibilities of management.

Orientation and Continuing Education

The Nominating and Corporate Governance Committee oversees the orientation and education process for new Board members. While the Company does not have a formal orientation and training program, new Board members are provided with:

- information respecting the functioning of the Board and its committees, and copies of the Company's corporate governance policies;
- access to recent, publicly filed documents of the Company, technical reports, constating documents, and the Company's internal financial information;
- access to management, auditors, and technical consultants;
- access to the Company's legal counsel to answer any questions or matters relating to the Board member's corporate and securities law responsibilities; and
- further information and education as deemed appropriate and desirable by the Board on a case-by-case basis.

To help ensure that they maintain the skill and knowledge necessary to meet their obligations to the Company and its Board, Directors are encouraged to:

- communicate with management, legal counsel, and, where applicable, auditors and technical consultants of the Company,
- with management's assistance, keep current on corporate governance matters, industry trends, and changes in legislation, and
- attend related industry seminars and visit the Company's operations.

Directors have full access to the Company's records and are encouraged to review these materials and consult with management to ensure they understand the Company's operational and governance history.

Ethical Business Conduct

The Board views good corporate governance and ethical conduct as an integral component to the Company's success and a crucial aspect of the Company's ability to meet its responsibilities to Shareholders and other stakeholders.

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**"), which is posted on the Company's website and filed under the Company's profile on SEDAR. The Code applies to all Directors, officers, employees and consultants of the Company ("**Covered Persons**"). Its purpose is to promote integrity, deter wrongdoing, and assist Covered Persons in making sound decisions regarding the Company's, and its subsidiaries', affairs. The Code outlines the basic principles that guide the Company's affairs, and Covered Persons are encouraged to consult with management, the President and CEO, or the Chair of the Audit Committee for direction regarding specific issues, conflicts or potential conflicts.

It is ultimately the responsibility of Company and all Covered Persons to be aware of their obligations under, and to comply with, the Code, and it is the Board's responsibility to monitor compliance therewith. The Board has delegated this responsibility to the Chair of the Audit Committee with regard to reporting under the Code, and the Nominating and Corporate Governance Committee, which will, among other things, periodically review the Company's corporate governance policies. To date, no breaches of the Code have been reported, and no waivers from it have been granted, nor has there been any material

change report filed that pertains to any conduct of a Director or executive officer of the Company that constitutes a departure from the Code.

In addition to having adopted the Code, the Board, through its meetings with management and other informal discussions with management, encourages a culture of ethical business conduct. The Board additionally entrusts the Company's management team to actively promote a culture of ethical business conduct throughout the Company's operations and to monitor the Company's employees, consultants and agents accordingly.

Applicable corporate law requires that Directors and officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and, in the case of Directors, abstain from discussions and voting in respect to same. These requirements are also contained in the Company's Articles, which are made available to the Directors and officers of the Company as part of the Company's orientation and continuing education process.

Whistleblower Policy

The Company has adopted a written Whistleblower Policy, which is posted on the Company's website and filed under the Company's profile on SEDAR. The Whistleblower Policy is designed to ensure that a confidential and anonymous process exists whereby the Company's Directors, officers and employees can report any ethical or accounting concerns, violations of law, and violations of Company policies. The Whistleblower Policy is administered by the Audit Committee.

Anti-Bribery and Anti-Corruption Policy

The Company has adopted a written Anti-Bribery and Anti-Corruption Policy, which is posted on the Company's website and under the Company's profile on SEDAR. The Anti-Bribery and Anti-Corruption Policy works in coordination with the Code and the Whistleblower Policy to ensure the Company, its Directors, officers, employees and consultants avoid any occurrence, real or perceived, of bribery and corruption in the Company's business dealings and transactions. The Anti-Bribery and Anti-Corruption Policy provides information and guidance on how to recognize and deal with bribery and corruption issues and provides guidelines and establishes procedures to ensure that all those working for, on behalf of and with the Company have a clear and consistent understanding of how to avoid and prevent bribery and corruption and a method of reporting any violations or suspected violations of the Anti-Bribery and Anti-Corruption Policy.

