



**MANAGEMENT INFORMATION CIRCULAR**

**Dated this 26<sup>th</sup> day of April 2022**

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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 Wednesday, 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](http://www.bearcreekmining.com), and under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The information below includes references to shareholders of the Company (“**Shareholders**”), registered Shareholders (“**Registered Shareholders**”) and non-registered, or beneficial, Shareholders (“**Beneficial Shareholders**”). Shareholders are any person or entity owning common shares of the Company (“**Shares**”). Registered Shareholders are those who hold 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 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.

## 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](http://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 +1-604-685-6269 or [info@bearcreekmining.com](mailto: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.

## ATTENDING THE MEETING

The Company will hold the Meeting in-person at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournments or postponements thereof. For further clarity, the Company will not hold the Meeting in a virtual or hybrid virtual and in-person format. In compliance with ongoing provincial public safety recommendations and for the health and safety of all, attendees at the Meeting will be required to comply with any British Columbian public health orders in place at the time and date of the Meeting.

## APPOINTMENT 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.**

## VOTING AT THE MEETING OR BY PROXY

**Only Registered Shareholders as of April 26, 2022 (the "Record Date") or duly appointed Proxyholders are permitted to vote in person at the Meeting. If a Beneficial Shareholder wishes to vote in person at the Meeting, the Beneficial Shareholder must appoint themselves as Proxyholder by writing their name in the space provided on the request for voting instructions or proxy provided by their Nominee and return the form to the Nominee in the envelope provided. Beneficial Shareholders intending to vote at the Meeting should not complete the voting section of the voting instruction form as their vote will be taken at the Meeting.**

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.

## COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be submitted electronically in accordance with the instructions thereon, or mailed to Computershare's office at 510 Burrard Street, 3<sup>rd</sup> Floor, Vancouver, British Columbia V6C 3B9.

Whether submitted electronically or by mail, **in order to be counted at the Meeting, proxies must be received before the proxy cutoff time of 2:00 PM (Pacific Time) on Monday, June 6, 2022**, 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.

## BENEFICIAL SHAREHOLDERS

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

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

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

## NON-OBJECTING BENEFICIAL OWNERS

These Meeting materials are being sent to both Registered Shareholders and Beneficial Shareholders owning 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).

## 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 26, 2022 (the Record Date and the date of this Information Circular), there are 149,003,132 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 as of the date of this Information Circular, except the following:

Name	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Percentage of Outstanding Shares
Equinox Gold Ltd.	24,730,000	16.60%
Equinox Partners Investment Management, LLP	17,219,438	11.56%

(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, 2021 (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 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 8, 2021, the following eight (8) Directors were elected to hold office until the upcoming Meeting: Catherine McLeod-Seltzer, Anthony Hawkshaw, Andrew Swarthout, Kevin Morano, Stephen Lang, Erfan Kazemi, Alfredo Bullard, and Alan Hair. 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) <sup>(1)</sup> (*Chair)	Director Since	Number of Common Shares beneficially owned, controlled or directed, directly or indirectly <sup>(2)</sup>
Catherine McLeod-Seltzer British Columbia, Canada	Chair	Corporate Director	Compensation	September 30, 1999	1,549,895
Anthony Hawkshaw British Columbia, Canada	President and CEO, and Director	President and CEO, and Director of Bear Creek Mining Corporation		October 1, 2017	270,433
Andrew T. Swarthout Utah, USA	Director	Former Executive Chairman, and former President and CEO, of Bear Creek Mining Corporation	Operations, Safety and Sustainability	April 22, 2003	1,444,592
Kevin Morano Florida, USA	Director	Principal of KEM Capital LLC, a private investment and advisory firm	Compensation*, Nominating and Corporate Governance	April 22, 2003	1,271,262 <sup>(3)</sup>
Stephen Lang Missouri, USA	Director	Corporate Director	Nominating and Corporate Governance*, Audit, Operations, Safety and Sustainability	June 6, 2018	25,000
Erfan Kazemi British Columbia, Canada	Director	Chief Financial Officer of Sandstorm Gold Ltd.	Audit*, Nominating and Corporate Governance	June 6, 2018	37,211
Alfredo Bullard Lima, Peru	Director	Lawyer, author, professor and partner in the legal firm of Bullard Falla Ezcurra +	Audit	March 6, 2019	17,500
Alan Hair Ontario, Canada	Director	Corporate Director	Operations, Safety and Sustainability*, Compensation	September 16, 2019	12,211

(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, through 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 eight 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 AUDITORS**

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.***

#### **APPROVAL OF ROLLING STOCK OPTION PLAN**

Under the policies of the TSX Venture Exchange (the “**Exchange**”), a “rolling” stock option plan must be approved or re-approved by Shareholders annually. Prior to November 24, 2021, the Exchange’s Policy 4.4, which formerly governed only incentive stock options, was revised and expanded to include all securities based compensation instruments. All securities based compensation plans requiring shareholder approval after November 24, 2021 are subject to the provisions of, and must comply with, the new Policy 4.4 (“**Policy 4.4**”).

In order to ensure its compliance with Policy 4.4, the Company has revised its rolling stock option plan dated March 19, 2008 (the “**2008 Plan**”), which was approved by Shareholders on May 22, 2008 and annually thereafter, most recently at the Company’s annual meeting of Shareholders held on June 8, 2021. The revised stock option plan (the “**2022 Plan**”), which was approved by the Board on April 26, 2022, is

materially unchanged from the 2008 Plan, with minor revisions adopted to align with terminology used in Policy 4.4. The 2022 Plan will be implemented if, and as of the date on which it is, approved by Shareholders as discussed further below.

### 2022 Stock Option Plan

As the 2022 Plan is a "rolling stock option plan", the maximum number of Common Shares that may be reserved for issuance pursuant to outstanding stock options will be 10% of the Company's issued and outstanding Common Shares as constituted on the date of any grant of incentive stock options ("**Options**") under the 2022 Plan (the "**SOP Limit**").

The purpose of the 2022 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 2022 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.

