

SETTLEMENT AGREEMENT

Made as of the 2nd day of April, 2024

Between

Izabela Przybylska

Proposed representative plaintiff in the proposed class action in the Ontario Superior Court of Justice, Court File No. CV-22-00676682-00CP

In her personal and proposed representative capacities
(**“Plaintiff”**)

- and -

Gatos Silver, Inc., Stephen Orr, Roger Johnson, Philip Pyle (collectively, the **“Gatos Defendants”**), The Electrum Group LLC, Electrum Silver US LLC, Electrum Silver US II LLC (collectively, **“Electrum Defendants”**), BMO Nesbitt Burns Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp. and CIBC World Markets Inc. (and collectively, the **“Underwriters”** and together with the Gatos Defendants and the Electrum Defendants, **“Settling Defendants”**)

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RECITALS

- A. **WHEREAS** the Plaintiff commenced an action on behalf of putative class members for, *inter alia*, damages for misrepresentation under ss 130 and 138.3(1) of the *Securities Act*, RSO 1990, c S.5, as amended (“**OSA**”) in Court File No. CV-22-00676682-00CP (“**Action**”);
- B. **AND WHEREAS** the Settling Defendants have denied and continue to deny all of the Plaintiff’s claims in the Action and any resulting damages;
- C. **AND WHEREAS**, on January 4, 2024, the Court approved the discontinuance of the Action against the Underwriters, subject to the terms of a Standstill and Tolling Agreement between the Plaintiff and the Underwriters dated June 7, 2023;
- D. **AND WHEREAS** counsel for each of the Plaintiff and Gatos Silver, Inc. (“**Gatos Silver**”), Stephen Orr, Roger Johnson, and Philip Pyle have engaged in arm’s length settlement discussions and negotiations, including with the assistance of a mediator, resulting in this settlement agreement (“**Settlement**” or “**Agreement**”);
- E. **AND WHEREAS**, in respect of the Action, Gatos Silver has contractual obligations to indemnify the Electrum Defendants and the Underwriters;
- F. **AND WHEREAS** no documentary discovery has occurred in the Action, and examinations for discovery remain to be scheduled;
- G. **AND WHEREAS** the Plaintiff, with the benefit of advice from Class Counsel (defined below), has concluded that this Agreement, which resolves finally and completely the Action against the Settling Defendants, is fair, reasonable and in the best interests of the putative class members based upon an analysis of the facts and law applicable to the issues in this Action, and taking into account factors including the burdens, complexities, risks and expense of continued litigation, any potential appeals, and the potential risks to recovery in continuing the Action;

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is

hereby acknowledged, it is agreed by the Plaintiff and the Settling Defendants (together, the “**Parties**”) that the Action be settled and dismissed on the merits with prejudice and without costs, subject to the approval of the Court, on the following terms and conditions.

SECTION 1- SETTLEMENT BENEFITS

Payment of Settlement Amount

- 1.1 Within thirty (30) calendar days of the execution of this Agreement, Gatos Silver shall pay into the Escrow Account (as defined in section 2.1 below) pending Court approval of this settlement, the all-inclusive sum of three million United States dollars (US \$3,000,000.00) (“**Settlement Amount**”) in full and final settlement of the claims against the Settling Defendants in the Action.

SECTION 2- SETTLEMENT AMOUNT TO BE HELD IN TRUST

- 2.1 Siskinds LLP (“**Siskinds**”) (together with Eighty-One West Law Professional Corporation and CFM Lawyers LLP, “**Class Counsel**”) shall maintain an escrow account to hold the Settlement Amount in trust for the benefit of the Settlement Class defined in section 5 below (“**Escrow Account**”).
- 2.2 Except as expressly provided herein, all interest earned on the Settlement Amount shall accrue to the benefit of the Settlement Class and shall become and remain part of the Settlement Amount in the Escrow Account (“**Escrow Settlement Amount**”).

Taxes on Interest

- 2.3 Subject to section 2.4, all taxes payable on any interest which accrues on or otherwise in relation to the Escrow Settlement Amount shall be the responsibility of the Plaintiff and the Settlement Class. Class Counsel or the claims administrator appointed by the Court (“**Administrator**”) shall be solely responsible to fulfil all tax reporting and payment requirements arising from the Escrow Settlement Amount, including any obligation to report taxable income and make tax payments. All taxes (including interest and penalties) due with respect to the income earned by the Settlement Amount shall be paid from the Escrow Account.

- 2.4 Other than as expressly set out herein, the Settling Defendants shall have no responsibility in any way related to the Escrow Account, including, but not limited to, making any filings relating to the Escrow Account, paying tax on any income earned by the Settlement Amount, or paying any taxes on the monies in the Escrow Account, unless this Agreement is terminated, in which case any interest earned on the Settlement Amount shall be paid to Gatos Silver which, in such case, shall be responsible for the payment of any taxes on such interest not previously paid by Class Counsel or the Administrator.

Transfer of the Escrow Settlement Amount to the Administrator

- 2.5 Within ten (10) days of the date on which the Second Order under section 6.1 becomes a final order (“**Effective Date**”), Siskinds shall transfer control of the Escrow Account and the Escrow Settlement Amount therein to the Administrator, but before doing so Siskinds may deduct and retain from the Escrow Settlement Amount the Class Counsel Fees (as defined in section 6.3) approved by the Court.
- 2.6 Upon the transfer of the Escrow Account to the Administrator, the Administrator shall maintain the Escrow Settlement Amount in the Escrow Account under the control of the Administrator and hold the Escrow Settlement Amount in trust as provided for in this Agreement.

No Reversion

- 2.7 Unless this Agreement is terminated as provided herein, Gatos Silver shall not be entitled to the repayment of any portion of the Settlement Amount and then only to the extent of and in accordance with the terms provided herein.

SECTION 3- EFFECT OF SETTLEMENT

No Admissions or Concessions

- 3.1 This Agreement, whether or not it is terminated, and anything contained in it, and any and all negotiations, discussions, and communications associated with this Agreement, shall not be deemed, construed or interpreted to be:
- (a) an admission or concession by the Settling Defendants of any fact, fault, omission, wrongdoing, liability or damage, or of the truth of any of the claims or allegations made against them in the Action; or
 - (b) an admission or concession by the Plaintiff, Class Counsel or the Settlement Class of any weakness in the claims of the Plaintiff and the Settlement Class, or that the consideration to be given hereunder represents the amount that could or would have been recovered from the Settling Defendants after trial of the Action.

