



Bear Creek Mining Announces Brokered Private Placement, Appointment Of Peter C. Mitchell And Ian Grundy As Directors, Debt Amendments And Credit Extension

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March 4, 2025, Vancouver, British Columbia – Bear Creek Mining Corporation (TSXV: BCM) (BVL: BCM) (“Bear Creek” or the “Company”) announces that it has entered into an agreement with BMO Capital Markets to act as sole bookrunner, on behalf of a syndicate of underwriters (collectively, the “Underwriters”), on a bought deal basis, for a private placement of 64,445,000 common shares of the Company (each, a “Share”), at a price of C\$0.225 per Share (the “Offering Price”) to raise aggregate gross proceeds of approximately C\$14.5 million (the “Offering”). Pursuant to the Offering, the Company has granted the Underwriters an option to purchase an additional 9,666,750 Shares pursuant to the Offering for additional gross proceeds of approximately C\$2.2 million (the “Underwriters’ Option”). The Company further announces the retirements of Mr. Andrew Swarthout and Ms. Sandra Daycock from the Board and is pleased to announce the appointments of Peter C. Mitchell and Ian Grundy to the Board. In addition, the Company intends to enter into certain amending agreements with each of Sandstorm Gold Ltd. (“Sandstorm”) and Equinox Gold Corp. (“Equinox”) to temporarily defer the payment of interest under certain outstanding debt arrangements, subject to negotiating and entering into such amending agreements and approval and acceptance of same by the TSX Venture Exchange. Furthermore, Sandstorm intends to extend up to US\$6.5 million in additional credit to the Company for working capital purposes under the Sandstorm Promissory Note (as defined below).

Brokered Private Placement

The Company intends to complete a private placement of Shares on a bought deal basis at a price of C\$0.225 per Share for aggregate gross proceeds of approximately C\$16.7 million (assuming full exercise of the Underwriters’ Option).

The Offering is expected to close on or about March 11, 2025 or such other date as the Company may determine (the “Closing Date”). Closing of the Offering is subject to receipt of conditional acceptance from the TSX Venture Exchange (“TSXV”). The Shares issued under the Offering will be subject to certain resale restrictions including a hold period of four months and a day from the Closing Date.

It is intended that each of Sandstorm and Equinox will participate in the Offering, with each purchasing 32,222,500 Shares for gross proceeds of approximately C\$7.3 million. Currently, Sandstorm and Equinox hold 45,492,399 and 25,397,160 Shares, respectively, which represent approximately 19.97% and 11.15%, respectively, of the total issued and outstanding Shares.

Accordingly, each of Equinox and Sandstorm are a “related party” of the Company and the Offering will constitute a “related party transaction” (as each term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”)). The Company intends to rely on the specified markets exemption from the formal valuation requirement set forth in subsection 5.5(b) of MI 61-101 and the financial hardship exemption from the minority shareholder approval requirements set out in subsection 5.7(1)(c) of MI 61-101.

The Company intends to use net proceeds of the Offering to support exploration and resource drilling at the Company’s Mercedes mine in Mexico (“Mercedes”), to build a ventilation raise bore and secondary escape way at the Marianas deposit at Mercedes to ensure safe production and for general working capital purposes, the latter of which will include reducing Mercedes’ trade payables over the next quarter.

The securities that will be offered in the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or exemptions from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the U.S., nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. “United States” and “U.S. person” are as defined in Regulation S under the U.S. Securities Act.

Retirement of Directors

Mr. Andrew Swarthout and Ms. Sandra Daycock have notified the Company of their intention to retire from the Board effective on closing of the Offering, the Debt Amendments (as defined below) and the Credit Extension (as defined below).

Mr. Swarthout co-founded Bear Creek Mining in 2003 and served as the Company’s President and CEO until 2017. He was a critical and integral contributor to the acquisition, discovery and development of the Corani deposit and the backbone of the Company’s technical and management teams. Mr. Swarthout retired from management of Bear Creek in 2017 but continued to provide his wealth of knowledge to the Company as a Director, including directly contributing to Bear Creek’s understanding of the multiple high-quality exploration opportunities at the Mercedes property, and serving as the Company’s Qualified Person (as defined in National Instrument 43-101). The Board sincerely thanks Mr. Swarthout for his vision, guidance and execution of the Company’s goals throughout his 22-year tenure at Bear Creek.

