

Bear Creek Mining Announces Q4 2023 Mercedes Gold Production of 13,478 Ounces; a 47% Increase over Previous Quarter

2023 Mercedes Production at High End of Guidance with 43,860 Ounces of Gold Produced

Vancouver, British Columbia--(Newsfile Corp. - January 16, 2024) - Bear Creek Mining Corporation (TSXV: BCM) (OTCQX: BCEKF) (BVL: BCM) ("Bear Creek" or the "Company") announces it produced 13,478 ounces of gold and 52,144 ounces of silver from the Mercedes Mine ("Mercedes") during the three months ended December 31, 2023 ("Q4 2023"). Consequently, Mercedes production for 2023 totaled 43,860 ounces of gold and 167,019 ounces of silver, placing it near the high end of the Company's most recent production guidance of 39,000 - 45,000 gold ounces (see Bear Creek news release dated November 24, 2023).

Eric Caba, President and CEO of Bear Creek, states, "We are extremely pleased that the efforts we have made at Mercedes to improve production are finally bearing out, with a 47% increase in gold production in Q4 compared to Q3 2023. Q4 2023 saw month-over-month improvements culminating in an output of 5,198 gold ounces in December 2023 - the highest monthly level of gold production at Mercedes since April 2019. We have had to go back to fundamental basics in the mine and focus on increasing development, managing costs, and placing key talent in the right positions. There is still a lot to be done on all fronts, but we believe the corner is being turned. With the gold and silver stream burdens having been reduced as of January 1, 2024, we look forward to continuing to optimize Mercedes' profitability through 2024 and to testing the many promising exploration targets within the Mercedes property. Our confidence in the potential for the discovery of additional mineralization remains strong as does our commitment to maximize Mercedes' generation of free cash flow."

Production and development results for the quarter and year ended December 31, 2023 are as follows:

	Q1 2023 ⁽¹⁾	Q2 2023 ⁽¹⁾	Q3 2023 ⁽¹⁾	Q4 2023	Full Year 2023 ⁽²⁾
Ore Processed (tonnes)	134,487	125,135	126,208	135,918	521,749
Gold recovery (%)	95.5	94.5	94.0	93.6	94.9
Gold grade processed (gpt)	2.91	2.42	2.40	3.30	2.77
Gold ounces produced	12,025	9,199	9,159	13,478	43,860
Silver ounces produced	40,105	39,841	34,928	52,144	167,019
Development (meters)	1,044	1,353	1,791	2,833	7,071

(1) See Bear Creek news releases dated April 14, July 18 and October 20, 2023

(2) Full year 2023 numbers may not add due to rounding

Directly underlying the improvements in production during Q4 2023 were higher gold grades and increased working faces. The gold grade of ore processed increased to 3.30 grams per tonne ("gpt") in Q4 2023 from 2.40 g/t the previous quarter. Development meters steadily increased over the course of the year, reaching a total of 2,833 meters in Q4 2023, an increase of 1,042 meters over the previous quarter. Improving development meters, which results in increased working faces, has been a key component of the Company's multi-faceted strategy to improve Mercedes' production.

Mercedes' 2023 production was comprised of contributions from four main deposit areas: Marianas, San Martin, Diluvio and Lupita. During 2023 Bear Creek changed mining methodologies at the San Martin and Marianas deposits in order to better align the mining method with the geological and

structural conditions of each deposit.

The San Martin deposit became a key contributor to consolidated gold production during Q4 2023 as mining faces progressed into the higher grade heart of the San Martin deposit. During the last quarter, Bear Creek focused on further refining the mining and blasting methods utilized at San Martin to reduce dilution and optimize production while reducing processing costs. San Martin is expected to continue to be a significant contributor to Mercedes' gold production in 2024.

Delineation drilling at the Marianas deposit has returned numerous intersections and zones of high-grade gold mineralization - in some cases with grades up to 20x the average gold grade of the current Marianas reserves (see Bear Creek news releases dated February 22 and August 30, 2023). The deposit, however, is also structurally complex with challenging ground conditions and it has proven difficult to control dilution. As a result, the gold grade per tonne of ore mined from Marianas was lower than planned during the second half of 2023. During the last quarter, Bear Creek commenced a transition from sublevel caving mining methods to a mixture of sublevel stoping and cut and fill, to more effectively reduce dilution and optimize grade. Monitoring of the impact of these changes is ongoing.

On January 1, 2024 reductions to the Mercedes gold and silver stream obligations took effect pursuant to the restructuring agreement (the "Restructuring Agreement") with Sandstorm Gold Ltd. and its subsidiaries (collectively "Sandstorm") announced by the Company on September 28, 2023. The Sandstorm Gold Stream has now been reduced from 600 oz to 275 oz per month and silver deliveries under the Nomad Silver Stream have been fully suspended until April 2028. In combination with the completion of the Nomad Gold Stream on September 27, 2023, the stream burden on Mercedes has been reduced by approximately 78%. The Company expects these stream reductions to positively impact the Company's free cash flow.

Closing of the Restructuring Agreement, including issuance of a 1% net smelter returns royalty on Corani and payment of up to \$10 million in the form of common shares of Bear Creek, is expected in the coming weeks, subject to TSX-V approval. Readers are referred to the Company's news releases September 28 and November 24, 2023 for additional information regarding the Sandstorm Restructuring.

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

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N 43-101 Disclosure

Unless otherwise indicated, scientific and technical information in this news release is based on work programs and initiatives conducted under the supervision of, and/or has been reviewed and approved by, Andrew Swarthout, AIPG Certified Professional Geologist, a director of the Company who is a Qualified Person ("QP") as defined in NI 43-101. Additional information related to the Mercedes Mine and the Corani Project, including the Quality Assurance and Quality Control measures applied to the Company's sampling and assaying practices, is available in its Annual Information Form for the year ended December 31, 2022, available on its website and on SEDAR+.

Cautionary Statement Regarding Forward-Looking Information

This news release contains forward-looking statements regarding: actions being taken to improve development progress and processing grades, reduce dilution, reduce operating costs, discover additional mineralization and attract personnel at the Mercedes mine; the Company's goals and expectations for Mercedes' operations in 2024; the technical and geological appropriateness of various mining methodologies; the intended use of

cash resources on exploration drilling and the intended targets of these exploration programs; the Company's financial condition and future cash flow potential; anticipated impacts stemming from the Restructuring Agreement; TSXV approval of the Restructuring Agreement; terms and conditions of the Restructuring Agreement and the Company's ability to meet its obligations thereunder; and the anticipated effect of the Restructuring Agreement on the Company's financial condition. 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 expectations 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 planned development and operating activities, business objectives, goals and capabilities, financial resources and liquidity, assumptions related to gold and silver prices, and the expectation that anticipated development and operating results will not differ materially from expectations. On September 30, 2023 the Company had a working capital deficiency of US\$66.1 million. There is no guarantee that sufficient funds will be available to meet the Company's financial obligations and the Company may be required to raise funds through the issuance of equity or by other means. There can be no assurances that such funding will be available, and if so, under acceptable terms and conditions. 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 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.

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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