Agreement Not Evidence nor Presumption

- 3.2 This Agreement, whether or not it is terminated, and anything contained in it, and any and all negotiations, documents, discussions and proceedings associated with this Agreement, and any action taken to implement this Agreement, shall not be offered or received in evidence in any pending or future civil, criminal, quasi-criminal, administrative action or disciplinary investigation or proceeding in any jurisdiction:
- (a) against the Settling Defendants, as evidence, or a presumption, concession or admission of any fact, fault, omissions, wrongdoing or liability, or of the truth of any of the claims or allegations made against them in the Action; or
 - (b) against the Plaintiff, Class Counsel or the Settlement Class, as evidence, or a presumption, of a concession or admission:
 - (i) of any weakness in the claims of the Plaintiff and the Settlement Class; or

- (ii) that the consideration to be given hereunder represents the amount that could or would have been recovered from the Settling Defendants after trial of the Action.

3.3 Notwithstanding section 3.2, this Agreement may be referred to or offered as evidence to obtain the orders or directions from the Court contemplated by this Agreement, in a proceeding to approve or enforce this Agreement, to defend against the assertion of Released Claims defined in section 9 below, or as otherwise required by law.

SECTION 4- REQUIRED STEPS

Reasonable Efforts

4.1 The Parties shall take all reasonable steps to effectuate the Settlement and to secure the prompt, complete and final dismissal with prejudice of the Action on a without costs basis as against the Settling Defendants, including cooperating in the Plaintiff's efforts to obtain the approval and orders required from the Court regarding the approval or implementation of the Settlement.

Action in Abeyance

4.2 Until the Effective Date or until this Agreement is terminated in accordance with its terms, whichever occurs first, the Plaintiff agrees to hold in abeyance all other steps in the Action as they relate to the Settling Defendants, other than the motions contemplated by this Agreement and such other matters required to implement the terms of this Agreement.

SECTION 5- FIRST MOTION

Motion Seeking Approval of Notice and Certification

5.1 As soon as practicable after this Agreement is executed, the Plaintiff shall bring a motion for an order, substantially in the form attached hereto as **Appendix A** or in such other form as agreed upon by the Parties in writing ("**First Order**"), which, among other things, approves the notices described in section 7.1 and certifies the Action as a class proceeding under the *Class Proceedings Act, 1992*, SO 1992, c 6 as against the Settling Defendants

(for settlement purposes only) on behalf of the following class (“**Settlement Class**” or “**Settlement Class Members**”):

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.

For the purposes of the above class definition:

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

“**Electrum Defendants**” means The Electrum Group LLC, Electrum Silver US LLC, and Electrum Silver US II LLC.

“**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.

“**Tetra Tech Defendants**” means Tetra Tech, Inc., Guillermo Dante Ramirez-Rodriguez, and Kira Lyn Johnson.

“**Underwriters**” means BMO Nesbitt Burns Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., and CIBC World Markets Inc.

5.2 The Parties agree that the only common issue that the Plaintiff will seek to define (for settlement purposes only) is:

Did the Impugned Documents (as that term is defined in the Second Fresh as Amended Statement of Claim) contain misrepresentations within the meaning of the *OSA*?

5.3 The Settling Defendants will consent to certification of the Action as a class proceeding, pursuant to sections 2, 5 and 6 of the *Class Proceedings Act, 1992*, SO 1992, c 6 only for the purpose of the approval of the Settlement.

5.4 The Settling Defendants will consent to the First Order.

5.5 The Parties agree that the certification of the Action as a class proceeding against the Settling Defendants is for the sole purpose of effecting the Settlement. In the event that this Agreement is terminated as provided herein, any certification order binding the Settling Defendants shall be vacated or set aside as set out herein and shall be without prejudice to any position that any of the Parties may later take on any issue in the Action including in a subsequent certification motion. In particular, the fact of the Settling Defendants’ consent to certification for settlement purposes shall not be deemed to be an admission that the Plaintiff has met any of the requisite criteria for certification of the Action as a class proceeding, or the requirements for leave to proceed under s. 138.8(1) of the *Securities Act*, RSO 1990, c. S.5.

5.6 Gatos Silver shall at its own expense, forthwith upon entry of the First Order, deliver or cause to be delivered to the Administrator:

- (a) an electronic list of all persons identified in the records of its Canadian transfer agent as registered or beneficial owners of Gatos Silver securities who acquired Gatos Silver securities before the end of the Class Period, and held those shares at

the end of the Class Period, along with such information as may be available to facilitate the delivery of notice to those persons; and

- (b) an electronic list of all persons who acquired Gatos Silver securities under the Impugned Prospectuses and in the distributions to which they related, along with such information as may be available to facilitate the delivery of notice to those persons.

5.7 The Administrator may use the information obtained under section 5.6 for the purpose of delivering the First Notices and Second Notices (defined below) and for the purposes of administering and implementing this Agreement, the plan of notice and the Plan of Allocation (defined below), but the Administrator shall otherwise keep confidential the information obtained under section 5.6.

5.8 For greater certainty, any information obtained or created in the administration of this Agreement is confidential and, except as required by law, shall be used and disclosed only for the purpose of distributing notices and the administration of this Agreement and the Plan of Allocation (defined below).

SECTION 6- SECOND MOTION

Motion Seeking Approval of this Agreement

6.1 The Plaintiff shall bring a motion for an order substantially in the form attached hereto as **Appendix E** or in such other form as agreed upon by the Parties in writing (“**Second Order**”), which, among other things, approves this Agreement and dismisses the Action as against the Settling Defendants as of the Effective Date, as soon as practicable after:

- (a) the First Order referred to in section 5.1 has been granted; and
- (b) the notices described in section 7.1 have been published.

6.2 The Settling Defendants will consent to the Second Order.

Motion for Approval of Class Counsel Fees

- 6.3 Immediately following the motion for the Second Order under section 6.1, Class Counsel may seek the approval of fees, disbursements, costs, interest thereon in accordance with the *Class Proceedings Act, 1992*, SO 1992, c 6, s 33(7)(c) plus HST and other applicable taxes or charges of Class Counsel (“**Class Counsel Fees**”), to be paid as a first charge on the Settlement Amount. Class Counsel are not precluded from making additional motions to the Court for expenses incurred as a result of implementing the terms of the Agreement.
- 6.4 The Settling Defendants acknowledge that while they will be served with the motion materials for approval of Class Counsel Fees and their counsel are entitled to attend any motion for approval of Class Counsel Fees, that they are not parties to the motion concerning the approval of Class Counsel Fees, they will have no involvement in the approval process to determine the amount of Class Counsel Fees and they will not take any position or make any submissions to the Court concerning Class Counsel Fees, except as requested and required by a Court.
- 6.5 The procedure for and the allowance or disallowance by the Court of any requests for Class Counsel Fees to be paid out of the Settlement Amount are not part of the Settlement provided for herein and are to be considered by the Court separately from its consideration of the fairness, reasonableness, and adequacy of the Settlement provided for herein.
- 6.6 Any order or proceeding relating to Class Counsel Fees, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Agreement or affect or delay the finality of the Second Order and the Settlement of this Action provided herein.