Nomination of Directors

The Nominating and Corporate Governance Committee, under the supervision of the Board, is primarily responsible for:

- establishing a process for identifying, recruiting, appointing, and providing ongoing development for Directors;
- monitoring and assessing the functioning of the Board, committees of the Board, and the individual members of the Board; and,
- ensuring the Board, Directors and management adopt and observe best corporate governance practices.

The Nominating and Corporate Governance Committee meets at least once annually and is governed by a written charter that sets forth its responsibilities, powers, and operations. A copy of the Nominating and Corporate Governance Committee charter is posted on the Company's website.

The Nominating and Corporate Governance Committee assesses, and provides recommendations to the Board regarding the nomination of, potential Director candidates who may contribute the necessary skills and expertise, experience, independence, and other factors required to ensure the Board can best serve the interests of the Company and assist management in reaching the Company's strategic goals. Members of the Board and representatives of the mineral exploration industry are also consulted for possible candidates. The Board has the ultimate responsibility for approving the nomination of proposed directors for election at its next annual meeting of Shareholders, and for approving the appointment of any new Directors between annual Shareholder Meetings, in accordance with the Company's Articles of Incorporation.

On June 3, 2020, the Board appointed the following directors to serve on the Nominating and Corporate Governance Committee: Stephen Lang (Chair), Kevin Morano and Frank Tweddle, each of whom is an independent Director. Mr. Tweddle passed away on March 27, 2021 and as of the date of this Information Circular, the Board has not yet filled the vacancy left by Mr. Tweddle's passing. All members appointed to the Nominating and Corporate Governance Committee hold or have held executive management positions with other public mining companies and/or have sufficient high level board experience to have a fulsome and current understanding of issues related to corporate governance.

Compensation

The Compensation Committee, under the supervision of the Board, has overall responsibility for:

- ensuring that the Company's executive compensation levels are competitive and sufficiently motivating to attract, retain and inspire the Company's President and CEO, CFO, COO and other executive officers and certain key employees and non-executive officers; and
- for recommending compensation for Directors.

The Compensation Committee meets at least once annually and is governed by a written charter that sets forth its responsibilities, powers, and operations. A copy of the Compensation Committee charter is available on the Company's website.

The Company's executive compensation practices and the Compensation Committee's role are detailed under "Compensation Discussion and Analysis", above. No compensation consultant or advisor has at any time since the beginning of the Company's most recently completed financial year been retained to assist in determining compensation for any of the Company's NEOs, Directors or other executives.

On June 3, 2020, the Board appointed the following directors to serve on the Compensation Committee: Kevin Morano (Chair), Frank Tweddle, and Catherine McLeod-Seltzer, all of whom are independent Directors. As of the date of this Information Circular, the Board has not yet filled the vacancy left by Mr. Tweddle's passing. All members appointed to the Compensation Committee hold or have held positions in Compensation Committees with other public companies and/or have sufficient high level board experience to have a fulsome understanding of compensation issues and levels within the mining industry.

Operations, Safety and Sustainability

On June 3, 2020, the Board established the Operations, Safety and Sustainability Committee as a new standing committee.

The Operations, Safety and Sustainability Committee's primary purpose is to assist the Board in fulfilling its responsibilities for oversight of technical, development, construction and operational issues including mineral resources and reserves, health and safety matters, and social and environmental responsibility issues. The Operations, Safety and Sustainability Committee is tasked with:

- Liaising with management on key technical and operational issues and initiatives, assessing and addressing technical risks, and ensuring adherence to approved strategies and schedules;
- Ensuring compliance with applicable legal and regulatory requirements and assessing performance in the areas of technical and operational execution, exploration, health and safety, and environmental and social responsibility; and,
- Providing oversight regarding external reporting in relation to health, safety, and environmental and social matters.

The Operations, Safety and Sustainability Committee meets at least once annually and is governed by a written charter that sets forth its responsibilities, powers, and operations. A copy of the Operations, Safety and Sustainability charter is posted on the Company's website.

