



## MESSAGE FROM THE CEO

December 31, 2022

It is with great pleasure that we release Bear Creek Mining Corporation's second annual Environment, Social and Governance ("ESG") Report. This report sets out our guiding principles for sustainable development and how we act on these principles to meet the needs of today without compromising the needs of future generations. Bear Creek's dedication to ESG principals stems from its recognition that social responsibility, environmental stewardship and economic opportunity bound together by effective governance are necessary for long-term corporate success.

Mining operations don't last forever, but a mineral project, whether at the exploration, development or producing stage, is sustainable if it is operated in a manner that doesn't compromise the environment or the ability of nearby communities to improve their livelihoods and living conditions, even after the project ceases or the mine closes. We aim to limit the disruptive impacts of mineral development and mining operations while maximizing the benefits, so that the net effect of our presence and activity is positive and the future for communities and their surrounding environment is not compromised, but brighter.

On April 21, 2022 Bear Creek acquired and became operators of the Mercedes Gold Mine in Sonora Mexico and in doing so, transformed from an exploration and development company to a gold producer. The due diligence we conducted prior to acquisition of Mercedes included an assessment of the operation's social and environmental track record and the potential risks and impacts, and we were pleased to conclude that the social and environmental policies and programs at Mercedes were effective and functioned well. We have integrated the established Mercedes policies and programs, and have incorporated Bear Creek's commitment to Sustainability, into our management of the mine.

Prior to our acquisition of Mercedes, our exploration and development activities were focused on the Corani silver deposit located in the department of Puno in southern Peru; a sparsely populated area in the high Andes. It is a remote rural location with few economic opportunities aside from alpaca farming – the traditional occupation of the indigenous Quechuan people of the area. We are extremely proud of our sustainability record at Corani, in particular the strong relationships we have established with local communities and the programs we have built together with these communities. Many of these initiatives take place at the Corani Technical Innovation Center (the "CTIC"), established and funded by Bear Creek in partnership with local communities. The CTIC is mandated with investigating, designing and developing local, sustainable and culturally relevant economic opportunities that are independent of the potential future Corani mine. The CTIC has spawned the development and fabrication of many innovative products that offer solutions to everyday challenges in the area as well as the potential for larger economic development opportunities.

Our commitment to best practices in Sustainability bears out not just at our operating assets but permeates Bear Creek as a corporation. We believe that by including commitments to social responsibility and environmental stewardship in our corporate goals, and by adopting and applying strong corporate governance policies, Bear Creek is well positioned to mitigate financial and operational risk and deliver superior returns to Shareholders. Additional information about Bear Creek's governance, including its oversight of Sustainability matters, is provided in its Information Circular dated April 17, 2023.

Sincerely,  
*Anthony Hawkshaw*  
CEO, Bear Creek Mining Corporation