

ANNUAL LETTER TO SHAREHOLDERS

April 17, 2023



Dear Shareholders,

With our April 2022 acquisition of the Mercedes gold mine, located in Sonora, Mexico, your company grew from a single asset developer into a gold producer with a fully permitted world-class development asset in Peru. Acquiring Mercedes provided Bear Creek with a pathway to cash flow; reduced our commodity, jurisdictional, and asset-stage risks; and, perhaps more importantly, provided us with excellent near-term exploration opportunities. We believe the acquisition of Mercedes strengthens Bear Creek's business position helping to provide a strong foundation for our future growth.

The purchase of Mercedes was in large part driven by our recognition that it had substantial inherent upside to both "make it better" and "make it better for longer". The mine's performance for several years, before our acquisition, was hampered by a nation-wide mining shutdown in 2020 due to Covid, a return to mining activity at approximately half-capacity from 2020 to 2022 and the effects of being a non-core asset for its previous owners.

From the moment we assumed ownership our focus at Mercedes has been to identify and implement the changes necessary for the mine to return to historic higher production levels and to reduce costs. Additionally, we set the foundation for substantially increased development and a greenfield drilling program that will occur in 2023.

Mercedes is a typical epithermal deposit where gold is hosted primarily in near-vertical veins controlled by regional faults. It is relatively common in these systems for mineralization to not daylight and at Mercedes most of the important ore body discoveries in the past decade have been "blind" targets. Recently, the Mercedes exploration team developed a new understanding of the role of secondary, shallow faults on the emplacement of ore bodies in the district. This understanding helped to shape our 2022 exploration drilling program, which succeeded in identifying mineralized structures with geological features typical of ore bodies in the area and which will continue to guide our future exploration programs.

In February 2023, we announced results from our definition drilling program at Mercedes conducted in the vicinity of current and past workings. This drilling, primarily from underground, resulted in the discovery of a new mineralized vein in the prolific Mercedes structure and demonstrated the continuation of gold and silver mineralization at the Marianas and Rey de Oro deposits *outside* of estimated mineral resources and mineral reserves. Importantly, some of this definition drilling returned intercepts with gold grades that are several times the head grades being mined at Mercedes.

Our operating improvements during the past year are numerous and multi-faceted. Like all complex industrial operations, the results of foundational changes take time to manifest and for results to become evident. Delays are inevitable, as we have experienced with our efforts to advance development work in 2022 and to date this year. However, while certain operating improvements may take longer than anticipated, we expect the changes outlined below to result in increased gold production and lower costs per ounce of gold produced starting in mid-2023.

Some of the improvements undertaken since acquiring Mercedes include:

- Increasing the number of active working faces to increase tonnage
- Re-opening workings in known high grade deposits to increase grade
- Requiring better adherence to the mine plan to improve controls
- Reducing dilution to lower costs
- Engaging better qualified and more experienced personnel

For obvious reasons Mercedes dominated news flow during 2022; however, our world-class Corani silver-lead-zinc deposit remains the crown jewel of Bear Creek's assets. Corani hosts one of the largest, fully permitted silver deposits in the world and is the foundation of our expected growth in the mid- to long-term. During 2022 our activities at Corani focused mainly on community relations programs and support initiatives to mitigate the local social and economic effects of the COVID-19 pandemic. The Corani Technical Innovation Center (the "CTIC"), established and funded by Bear Creek aligned with local communities, continued its amazing work in 2022 investigating, designing and developing local, sustainable and culturally relevant economic opportunities that are independent of the future Corani mine.

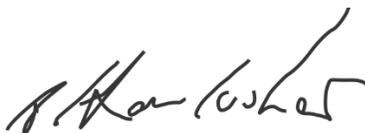
One of the many innovative ideas incubated and brought to fruition at the CTIC are domed residential structures – self-sustainable housing units designed to withstand environmental conditions of the high Andes, to create their own energy, to use self-sufficient latrines, and to recycle water. Certification of the dome structure design to meet Peruvian Government purchasing requirements is in process.

Efforts to obtain project financing for construction of the proposed Corani mine have resumed after more than a year-long pause. We will provide ongoing information as developments occur and, in the meantime, will continue our efforts to maintain key permits and preserve community support, which remains as strong as ever.

We anticipate that 2023 will be an exciting year as our hard work at Mercedes leads to improved gold production at lower per-ounce costs and as the Corani project financing efforts gain traction. We reaffirm our commitment to best practices in Health and Safety and Environmental Social Governance while doing what we can to create value for shareholders and other stakeholders.

On behalf of our Board of Directors and the entire Bear Creek team, we thank you for your continued support of Bear Creek Mining. Please visit our website (www.bearcreekmining.com) for news and information and copies of our public filings. We look forward to your questions and comments so please do not hesitate to contact us anytime at info@bearcreekmining.com or +604-685-6269.

With best regards,



Anthony Hawkshaw
CEO



Catherine McLeod-Seltzer
Chair

Please review our Annual Information Form for the year ended December 31, 2022 for information about the Company's activities during 2022 and for important Cautionary Notes regarding Forward-Looking Information that are included in this Letter to Shareholders.