On June 3, 2020, the Board appointed the following directors to serve on the Operations, Safety and Sustainability Committee: Alan Hair (Chair) and Stephen Lang, each of whom is independent, and Andrew Swarthout, who is not independent by virtue of his former role as Executive Chairman of the Company. All members appointed to the Operations, Safety and Sustainability Committee hold or have held executive management positions with other public mining companies and/or have sufficient high level technical experience within the mining industry to have a fulsome understanding of issues related to operations, health and safety, and environmental and social responsibility.

Financial Performance

Financial matters, including the preparation and review of quarterly and annual financial statements and related disclosure, are overseen by the Audit Committee. A fulsome description of the roles and responsibilities of the Audit Committee are provided under "Audit Committee Information", below.

Other Board Committees

Committees of the Board are an integral part of the Company's governance structure. There are currently four standing committees (Audit, Compensation, Nominating and Corporate Governance, and Operations, Safety and Sustainability), established to devote the necessary expertise and resources to particular governance areas and to enhance the quality of discussion and decision making at Board meetings. These standing committees facilitate effective Board decision making by providing recommendations to the Board on matters within their respective responsibilities. The Board committees assist in the effective functioning of the Board and the composition of the committees ensures that the views of the independent Directors are effectively represented.

Relevant particulars regarding the standing committees of the Board are described elsewhere in this Information Circular. The Board has determined that at this stage of the Company's development, it is not

necessary for the Board to have additional standing committees. However, additional committees (including but not limited to a Transaction Response Committee, Search Committee, or Finance Committee) may be struck from time to time to address specific issues and/or opportunities.

Assessments

The Board, through its Nominating and Corporate Governance Committee, annually and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, its committees, and the Directors to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Nominating and Corporate Governance Committee conducts an annual Board self-assessment, by way of a questionnaire, in which each Director evaluates the conduct and functionality of the Board and self-assesses his or her skill set. The Nominating and Corporate Governance Committee reviews and summarizes the results of these assessments and reports its conclusions to the Board.

The table below shows the Board’s mix of skills and experience in areas that are important to the Company’s business. The skills matrix provides the Board with an overview of its strengths and potential weaknesses, and identifies areas of competency that the Company should address when making changes to the Board.

| | Catherine McLeod-Seltzer | Anthony Hawkshaw | Andrew Swarthout | Kevin Morano | Frank Tweddle ⁽¹⁾ | Erfan Kazemi | Stephen Lang | Alfredo Bullard | Alan Hair |
|--------------------------------------|--------------------------|------------------|------------------|--------------|------------------------------|--------------|--------------|-----------------|-----------|
| Board Experience | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mining Operations | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ |
| Mineral Exploration | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Human Resources and Compensation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Financial Literacy | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Legal | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Government Relations | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Corporate Social Responsibility | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Corporate Governance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Latin American Experience | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Financing | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Business Judgment | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Project Development and Construction | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Risk Management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CEO Experience | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Health, Safety and Environment | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |

(1) Mr. Tweddle ceased to be a Director on March 27, 2021.

Additionally, each standing committee reviews its own effectiveness annually and reports its findings to the Board. As part of these annual assessments, the Board or an individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies. Through this approach and through frequent communications between management and the Board or individual Directors, the Board satisfies itself that it, its committees, and individual Directors are performing effectively. Discussions are also regularly held among the independent Directors with resulting comments provided to the entire Board.

Environment, Social Responsibility and Governance ("ESG")

Bear Creek Mining is committed to the principles of sustainability and recognizes that the interconnected factors of social responsibility, environmental stewardship, and economic opportunity, bound together by strong and effective governance, are equally necessary for responsible corporate progress to be achieved.

The Company is committed to developing its Corani silver-lead-zinc deposit in Peru ("**Corani**") in a manner that minimizes environmental risks and impacts and provides tangible and sustainable social and economic benefits to communities. By including commitments to social responsibility and environmental stewardship in its corporate goals, and by adopting and applying strong corporate governance policies, the Company believes it is well positioned to mitigate financial and operational risk and deliver superior returns to Shareholders. In order to provide Board oversight of ESG matters and disclosures, the Board established the Operations, Safety and Sustainability Committee (as described above) in June 2020.

