

Bear Creek Mining Restructures Sandstorm Obligations to Improve Near Term Cash Flow

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Monthly Stream Obligations to Decline by 78% and Maturity Date of Debt Extended to September 2028

Vancouver, September 28, 2023 - [Bear Creek Mining Corp.](#) (TSXV: BCM) (BVL: BCM) (OTCQX: BCEKF) ("Bear Creek" or the "Company") is pleased to announce a restructuring of its current stream and debt obligations with [Sandstorm Gold Ltd.](#) and its subsidiaries (collectively, "Sandstorm"), which will be effected by way of a restructuring agreement (the "Restructuring Agreement"). The Restructuring Agreement will improve the Mercedes mine's ("Mercedes") ability to produce free cash flow in the near term via (i) a reduction in near-term gold and silver stream delivery obligations and (ii) the refinancing and extension of Bear Creek's debt with Sandstorm. Bear Creek expects these amendments will deliver incremental value for shareholders and the Company's streaming counterparties over the long term.

Eric Caba, President and CEO of Bear Creek, states, "The Restructuring Agreement is a major milestone for Bear Creek. Together with our recent agreement with Equinox Gold to refinance the Mercedes Deferred Payment, we have removed all near-term debt maturities through September 2028. This greatly improves Mercedes' ability to re-invest in the long-term success of the mine via the exploration potential that we see at Mercedes and return our focus to the advancement of the Company's Corani project in Peru ("Corani"), our cornerstone asset. We thank Sandstorm for its continued flexibility as a strategic partner and are pleased to welcome them as our largest shareholder." For more information regarding the Mercedes Deferred Payment, please see the Company's news releases dated September 13, 2023 and July 5, 2023.

Key Terms of the Amended Stream Agreements

Mercedes currently has two stream obligations with Sandstorm: the Sandstorm Gold Stream established upon the Company's acquisition of Mercedes (originally announced on December 17, 2021 and amended on May 11, 2023) and the Nomad Silver Stream, which applied to Mercedes prior to its acquisition by the Company. As announced by Bear Creek on September 28, 2023, the Company has made the final gold delivery under a gold pre-pay streaming agreement (the "Nomad Gold Stream"). The Nomad Gold Stream has now been fully completed and no further quarterly gold payments are due in respect thereof. The current and pro-forma terms of these agreements are summarized in the table below.

Under the Restructuring Agreement, effective January 1, 2024, gold deliveries pursuant to the Sandstorm Gold Stream will be reduced from 600 oz per month to 275 oz per month and silver deliveries pursuant to the Nomad Silver Stream will be fully suspended until April 2028, (a reduction of 75,000 oz per quarter, approximately half of which the Company is currently required to purchase due to silver production shortfalls). Completion of the Nomad Gold Stream results in the further availability of approximately 300 oz of gold on a monthly basis.

The net effect of the reduction in deliverable gold ounces under the Sandstorm Gold Stream, the suspension of the Nomad Silver Stream, and the conclusion of the Nomad Gold Stream is, starting January 1, 2024, a monthly decrease of 958 gold equivalent ounces (calculated on the basis of a silver to gold ratio of 75 to 1) deliverable under current stream agreements, representing a roughly 78% decrease from historic monthly deliveries.

		CURRENT	PRO-FORMA (Effective January 1, 2024)
Sandstorm Gold Stream	Fixed delivery period	Current - May 2026	Jan 2024 - Apr 2028
	Fixed deliveries	600 oz per month	275 oz per month
	Long-term tail	4.4%	4.4%
	Cash payment	7.5% for fixed 25% for tail deliveries	25% for ALL deliveries

	Current Delivery Rate	100% until 3.7Moz	Nil from Jan 2024 - April 2028
Nomad Silver	Long-term tail	30%	100%
Stream	Cash payment	20%	25%
	Top-up	Min. 75k oz per quarter	No Minimums

Consideration to Sandstorm in exchange for the stream amendments will consist of:

- a 1.0% net smelter returns ("NSR") royalty on Corani, which contains one of the world's largest fully permitted silver deposits; and
- payment of up to US\$10 million in the form of common shares of Bear Creek (each, a "Common Share"), provided that Sandstorm will own no more than 19.99% of Bear Creek's issued and outstanding Common Shares on a post-closing basis (the "Consideration Shares").

If the value of the Bear Creek common shares issued to Sandstorm as consideration under the Restructuring Agreement is less than \$10 million (the "Consideration Shortfall"), then Sandstorm has agreed to increase the principal amount of Refinanced Sandstorm Note (as defined below), such that the total value of the issued Bear Creek common shares and the incremental increase in principal amount equals \$10 million.