Motion for Approval of Plan of Allocation

- 6.7 On or following the motion for the Second Order under section 6.1, the Plaintiff will seek the approval of a procedure for the determination of eligible claims and the amount of those claims, and the subsequent payment of them (“**Plan of Allocation**”).

- 6.8 The proposed Plan of Allocation will not form part of this Settlement Agreement, and the approval and/or the effect of this Settlement Agreement will not be contingent on either the approval of the proposed Plan of Allocation or the presentation of the proposed Plan of Allocation on the motion for the Second Order under section 6.1.
- 6.9 The Settling Defendants shall not have standing to make submissions regarding the proposed Plan of Allocation.
- 6.10 After the Effective Date, the amount available in the Escrow Account for distribution pursuant to the Plan of Allocation after payment of all Class Counsel Fees, all Administration Expenses and all other expenses approved by the Court (“**Net Settlement Amount**”) will be disbursed by the Administrator in accordance with the Plan of Allocation or as otherwise directed by the Court. In this Agreement, “**Administration Expenses**” means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable in relation to the notice, approval, implementation and administration of the Settlement, including the costs of publication and delivery of notices, fees, disbursements and taxes paid to the Administrator, which shall be paid from the Escrow Settlement Amount. For greater certainty, Administration Expenses do not include Class Counsel Fees.

SECTION 7- NOTICES

First Notices

- 7.1 As soon as practicable following entry of the First Order, Class Counsel shall cause the first round of notices to be published and distributed in accordance with the direction of the Court and the Notice Plan attached hereto to at **Appendix B**. The notices shall be substantially in the form attached as **Appendix C** (“**Short-Form First Notice**”) and **Appendix D** (“**Long-Form First Notice**”) (together, “**First Notices**”).
- 7.2 The costs of publishing and distributing the First Notices shall be paid from the Escrow Settlement Amount as and when incurred.

Report to the Court as to Notice

7.3 After publication and dissemination of the First Notices, Class Counsel shall file with the Court an affidavit confirming publication and dissemination of the First Notices.

Opt-outs and Objections

7.4 The Plaintiff and Class Counsel represent and warrant that as of the date of execution of this Agreement they are not aware of any Settlement Class Member who has expressed an intention to opt out of the Settlement or the Settlement Class or expressed an intention to object to this Settlement and that they will not encourage any Settlement Class Member to do so.

7.5 Settlement Class Members who wish to file with the Court an objection to or comment on this Agreement, shall deliver to Class Counsel a written statement in accordance with the terms of, and by the deadline set out in, the First Order and the First Notices.

7.6 Opt-out Parties will be excluded from any and all rights and obligations arising from the Settlement. Class Members who do not opt-out shall be bound by the Settlement and the terms of this Agreement.

Second Notices

7.7 As soon as practicable following entry of the Second Order, Class Counsel shall cause the second round of notices to be published and distributed in accordance with the direction of the Court and the Notice Plan attached hereto to at **Appendix H**. The notices shall be substantially in the form attached as **Appendix F (“Short-Form Second Notice”)** and **Appendix G (“Long-Form Second Notice”)** (together, “**Second Notices**”).

7.8 The costs of publishing and distributing the Second Notices shall be paid from the Escrow Settlement Amount as and when incurred.

SECTION 8- TERMINATION

Automatic Termination

- 8.1 This Agreement shall, without notice, be automatically terminated if:
- (a) the First Order is not granted by the Court;
 - (b) the First Order is reversed on appeal and the reversal becomes a final order;
 - (c) the Second Order is not granted by the Court; or
 - (d) the Second Order is reversed on appeal and the reversal becomes a final order.

Opt Out Threshold

- 8.2 For the purposes of sections 8.2 to 8.6 hereof:
- (a) “**Eligible Securities**” means Gatos Silver securities, the acquisition of which makes a person a Settlement Class Member or, in the case of an Opt Out Party, Gatos Silver securities, the acquisition of which would have made the person a Settlement Class Member if he, she or it had not excluded himself, herself or itself from the Settlement Class in accordance with paragraphs 15 to 17 of the Order of the Court dated January 4, 2024;
 - (b) “**Opt Out Party**” or “**Opt-Out Parties**” means any and all persons who would otherwise be a Settlement Class Member but who opt out of the Action in accordance with paragraphs 15 and 17 of the Order of the Court dated January 4, 2024; and
 - (c) “**Opt Out Threshold**” means the number of Eligible Securities held by Opt Out Parties confidentially agreed upon by the Plaintiff and the Gatos Defendants in the Collateral Agreement entered into by the Plaintiff and the Gatos Defendants (“**Collateral Agreement**”) as giving rise to the Gatos Defendants’ right to terminate the Agreement pursuant to section 8.4.

- 8.3 No later than five (5) days after the deadline established by the Court for the delivery by any Settlement Class Member of any written request to exclude him, her or itself from the Action, Class Counsel shall notify the Settling Defendants of the number of Eligible Securities of Opt Out Parties and such particulars provided by such Opt Out Parties in support of their request to exclude themselves from the Settlement Class in accordance with paragraphs 15 to 17 of the Order of the Court dated January 4, 2024.
- 8.4 The Gatos Defendants shall have the right to terminate this Agreement within fifteen (15) days, or on a later date on the consent of the Parties, of being notified by Class Counsel that the number of Eligible Securities of Opt Out Parties exceeds the Opt Out Threshold.
- 8.5 The right to terminate this Agreement contemplated by section 8.4 may be exercised by any one or more of the Gatos Defendants notifying Class Counsel in writing of his, her or its intention to terminate the Agreement, which notification shall have the effect of terminating this Agreement for all Settling Defendants and the Underwriters.
- 8.6 The Opt Out Threshold shall be stated in the Collateral Agreement executed contemporaneously with the execution of this Agreement. The Opt Out Threshold shall be redacted in the Collateral Agreement that is filed with the Court or otherwise made available to the public. The Collateral Agreement, without redaction of the Opt Out Threshold, shall not be published and shall be kept confidential by the parties unless the Court orders its publication or disclosure.

Effect of Termination

- 8.7 In the event this Agreement is terminated in accordance with its terms:
- (a) the Parties will be restored to their respective positions prior to the execution of this Agreement;
 - (b) the Plaintiff and the Settling Defendants will consent to an order vacating or setting aside any order certifying this Action as a class proceeding and/or granting leave to proceed with the Action under s. 138.8(1) of the *Securities Act*, RSO 1990, c. S.5 for the purposes of implementing this Agreement and such order shall include a

declaration that the prior consent certification and leave of this Action for settlement purposes shall not be deemed to be an admission by the Settling Defendants that the Action met any of the criteria for certification as a class action or leave under s. 138.8(1) of the *Securities Act*, RSO 1990, c. S.5., and that no party to this Action and no other person may rely upon the fact of the prior consent certification and leave order for any purpose whatsoever;

- (c) the Escrow Settlement Amount will be returned to Gatos Silver in accordance with section 8.9(c) hereof;
- (d) this Agreement will have no further force or effect and no effect on the rights of the Parties except as specifically provided for herein;
- (e) all statutes of limitation applicable to the claims asserted in the Action shall be deemed to have been tolled during the period beginning with the execution of this Agreement and ending with the day on which the order contemplated by section 8.9(b) is entered;
- (f) any costs reasonably incurred by Class Counsel and paid out of the Escrow Account for the publication and dissemination of the First Notices and the Second Notices are non-recoverable from the Plaintiff, the Settlement Class Members and Class Counsel; and
- (g) this Agreement and the consent certification order will not be introduced into evidence or otherwise referred to in any litigation against the Settling Defendants.