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

| ESG Area | Practices |
|---------------------------|--|
| Governance | <ul style="list-style-type: none"> • A majority of Directors and Proposed Directors are independent • The Audit, Compensation and Nominating and Corporate Governance Committees are composed exclusively of independent Directors and the Operations, Safety and Sustainability Committee is composed of a majority of independent Directors • The Company has adopted key governance policies including a Code of Business Conduct and Ethics, a Whistleblower Policy, a Disclosure, Confidentiality and Insider Trading Policy, an Anti-Bribery and Anti-Corruption Policy and an Advance Notice Policy and conducts annual reviews of these policies as well as of the Company's Board Mandate and committee Charters • The positions of Chairman and CEO are separated • All Directors stand for re-election annually • The Board and its committees hold in-camera sessions, without the presence of management, at every meeting • The Company is preparing to commence formal ESG reporting |
| Environmental Stewardship | <ul style="list-style-type: none"> • Biodiversity monitoring programs are in place at Corani to track the health and population sizes of mammals, rodents, reptiles, amphibians, birds and important plant species |

| | |
|-----------------------|--|
| | <ul style="list-style-type: none"> • Comprehensive water quality testing is in place both at the Corani deposit site and downstream • The Corani operation design provides for numerous environmental impact measures including the capture and recycling of water resources; the employment of emissions control and ventilation systems; the avoidance of infrastructure on environmentally sensitive areas; waste rock and tailings impoundment designs that reduce the risk of environmental contamination and structural failure; noise level monitoring; and the selection of equipment that meets or exceeds environmental and emissions standards • The Company seeks opportunities to reduce the environmental impact of its activities through conservation and recycling initiatives |
| Social Responsibility | <ul style="list-style-type: none"> • The Company signed a Life of Mine community benefits agreement with the regional authority and affected communities in the vicinity of the Corani project • The Company has developed a corporate social responsibility program that is based on developing long-term and sustainable economic opportunities in partnership with local communities • The Company is developing systems to ensure compliance with Equator Principles and IFC guidelines and will strive to adhere to the United Nations Sustainable Development Goals it has identified as being most relevant to the Corani project • Numerous successful social programs have been instituted at the Corani project, details of which are available on the Company's website. |

AUDIT COMMITTEE INFORMATION

The Company's Audit Committee Charter is attached as Schedule "C" of this Information Circular.

COMPOSITION OF THE AUDIT COMMITTEE AND RELEVANT EDUCATION AND EXPERIENCE

The following are the members of the Audit Committee as of the date of this Information Circular:

| | | |
|---|----------------------------|-------------------------------------|
| Erfan Kazemi (Chair of the Audit Committee) | Independent ⁽¹⁾ | Financially literate ⁽¹⁾ |
| Stephen Lang | Independent ⁽¹⁾ | Financially literate ⁽¹⁾ |
| Alfredo Bullard | Independent ⁽¹⁾ | Financially literate ⁽¹⁾ |

(1) As defined by NI 52-110.

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

Mr. Kazemi, Chair of the Audit Committee, is the Chief Financial Officer of Sandstorm Gold Ltd., a company that provides stream and royalty financing to the mining sector. Since 2011, Mr. Kazemi has helped raise half a billion dollars in debt and equity capital and has deployed more than \$600 million in over 30 transactions. Prior to joining Sandstorm, Mr. Kazemi was a Senior Manager with PricewaterhouseCoopers where he managed the audits of billion-dollar multinational entities and assisted clients in areas such as public financings, mergers and acquisitions, US/SEC securities filings, and various other areas. Mr. Kazemi

is a Chartered Professional Accountant (CA), a Chartered Financial Analyst charter holder and is a graduate of the University of British Columbia where he received a Bachelor of Science (Mathematics). Mr. Kazemi sits or has previously served on the board of several community and academic organizations, and has received numerous awards for his professional and charitable achievements including CFO of the Year by Business in Vancouver, Canada's Top 40 under 40 Award, the Institute of Chartered Accountants of British Columbia's Early Achievement Award and Community Service Award and the University of British Columbia Alumni Association's Outstanding Student of the Year Award.

