

CANADIAN GATOS SILVER SECURITIES CLASS ACTION
NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL HEARING

To: All persons and entities (other than certain “excluded persons”), wherever they may reside or be domiciled, who: (i) purchased Gatos Silver securities under Gatos Silver’s Canadian prospectuses filed in October 2020 and July 2021 and in the distributions to which they related; or (ii) acquired Gatos Silver securities during the period from October 28, 2020 until January 25, 2022 at 6:52 p.m. Eastern Standard Time on any Canadian exchange (including, without limitation, the Toronto Stock Exchange) or any Canadian alternative trading system.

A Settlement May Affect Your Rights. Please Read this Notice Carefully.

This notice is about a putative securities class action against Gatos Silver, Inc. (“**Gatos Silver**”), Stephen Orr, Roger Johnson, Philip Pyle (with Gatos Silver, the “**Gatos Defendants**”), The Electrum Group LLC, Electrum Silver US LLC, Electrum Silver US II LLC (the “**Electrum Defendants**”) (collectively, “**Defendants**”).

The class action was initially also against BMO Nesbitt Burns Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp. and CIBC World Markets Inc. (collectively, “**Underwriters**”). On January 4, 2024, the Ontario Superior Court of Justice granted permission to the Plaintiff to discontinue the action as against the Underwriters, without costs.

On April 16, 2024, the Court approved a CAD \$1,000,000 settlement between the Plaintiff and Tetra Tech, Inc. (“**Tetra Tech**”), Guillermo Dante Ramirez-Rodriguez, and Kira Lyn Johnson (with Tetra Tech, the “**Tetra Tech Defendants**”).

The class action was commenced following Gatos Silver’s disclosure in late January 2022 that the mineral reserve statement for its Cerro Los Gatos mine in Mexico was affected by error and materially overstated. The Plaintiff Izabela Przybylska alleges that, among other things, the materially overstated mineral reserve statement was incorporated in Gatos Silver’s offering and continuous disclosure documents released throughout the Class Period.

On April 16, 2024, the representative plaintiff entered into a Settlement Agreement with the Gatos Defendants, the Electrum Defendants and the Underwriters (“**Gatos Settlement Agreement**”).

ARE YOU INCLUDED IN THE SETTLEMENT CLASS?

The settlement with Gatos Silver is on behalf of all persons and entities (other than Excluded Persons), wherever they may reside or be domiciled, who:

- (i) purchased Gatos Silver securities under the Impugned Prospectuses and in the distributions to which they related; or
- (ii) acquired Gatos Silver securities during the Class Period on any Canadian exchange (including, without limitation, the Toronto Stock Exchange) or any Canadian alternative trading system.

(“**Settlement Class**” or “**Settlement Class Members**”).

If you previously opted out of the action (excluded yourself from the action) before the opt-out deadline of April 9, 2024, you are not a Settlement Class Member.

For the purposes of this class definition:

“**Class Period**” means the period from October 28, 2020 until January 25, 2022 at 6:52 p.m. Eastern Standard Time.

“**Excluded Persons**” means Gatos Silver, Stephen Orr, Roger Johnson, Philip Pyle, the Tetra Tech Defendants, the Electrum Defendants and the Underwriters; the respective past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns of Gatos Silver, Tetra Tech, the Electrum Defendants, and the Underwriters; and the immediate family members of Stephen Orr, Roger Johnson, Philip Pyle, Guillermo Dante Ramirez-Rodriguez and Kira Lyn Johnson; provided, however, that any “Investment Vehicle” shall not be excluded from the class. “Investment Vehicles” means any investment company, pooled investment fund, or

separately managed account (including, but not limited to, mutual fund families, exchange traded funds, funds of funds, private equity funds, real estate funds, hedge funds, and employee benefit plans) in which the Underwriters, or any of them, have, has, or may have a direct or indirect interest, or as to which its affiliates may serve as a fiduciary or act as an investment advisor, general partner, managing member, or in any other similar capacity, but in which any of the Underwriters alone or together, with its, his, or her respective affiliates, is not a majority owner or does not hold a majority beneficial interest.

“**Impugned Prospectuses**” means Gatos Silver’s Base Prep Prospectus dated October 27, 2020 and Supplemented Prep Prospectus dated October 27, 2020, and Gatos Silver’s Short Form Base Shelf Prospectus dated July 12, 2021 and Prospectus Supplement dated July 15, 2021.

WHAT ARE THE SETTLEMENT BENEFITS?

