

Form 51-102F3
Material Change Report

ITEM 1 NAME AND ADDRESS OF ISSUER

Bear Creek Mining Corporation (“Bear Creek” or the “Company”)
1400 – 400 Burrard Street
Vancouver, British Columbia, V6C 3A6

ITEM 2 DATE OF MATERIAL CHANGE

December 16, 2021

ITEM 3 NEWS RELEASE

A news release announcing the material change was issued and distributed through the facilities of Newsfile Inc. on December 17, 2021.

ITEM 4 SUMMARY OF MATERIAL CHANGE

On December 17, 2021, the Company announced that it had entered into a definitive agreement with Equinox Gold Corp. (“Equinox”) and Premier Gold Mines Limited (“Premier”), a wholly owned subsidiary of Equinox, to acquire a 100% interest in the Mercedes gold-silver mine (“Mercedes”) located in Sonora, Mexico.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

On December 17, 2021, the Company announced that it had entered into a definitive agreement with Equinox and Premier, a wholly owned subsidiary of Equinox, to acquire all of the issued and outstanding shares of 1336991 B.C. Ltd., a wholly owned subsidiary of Premier, which indirectly owns a 100% interest in Mercedes (the “Acquisition”).

Key Acquisition Terms

Payment to Equinox will consist of:

- A cash payment of US\$75 million and issuance of 24,730,000 common shares in the authorized share structure of Bear Creek on the closing of the Acquisition (the “Closing Date”), which common shares will represent 16.6% of the Company’s issued and outstanding common shares (on a non-diluted basis) following the issuance thereof.
- A deferred cash payment of US\$25 million due within six months of the Closing Date.
- A 2% NSR payable on metal production from the Mercedes mining concessions.

The US\$75 million cash payment on the Closing Date will be funded by US\$15 million from the Company’s treasury and US\$60 million from Sandstorm Gold Ltd. (“Sandstorm”) as described below.

The Acquisition is expected to close during the first quarter of 2022 subject to customary closing conditions including approval of the TSX Venture Exchange (“TSX-V”) and Mexican authorities.

Sandstorm Stream and Debt Financing

Bear Creek and Sandstorm have entered into a gold purchase agreement (the “Gold Purchase Agreement”) and a debt financing agreement, each of which are subject to customary closing conditions.

Under the Gold Purchase Agreement, Sandstorm will provide the Company with US\$37.5 million and in exchange Bear Creek will sell to Sandstorm 600 ounces of refined gold per month for 42 months (a total of 25,200 ounces) at a price equal to 7.5% of the spot gold price at the time of delivery. Thereafter, the Company will sell to Sandstorm 4.4% of gold produced by Mercedes at a price equal to 25% of the spot price at the time of delivery. Sandstorm will also be granted a right of first refusal on any royalties, streams or similar transactions with respect to production from Mercedes.

On the Closing Date, Sandstorm will pay the Company US\$22.5 million (the “Principal Amount”) to subscribe for a 6%, three-year secured convertible debenture (the “Sandstorm Convertible Debenture”). Interest will be paid quarterly on the outstanding Principal Amount. The Principal Amount may be reduced by conversion of debt to common shares of the Company during the term. Otherwise, the Principal Amount is due on the third anniversary of closing. The Principal Amount is convertible, in whole or in part, into common shares of the Company at any time prior to maturity at the greater of a 35% premium to the closing price per common share of the Company on the Closing Date or as otherwise permitted by the TSX-V.

About Mercedes

The information in this section is derived from the NI 43-101 Technical Report, Mercedes Gold-Silver Mine with an effective date of December 31, 2020.

Mercedes is located in the state of Sonora, Mexico, approximately 300 km northeast of the city of Hermosillo and 300 km south of Tucson, AZ, within the prolific Mexican epithermal gold belt. It comprises 43 mineral concessions covering 69,285 hectares.