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

Mr. Bullard is an accomplished lawyer, author and professor and is a Partner in the Lima, Peru law firm Bullard Falla Ezcurra +. Mr. Bullard's legal expertise focuses on law and economics, including competition, economic regulation, property, consumer protection, torts, contracts and international trade and arbitration. He is a professor of a variety of these subjects in undergraduate- and graduate-level programs at Peruvian and international universities and has authored numerous books and articles on law and economics. Mr. Bullard is a member of the International Bar Association and various other legal institutions and has served as an arbitrator on more than 200 cases administered by both Peruvian and international arbitration courts. He is the recipient of numerous awards and recognitions related to his outstanding legal career. Mr. Bullard graduated from the Law School of Pontificia Universidad Católica del Perú and holds a Master's degree in law from Yale University in the United States.

AUDIT COMMITTEE OVERSIGHT

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

RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

PRE-APPROVAL POLICIES AND PROCEDURES

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

EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

PricewaterhouseCoopers LLP has served as the independent auditors for the Company since August 1, 2006 and acted as the Company's independent auditors for the financial year ended December 31, 2020. The table below sets forth the total amount billed to the Company by PricewaterhouseCoopers LLP for services performed in the last two financial years and breaks down these amounts by category of service (for audit fees, audit-related fees, tax fees and all other fees):

| Financial Year Ended | Audit Fees ⁽¹⁾ | Audit-Related Fees ⁽²⁾ | Tax Fees ⁽³⁾ | All Other Fees ⁽⁴⁾ |
|----------------------|---------------------------|-----------------------------------|-------------------------|-------------------------------|
| December 31, 2020 | \$97,535 | \$95,700 | \$14,086 | \$Nil |
| December 31, 2019 | \$96,846 | \$32,000 | \$13,932 | \$Nil |

- (1) "Audit Fees" are the aggregate fees charged by the Company's auditors for the audit of the Company's consolidated annual financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.
- (2) "Audit-Related Fees" are fees charged by the Company's auditors for assurance and related services such as review of quarterly financial statements, that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees." For the financial year ended December 31, 2020, Audit-Related Fees also include fees paid to the Company's auditors in respect of a prospectus supplement, which was filed with the securities commissions of all of the provinces and territories of Canada except Quebec, on February 10, 2020 and a base shelf prospectus, which was filed with the securities commissions of all of the provinces and territories of Canada except Quebec, on October 29, 2020.
- (3) "Tax Fees" are fees charged by the Company's auditors for tax compliance, tax advice and tax planning.
- (4) "All Other Fees" are fees charged by the Company's auditors for products and services other than as set out under the heading "Audit Fees", "Audit-Related Fees" and "Tax Fees" Exemption in 6.1 of NI 52-110.

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

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR and on the Company's website. 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 year, 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 shares represented thereby in accordance with their best judgment on such matter.

APPROVED BY THE BOARD OF DIRECTORS

s/ "A. Hawkshaw"

Anthony Hawkshaw, President and Chief Executive Officer

DATED this 21st day of April 2021.

SCHEDULE "A" - PARTICIPATION OF DIRECTOR NOMINEES IN OTHER REPORTING ISSUERS

(as of the date of this Information Circular)

| Name of Director Nominee | Name of Reporting Issuer and position held |
|--------------------------|---|
| Catherine McLeod-Seltzer | Kinross Gold Corporation (Chairman) Lucara Diamond Corp. (Director) Flow Capital Corp. (Director) |
| Anthony Hawkshaw | None |
| Andrew Swarthout | Pucara Gold Ltd. (Director) Sandstorm Gold Ltd. (Director) Sandstorm Gold Ltd. is a 10% security holder of numerous public companies. Accordingly, Mr. Swarthout is an insider but is not an officer or director of any of the companies in which Sandstorm Gold Ltd. is a security holder. |
| Kevin Morano | Golden Minerals Company (Director) |
| Stephen Lang | Hudbay Minerals Inc. (Chairman) International Tower Hill Mines Ltd. (Director) Argonaut Gold Ltd. (Director) |
| Erfan Kazemi | Sandstorm Gold Ltd. (Senior Officer) Sandstorm Gold Ltd. is a 10% security holder of numerous public companies. Accordingly, Mr. Kazemi is an insider but is not an officer or director of any of the companies in which Sandstorm Gold Ltd. is a security holder. |
| Alfredo Bullard | None |
| Alan Hair | Great Panther Mining Ltd. (Director) Gold Royalty Corp. (Director) |