8.8 Notwithstanding the provisions of section 8.7(d), if this Agreement is terminated, the provisions of this section 8 and sections 2.4, 3.1, 3.2, 7.2, 7.8 and the provisions of section 10 shall survive termination and shall continue in full force and effect.

Steps Required on Termination

- 8.9 If this Agreement is terminated pursuant to section 8, the Settling Defendants shall, within thirty (30) days after termination, apply to the Court, on notice to the Plaintiff, for an order:
- (a) declaring this Agreement null and void and of no force or effect except for the provisions of those sections listed in section 8.8;
 - (b) setting aside, *nunc pro tunc*, all prior orders or judgments entered by the Court in accordance with the terms of this Agreement, including any order certifying the Action as a class proceeding for the purposes of implementing this Agreement; and
 - (c) authorizing the payment of the Escrow Settlement Amount, including accrued interest, to Gatos Silver.
- 8.10 Subject to section 8.12, the Plaintiff shall consent to the order sought in any motion made by the Settling Defendants under section 8.9.

Notice of Termination

- 8.11 If this Agreement is terminated, a notice of the termination will be given to the Settlement Class. Class Counsel will cause the notice of termination, in a form approved by the Court, and at its cost to be published and disseminated as the Court directs.

Disputes Relating to Termination

- 8.12 If there is a dispute about the termination of this Agreement, the Parties agree that the Court shall determine the dispute on a motion made by a Party on notice to the other Party.

SECTION 9- RELEASES

- 9.1 Upon the Effective Date, and in consideration of payment of the Settlement Amount, and for other valuable consideration set forth in the Agreement, the Releasors forever and absolutely release, waive and discharge the Releasees from the Released Claims (all as defined below).

- 9.2 **Releasees** mean, jointly and severally, individually and collectively, the Settling Defendants, and all of their respective present and former, direct and indirect, parents, subsidiaries, divisions, affiliates, partners, insurers, and all other persons, partnerships or corporations with whom any of the former have been, or are now, affiliated, and all of their respective past and present officers, directors, employees, agents, shareholders, attorneys, trustees, servants and representatives; and the predecessors, successors, purchasers, heirs, executors, administrators and assigns of each of the foregoing, and spouses, heirs, estates, related or affiliated entities, any entity in which a Settling Defendant has a controlling interest, any member of a Settling Defendant's immediate family, any trust of which a Settling Defendant is the settlor or which is for the benefit of a Settling Defendant and/or any member of a Settling Defendant's immediate family, and any entity in which a Settling Defendant and/or any member of a Settling Defendant's immediate family has or had a controlling interest (directly or indirectly).
- 9.3 **Releasors** mean, jointly and severally, individually and collectively, the Plaintiff and the Settlement Class Members (who do not opt out of the Action) on behalf of themselves and any person claiming by or through them as a parent, subsidiary, affiliate, predecessor, successor, shareholder, partner, director, owner of any kind, agent, employee, contractor, attorney, heir, executor, administrator, insurer, devisee, assignee or representative of any kind.
- 9.4 **Released Claims** mean any and all manner of claims, demands, actions, suits, causes of action, whether class, individual, representative or otherwise in nature, whether personal or subrogated, including assigned claims, whenever incurred, including compensatory, punitive or other damages, liabilities of any nature whatsoever, including interest, costs, expenses, class administration expenses, penalties, and lawyers' fees, known or unknown, suspected or unsuspected, foreseen or unforeseen, actual or contingent, and liquidated or unliquidated, in law, under statute or in equity that Releasors, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have, arising out of or relating in any way to the acquisition, purchase, sale, retention, pricing, marketing or distribution of Gatos Silver securities during the Class Period and any claims which were raised or could have been raised in the Action, including,

without limitation, any such claims which have been asserted, would have been asserted, or could have been asserted, directly or indirectly, whether in Canada or elsewhere, as a result of or in connection with alleged misrepresentations whether at common law or in breach of sections 130 and 138.3 of the *OSA* and/or in connection with the technical reported entitled “Los Gatos Project, Chihuahua, Mexico” with an effective date of July 1, 2020.

SECTION 10- MISCELLANEOUS

Motions for Directions

- 10.1 Any of the Parties may apply to the Court for directions in respect of any matter in relation to this Agreement.
- 10.2 All motions contemplated by this Agreement shall be on notice to the Parties.

Headings, etc.

- 10.3 In this Agreement:
- (a) the division into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation;
 - (b) the terms “the Agreement”, “this Agreement”, “herein”, “hereto” and similar expressions refer to this Agreement and not to any particular section or other portion of the Agreement; and
 - (c) “person” means any legal entity including, but not limited to, individuals, corporations, sole proprietorships, general or limited partnerships, limited liability partnerships or limited liability companies.

Computation of Time

- 10.4 In the computation of time in this Agreement, except where a contrary intention appears:

- (a) where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and
- (b) only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

Governing Law

10.5 The Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario.

10.6 The Parties agree that the Court shall retain exclusive and continuing jurisdiction to interpret and enforce the terms, conditions and obligations under this Agreement, the First Order and the Second Order.

Severability

10.7 Any provision hereof that is held to be inoperative, unenforceable or invalid in any jurisdiction shall be severable from the remaining provisions which shall continue to be valid and enforceable to the fullest extent permitted by law.

Entire Agreement

10.8 This Agreement and the Collateral Agreement constitute the entire agreement among the Parties and supersede all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection herewith. Neither of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of this Agreement, unless expressly incorporated herein. This Agreement may not be modified or amended except in writing and on consent of all Parties and any such modification or amendment after settlement approval must be approved by the Court.

Binding Effect

10.9 If the settlement is approved by the Court and becomes final, this Agreement shall be binding upon, and enure to the benefit of, the Plaintiff, the Settlement Class Members, the Settling Defendants, Class Counsel, the Releasees and the Releasors or, any of them, and all of their respective heirs, executors, predecessors, successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiff shall be binding upon all Releasors and each and every covenant and agreement made herein by the Settling Defendants shall be binding upon all of the Releasees.