Under the 2022 Plan, Options are exercisable over periods of up to 10 years as determined by the Board of Directors and are required to have an exercise price no less than the closing market price of the Company's shares on the trading day immediately preceding the day on which the Company announces the grant of options (or, if the grant is not announced, the closing market price prevailing on the day that the option is granted), less the applicable discount, if any, permitted by the policies of the Exchange and approved by the Board of Directors. Pursuant to the 2022 Plan, the Board of Directors may from time to time authorize the issue of Options to Directors, officers, employees, and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The maximum number of Common Shares that may be 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 an Investor Relations Service Provider (as defined in Exchange Policy 1.1) or a consultant. The 2022 Plan contains no vesting requirements but permits the Board of Directors to specify a vesting schedule at its discretion, subject to the Exchange's minimum vesting requirements.

All Options governed by the 2008 Plan that are outstanding as of the date of implementation of the 2022 Plan (the "**Existing Options**") will count against the number of shares reserved for issuance under the 2022 Plan as long as such options remain outstanding. Upon implementation of the 2022 Plan, all Existing Options will forthwith be governed by the 2022 Plan; however, any vesting schedule imposed by the 2008 Plan in respect of the Existing Options will remain in full force and effect.

The 2022 Plan provides that if a Change of Control (as defined in the 2022 Plan) occurs, or if the Company is subject to a take-over bid, all shares subject to 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 Options in connection with a take-over bid.

The 2022 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 2022 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 an Investor Relations Service Provider) after the optionee ceases its office, employment or engagement with the Company.

The 2022 Plan contains a provision that, if pursuant to the operation of an adjustment provision of the 2022 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 2022 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 2022 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 2022 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 Options are not prejudiced by the imposition of such blackout periods, any outstanding 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.

#### *Effect of Long Term Incentive Plan on 2022 Plan*

In addition to the 2022 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 a fixed number plan, which, in accordance with Exchange Policy 4.4, does not require annual Shareholder approval and hence remains subject to the terms and provisions of Exchange Policy 4.4 as constituted at the time the LTIP was approved by Shareholders. The LTIP 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 2022 Plan is affected by the LTIP inasmuch as the SOP Limit of the 2022 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.

The SOP Limit (being 10% of the total number of issued and outstanding Common Shares) of the 2022 Plan is 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, up to a number equal to the LTIP Limit (being an aggregate of 5,000,000 Common Shares). As of the date of this Information Circular, 1,000,000 RSUs and 1,000,000 DSUs have been granted to Directors and officers of the Company.

A copy of the 2022 Plan is available on request from the Company.

The Shareholders at the Meeting will be asked to pass an ordinary resolution approving the 2022 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 April 26, 2022, 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 approval of the 2022 Plan as described above is in the best interests of the Company and recommends that Shareholders vote FOR the ordinary resolution to approve the 2022 Plan. Management Proxyholders named in the form of proxy which accompanies this Information Circular intend to vote FOR the resolution to approve the 2022 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. If shareholder approval of the 2022 Plan is not obtained at the Meeting, the 2022 Plan will not be implemented. Any outstanding Options will continue to be governed by the 2008 Plan and no new Options will be granted unless and until a new stock option plan is approved by Shareholders.***

## 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 Options, RSUs and 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 " 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 determined that as it executes its growth strategy, formal benchmarking of its executive compensation to a peer group is warranted. 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.

During 2021 the Company conducted a comparison of its executive and Director compensation levels and components to those of its peer group and concluded its executive compensation components and total compensation levels were substantially aligned with its peer group. Recommendations regarding the Company's Director Compensation Plan stemming from this peer group comparison are discussed further below under "Director Compensation". The Compensation Committee also utilized its members' substantial executive experience in the mining industry and their knowledge of typical mining industry executive compensation levels, as well as publicly available broad-based surveys of mining industry executive compensation, as additional references in determining its 2021 executive and Director compensation-related recommendations.

### 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 strives to use its cash balances judiciously. For the



year ended December 31, 2021 the Company's treasury was primarily directed toward advancing its mineral projects. As a result, the Compensation Committee did not recommend cash bonus awards for any of its executives during any of the three the 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*

All Options currently under grant to the Company's executives, Directors, and other eligible participants were granted pursuant to the 2008 Plan.

If approved by Shareholders at the Meeting, as described above, the 2022 Plan, which was approved by the Board of Directors on April 26, 2022 will govern 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, subject to the policies of the Exchange.

A description of the material terms of the 2022 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 during 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 years ended December 31, 2020 and 2021 the Company granted a cumulative total of 2,000,000 RSUs and DSUs to eligible persons under the LTIP, as described in the following table.

Date of Award	Type of Award	Cumulative number awarded to NEOs	Cumulative number awarded to Directors	Cumulative number awarded to other eligible persons	Cumulative total of Award
April 22, 2020	RSU	400,000	550,000	50,000	1,000,000
April 26, 2021	DUS	375,000	550,000	75,000	1,000,000

The column entitled “Share Based Awards” in the NEO Summary Compensation and Director Compensation tables, below, provides further details regarding RSUs and DSUs 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.

Subject to the policies of the Exchange, the Board sets out the vesting provisions 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, RSU awards will vest over a three year period commencing on the first anniversary of the grant date, and DSUs awarded will vest only upon the awardee ceasing to be an eligible DSU Participant (as defined in the LTIP). 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, 2021.

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, 2021, 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.

<b>Name of NEO</b>	<b>Position</b>
Anthony Hawkshaw	President and Chief Executive Officer
Paul Tweddle	Chief Financial Officer
Eric Caba <sup>(1)</sup>	Chief Operating Officer
Andres Franco <sup>(2)</sup>	Vice President, Corporate Development
Alvaro Diaz <sup>(3)</sup>	Vice President, Legal

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

(2) Mr. Franco serves as Vice President, Corporate Development, of the Company's wholly owned subsidiary, Bear Creek Mining SAC (the "Subsidiary")