Gatos Silver has agreed to pay US\$3,000,000 to settle the class action. The settlement is a compromise of disputed claims and none of the Gatos Defendants, the Electrum Defendants or the Underwriters admit any wrongdoing or liability. The Gatos Settlement Agreement, if approved, will settle, extinguish, and bar all claims relating in any way to or arising out of the proceeding against the Gatos Defendants, the Electrum Defendants and the Underwriters.

WHO ARE THE LAWYERS WHO REPRESENT THE CLASS?

The law firms of Siskinds LLP, Eighty-One West Law PC, and CFM Lawyers LLP (together, “**Class Counsel**”) represent the Plaintiff and the Settlement Class. Class Counsel will be paid on the basis of a court-approved contingency fee.

HEARING TO APPROVE SETTLEMENT AGREEMENT, CLASS COUNSEL FEES, AND THE PLAN OF ALLOCATION

On June 28, 2024 at 10:00 a.m., there will be a hearing before the Ontario Superior Court of Justice (“**Approval Motion**”) at which Class Counsel will seek the Court’s approval of the Gatos Settlement Agreement, and a Plan of Allocation for the distribution of the net settlement funds to eligible Class Members. At the Approval Motion, the Court will determine whether the Gatos Settlement Agreement is fair, reasonable and in the best interests of the Settlement Class.

In addition to seeking the Court’s approval of the Gatos Settlement Agreement, Class Counsel will seek the Court’s approval of legal fees not to exceed 25% of the Settlement Amount under the settlement with Tetra Tech (i.e., CAD \$250,000) and 25% of the Settlement Amount under the settlement with Gatos Silver and the other remaining Defendants (i.e., US\$750,000), plus disbursements not to exceed CAD \$375,000 and applicable taxes on the fees and disbursements (“**Class Counsel Fees**”).

All members of the proposed Settlement Class may attend the hearing of the Approval Motion and ask to make submissions regarding the proposed settlements.

SUBMITTING A CLAIM FOR COMPENSATION FROM THE SETTLEMENTS

Settlement Class Members will be eligible for compensation if they submit a completed Claim Form, including any supporting documentation, with the Administrator, and their claim satisfies the criteria set out in the Plan of Allocation.

To be eligible for compensation, Class Members must submit their Claim Form no later than October 30, 2024 (“**Claims Bar Deadline**”). Only Class Members who have not opted out of the action are permitted to recover from the settlements.

The most efficient way to file a claim is to visit the Administrator’s website at cdngatossettlement.com and file an online claim. The website provides step-by-step instructions on how to file a claim. In order to verify claims, the Administrator will require supporting documentation, including brokerage statements or confirmations evidencing the claimed transactions. Accordingly, Settlement Class Members should visit the Administrator’s site as soon as possible so that they have time to obtain the required documentation prior to the Claims Bar Deadline.

While online claims are recommended and preferred, the Administrator will also accept Claim Forms filed by mail or courier. To obtain a copy of the Claim Form, Settlement Class Members may contact the Administrator to have one sent by email or regular mail. Claim Forms sent by mail or courier should be sent to:

Canadian Gatos Silver Securities Class Action
c/o RicePoint Administration Inc.
P.O. Box 3355
London, ON N6A 4K3

If you have questions about how to complete or file a Claim Form, the documentation required to support a claim, or whether you are a Settlement Class Member, please contact the Administrator.

OBJECTING TO, OR COMMENTING ON, THE SETTLEMENT

Settlement Class Members who wish to comment on, or make an objection to, the approval of the Gatos Settlement Agreement, the Class Counsel Fees or the Plan of Allocation should deliver (by email or mail) a written submission to Class Counsel, at the email address or mailing address provided below, postmarked or received by **no later than Friday, June 7, 2024**. Any objections delivered by that date will be filed with the Court.

These objections must be directed to:

Tyler Planeta
Siskinds LLP
65 Queen Street West, Suite 1155
Toronto, ON M5H 2M5
tyler.planeta@siskinds.com

MORE INFORMATION?

Go to cdngatossettlement.com or contact Class Counsel at:

Tyler Planeta
Siskinds LLP
(416) 594-4588
tyler.planeta@siskinds.com

Jamie Thornback
CFM Lawyers LLP
(604) 689-7555
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Nicholas Baker
Eighty-One West Law PC
(519) 630-8435
nick@eightyonewest.com

INTERPRETATION

If there is a conflict between the provisions of this notice and the Gatos Settlement Agreement, the terms of the Gatos Settlement Agreement will prevail.

**DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE.**