10.10 For greater certainty, no Opt Out Party shall be bound by this Agreement.

Survival

10.11 The representations and warranties contained in this Agreement shall survive its execution and implementation.

Negotiated Agreement

10.12 This Agreement and the underlying settlement have been the subject of arm's-length negotiations and discussions among the undersigned and counsel. Each of the Parties has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafters of this Agreement shall have no force and effect. The Parties further agree that the language contained in or not contained in previous drafts of the Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of this Agreement.

Recitals

10.13 The recitals to this Agreement are true, constitute material and integral parts hereof and are fully incorporated into, and form part of, this Agreement.

Acknowledgements

10.14 Each Party hereby affirms and acknowledges that:

- (a) its signatory has the authority to bind the Party for which it is signing with respect to the matters set forth herein and has reviewed this Agreement; and
- (b) the terms of this Agreement and the effects thereof have been fully explained to him, her or it by his, her or its counsel;
- (c) he, she or its representative fully understands each term of this Agreement and its effect.

Counterparts

10.15 This Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and an emailed pdf. signature shall be deemed an original signature for purposes of executing this Agreement.

Notice

10.16 Any notice, instruction, motion for Court approval or motion for directions or Court orders sought in connection with this Agreement or any other report or document to be given by any party to any other party shall be in writing and delivered by email to:

For the Plaintiff:

Anthony O'Brien
Siskinds LLP
#1155—65 Queen St W
Toronto, ON M5H 2M5
Email: anthony.obrien@siskinds.com

For the Gatos Defendants:

Paul Martin
Fasken Martineau LLP
Bay Adelaide Centre, 333 Bay St. #2400,
Toronto, ON M5H 2T6
Email: pmartin@fasken.com

For the Electrum Defendants:

Tom Curry
Lenczner Slaght LLP
130 Adelaide Street West, Suite 2600
Toronto, ON M5H 3P5
Email: tcurry@litigate.com

For the Underwriters:

Wendy Berman
McCarthy Tetrault LLP
Suite 5300
TD Bank Tower
Box 48, 66 Wellington Street West
Toronto ON M5K 1E6
Email: wberman@mccarthy.ca

Date of Execution

10.17 This Agreement is effective as of the date on the cover page.

April 2, 2024

Date

DocuSigned by:

Anthony O'Brien

886D01A5EE14CD

Siskinds LLP on behalf of Izabela Przybylska

April 2, 2024

Date

DocuSigned by:

Sarah Armstrong

6E00C492F8E74C9...

Fasken Martineau LLP on behalf of Gatos Silver, Inc.,
Stephen Orr, Roger Johnson, and Philip Pyle

April 2, 2024

Date

DocuSigned by:

Noife Quinn

C2A5217D7BF24EE...

Lenczner Slaght LLP on behalf of The Electrum
Group LLC, Electrum Silver US LLC, and Electrum
Silver US II LLC

April 2, 2024

Date

DocuSigned by:

Wendy Berman

FB55DBC1D10348C...

McCarthy Tetrault LLP on behalf of BMO Nesbitt
Burns Inc., Goldman Sachs Canada Inc., RBC
Dominion Securities Inc., Canaccord Genuity Corp.
and CIBC World Markets Inc.

APPENDIX A - FIRST ORDER

Court File No. CV-22-00676682-00CP

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE) _____, THE _____
JUSTICE E.M. MORGAN) DAY OF _____, _____

B E T W E E N :

IZABELA PRZYBYLSKA

Plaintiff

- and -

GATOS SILVER, INC., STEPHEN ORR, ROGER JOHNSON, PHILIP PYLE, TETRA TECH,
INC., GUILLERMO DANTE RAMÍREZ-RODRÍGUEZ, KIRA LYN JOHNSON, THE
ELECTRUM GROUP LLC, ELECTRUM SILVER US LLC, and ELECTRUM SILVER US II LLC

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER

THIS MOTION, made by the Plaintiff for an order, among other things, that this action be certified as a class proceeding, for settlement purposes only, as against the Defendants, fixing the date of the settlement approval hearing, approving the claim form and claims process, and approving the form, content and method of dissemination of a notice of certification and of a pending settlement approval hearing was heard virtually this day in Toronto, Ontario.

ON READING the materials filed, including the Settlement Agreement dated •, 2024 attached hereto as **Schedule “1” (“Settlement Agreement”)**, and on hearing the submissions of Counsel for the Plaintiff, Counsel for Gatos Silver Inc., Stephen Orr, Roger Johnson, Philip Pyle (collectively, **“Gatos Defendants”**), Counsel for The Electrum Group LLC, Electrum Silver US LLC, and Electrum

Silver US II LLC (collectively, “**Electrum Defendants**”), and Counsel for BMO Nesbitt Burns Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., and CIBC World Markets Inc. (collectively, “**Underwriters**” and together with the Gatos Defendants and Electrum Defendants, “**Settling Defendants**”);

AND ON BEING ADVISED that the Settling Defendants consent to this Order;

AND ON BEING ADVISED that RicePoint Administration Inc. consents to being appointed as the Administrator;

1. **THIS COURT ORDERS** that, except to the extent they are modified by this Order, the definitions set out in the Settlement Agreement apply to and are incorporated into this Order.
2. **THIS COURT ORDERS** that in the event of a conflict between this Order and the Settlement Agreement, this Order shall prevail.
3. **THIS COURT ORDERS** that if the Settlement Agreement is not approved, is terminated in accordance with its terms, or otherwise fails to take effect for any reason, the orders herein shall be null and void and of no force or effect.
4. **THIS COURT ORDERS** that the Plaintiff’s motion for orders, among other things,
 - (a) approving the Settlement Agreement;
 - (b) approving the Plan of Allocation for distribution of the Net Settlement Amount;
 - (c) approving the form, content and method of dissemination of the Second Notices; and
 - (d) approving Class Counsel Fees,

will be heard on June 28, 2024 beginning at 10:00am at the courthouse located at 330 University Avenue, Toronto Ontario, or virtually.

5. **THIS COURT ORDERS** that the Plaintiff is granted leave to proceed under section 138.8(1) of the *Securities Act*, RSO 1990, c S.5, as amended (“**OSA**”) (and, if necessary, the equivalent provisions of the securities legislation of the other Canadian provinces and territories) as against the Settling Defendants, except the Underwriters, to commence an action under section 138.3 of the *OSA* (and, if necessary, the equivalent provisions of the securities legislation of the other Canadian provinces and territories).
6. **THIS COURT ORDERS** that the Plaintiff is granted leave to discontinue the claims for unjust enrichment, common law negligence and common law negligent misrepresentation against the Settling Defendants, on a without costs basis.
7. **THIS COURT ORDERS** that this action is certified as a class proceeding as against the Settling Defendants, for the purpose of settlement only, pursuant to the *Class Proceedings Act, 1992*, SO 1992, c 6 (“**CPA**”), ss 2 and 5, but subject to the terms of the Settlement Agreement.
8. **THIS COURT ORDERS** that the class certified for the purpose of settlement is defined as (“**Settlement Class**” or “**Settlement Class Members**”):

All persons and entities (other than Excluded Persons), wherever they may reside or be domiciled, who:

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

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, 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, 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’s Base Prep Prospectus dated October 27, 2020 and Supplemented Prep Prospectus dated October 27, 2020, and Gatos’s Short Form Base Shelf Prospectus dated July 12, 2021 and Prospectus Supplement dated July 15, 2021.