(3) Mr. Diaz serves as Vice President, Legal, of the Subsidiary

## 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\$) <sup>(1)</sup>	Share-Based Awards (US\$) <sup>(1)(2)</sup>	Option-Based Awards (US\$) <sup>(1)(3)</sup>	Non-Equity Incentive Plan Compensation (US\$)		All Other Compensation (US\$) <sup>(1)</sup>	Total Compensation (US\$) <sup>(1)</sup>
					Annual Incentive Plans <sup>(4)</sup>	Long-term Incentive Plans		
Anthony Hawkshaw <i>President and CEO</i>	2021	387,500	319,057	Nil	Nil	Nil	Nil	706,557
	2020	350,000	144,826	Nil	Nil	Nil	Nil	494,826
	2019	341,667	Nil	119,366	Nil	Nil	Nil	461,033
Paul Tweddle <sup>(5)</sup> <i>CFO</i>	2021	276,786	119,646	Nil	Nil	Nil	4,910	401,342
	2020	261,786	108,624	Nil	Nil	Nil	4,500	374,910
	2019	242,857	Nil	Nil	Nil	Nil	3,680	246,537
Eric Caba <sup>(6)</sup> <i>COO</i>	2021	314,286	159,529	Nil	Nil	Nil	4,120	477,935
	2020	269,643	108,624	Nil	Nil	Nil	4,120	382,387
	2019	242,857	Nil	198,944	Nil	Nil	4,120	441,921
Andres Franco <i>VP, Corporate Development</i>	2021	269,025	Nil	Nil	Nil	Nil	Nil	269,025
	2020	253,929	Nil	Nil	Nil	Nil	Nil	253,929
	2019	241,566	Nil	Nil	Nil	Nil	Nil	241,566
Alvaro Diaz <i>VP, Legal</i>	2021	259,007	Nil	Nil	Nil	Nil	Nil	259,007
	2020	253,929	Nil	Nil	Nil	Nil	Nil	253,929
	2019	241,566	Nil	Nil	Nil	Nil	Nil	241,566

(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, 2021 the average exchange rate was C\$1.25/US\$1.00. For the financial years ended December 31, 2020 and 2019 the average exchange rate was C\$1.3403/US\$1.00 and C\$1.3268/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, 2021 the average exchange rate was Peruvian Soles 3.86/US\$1.00. For the financial years ended December 31, 2020 and 2019 the average exchange rate was Peruvian Soles 3.51/US\$1.00 and 3.34/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 and DSUs granted on April 26, 2021 at a Fair Market Value of C\$1.98. The US\$ equivalent Fair Market Value of the April 22, 2020 RSU awards has been

calculated using the Bank of Canada US\$ exchange rate on April 22, 2020 of C\$1.4154/US\$1.00. The US\$ equivalent Fair Market Value of the April 26, 2021 DSU awards has been calculated using the Bank of Canada US\$ exchange rate on April 26, 2021 of C\$1.24/US\$1.00. The Company issued no Share-based awards during the financial year ending December 31, 2019.

The Company used the Black-Scholes model as the methodology to calculate the April 22, 2020 RSU grant date fair value and relied on the following the key assumptions and estimates in respect of these share-based awards:

	Expected dividend yield	Weighted average expected stock price volatility	Weighted average risk free interest rate	Expected life of share awards
RSUs awarded April 22, 2020	0%	79.64%	0.34%	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*.

The Company used the grant date stock price as at April 26, 2021 of C\$1.98 to determine the grant date fair value of the DSUs granted on April 26, 2021.

- (3) The Company did not grant Options in 2020 or 2021. The methodology and inputs used in determining the value of Options granted in 2019 is provided in the Company's information circular dated April 16, 2020 (for the year ended December 31, 2019).
- (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. There were no annual incentives paid to the Company's current NEO's during the financial years ended December 31, 2021, 2020, or 2019.
- (5) Other Compensation paid to Mr. Tweddle in relates to insurance premiums paid on his behalf by the Company.
- (6) Mr. Caba was promoted to the position of Chief Operating Officer effective January 1, 2021. He previously served as the Company's Senior Vice President, Project Delivery from April 1 to December 31, 2020 and as Vice President, Project Development from March 15, 2018 to March 31, 2020. Other Compensation paid to Mr. Caba relates to tax preparation services paid on his behalf by the Company.

## 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. The Board approved increases to Mr. Hawkshaw's base salary to US\$350,000 effective March 1, 2019 and to US \$400,000 effective April 1, 2021. In addition to his base salary, Mr. Hawkshaw was granted 100,000 RSUs, 200,000 DSUs, 150,000 Options 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. The Board approved increases to Mr. Tweddle's base salary to US\$250,000 effective March 1, 2019, to US\$265,000 effective April 1, 2020 and to US\$280,000 effective April 1, 2021. In addition to his base salary, Mr. Tweddle was granted 75,000 RSUs, 75,000 DSUs, no Options and no cash bonus awards during the three most recently completed financial years.

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 was promoted to Senior Vice President, Project Delivery on April 1, 2020 and to Chief Operating Officer effective January 1, 2021. The Board approved increases in Mr. Caba's base salary to US\$250,000 effective March 1, 2019, to US\$275,000 effective April 1, 2020, to US\$325,000 effective April 1, 2021. In addition to his base salary, Mr. Caba was granted 75,000 RSUs, 100,000 DSUs, 250,000 Options and no cash bonus awards during the three most recently completed financial years.

Mr. Franco was hired in April 2011 by Bear Creek Mining Company Sucursal del Peru, a branch office of the Company's subsidiary Bear Creek Exploration Company Ltd. In 2013, he was promoted to the position of Vice President, Corporate Development for Bear Creek Mining SAC (a subsidiary of the Company) and awarded a salary increase to the equivalent of US\$173,800. During the last three fiscal years, the Board approved increases in Mr. Franco's salary to the equivalent of US\$250,000 effective March 1, 2019, US\$255,000 effective April 1, 2020, and US\$272,850 effective April 1, 2021. There were no Options, RSUs or DSUs granted, and no cash bonuses paid to Mr. Franco during the three most recently completed financial years. Mr. Franco's salary is denominated in Peruvian Soles and converted to US dollars for reporting purposes.

Mr. Diaz was hired in September 2010 by Bear Creek Mining Company Sucursal del Peru, a branch office of the Company's subsidiary Bear Creek Exploration Company Ltd. In 2013 Mr. Diaz was promoted to Vice President Legal for Bear Creek Mining SAC (a subsidiary of the Company) and awarded a salary increase to the equivalent of US\$172,800. During the last three fiscal years, the Board approved increases in Mr. Diaz's salary to the equivalent of US\$250,000 effective March 1, 2019 US\$255,000 effective April 1, 2020 and US\$260,100 effective April 1, 2021. There were no Options, RSUs or DSUs granted, and no cash bonuses paid to Mr. Diaz during the three most recently completed financial years. Mr. Diaz's salary is denominated in Peruvian Soles and converted to US dollars for reporting purposes.

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 Option and Share Based Awards granted to the NEOs for the three most recently completed financial years.