Gold-silver mineralization on the Mercedes property is hosted within epithermal, low sulphidation veins, stockwork, and breccia zones. Aside from a brief Covid-related shut down in the spring of 2020, Mercedes has been in continuous operation since commencing production in 2011. Up to December 31, 2020, 5.84 million tonnes grading 4.42 g/t gold and 49.5 g/t silver have been processed, with a total of approximately 781,800 ounces of gold and 3,356,200 ounces of silver produced.

Mercedes is a ramp-access underground operation that utilizes fully mechanized cut-and-fill mining. Ore is processed by conventional milling followed by agitated leach with Merrill-Crowe recovery of gold and silver. The process plant has a capacity 2,000 tpd with an average production rate from 2016-2020 of approximately 1,450 tpd. From 2012-2020 the average gold and silver recovery rates were 95.4% and 39.2%, respectively.

Throughout Mercedes’ production history, gold-silver ore has been produced from five deposit areas, of which two (Diluvio and Lupita) are currently being mined. Thirteen mineralized zones in four vein systems have been identified to date within the Mercedes property through surface and underground drilling. These mineralized zones occur in three sub-districts: Mercedes (Mercedes and Barrancas – Marianas vein systems); Klondike (Klondike – Rey de Oro vein system); and Lupita (Lupita- Diluvio vein system).

Forward-looking Statements

This material change report contains forward-looking statements regarding: the structure, anticipated Closing Date and regulatory approval of the Acquisition; the merits and expected benefits of the Acquisition to the Company and its shareholders; the terms and conditions of the Sandstorm Gold Stream and the Sandstorm Convertible Debenture; the anticipated future operating performance, production and cash flow from the Mercedes Mine; the potential for the discovery of additional mineralized vein systems and mineralized bodies at the Mercedes property, and other statements regarding future plans, expectations, 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 material change report, or the effective date of the documents referred to in this material change

report, 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 material change report, the Company has applied several material assumptions, including, but not limited to: that the terms and conditions of the Acquisition, the Sandstorm Gold Stream and the Sandstorm Convertible Debenture will not be subject to material changes; that the Acquisition will be approved by regulators; that the documents, projections and models on which the Company has relied are accurate in all material respects. 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 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.

NI 43-101 Disclosure

Disclosure of a scientific or technical nature in this material change report has been reviewed and approved by, Andrew Swarthout, AIPG Certified Professional Geologist, Director of the Company and a Qualified Person ("QP") as defined in NI 43-101.

Technical information regarding the Mercedes property and mining operation included in this material change report is derived from a NI 43-101 Technical Report entitled "*NI 43-101 Technical Report on the Mercedes Gold-Silver Mine, Sonora State, Mexico*" (the "2020 Mercedes Report") dated June 30, 2021, with an effective date of December 31, 2020. The 2020 Mercedes Report is available on SEDAR under the profile of Equinox Gold Corp.

The 2020 Mercedes Report was prepared on behalf of Equinox Gold Corp. by BBA Inc. and G Mining Services Inc. and was authored by following QPs: Julie-Anaïs Debreil, P. Geo. (G Mining) responsible for Chapters 10, 11, & 12; Colin Hardie, P. Eng., (BBA) responsible for Chapters 1, 2,3,13, 17, 18, 19, 20, 21, 22, 24, 25, 26 & 27; Todd McCracken, P. Geo. (BBA) responsible for Chapters 4, 5, 6, 7, 8, 9, 14 & 23; and, David Willock, P. Eng., (BBA) responsible for Chapters 15 & 16. All of the 2020 Mercedes Report QPs contributed to Chapters 1, 25, 26 and 27, based upon their respective scope of work and the chapters/sections under their responsibility.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS.

Not applicable.

ITEM 6 RELIANCE ON SUBSECTION 7.1(2) OR (3) OF NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7 OMITTED INFORMATION

No information has been omitted on the basis that it is confidential information.

ITEM 8 EXECUTIVE OFFICER

Contact: Anthony Hawkshaw, President and CEO or Barbara Henderson, Corporate Secretary
Telephone: (604) 685-6269

ITEM 9 DATE OF REPORT

DATED at Vancouver, British Columbia, this 27 day of December 2021.