9. **THIS COURT ORDERS** that the following issue is common to the Settlement Class:

Did the Impugned Documents contain misrepresentations within the meaning of the *OSA*?

10. **THIS COURT ORDERS** that Izabela Przybylska is appointed as the representative plaintiff for the Settlement Class.

11. **THIS COURT ORDERS** that Siskinds LLP, Eighty-One West Law Professional Corporation, and CFM Lawyers LLP are appointed as Class Counsel.

12. **THIS COURT ORDERS** that the form and content of the Short-Form First Notice, substantially in the form attached as **Schedule “2”**, is approved.

13. **THIS COURT ORDERS** that the form and content of the Long-Form First Notice, substantially in the form attached as **Schedule “3”**, is approved.

14. **THIS COURT ORDERS** that the Notice Plan, substantially in the form attached as **Schedule “4”**, is approved for the purpose of the publication and dissemination of the Short-Form First Notice and Long-Form First Notice (together, **“First Notices”**).
15. **THIS COURT ORDERS** that Class Counsel shall post the proposed Plan of Allocation at <https://www.cfmlawyers.ca/active-litigation/gatos-silver-inc-tsx-gato/> and <https://www.siskinds.com/class-action/gatos-silver/> no later than 30 days prior to the hearing date set out in paragraph 4 hereof.
16. **THIS COURT ORDERS** that any person who opted out of this action in a valid and timely manner in accordance with paragraphs 15 to 17 of the Order of this Court dated January 4, 2024 shall be excluded from the Settlement Class.
17. **THIS COURT ORDERS** that Settlement Class Members who wish to file with the Court an objection or comment on the Settlement or the request for approval of Class Counsel fees and disbursements shall deliver a written statement to Class Counsel, at the address indicated in the First Notices, no later than 21 calendar days prior to the hearing date set out in paragraph 4 of this Order.
18. **THIS COURT ORDERS** that RicePoint Administration Inc. is appointed as the Administrator.
19. **THIS COURT ORDERS** that the Claim Form, substantially in the form attached as **Schedule “5”**, is approved.

20. **THIS COURT ORDERS** that to be entitled to participate in a distribution from the Net Settlement Amount, a Settlement Class Member must:

- (a) submit a properly completed Claim Form to the Administrator, using the online claim portal established by the Administrator or by submitting a paper Claim Form by mail or courier to the Administrator, postmarked or received by the Administrator on or before 11:59pm Toronto (Eastern) time on the date that is one hundred and eighty (180) calendar days after the date on which the First Notices are first published;
- (b) submit, together with the Claim Form, any supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by the Administrator; and
- (c) otherwise comply with the instructions set out in the Claim Form.

21. **THIS COURT ORDERS** that Gatos shall forthwith deliver or cause to be delivered to the Administrator the information required under section 5.6 of the Settlement Agreement.

THE HONOURABLE JUSTICE E.M. MORGAN

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

Proceeding under the *Class Proceedings Act, 1992*

ORDER

SISKINDS LLP Suite 1155 65 Queen Street West Toronto, ON M5H 2M5 Anthony O'Brien Tyler Planeta Katherine Shapiro Tel: 416-594-4588 Fax: 519-672-6065	EIGHTY-ONE WEST LAW PROFESSIONAL CORPORATION #200 – 360 Queens Avenue London, ON N6B 1X6 Nicholas Baker Tel: 519-630-8435	CFM LAWYERS LLP #400 – 856 Homer Street Vancouver, BC V6B 2W5 David Jones Jamie Thornback Tel: 604-689-7555 Fax: 604-689-7554
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Lawyers for the Plaintiff

APPENDIX B - NOTICE PLAN FOR FIRST NOTICES

Following First Order

As soon as practicable following entry of the First Order, the First Notices shall be distributed in the following manner:

Short-Form First Notice:

1. A national press release approved by the Gatos Defendants will be issued in English and French through Canada Newswire; and
2. Sent to Institutional Shareholder Services Inc. (ISS).
3. The Short-Form First Notice will be mailed, electronically or physically, as may be required, to those persons and entities who have previously contacted Class Counsel for the purposes of receiving notice of developments in the action.

Long-Form First Notice:

1. Electronic publication of the Long-Form First Notice will occur, in English and French, on the websites of Class Counsel at <https://www.cfmlawyers.ca/active-litigation/gatos-silver-inc-tsx-gato/> and <https://www.siskinds.com/class-action/gatos-silver/> ("**Class Counsel Websites**").
2. The Long-Form First Notice will be sent to the Canadian brokerage firms in the proprietary databases of the Administrator requesting that the brokerage firms either send a copy of the Long-Form First Notice to all individuals and entities identified by the brokerage firms as being Settlement Class Members, or to send the names and contact details of all known Settlement Class Members to the Administrator (who shall subsequently send the Long-Form First Notice to the individuals and entities so identified). To the maximum extent possible, the Long-Form First Notice shall be sent electronically to the recipients under this paragraph.
3. The Long-Form First Notice will be mailed, electronically or physically, as may be required, to those persons included in the lists provided by Gatos and described at section 5.6 of the Settlement Agreement.

As soon as practicable following entry of the First Order, Class Counsel will post the Settlement Agreement, the First Order, the Short-Form First Notice and the Long-Form First Notice on the Class Counsel Websites.

APPENDIX C - SHORT-FORM FIRST NOTICE

Plaintiff Reaches Further Settlement in Canadian Gatos Silver Securities Class Action

TORONTO, ON, ● – The Court-appointed representative of a class of shareholders of Gatos Silver, Inc. (“Gatos Silver”) has reached a settlement with the remaining Defendants in the class action, including Gatos Silver.

Gatos Silver has agreed to pay US\$3,000,000 to settle the claims made against it in the class action. In connection with the settlement, the action will be dismissed against (i) the directors, officers, and employees of Gatos Silver who were also named as Defendants; (ii) Electrum Silver and its affiliates which were also named as Defendants; and (iii) certain underwriters against which the action had previously been discontinued.

Tetra Tech, Inc. (“Tetra Tech”) previously paid C\$1,000,000 to settle the claims made against it in the class action. The Court approved the Tetra Tech settlement on ●.