## **INCENTIVE PLAN AWARDS**

### *Outstanding Option-Based Awards and Share-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 <sup>(1)</sup>	Grant Date	Expiry Date	Option-Based Awards			Share-Based Awards		
			Number of Securities Underlying Unexercised Options <sup>(2)</sup> (#)	Option Exercise Price <sup>(3)</sup> (C\$)	Value of Un-exercised In-The-Money Options <sup>(4)</sup> (C\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (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 <sup>(5)</sup>	2.25	Nil			
	1-Feb-19	1-Feb-29	150,000	1.50	Nil			
	22-Apr-20	22-Apr-23				66,667 <sup>(8)</sup>	81,334 <sup>(9)</sup>	N/A
	26-Apr-21	N/A				200,000 <sup>(10)</sup>	396,000 <sup>(11)</sup>	N/A
Paul Tweddle <i>CFO</i>	2-Mar-18	2-Mar-28	650,000 <sup>(6)</sup>	2.05	Nil			
	22-Apr-20	22-Apr-23				50,000 <sup>(8)</sup>	61,000 <sup>(9)</sup>	N/A
	26-Apr-21	N/A				75,000 <sup>(10)</sup>	148,500 <sup>(11)</sup>	N/A
Eric Caba <i>COO</i>	16-Mar-18	16-Mar-28	400,000 <sup>(7)</sup>	2.24	Nil			
	1-Feb-19	1-Feb-29	250,000 <sup>(7)</sup>	1.50	Nil			
	22-Apr-20	22-Apr-23				50,000 <sup>(8)</sup>	61,000 <sup>(9)</sup>	N/A
	26-Apr-21	N/A				100,000 <sup>(10)</sup>	198,000 <sup>(11)</sup>	N/A
Andres Franco <i>VP, Corporate Development</i>	N/A	N/A	Nil	N/A	Nil	Nil	Nil	N/A
Alvaro Diaz <i>VP, Legal</i>	N/A	N/A	Nil	N/A	Nil	Nil	Nil	N/A

(1) The employment histories of Messrs. Hawkshaw, Tweddle, Caba, Franco and Diaz 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, 2021, which was C\$1.22, shown as Nil if the resulting value is a negative number. 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) 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.

(6) 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.

(7) 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.

(8) The Share Based Awards relate to RSUs that vest as 1/3 on each of the anniversaries of the grant date.

- (9) This amount is calculated by multiplying the number of Share Based Awards unvested on December 31, 2021 by the closing price of the Company's Common Shares on the Exchange on December 31, 2021, which was C\$1.22.
- (10) The Share Based Awards relate to DSUs that vest on the DSU Termination Date (as defined in the LTIP), which future date is unknown as of the date of this Information Circular.
- (11) This amount is the fair value calculated by multiplying the Company's share price as at the April 26, 2021 grant date (C\$1.98 per share) by the number of units awarded.

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 <sup>(1)</sup>	Option-Based Awards		Share-Based Awards		Non-Equity Incentive Plan Compensation - Value Earned During the Year <sup>(5)</sup> (C\$)
	Number of Options that Vested During the Year	Value Vested During the Year <sup>(2)</sup> (C\$)	Number of Awards that Vested During the Year <sup>(3)</sup>	Value Vested During the Year <sup>(4)</sup> (C\$)	
Anthony Hawkshaw <i>President and CEO</i>	Nil	Nil	33,333	61,333	Nil
Paul Tweddle <i>CFO</i>	Nil	Nil	25,000	46,000	Nil
Eric Caba <i>Senior Vice President, Project Delivery</i>	Nil	Nil	25,000	46,000	Nil
Andres Franco <i>VP, Corporate Development</i>	Nil	Nil	Nil	Nil	Nil
Alvaro Diaz <i>VP, Legal</i>	Nil	Nil	Nil	Nil	Nil

- (1) The employment histories of Messrs. Hawkshaw, Tweddle, Caba, Franco and Diaz are provided under the heading "Discussion of Summary Compensation Table", above.
- (2) No options granted to any of the NEOs listed in the table above vested during the year ended December 31, 2021.
- (3) 1/3 of the RSUs granted on April 22, 2020 vested during the financial year ended December 31, 2021. None of the DSUs granted on April 26, 2021 vested during the financial year ended December 31, 2021. Please see "Outstanding Option- and Share-Based Awards" above for further information. In accordance with the LTIP, as insiders of the Company were subject to a trading ban on April 22, 2021, the vesting date of the first tranche of RSU's granted on April 22, 2020 was moved to May 10, 2021.
- (4) This amount is calculated by multiplying the number of Share Based Awards that vested during the year by the closing price of the Company's Common Shares on the Exchange on the vesting date, which was C\$1.84.
- (5) The Company did not award any non-equity incentive compensation (bonuses) during the financial year ended December 31, 2021.



## 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 with Messrs. Hawkshaw, Tweddle, and Caba (the "**Executive Agreements**") and Messrs. Franco and Diaz (the "**Subsidiary Agreements**") 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.

In the Executive 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 Executive 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 Executive 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 Executive 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.

In the Subsidiary 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 consultant’s written consent which event is not rectified by the Company within 30 days of occurrence:

- (i) a change by the Company or Subsidiary (other than changes that are clearly and exclusively consistent with a promotion) in position or duties, responsibilities, title or office in effect immediately prior to the Control Change, which includes any removal from, or any failure to re-employ the employee in such position or offices;
- (ii) any failure by the Company or Subsidiary to maintain the employee’s salary, benefits, or other form of remuneration or, if relevant, to increase the employee’s 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 or Subsidiary’s other senior personnel in substantially similar positions;
- (iii) the Company or Subsidiary relocating the employee to any place other than the location at which he or she reported for work on a regular basis immediately prior to the Control Change;
- (iv) the good faith determination by the employee that, as a result of the Control Change or any action or event thereafter, his or her status or responsibility in the Company or Subsidiary has been diminished or the employee is effectively being prevented from carrying out his or her duties and responsibilities as they existed immediately prior to the Control Change; or
- (vii) failure by the Company to obtain, in a form satisfactory to the employee, an effective assumption of its obligations hereunder and of the Subsidiary’s obligations under the Subsidiary Agreement by any successor to the Company and the Subsidiary, including a successor to a material portion of their business.

