

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; and (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, Tetra Tech, Inc. (“**Tetra Tech**”), Guillermo Dante Ramirez-Rodriguez, Kira Lyn Johnson, The Electrum Group LLC, Electrum Silver US LLC, Electrum Silver US II LLC, BMO Nesbitt Burns Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp. and CIBC World Markets Inc. (collectively, “**Defendants**”).

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. Tetra Tech is alleged to have prepared the overstated mineral reserve statement but disputes its alleged involvement in any such overstatement.

On December 19, 2023, the representative plaintiff Izabela Przybylska entered into a settlement agreement (“**Settlement Agreement**”) with Tetra Tech. In connection with the settlement, the plaintiff has agreed to the dismissal of the action against two employees of Tetra Tech who were also named as Defendants, Guillermo Dante Ramirez-Rodriguez and Kira Lyn Johnson (together with Tetra Tech, the “**Tetra Tech Defendants**”).

ARE YOU INCLUDED IN THE SETTLEMENT CLASS?

The settlement 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; and
- (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 Underwriter Defendants; 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 Underwriter Defendants; and the immediate family members of Stephen Orr, Roger Johnson, Philip Pyle, Guillermo Dante Ramirez-Rodriguez and Kira Lyn Johnson.

“**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.

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

WHAT ARE THE SETTLEMENT BENEFITS?

Tetra Tech has agreed to pay CAD \$1,000,000 (“**Settlement Amount**”) to settle the class action. The settlement is a compromise of disputed claims and the Tetra Tech Defendants do not admit any wrongdoing or liability. The Settlement Agreement, if approved, will settle, extinguish, and bar all claims relating in any way to or arising out of the proceeding against the Tetra Tech Defendants.

At this time, the Settlement Amount will not be distributed to the Settlement Class. Rather, the Settlement Amount, less Class Counsel’s fees and disbursements to date, will be paid into an interest-bearing account for the benefit of the Settlement Class. The Settlement Amount may be used in part to fund future disbursements and any adverse costs awards made in the case. You can register to receive further information regarding the case at <https://www.siskinds.com/class-action/gatos-silver/>.

LITIGATION AGAINST OTHER DEFENDANTS

On January 10, 2024, the Ontario Superior Court of Justice granted permission to the Plaintiff to discontinue the action as against the Underwriter Defendants, without costs.

The Plaintiff has separately reached a settlement-in-principle with the remaining Defendants, which is subject to the negotiation of a definitive agreement. If a final settlement agreement is reached, further notice will be provided to Class Members regarding that settlement, as ordered by the Court.

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 AND CLASS COUNSEL FEES

On **April 10, 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 Settlement Agreement. At the Approval Motion, the Court will determine whether the Settlement Agreement is fair, reasonable and in the best interests of the Settlement Class.

In addition to seeking the Court’s approval of the Settlement Agreement, Class Counsel will seek the Court’s approval of legal fees not to exceed 25% of the Settlement Amount (i.e., CAD \$250,000), plus disbursements not to exceed CAD \$335,000 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 settlement.

WHAT ARE YOUR OPTIONS?

Stay in the Class Action and Do Nothing: You do not have to do anything to stay in the class action. If any benefits, including any settlement funds, become available for distribution to the Settlement Class, you will be notified about the process for filing a claim. You will be legally bound by all orders and judgments of the Court, and you will not be able to sue the Defendants about the legal claims in this case.

Stay in the Class Action and Comment On, or Object to, the Settlement Agreement or Class Counsel Fees: Settlement Class Members who wish to comment on, or make an objection to, the approval of the Settlement Agreement or the Class Counsel Fees 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 March 20, 2024**. Any objections delivered by that date will be filed with the Court.

Remove Yourself from the Class Action (this is called Opting Out): If you want to keep your right to sue the Defendants on your own over the claims in this case, you need to opt out or remove yourself from this class action. If you remove yourself, you cannot get any money or other benefits from this class action, and you cannot object to the approval of the Settlement Agreement. If you want to be removed, you must notify Class Counsel in writing (by email or mail), at the email address or mailing address provided below, postmarked or received by **no later than April 9, 2024**. In order for your opt-out to be valid, it must: (a) contain a statement of intention to opt out of the action by you or a person authorized to bind you; (b) state the number of Gatos Silver securities that you acquired that fall within the Settlement Class definition above; (c) be supported by documents to evidence such eligible acquisitions, in the form of trade confirmations, brokerage statements or other transaction records to verify the eligible acquisitions; (d) contain your name, address, telephone number and email address.

These objections or opt-out requests must be directed to:

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

Please note that after **April 9, 2024** no further right to opt out of this action will be provided. However, with respect to the settlement-in-principle with the remaining Defendants, you will be given an opportunity to oppose such settlement or the payment of Class Counsel's fees and disbursements at that time if you wish to do so.

MORE INFORMATION?

Go to <https://www.cfmlawyers.ca/active-litigation/gatos-silver-inc-tsx-gato/> or <https://www.siskinds.com/class-action/gatos-silver/> or contact Class Counsel at:

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INTERPRETATION

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

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