The settlement class is defined as 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 Impugned 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 (“Class Period”) on any Canadian exchange (including, without limitation, the Toronto Stock Exchange) or any Canadian alternative trading system.

The class action was commenced following Gatos’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 alleges that, among other things, the materially overstated mineral reserve statement was incorporated in Gatos’s offering and continuous disclosure documents released throughout the Class Period.

The settlement and dismissal of the action against Gatos Silver and the other remaining Defendants is subject to the approval of the Ontario Superior Court of Justice. If approved by the Court, the settlement will settle, extinguish, and bar all claims of the Settlement Class against those Defendants relating in any way to or arising out of the proceeding. The settlement is a compromise of disputed claims. Gatos Silver and the other remaining Defendants do not admit any wrongdoing or liability.

The class is represented by the law firms of Siskinds LLP, Eighty-One West Law PC, and CFM Lawyers LLP (together, “Class Counsel”). Class Counsel is seeking the approval of legal fees not to exceed ●% of the Settlement Amount under the settlement with Tetra Tech (i.e. \$●) and ●% of the Settlement Amount under the settlement with Gatos Silver and the other remaining Defendants (i.e. \$●), plus disbursements and applicable taxes.

A hearing to approve the settlement with Gatos Silver and the other remaining Defendants will be held on ●, during which the Court will consider whether the proposed settlement and Class Counsel's fees and disbursements are fair and reasonable and should be approved, and consider a Plan of Allocation for the distribution of the net settlement funds to eligible Class Members. Class Members who wish to object to or comment on the settlement, Class Counsel's fee and disbursement request, or Plan of Allocation should do so by no later than ●. If the settlement is approved, all Class Members (who did not previously opt out) will be bound by it.

To be eligible for compensation from the settlements with Tetra Tech and Gatos Silver, Class Members must submit a Claim Form to the Administrator at [administrator's webpage] by [date].

For complete details regarding the proposed settlement, including how to object/comment and how to make a claim for compensation, please consult the long-form notice available, in English and French, on Class Counsel's websites at <https://www.cfmlawyers.ca/active-litigation/gatos-silver-inc-tsx-gato/> and <https://www.siskinds.com/class-action/gatos-silver/>, or visit [administrator's webpage].

Inquiries:

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

Jamie Thornback
CFM Lawyers LLP
(604) 689-7555
jthornback@cfmlawyers.ca

Nicholas Baker
Eighty-One West Law PC
(519) 630-8435
nick@eightyonewest.com

APPENDIX D - LONG-FORM FIRST NOTICE

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 ●, the Court approved a C\$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 ●, 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 ●% of the Settlement Amount under the settlement with Tetra Tech (i.e. \$●) and ●% of the Settlement Amount under the settlement with Gatos Silver and the other remaining Defendants (i.e. \$●), plus disbursements not to exceed C\$● 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 ● ("**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 Claims Administrator's website at ● 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:

Gatos Silver, Inc. Settlement Claims Administrator

●

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 ●**. Any objections delivered by that date will be filed with the Court.

These objections must be directed to:

●

MORE INFORMATION?

Go to ● or contact Class Counsel at:

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

Jamie Thornback
CFM Lawyers LLP
(604) 689-7555
jthornback@cfmlawyers.ca

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 Settlement Agreements, the terms of the Settlement Agreements will prevail.

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

APPENDIX E – SECOND ORDER

Court File No. CV-22-00676682-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) _____, THE _____
JUSTICE E.M. MORGAN) DAY OF _____, _____

B E T W E E N :

IZABELA PRZYBYLSKA

Plaintiff

- and -

GATOS SILVER, INC., STEPHEN ORR, ROGER JOHNSON, PHILIP PYLE, THE
ELECTRUM GROUP LLC, ELECTRUM SILVER US LLC, and ELECTRUM SILVER US II
LLC

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER

THIS MOTION, made by the Plaintiff for an order, among other things, (i) approving the settlement of the action as against Gatos Silver, Inc., Stephen Orr, Roger Johnson, Philip Pyle (collectively, “**Gatos Defendants**”), The Electrum Group LLC, Electrum Silver US LLC, and Electrum Silver US II LLC (collectively, “**Electrum Defendants**” and together with the Gatos Defendants, “**Settling Defendants**”); (ii) approving the form, method of publication and dissemination of the Notices of Settlement; and (iii) approving the Plan of Allocation was heard at the Courthouse located at 330 University Avenue, Toronto, Ontario or virtually on June 28, 2024.

ON READING the materials filed, including the Settlement Agreement dated January ●, 2024 attached hereto as **Schedule “1” (“Settlement Agreement”)** and on hearing the submissions of Counsel for the Plaintiff, Counsel for the Gatos Defendants, Counsel for the Electrum Defendants, and Counsel for BMO Nesbitt Burns Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., and CIBC World Markets Inc. (collectively, **“Underwriters”**).

AND ON BEING ADVISED that the deadline for objection to the Settlement Agreement has passed and there have been ● objections.

AND ON BEING ADVISED that the Settling Defendants and the Underwriters consent to this Order.

1. **THIS COURT DECLARES** that except as otherwise stated, this Order incorporates and adopts the definitions set out in the Settlement Agreement.
2. **THIS COURT DECLARES** that the Settlement Agreement is fair, reasonable and in the best interests of the Settlement Class.
3. **THIS COURT ORDERS** that the Settlement Agreement is approved pursuant to section 27.1 of the *Class Proceedings Act, 1992*, SO 1992, c 6 (**“CPA”**).
4. **THIS COURT DECLARES** that the Settlement Agreement, in its entirety (including the Recitals), forms part of this Order and is binding upon the Settling Defendants, the Underwriters, the Plaintiff, and all Settlement Class Members who did not opt out, including those persons that are minors or mentally incapable, and that the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure*, RRO 1990, Reg 194 are hereby dispensed with.

5. **THIS COURT ORDERS** that the Settlement Agreement shall be implemented in accordance with its terms.
6. **THIS COURT ORDERS** that the form and content of the Short-Form Second Notice and the Long-Form Second Notice, attached hereto as **Schedules “2”** and **“3”**, respectively, are approved.
7. **THIS COURT ORDERS** that the Second Notices be disseminated in accordance with the Notice Plan attached as **Schedule “4”**.
8. **THIS COURT ORDERS** that the Plaintiff and the Settling Defendants may, on notice to the Court but without the need for a further order of the Court, agree to reasonable extensions of time to carry out any of the provisions of the Settlement Agreement.
9. **THIS COURT ORDERS AND DECLARES** that, other than as provided in section ● of the Settlement Agreement, the Settling Defendants have no responsibility for and no liability whatsoever with respect to the ongoing administration of the Settlement Amount.
10. **THIS COURT ORDERS AND DECLARES** that, upon the Effective Date, the Releasors shall release and discharge, and shall be conclusively deemed to have fully, finally and forever released and discharged the Releasees from the Released Claims.
11. **THIS COURT ORDERS** that, upon the Effective Date, the within action be and is dismissed as against the Settling Defendants and the Underwriters with prejudice and without costs.