If, as the result of a “change of control” of the Company, either Mr. Franco or Mr. Diaz experience an “event of termination” as described above, each is entitled to a severance payment of one years’ salary and is able to exercise any outstanding Options concurrently 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. Franco and Diaz with severance payments equal to 1.5 times their monthly salary for every year of service up to 8 years (or a maximum total of 12 month’s salary).

The termination and change of control treatment of Share Based Awards granted to each NEO are not specified in the Executive Agreements or Subsidiary 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.

Under the terms of Mr. Hawkshaw's Executive 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\$800,000 (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 outstanding Options.

Under the terms of Mr. Tweddle's Executive 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\$560,000 (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 outstanding Options.

Under the terms of Mr. Caba's Executive 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\$650,000 (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 outstanding Options.

Under the terms of Mr. Franco's Subsidiary 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\$272,850 (calculated as at the last business day of the Company's most recently completed financial year) representing an amount equal to one year's salary, plus any amounts owed in respect of accrued vacation, earned bonuses and the accelerated option value of his outstanding Options.

Under the terms of Mr. Diaz's Subsidiary 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\$260,100 (calculated as at the last business day of the Company's most recently completed financial year) representing an amount equal to one year's salary, plus any amounts owed in respect of accrued vacation, earned bonuses and the accelerated option value of his outstanding Options.

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

## **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 8, 2021, the following eight Directors were elected to hold office until the upcoming Meeting: Catherine McLeod-Seltzer, Anthony Hawkshaw, Andrew Swarthout, Kevin Morano, Stephen Lang, Erfan Kazemi, Alfredo Bullard, and Alan Hair.

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;

Between 2010 and 2020 the Board adopted a number of revisions to the Directors' Compensation Plan to include remuneration for various board and committee roles. As noted above under "Benchmarking", during 2021 the Compensation Committee conducted a review of the Company's executive and Director compensation levels in comparison to its peer group, and concluded that the level of remuneration paid to the Company's Directors, particularly in light of the increased time, commitment and level of responsibility required of them, was lower than the mid-point of director compensation paid by the peer group. Accordingly, the Compensation Committee recommended, and on April 21, 2021 the Board approved, an updated Directors' Compensation Plan that came into effect on June 8, 2021, the details of which are provided in the table below.

Function	Set Annual Fee (US\$)	Variable Fee (US\$)
Member of the Board of Directors (excluding the Qualified Person and CEO)	\$20,000	
Board Chair	Additional \$50,000	
Chair of the Audit Committee	Additional \$10,000	
Chairs of all other standing committees (additional)	Additional \$5,000	
Director Qualified Person (flat rate; no retainer or meeting fees paid)	\$150,000	
Meeting fee, per board or committee meeting attended as a member		Additional \$2,000 / meeting

Under the Company's Directors' Compensation Plan, 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. Mr. Swarthout, a Director who serves as a Qualified Person (as defined in National Instrument 43-101) receives an annual flat fee of US\$150,000, with no additional fees payable for meeting attendance or committee service.

Additional discussion about the Board and its function during the year ended December 31, 2021 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 2022 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.

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 was an NEOs during the financial year ended December 31, 2021 and information regarding his compensation is provided under " Summary Compensation Table" and the pertinent disclosure thereto, above.

Director Name	Fees Earned (US\$) <sup>(1)</sup>	Share-Based Awards <sup>(2)</sup> (US\$)	Option Based Awards <sup>(3)</sup> (US\$)	Non-equity Incentive Plan Compensation (US\$)	Pension Value (US\$)	All Other Compensation (US\$)	Total (US\$)
Catherine McLeod-Seltzer	81,000	159,529	Nil	Nil	Nil	Nil	240,529
Andrew Swarthout	150,000	119,646	Nil	Nil	Nil	Nil	307,728
Kevin Morano	38,836	119,646	Nil	Nil	Nil	Nil	156,482
Stephen Lang	44,836	119,646	Nil	Nil	Nil	Nil	164,482
Erfan Kazemi	43,836	119,646	Nil	Nil	Nil	Nil	163,482
Alfredo Bullard	32,000	119,646	Nil	Nil	Nil	Nil	151,646
Alan Hair	35,836	119,646	Nil	Nil	Nil	Nil	155,482

(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, 2021 the average exchange rate was C\$1.25/US\$1.00.

(2) Share-based awards consist of DSUs granted on April 26, 2021. This amount is the fair market value calculated by multiplying the Company's share price as at the April 26, 2021 grant date (C\$1.98 per share) by the number of units awarded.

(3) The US\$ equivalent Fair Market Value of the April 26, 2021 DSU awards has been calculated using the Bank of Canada US\$ exchange rate on April 26, 2021 of C\$1.24/US\$1.00.

(4) The Company did not grant Options in 2021.

Director Incentive Plan Awards

As described above in relation to the NEOs, the Company's Directors are eligible for awards of Options and Share Based Awards. Material terms of the 2002 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 Option-Based Awards and Share-Based Awards

The following table (presented in accordance with NI 51-102F6) sets forth information concerning all incentive plan awards granted to the 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, 2021 and who is not an NEO. Information regarding incentive plan awards granted to Mr. Hawkshaw, who is an NEO, 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 <sup>(1)</sup> (#)	Option Exercise Price <sup>(2)</sup> (C\$)	Value of Unexercised In-The-Money Options <sup>(3)</sup> (C\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (C\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (C\$)
Catherine McLeod-Seltzer	16-Feb-17	16-Feb-22	135,000	2.73	Nil			
	26-Feb-18	26-Feb-28	125,000	2.05	Nil			
	1-Feb-19	1-Feb-29	125,000	1.50	Nil			
	1-Feb-19	1-Feb-29	125,000 <sup>(4)</sup>	1.50	Nil			
	22-Apr-20	22-Apr-23				66,667 <sup>(5)</sup>	81,334 <sup>(6)</sup>	N/A
	26-Apr-21	N/A				100,000 <sup>(7)</sup>	198,000 <sup>(8)</sup>	N/A
Andrew Swarthout	16-Feb-17	16-Feb-22	225,000	2.73	Nil			
	26-Feb-18	26-Feb-28	125,000	2.05	Nil			
	1-Feb-19	1-Feb-29	150,000	1.50	Nil			
	1-Feb-19	1-Feb-29	175,000 <sup>(4)</sup>	1.50	Nil			
	22-Apr-20	22-Apr-23				50,000 <sup>(5)</sup>	61,000 <sup>(6)</sup>	N/A
	26-Apr-21	N/A				75,000 <sup>(7)</sup>	148,500 <sup>(8)</sup>	N/A
Kevin Morano	16-Feb-17	16-Feb-22	135,000	2.73	Nil			
	26-Feb-18	26-Feb-28	100,000	2.05	Nil			
	1-Feb-19	1-Feb-29	125,000	1.50	Nil			
	1-Feb-19	1-Feb-29	150,000 <sup>(4)</sup>	1.50	Nil			
	22-Apr-20	22-Apr-23				50,000 <sup>(5)</sup>	61,000 <sup>(6)</sup>	N/A
	26-Apr-21	N/A				75,000 <sup>(7)</sup>	148,500 <sup>(8)</sup>	N/A
Stephen Lang	12-June-18	12-June-28	75,000	1.92	Nil			
	1-Feb-19	1-Feb-29	75,000	1.50	Nil			
	22-Apr-20	22-Apr-23				50,000 <sup>(5)</sup>	61,000 <sup>(6)</sup>	N/A
	26-Apr-21	N/A				75,000 <sup>(7)</sup>	148,500 <sup>(8)</sup>	N/A