Debt Refinancing

Sandstorm has further agreed to restructure its debt financing arrangements with Bear Creek. Pursuant to the Restructuring Agreement:

- Sandstorm will refinance its US\$22.5 million convertible debenture into a 5-year convertible promissory note bearing interest at 7% per year and convertible into common shares of Bear Creek at a strike price of C\$0.73 per share (the "Refinanced Sandstorm Note"). The Refinanced Sandstorm Note will have a maturity date of September 22, 2028 and be secured by first lien pledges on the assets of Mercedes, Bear Creek's equity interests in Mercedes and Corani; and
- Sandstorm will refinance its US\$9 million secured loan (the "Sandstorm Secured Loan") that was acquired by a wholly-owned subsidiary of Sandstorm, into a second 5-year convertible promissory note (the "Second Refinanced Sandstorm Note") on the same terms as the Refinanced Sandstorm Note. As disclosed above, the principal amount of this promissory note will be increased by the amount of the Consideration Shortfall, if any.

In connection with the Restructuring Agreement, Sandstorm has agreed to make up to US\$8 million in additional credit (the "Interim Credit") available to Bear Creek under the Sandstorm Secured Loan prior to August 31, 2024, subject to certain conditions. Any amounts drawn from the Interim Credit will be added to the principal amount of the Second Refinanced Sandstorm Note.

Closing Conditions

The Restructuring Agreement is expected to take effect on closing, which is subject to the following conditions:

- Bear Creek's completion of an equity financing to raise gross proceeds of at least approximately CAD\$9.5 million (the "Equity Financing"), as described in further detail below; and
- Customary stock exchange approvals as outlined below.

The proceeds of the Equity Financing are intended to be used to support additional development work at Mercedes, expand on recent positive drill results of up to 62.6 g/t of gold over 5.2 meters (see Bear Creek news release dated August 30, 2023) and for general working capital purposes, the latter of which includes approximately 30% (approximately US\$2.1 million) intended to be used to decrease trade payables to a normalized level over the next 2 quarters.

The transactions disclosed in this news release including the Equity Financing, the Restructuring Agreement and the transactions under the Restructuring Agreement, including the Consideration Shares, the NSR, the Refinanced Sandstorm Note, the Second Refinanced Sandstorm Note, the Interim Credit, and the amendments to the Sandstorm Gold Stream and the Nomad Silver Stream are subject to TSX Venture Exchange ("TSXV") approval.

On behalf of the Board of Directors,

Eric Caba
President and Chief Executive Officer

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National Instrument 43-101 Disclosure

The scientific and technical information contained in this news release has been reviewed and approved by Andrew Swarthout, AIPG Certified Professional Geologist and director of the Company who is a qualified person as defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Cautionary Statement Regarding Forward-Looking Information

This news release contains forward-looking statements regarding: the final timing, terms and documentation in respect of the Restructuring Agreement and the transaction contemplated thereby including the Equity Financing, Consideration Shares, the NSR, the Refinanced Sandstorm Note, the Second Refinanced Note, the Interim Credit, and the amendments to the Sandstorm Gold Stream and the Nomad Silver Stream; the reduction in the stream burden on Mercedes and the improvement to Mercedes's ability to produce free cash flow in the near term; the delivery of incremental value for shareholders and Bear Creek's streaming counterparties over the long term; the expected effect on Bear Creek of the Restructuring Agreement; the expected date of full delivery of the Nomad Gold Stream; the expected future production from Mercedes and Bear Creek's ability to fulfill its obligations under the Sandstorm Gold Stream, Nomad Silver Stream and Nomad Gold Stream; the completion of the Equity Financing; the expected use of proceeds of the Equity Financing; TSXV, securities laws, and corporate laws approval of the Restructuring Agreement and Equity Financing; and other statements regarding future plans, expectations, exploration potential, guidance, projections, objectives, estimates and forecasts as well as the Company's expectations with respect to such matters. These forward-looking statements are provided as of the date of this news release, or the effective date of the documents referred to in this news release, as applicable, 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: that the Restructuring Agreement and Equity Financing will receive the requisite regulatory, securities law and corporate law approvals; that the Restructuring Agreement and Equity Financing will be completed as expected; that future production from Mercedes will meet management's expectations; and that the Company will be able to meet its obligations under the Restructuring Agreement and the transactions contemplated thereby.

Although management considers these assumptions to be reasonable based on information available to it, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions on which they are based do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the expectations expressed in them. These risk factors may be generally stated as the risk that the assumptions expressed above do not occur, but specifically include, without limitation, risks relating to general market conditions and the additional risks described in the Company's latest Annual Information Form, and other disclosure documents filed by the Company on its SEDAR+ page at www.sedarplus.ca. 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.

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.

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