Ms. Daycock was appointed to the Company's Board in November 2023 and elected as a Director by shareholders in June 2024. Ms. Daycock served on the Company’s Audit and Compensation Committees throughout her tenure on the Board, where her experience in corporate development, corporate finance, strategy, treasury management, accounting, financing, investor relations, and

corporate restructuring were invaluable assets. The Board sincerely thanks Ms. Daycock for her service.

Catherine McLeod-Seltzer, Chair of the Company stated: “We deeply thank Andrew and Sandra for their involvement with, and thoughtful stewardship of, the Company. Their contributions have been innumerable. In particular, we recognize and salute Andrew’s central role as Founder of the Company.”

Appointment of Directors

The Board is further pleased to announce the appointment of Peter C. Mitchell and Ian Grundy to the Board effective immediately.

Peter C. Mitchell is a veteran financial executive with 25 years of senior-level experience in financial and operational management, executive leadership, Board of Directors experience, acquisitions and divestitures and tax and compliance for private equity sponsored and publicly held companies. Mr. Mitchell most recently served as Senior Vice President and Chief Financial Officer of Coeur Mining, Inc., a leading precious metals producer that owns and operates mines throughout North America. Having joined Coeur as CFO in 2013, Peter was responsible for investor relations, financial planning and analysis, financial reporting, information technology, tax and compliance. He was a key team member managing Coeur’s acquisition and divestiture activities and led all capital markets activity in multiple equity and debt financings. Prior to Coeur, Peter held executive leadership positions in finance and operations with a variety of U.S. and Canadian public and private equity sponsored companies. He is currently a Director and the Audit Committee Chair of Stabilis Solutions, Inc., Northcliff Resources Ltd., and Taseko Mines Limited. Mr. Mitchell earned a BA in Economics from Western University, an MBA from the University of British Columbia, and is a Chartered Accountant (CPA-CA).

Ian Grundy has more than a decade of experience in the mining and capital markets sectors. He is currently Executive Vice President, Corporate Development at Sandstorm. Prior to joining Sandstorm in 2018, Mr. Grundy worked for several Canadian equity research teams covering the gold, base metal, and basic materials industries. This included helping to grow Scotiabank’s base metals franchise into Canada’s top ranked research team, as recognized by Brendan Woods International. Mr. Grundy is a Chartered Professional Accountant (CPA, CA) and a graduate of Queen’s University where he earned a Bachelor of Commerce (First Class Honours). He is also a Chartered Financial Analyst charterholder.

Debt Amendments and Credit Extension

On October 19, 2023, the Company issued a secured convertible promissory note (the “Equinox Note”) in the principal amount of approximately US\$26 million to defer a US\$25 million liability originally payable to a wholly-owned subsidiary of Equinox. Please see the Company’s news releases on October 19, 2023, November 27, 2023 and December 1, 2023 for additional details regarding the Equinox Note.

On January 22, 2024, as part of a restructuring transaction, the Company (i) entered into an amended and restated convertible debenture between the Company and Sandstorm in the principal amount of approximately US\$22.5 million (the “Sandstorm Convertible Debenture”); and (ii) issued an amended and restated secured promissory note to a wholly-owned subsidiary of Sandstorm with a principal amount equal to up to approximately US\$21.6 million (the “Sandstorm Promissory Note” and together with the Sandstorm Convertible Debenture and the Equinox Note, the “Debt Agreements”). Please see the Company’s news release on January 22, 2024 and August 21, 2024 for more details regarding the Sandstorm Convertible Debenture and the Sandstorm Promissory Note.