			Option-Based Awards			Share-Based Awards		
Director Name	Grant Date	Expiry Date	Number of Securities Underlying Unexercised Options <sup>(1)</sup> (#)	Option Exercise Price <sup>(2)</sup> (C\$)	Value of Unexercised In-The-Money Options <sup>(3)</sup> (C\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (C\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (C\$)
Erfan Kazemi	12-June-18	12-June-28	75,000	1.92	Nil			
	1-Feb-19	1-Feb-29	75,000	1.50	Nil			
	22-Apr-20	22-Apr-23				50,000 <sup>(5)</sup>	61,000 <sup>(6)</sup>	N/A
	26-Apr-21	N/A				75,000 <sup>(7)</sup>	148,500 <sup>(8)</sup>	N/A
Alfredo Bullard	6-Mar-19	6-Mar-29	75,000	1.41	Nil			
	22-Apr-20	22-Apr-23				50,000 <sup>(5)</sup>	61,000 <sup>(6)</sup>	N/A
	26-Apr-21	N/A				75,000 <sup>(7)</sup>	148,500 <sup>(8)</sup>	N/A
Alan Hair	6-Nov-19	6-Nov-29	75,000	2.58	Nil			
	22-Apr-20	22-Apr-23				50,000 <sup>(5)</sup>	61,000 <sup>(6)</sup>	N/A
	26-Apr-21	N/A				75,000 <sup>(7)</sup>	148,500 <sup>(8)</sup>	N/A

(1) Unless otherwise indicated, the Options vest 25% immediately upon the grant date, and an additional 25% vest every six (6) months thereafter.

(2) Options awarded by the Company are priced in C\$.

(3) 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, 2021, which was C\$1.22, shown as Nil if the resulting value is a negative number. 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.

(4) These Options vested fully upon the grant date.

(5) The Share Based Awards relate to RSUs that vest as to 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, 2021 by the closing price of the Company's Common Shares on the Exchange on December 31, 2021, which was C\$1.22.

(7) The Share Based Awards relate to DSUs that vest on the DSU Termination Date (as defined in the LTIP), which future date is unknown as of the date of this Information Circular.

(8) This amount is the fair value calculated by multiplying the Company's share price as at the April 26, 2021 grant date (C\$1.98 per share) by the number of units awarded.

#### 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, 2021 and who is not an NEO. Information regarding the value of awards granted to Mr. Hawkshaw, who is an NEO, 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 <sup>(4)</sup> (C\$)
	Number of Options that Vested During the Year	Value Vested During the Year <sup>(1)</sup> (C\$)	Number of Awards that Vested During the Year <sup>(2)</sup>	Value Vested During the Year <sup>(3)</sup> (C\$)	
Catherine McLeod-Seltzer	Nil	Nil	33,333	61,333	Nil
Andrew Swarthout	Nil	Nil	25,000	46,000	Nil
Kevin Morano	Nil	Nil	25,000	46,000	Nil
Stephen Lang	Nil	Nil	25,000	46,000	Nil
Erfan Kazemi	Nil	Nil	25,000	46,000	Nil
Alfredo Bullard	Nil	Nil	25,000	46,000	Nil
Alan Hair	18,750	Nil	25,000	46,000	Nil

- (1) This amount is the dollar value that would have been realized if the Options that vested during the year ended December 31, 2021 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) 1/3 of the RSUs granted on April 22, 2020 vested during the financial year ended December 31, 2021. None of the DSUs granted on April 26, 2021 vested during the financial year ended December 31, 2021. Please see "Outstanding Option- and Share-Based Awards" above for further information. In accordance with the LTIP, as insiders of the Company were subject to a trading ban on April 22, 2021, the vesting date of the first tranche of RSU's granted on April 22, 2020 was moved to May 10, 2021.
- (3) This amount is calculated by multiplying the number of Share Based Awards that vested during the year by the closing price of the Company's Common Shares on the Exchange on the vesting date, which was C\$1.84.
- (4) The Company did not award any non-equity incentive compensation (bonuses) during the financial year ended December 31, 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 <sup>(1)</sup>	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(2)</sup>	(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)) <sup>(2)(3)</sup>
2008 Plan <sup>(4)(6)</sup>	5,620,500	C\$2.07	4,806,813
LTIP <sup>(5)(6)</sup>	1,616,667	N/A	3,000,000
Equity compensation plans not approved by Shareholders	Nil	N/A	Nil
Total	7,237,167	C\$2.07	4,806,813

- (1) Details regarding the 2008 Plan and the LTIP are provided under "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 2008 Plan and the LTIP as at December 31, 2021. There were no Options granted pursuant to the 2022 Plan as of December 31, 2021.
- (4) Represents the number of shares to be issued upon exercise of outstanding stock options as at December 31, 2021 pursuant to the 2008 Plan.
- (5) Represents the number of shares to be issued upon exercise of RSUs and DSUs as at December 31, 2021.
- (6) Securities granted pursuant to the 2008 Plan, together with securities granted pursuant to the LTIP, may not exceed 10% of the Company's issued and outstanding shares. At December 31, 2021, the Company had 124,273,132 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 Shares less the number of securities issuable pursuant to the 2008 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