MANDATE OF THE BOARD OF DIRECTORS

General

This Mandate identifies the specific responsibilities of the Board of Directors of the Company. The Board is responsible for the stewardship of the Company and oversees the management of the business and affairs of the Company to maximize long term financial strength and shareholder value. The Board also sets and oversees policies and standards including the corporate governance principles and guidelines set forth in this Mandate, which promote the integrity of the Company and its officers and employees and protect the interests of shareholders. The Board may discharge certain of its responsibilities by delegating certain duties to committees of the Board and management. The specific duties delegated to each such committee are outlined in the respective charters for those committees.

Responsibilities

Leadership and Integrity

To promote leadership and integrity throughout the Company, the Board, with the assistance of the Compensation Committee and Nominating and Corporate Governance Committee as appropriate, selects senior management, directors, officers and advisors who the Board believes will conduct themselves with utmost integrity and will comply with the Board’s directions and policies. The Board, with the assistance of the Nominating & Corporate Governance Committee, determines the number of directors, nominates a majority of directors who are independent of management and who have appropriate skills and experience in order to create an effective Board, and selects a director who is independent of management to serve as chair of the Board, or in the absence of such an independent chair, an independent lead director.

On at least an annual basis, through the appropriate committees, the Board reviews the ongoing performance of management, directors and officers and committees of the Board. In addition, each of the independent members of the committees meet from time to time as necessary, and the independent members of the Board meet at least annually separately from other members of the Board and management, in order to help ensure that the interests of the Company and its shareholders can be considered independently of any contribution from non-independent members of the Board and management.

Strategic Planning

The Board annually, in consultation with management, prepares and approves the strategic plan for the Company and the process for implementing the strategic plan. The Board provides direction to the Chief Executive Officer (“CEO”) and other senior management to ensure the strategic plan set by the Board is followed. The Board receives reports of management on a regular basis throughout the year on the current and proposed operations of the Company, and reviews the opportunities of the Company and assesses risks to which the Company is exposed so that the plan can be adjusted where required. At each Board meeting, recent developments that may impact the Company’s strategic plan are reviewed and revisions to the plan and operations are made as required. The Board reviews the human and corporate resources required to achieve the goals of the strategic plan and approves the Company’s annual capital and operating budgets, any equity or debt financing, material contracts and any material acquisitions and

divestitures. All such reports may be orally presented to the Board or may be in written form if so required by the Board.

Dealing with Risks

The Board, on at least an annual basis and in participation with management, reviews and identifies what it perceives to be the principal risks to the Company and reviews management's plans for monitoring and managing such risks. The Board has instructed management to assist the Board in identifying risks and to promptly alert the Board when a risk has materialized and to implement and monitor appropriate procedures and systems in accordance with normal industry practice and applicable laws. The Board also reviews the systems in place for managing the risks, including insurance coverage, to determine the adequacy of such risk management systems. The Board may from time to time appoint committees or advisors to assist in assessing different risks.

Succession Planning and Performance Reviews

The Board, through the Nominating and Corporate Governance Committee, annually identifies the key individuals, including senior management, of the Company and, in consultation with management when appropriate, determines how best to replace such key individuals should the need arise. The Board's policy is to select individuals who have the required expertise and therefore would require a minimum of training in order to assume their role with the Company. The CEO is assigned the responsibility of ensuring any new person is informed of the Company's policies and practices and would be instructed to arrange additional training if required.

The CEO has primary responsibility for supervising, reviewing and reporting to the Board, through the Compensation Committee, on the performance of other senior management. The Board also reviews on an annual basis the performance of the CEO against the performance criteria established from time to time.