The Company and each of Equinox and Sandstorm, respectively, intend to amend (collectively, the “Debt Amendments”) each of the Debt Agreements whereby monthly interest payments payable on the last day of each month from and including February 2025 to November 2025, shall be deferred until December 31, 2025 (the “Deferred Interest”) and interest on the Deferred Interest shall automatically accrue monthly at the rate of interest applicable to the principal owing under the respective Debt Agreements.

In addition, the Company and Sandstorm intend to further amend the Sandstorm Promissory Note to increase the principal amount by up to US\$6.5 million, with Sandstorm committing up to US\$600,000 per month to the Company for working capital purposes, subject to the existing terms of the Sandstorm Promissory Note (the “Credit Extension”).

It is expected that all other terms of the Debt Agreements will remain unchanged and in full force and effect. The Debt Amendments and the Credit Extension are expected to be closed on or about March 11, 2025 and will be subject to final approval of the TSXV.

As each of Sandstorm and Equinox are a “related party” of the Company, entering into the Debt Amendments and the Credit Extension and the matters related thereto are considered to be “related party transactions” (as each term is defined in MI 61-101), requiring the Company, in the absence of certain exemptions, to obtain a formal valuation and minority shareholder approval, of the related party transactions.

The Company intends to rely on the specified markets exemption from the formal valuation requirement set forth in subsection 5.5(b) of MI 61-101 and the financial hardship exemption from the minority shareholder approval requirements set out in subsection 5.7(1)(c) of MI 61-101.

A material change report in connection with the Debt Amendments and the Credit Extension will be filed within 10 days of the date hereof which is less than 21 days before the date of closing of the Debt Amendments. The Company believes this shorter period is reasonable and necessary in the circumstances as the details of the Debt Amendments, the Credit Extension and the matters related thereto were not finalized until immediately prior to the date hereof and the Company wished to complete the Debt Amendments, the Credit Extension and the matters related thereto as soon as practicable for sound business reasons.

On behalf of the Board of Directors,
Eric Caba
President and Chief Executive Officer

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Cautionary Statement Regarding Forward-Looking Statements

Information and statements contained in this news release that are not historical facts are “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information can often be identified by forward-looking words such as “believe”, “expect”, “intend”, “may” and “will” or the negative of these terms or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Examples of forward-looking information in this news release include, without limitation: the gross proceeds of the Offering; timing of completion of the Offering; each of Sandstorm’s and Equinox’s participation in the Offering; the proposed use of proceeds of the Offering; TSXV acceptance of the Offering; the entry into and the terms and timing of the Debt Amendments and the Credit Extension; the deferral of interest pursuant to the Debt Amendments subsequent to December 2025; receipt of final approval of the TSXV for the Debt Amendments and the Credit Extension; and the filing of a material change report within the required timeframe. These forward-looking statements are provided as of the date of this news release, and reflect predictions, expectations or beliefs regarding future events based on the Company’s beliefs at the time the statements were made, as well as various assumptions made by and information currently available to them.

In making the forward-looking statements included in this news release, the Company has applied several material assumptions, including, but not limited to assumptions related to the Company’s operating results, business objectives, goals and capabilities. Although management considers the assumptions underlying its forward-looking statement to be reasonable based on information available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and the risk exists that estimates, forecasts, projections, and other forward-looking statements will not be achieved or that assumptions on which they are based do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the expectations expressed in them. These risk factors may be generally stated as the risk that the assumptions expressed above do not occur, but may include additional risks as described in the Company’s latest Annual Information Form, and other disclosure documents filed by the Company on SEDAR+. The foregoing list of factors that may affect future results is not exhaustive. Investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on behalf of the Company, except as required by law.

In its last reported financial results as of September 30, 2024, the Company had a working capital (current assets minus current liabilities) deficiency of US\$93.2 million. The Company’s interim condensed consolidated financial statements for the three months ended September 30, 2024 were prepared following accounting principles applicable to a going concern, which assumes the Company will be able to continue operations for at least twelve months from September 30, 2024 and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. As of September 30, 2024, the Company does not have sufficient funds to cover its working capital deficiency and fund ongoing obligations and therefore its ability to continue as a “going concern” is at risk.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.