On December 17, 2021 the Company issued a news release announcing its acquisition of the Mercedes gold mine, located in Sonora, Mexico, from Equinox Gold Corp., which acquisition constitutes a material transaction. Prior to this announcement the Board held a number of meetings at which the merits, risks, and proposed terms of the acquisition were discussed, and formed a special committee (the Transaction Committee) to evaluate and advise the Board with respect to the proposed Mercedes acquisition transaction. As disclosed in the December 17, 2021 news release, the terms of the Company's acquisition of the Mercedes Mine include US \$60 million in financing from Sandstorm Gold Ltd., on which company's board Mr. Swarthout serves as a director and of which Mr. Kazemi is the Chief Financial Officer. In accordance with applicable corporate laws and the Company's Articles of Incorporation, at all meetings of the Board during which the Mercedes acquisition was discussed, Messrs. Swarthout and Kazemi declared their interest in the transaction stemming from their relationship with both the Company and Sandstorm Gold Ltd., did not participate in material discussions regarding the transaction and abstained from voting to approve any aspect of the transaction.

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

## 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, 2021.

## 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 eight Directors each of whom were elected at the Company's annual meeting of Shareholders held on June 8, 2021. 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 (6 of 8). Catherine McLeod-Seltzer (Chair), Kevin Morano, 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 eight 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 (6 of 8).

### *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. Effective June 3, 2020 Mr. Swarthout retired as Executive Chairman and the Board appointed Ms. McLeod-Seltzer, an independent Director as disclosed under "Independence of Members of the Board" above, to the position of Chair. Ms. McLeod-Seltzer was re-appointed as Chair of the Board on June 8, 2021 and as this sole Chair position is filled by an independent Director, 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 the Operations, Safety and Sustainability Committee is composed of a majority of independent directors. All committee meetings include an in-camera portion during which the committee members meet without the presence of management. 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 and Committee 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, 2021 the following Board and committee meetings were held:

- six (6) meetings of the Board of Directors;
- four (4) meetings of the Audit Committee;
- one (1) meeting of the Compensation Committee;
- one (1) meeting of the Nominating and Corporate Governance Committee;
- three (3) meetings of the Operations, Safety and Sustainability Committee; and,
- one (1) meeting of the Transaction Committee (a temporary special committee).

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 that were held in 2021 during the period of their appointment, is provided in the table below. As discussed above under "Statement of Corporate Governance Practices", the Board is elected annually at the Company's annual meeting of Shareholders and immediately thereafter appoints a Chair of the Board, other Board positions, officers, and members and chairs of its standing committees. The Board may from time to time constitute and appoint members to other committees as it deems necessary for effective oversight and governance.

As announced by the Company on March 29, 2021, Mr. Frank Tweddle, a long-serving member of the Board, passed away unexpectedly on March 27, 2021. Mr. Tweddle was last elected to the Board on June 3, 2020 on which date he was also appointed to the Compensation Committee and Nominating and Corporate Governance Committee; positions he held in 2021 until the date of his passing. Mr. Tweddle's positions on the Board, Compensation Committee and Nominating and Corporate Governance Committee were not filled between the date of his passing and the election of Directors and subsequent appointment of committees on June 8, 2021.

Director Name <sup>(1)</sup>	Board Meetings Attended	Audit Committee Meetings Attended <sup>(2)</sup>	Compensation Committee Meetings Attended <sup>(3)</sup>	Nominating and Corporate Governance Committee Meetings Attended <sup>(4)</sup>	Operations, Safety and Sustainability Committee Meetings Attended <sup>(5)</sup>	Transaction Committee Meetings Attended <sup>(6)</sup>	Total Number of Meetings Attended (at which the Director's attendance was required)	Attendance Record
Anthony Hawkshaw	6 (100%)	4 <sup>(7)</sup>	1 <sup>(7)</sup>	1 <sup>(7)</sup>		1 (100%)	7 of 7	100%
Andrew Swarthout	6 (100%)				3 (100%)		9 of 9	100%
Catherine McLeod-Seltzer	6 (100%)		1 (100%)			0 <sup>(6)</sup>	7 of 7	100%
Kevin Morano	6 (100%)		1 (100%)	1 (100%)		1 (100%)	9 of 9	100%
Frank Tweddle <sup>(8)</sup>								
Stephen Lang	6 (100%)	4 (100%)		1 (100%)	3 (100%)	1 (100%)	15 of 15	100%
Erfan Kazemi	6 (100%)	4 (100%)		0 <sup>(4)</sup>			10 of 10	100%
Alfredo Bullard	5 (83%)	3 (75%)					8 of 10	80%
Alan Hair	6 (100%)		0 <sup>(3)</sup>		3 (100%)		9 of 9	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 consisted of Messrs. Kazemi (Chair), Lang and Bullard during the entirety of the fiscal year ended December 31, 2021.
- (3) The Compensation Committee consisted of Messrs. Morano (Chair) and Tweddle and Ms. McLeod-Seltzer from January 1 to June 8, 2021, and Messrs. Morano and Hair and Ms. McLeod-Seltzer from June 9 to December 31, 2021. There were no meetings of the Compensation Committee held between June 9 and December 31, 2021.
- (4) The Nominating and Corporate Governance Committee consisted of Messrs. Lang (Chair), Morano and Tweddle from January 1 to June 8, 2021 and Messrs. Lang, Morano and Kazemi from June 9 to December 31, 2021. There were no meetings of the Nominating and Corporate Governance Committee held between June 9 and December 31, 2021.
- (5) The Operations, Safety and Sustainability Committee consisted of Messrs. Hair (Chair), Lang and Swarthout during the entirety of the fiscal year ended December 31, 2021.
- (6) The Board constituted a Transaction Committee consisting of Messrs. Lang (Chair), Morano and Hawkshaw on August 25, 2021. On October 12, 2021 the Board revised the Transaction Committee membership to consist of Messrs. Lang and Morano and Ms. McLeod-Seltzer. There were no meetings of the Transaction Committee held between October 12 and December 31, 2021.

- (7) Mr. Hawkshaw's attendance at the 2021 Audit, Compensation, Nominating and Corporate Governance, and Operations Safety and Sustainability Committee meetings was as a guest.
- (8) Mr. Tweddle ceased to be a director on March 27, 2021. No Board or committee meetings at which his presence was required were held between January 1 and March 27, 2021.