12. **THIS COURT ORDERS** that the Plan of Allocation, attached hereto as **Schedule “5”**, is fair and appropriate.

13. **THIS COURT ORDERS** that the Plan of Allocation is approved and that the Settlement Amount shall be distributed in accordance with the terms of the Settlement Agreement, following the payment of Class Counsel Fees approved by this Court, the Administration Expenses and any other expenses approved by this Court.

THE HONOURABLE JUSTICE E.M. MORGAN

APPENDIX F – SHORT-FORM SECOND NOTICE

DRAFT TEXT (*subject to design*)

NOTICE OF SETTLEMENT

DID YOU ACQUIRE SHARES OF

GATOS SILVER, INC.

PURSUANT TO A CANADIAN PROSPECTUS, OR ON A CANADIAN STOCK EXCHANGE OR TRADING PLATFORM, BEFORE JANUARY 25, 2022?

The Ontario Superior Court of Justice approved class action settlements, one for C\$1 million and another for US\$3 million, to resolve all claims asserted on behalf of persons who:

- (i) purchased Gatos Silver securities under Gatos Silver's Impugned 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 ("Class Period") on any Canadian exchange or Canadian alternative trading system.

(the "Settlement Class")

The settlement is a compromise of disputed claims and is not an admission of liability or wrongdoing by the defendants.

To be eligible to obtain compensation from the settlement, Settlement Class Members must submit a Claim Form to the Administrator at ● by ●.

For important information regarding the class action, to determine if you are a member of the Settlement Class, and to learn how to make a claim for compensation:

- View the long-form notice at ●
- Call toll-free ● (North America)
- Call ● (Outside North America)

***The publication of this notice was authorized by
the Superior Court of Justice of the Province of Ontario***

APPENDIX G – LONG-FORM SECOND NOTICE

**GATOS SILVER, INC.
CANADIAN SECURITIES CLASS ACTION
NOTICE OF SETTLEMENT APPROVAL**

Read this notice carefully as it may affect your legal rights

THIS NOTICE IS TO:

All persons and entities (other than **Excluded Persons**), wherever they may reside or be domiciled, who:

- (i) purchased Gatos Silver Inc. (“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”)

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.

“Electrum Defendants” means The Electrum Group LLC, Electrum Silver US LLC, and Electrum Silver US II LLC.

“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.

“Tetra Tech Defendants” means Tetra Tech, Inc. (“**Tetra Tech**”), Guillermo Dante Ramirez-Rodriguez, and Kira Lyn Johnson.

“Underwriters” means BMO Nesbitt Burns Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., and CIBC World Markets Inc.

Settlements have been reached in the securities class action in the Ontario Superior Court of Justice against Gatos Silver, Stephen Orr, Roger Johnson, Philip Pyle, the Tetra Tech Defendants, and the Electrum Defendants.

The Ontario Superior Court of Justice (the "Court") has approved the Settlements. This notice contains important details about the Settlements and how to submit a claim for compensation from the Settlements.

IMPORTANT DEADLINE TO FILE CLAIM FOR COMPENSATION

Claims Bar Deadline (to file a claim for compensation): ●

THE NATURE OF THE CLAIMS ASSERTED

The Plaintiff's class action was commenced shortly after Gatos's disclosure in late January 2022 that the mineral reserve statement for its Cerro Los Gatos mine in southern Chihuahua State, Mexico, was affected by error and, in the result, materially overstated. The Plaintiff alleged that the impugned mineral reserve statement was incorporated in Gatos's primary and secondary market disclosure documents throughout the Class Period. She sought damages for misrepresentations to investors who purchased shares in Gatos's primary market offerings, and in the secondary market.

The Plaintiff's claims were brought pursuant to section 130 and Part XXIII.1 of Ontario's *Securities Act*, and in negligence, negligent misrepresentation, and unjust enrichment.

SETTLEMENT APPROVAL, FEE APPROVAL AND OTHER MATTERS

On ●, the Court approved the Plaintiff's settlement with Gatos Silver. This Settlement provides for the payment of US\$3,000,000 by Gatos Silver in consideration of the full and final settlement of the claims of the Settlement Class Members against Gatos, Stephen Orr, Roger Johnson, Philip Pyle, the Electrum Defendants and the Underwriters. The Court previously approved the Plaintiff's settlement with Tetra Tech for C\$1,000,000. These two amounts are together the "**Settlement Amount**".

The Settlement Amount includes all legal fees, taxes and administrative expenses.

The Settlement Agreements are not an admission of liability, wrongdoing or fault on the part of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

The Court awarded Siskinds LLP, Eight-One West Law P.C., and CFM Lawyers LLP (together, "Class Counsel"), total legal fees in the amount of ●, plus disbursements of ●, plus HST. As is customary in such cases, Class Counsel conducted the class action on a contingent fee basis. Class Counsel was not paid as the matter proceeded and funded the expenses of conducting the litigation. Class Counsel's fees will be deducted from the Settlement Amount before it is distributed to Settlement Class Members.

Expenses incurred or payable relating to approval, notification, implementation and administration of the Settlements ("Administration Expenses") will also be paid from the Settlement Amount before it is distributed to Settlement Class Members.

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 ● (“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 Claims Administrator’s website at ● 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:

Gatos Silver, Inc. Settlement Claims Administrator

●

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.

ADDITIONAL INFORMATION

This notice has been approved by the Ontario Superior Court of Justice. The Court offices cannot answer any questions about the matters in this notice. The Orders of the Court and other information in both languages are available on the Administrator’s website at ●.

Questions relating to the Action may be directed to the Administrator or Class Counsel:

●

If you require assistance in the French language, please contact Class Counsel using the contact details above and we will direct your inquiry to an appropriate person.

The publication of this notice was authorized by the Ontario Superior Court of Justice.

APPENDIX H – NOTICE PLAN FOR SECOND NOTICES

Notice Plan – Second Notices

Short-Form Second Notice:

1. A national press release approved by the Gatos Defendants will be issued in English and French through Canada Newswire; and
2. Sent to Institutional Shareholder Services Inc. (ISS).
3. The Short-Form Second Notice will be mailed, electronically or physically, as may be required, to those persons and entities who have previously contacted Class Counsel for the purposes of receiving notice of developments in the action.

Long-Form Second Notice:

4. Electronic publication of the Long-Form Second Notice will occur, in English and French, on the websites of Class Counsel at <https://www.cfmlawyers.ca/active-litigation/gatos-silver-inc-tsx-gato/> and <https://www.siskinds.com/class-action/gatos-silver/> (“**Class Counsel Websites**”).

As soon as practicable following entry of the Second Order, Class Counsel will post the Second Order on the Class Counsel Websites.