Communication Policies

The Disclosure, Confidentiality and Insider Trading Policy governs communication with shareholders and others and reflects the Company's commitment to timely, effective and accurate corporate disclosure in accordance with all applicable laws and with a view to enhancing the Company's relationship with its shareholders and receiving feedback from its stakeholders.

Internal Control and Management Information Systems

The effectiveness of the Board and the success of the Company are tied to the effectiveness and integrity of the Company's internal control and management information systems. To maintain the effectiveness and integrity of the Company's financial controls, the Board, through the Audit Committee and the oversight of the Company's auditors, oversees the implementation and monitoring of internal control and management information systems, takes an active role in overseeing the operations of the Company and assesses information provided by management.

Corporate Governance Principles and Guidelines

The Board has appointed a Nominating & Corporate Governance Committee which is composed entirely of independent directors and which, among other things, has overall responsibility for developing the

Company's approach to corporate governance. In particular, the Committee is responsible for reviewing legal requirements and trends regarding corporate governance, reviewing the Company's corporate governance policies, practice and compliance, and monitoring and assessing the functioning of the Board and committees of the Board. The Board has adopted the Company's Code of Business Conduct and Ethics which sets forth guiding principles for the operations of the Company. The Board is responsible for monitoring the Code of Business Conduct and Ethics. Waivers from the Code of Business Conduct and Ethics for the benefit of the directors or executive officers of the Company may be granted only by the Board.

Expectations and Responsibilities of Directors

The Board has adopted terms of reference for directors which sets forth the expectations and responsibilities of directors. The terms of reference prescribe, among other things, the requirements that directors demonstrate integrity and high ethical standards in the performance of their duties, observe their fiduciary duty to the Company, avoid conflict by reporting to the Board potential or actual conflict situations and advise the Chair of all directorships or other positions held in public and non-public companies, regularly attend and prepare for Board and committee meetings, and otherwise comply with all policies and guidelines established for the Company.

Effective date

Approved and adopted by the Board on April 22, 2013.

SCHEDULE "C" - AUDIT COMMITTEE CHARTER

The following is the text of the Company's Audit Committee charter, a copy of which is available on SEDAR and on the Company's website.

AUDIT COMMITTEE CHARTER

General

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

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

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

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditor.

Composition

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

All members of the Audit Committee shall meet the independence, financial literacy and experience requirements under applicable laws, rules and regulations binding on the Company from time to time, including without limitation the applicable rules of any stock exchanges upon which the Company's securities are listed and any requirements for independence and financial literacy under applicable securities laws.

Procedural Matters

The Audit Committee shall be governed by the Terms of Reference for Committees adopted by the Board, save as modified by the procedural requirements and powers provided in this Charter. The Audit Committee:

- (a) Shall meet at least four times per year, either by telephone conference or in person. Any member of the Audit Committee may call such a meeting.

- (b) May invite the Company's external auditor, the CFO, and such other persons as deemed appropriate by the Audit Committee to attend meetings of the Audit Committee. As part of its job to foster open communication, the Audit Committee shall meet at least annually with the CFO and the external auditor in separate sessions.
- (c) Shall report material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Audit Committee may deem appropriate, at the next Board meeting.
- (d) Shall review the performance of the Audit Committee on an annual basis and report the results of such review to the Board.
- (e) Shall review and assess this Charter for the Audit Committee at least annually and submit any proposed revisions to the Board for approval.
- (f) Has the power to conduct or authorize investigations into any matter within the scope of its responsibilities. The Audit Committee has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties, and the right to set and pay the compensation for any such counsel or advisors engaged by the Audit Committee.
- (g) Has the right to communicate directly with the CFO and other members of management who have responsibility for the audit process ("**internal audit management**") and the external auditor.

Responsibilities

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

Financial Reporting, Accounting and Financial Management

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

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

- (f) Review management's response to significant written reports and recommendations issued by the external auditor and the extent to which such recommendations have been implemented by management. Review such responses with external auditor as necessary.
- (g) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.
- (h) Review with management proposed regulatory changes and their impact on the Company.
- (i) Review with management and approve public disclosure of the Audit Committee Charter, including in the Company's Information Circular and on the Company's website.