## **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 of Incorporation, which are made available to the Directors and officers of the Company as part of the Company's orientation and continuing education process. See "Interest of Informed Persons in Material Transactions", above.

### 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 possible 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 8, 2021, the Board appointed the following independent Directors to serve on the Nominating and Corporate Governance Committee: Stephen Lang (Chair), Kevin Morano and Erfan Kazemi. 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 described above under "Compensation Discussion and Analysis". 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 8, 2021, the Board appointed the following independent Directors to serve on the Compensation Committee: Kevin Morano (Chair), Catherine McLeod-Seltzer, and Alan Hair. All members appointed to the Compensation Committee hold or have held positions on the Compensation Committees of 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

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 8, 2021, 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 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.

As discussed above under "Interest of Informed Persons in Material Transactions" and "Participation of Directors in Board and Committee Meetings", the Board constituted a Transaction Committee on August 25, 2021 comprised of Messrs. Lang, Morano and Hawkshaw, to evaluate and advise the Board with respect to the Mercedes mine acquisition. On October 12, 2021 the Board revised the Transaction Committee appointments to Messrs. Lang and Morano and Ms. McLeod-Seltzer in order to ensure the committee consisted entirely of independent Directors.

### 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	Erfan Kazemi	Stephen Lang	Alfredo Bullard	Alan Hair
Board Experience	✓	✓	✓	✓	✓	✓	✓	✓
Mining Operations	✓	✓	✓	✓	✓	✓	✓	✓
Mineral Exploration	✓	✓	✓	X	✓	✓	✓	✓
Human Resources and Compensation	✓	✓	✓	✓	✓	✓	✓	✓

	Catherine McLeod-Seltzer	Anthony Hawkshaw	Andrew Swarthout	Kevin Morano	Erfan Kazemi	Stephen Lang	Alfredo Bullard	Alan Hair
Financial Literacy	✓	✓	✓	✓	✓	✓	✓	✓
Legal	✓	✓	✓	✓	✓	✓	✓	X
Government Relations	✓	✓	✓	✓	X	✓	✓	✓
Corporate Social Responsibility	✓	✓	✓	X	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓
Latin American Experience	✓	✓	✓	✓	✓	✓	✓	✓
Financing	✓	✓	✓	✓	✓	✓	✓	✓
Business Judgment	✓	✓	✓	✓	✓	✓	✓	✓
Project Development and Construction	X	✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
CEO Experience	✓	✓	✓	X	✓	✓	✓	✓
Health, Safety and Environment	✓	✓	✓	✓	✓	✓	✓	✓

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. The Operations, Safety and Sustainability Committee provides oversight of ESG matters and disclosures on behalf of the Board.

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

ESG Area	Practices
Governance	<ul style="list-style-type: none"> <li>• A majority of Directors and Proposed Directors are independent</li> <li>• 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</li> <li>• The Company has adopted key governance policies including a Code of Business Conduct and Ethics, a Whistleblower Policy, a Disclosure, Confidentiality and Insider Trading Policy, an Anti-Bribery and Anti-Corruption Policy and an Advance Notice Policy and conducts annual reviews of these policies as well as of the Company's Board Mandate and committee Charters</li> <li>• The positions of Chairman and CEO are separated</li> <li>• All Directors stand for re-election annually</li> <li>• The Board and its committees hold in-camera sessions, without the presence of management, at every meeting</li> <li>• The Company will issue its inaugural and foundational ESG report in mid-2022, reporting to the following externally-developed economic, environmental and social charters, principles, or other initiatives: GRI, SASB, UN Global Compact, CDP, ISS, and the IFC Performance Standards</li> </ul>
Environmental Stewardship	<ul style="list-style-type: none"> <li>• Biodiversity monitoring programs are in place at Corani to track the health and population sizes of mammals, rodents, reptiles, amphibians, birds and important plant species</li> <li>• Comprehensive water quality testing is in place both at the Corani deposit site and downstream</li> <li>• The Corani operation design provides for numerous environmental impact measures including the capture and recycling of water resources; the employment of emissions 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</li> <li>• The Company seeks opportunities to reduce the environmental impact of its activities through conservation and recycling initiatives</li> </ul>
Social Responsibility	<ul style="list-style-type: none"> <li>• The Company signed a Life of Mine community benefits agreement with the regional authority and affected communities in the vicinity of the Corani project</li> <li>• The Company has developed a corporate social responsibility program that is based on developing long-term and sustainable economic opportunities in partnership with local communities</li> <li>• The Company is developing systems to ensure compliance with Equator Principles and IFC guidelines and will strive to adhere to the United Nations Sustainable Development Goals it has identified as being most relevant to the Corani project</li> <li>• Numerous successful social programs have been instituted at the Corani project, details of which are available on the Company's website.</li> </ul>

## 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 <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Stephen Lang	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Alfredo Bullard	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

(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). In the community, Mr. Kazemi has served as a member of the board of directors of the Vancouver Public Library (VPL) Foundation, was previously the Vice-Chair of the VPL, and is a former member of the University of British Columbia Board of Governors. He has been recognized as one of Canada's Top 40 under 40, named by the Globe and Mail as one of Canada's 50 best executives and awarded Business in Vancouver's CFO of the Year.

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

Mr. 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):

<b>Financial Year Ended</b>	<b>Audit Fees <sup>(1)</sup> (C\$)</b>	<b>Audit-Related Fees <sup>(2)</sup> (C\$)</b>	<b>Tax Fees <sup>(3)</sup> (C\$)</b>	<b>All Other Fees <sup>(4)</sup> (C\$)</b>
December 31, 2021	38,632	50,558	317,403	Nil
December 31, 2020	97,535	95,700	14,086	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. For the financial year ended December 31, 2021, 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 January 8, 2021.

(3) “Tax Fees” are fees charged by the Company's auditors for tax compliance, tax advice and tax planning including, during 2021, fees related to acquisition of the Mercedes Mine.

- (4) "All Other Fees" are fees charged by the Company's auditors for products and services other than as set out under the heading "Audit Fees", "Audit-Related Fees" and "Tax Fees" Exemption in 6.1 of NI 52-110.

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

Signed "Anthony Hawkshaw"  
Anthony Hawkshaw, President and Chief Executive Officer

DATED this 26<sup>th</sup> day of April 2022.



**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 (Chair) 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. (Chair) Hycroft Mining Holding Corporation (Chair) 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. (Chair and Interim CEO) 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.