External Auditor

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

- (a) Recommend to the Board annually:
 - (i) the external auditor to be nominated (whether the current external auditor or a suitable alternative) for the purpose of preparing or issuing an auditor's report or performing other audit, review, or attest services for the Company; and
 - (ii) the compensation of the external auditor.
- (b) Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
- (c) Resolve disagreements, if any, between management and the external auditor regarding financial reporting. To resolve such disagreements, the Audit Committee shall query management and the external auditor and take other steps as necessary. The Audit Committee shall provide the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable.
- (d) Take reasonable steps to confirm the independence of the external auditor, including but not limited to pre-approving any non-audit related services provided by the external auditor to the Company or the Company's subsidiaries, if any, with a view to ensuring independence of the auditor. If necessary, recommend to the Board to take appropriate corrective action to ensure the independence of the external auditor.
- (e) Review and pre-approve all audit and audit-related services and the fees related thereto, provided by the Company's external auditor.
- (f) Review and pre-approve all non-audit services to be performed by the Company's external auditor, in accordance with any applicable regulatory and securities law requirements and the requirements of any stock exchange upon which the Company's shares are listed with respect to approval of non-audit related services performed by the external auditor. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of the Audit Committee if it first adopts specific policies and procedures respecting same in accordance

applicable securities laws and provided that any such pre-approval decisions are presented to the full Audit Committee for approval at its next meeting.

- (g) Obtain from the external auditor confirmation that the external auditor is a 'participating audit' firm for the purpose of National Instrument 52-108 *Auditor Oversight* and are in compliance with governing regulations.
- (h) Review and evaluate the performance of the external auditor, including without limitation the external auditor's internal quality-control procedures.
- (i) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's present and former external auditor.

Audit and Financial Reporting Process

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

- (a) Review at least annually the Company's internal system of audit and financial controls, internal audit procedures and results of such audits,
- (b) Prior to the annual audit by the external auditor, consider the scope and general extent of the external auditor's review, including its engagement letter. Review with management the external auditor's audit plan and intended template for financial statements.
- (c) Ensure the external auditor has full, unrestricted access to required information and has the cooperation of management.
- (d) Review with the external auditor, in advance of the audit, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles.
- (e) Review with the external auditor and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, or significant judgments made by management that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements. Review the appropriateness and disclosure of any off-balance sheet matters. Review disclosure of any related-party transactions.
- (f) Receive and review with the external auditor, the external auditor's audit report and the audited financial statements. Make recommendations to the Board respecting approval of the audited financial statements.
- (g) Review annually the integrity of the Company's internal and external financial reporting and accounting principles, including the clarity, completeness and accuracy of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the external auditor. The Audit Committee shall direct management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review.

- (h) Meet at least annually with the external auditor, independent of management, consider external auditor's judgments about the quality and appropriateness of the Company's accounting principles and practices, and report to the Board on such meetings.

Interim Financial Statements

The Board shall generally approve the Company's annual and interim financial statements. Notwithstanding the foregoing, the Board may from time to time delegate to the Audit Committee the power to approve the Company's interim financial statements.

The Audit Committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditor.
- (b) Review the interim financial statements with the external auditor if the external auditor conducts a review of the interim financial statements.
- (c) Conduct all such reviews and discussions with the external auditor and management as the Audit Committee deems appropriate.
- (d) Review and, if such authority has been delegated to the Audit Committee by the Board, approve the interim financial statements.
- (e) If authority to approve the interim financial statements has not been delegated to the Audit Committee, make appropriate recommendation to the Board respecting approval of the interim financial statements.

Ethics

The Audit Committee has primary responsibility for overseeing the application of, and compliance with, the Company's Code of Business Conduct and Ethics (the "Code"). The Audit Committee shall review at least annually:

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

Complaints and Concerns

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

Subject to applicable law, complaints, including those under the Company's Whistleblower Policy, may be made anonymously and, if not made anonymously, the identity of the person submitting such complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the Audit Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a

determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Audit Committee for a period of at least three years or otherwise pursuant to the Company's records retention policy, if any.

Reporting

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

Effective date

Approved and adopted by the Board on April 22, 2013.