

Bilinsky v. Gatos Silver, Inc. et al.

U.S. Securities Litigation

Role	BFA was appointed sole Lead Counsel for the putative class on June 3, 2022.
Background	Plaintiffs allege that Gatos and its senior management made materially false and misleading statements and concealed the fact that a key technical report for its Cerro Los Gatos silver mine located in Chihuahua, Mexico contained significant errors and overestimated the mineral reserves in the mine by as much as 50%.
Court	U.S. District Court for the District of Colorado
Case Number	22-CV-00453
Status	Settled

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Plaintiffs allege that Gatos and its senior management made materially false and misleading statements and concealed the fact that a key technical report for its Cerro Los Gatos silver mine located in Chihuahua, Mexico contained significant errors and overestimated the mineral reserves in the mine by as much as 50%. Plaintiffs pursued claims against the company and its executives under the Securities Exchange Act of 1934 and claims against the company, its executives and directors under the Securities Act of 1933.

BFA filed an amended class action complaint on August 15, 2022. Following completion of motion to dismiss briefing and a full-day mediation, on July 13, 2023, BFA filed a motion for preliminary approval of a \$21 million class settlement. The settlement represents an outstanding result given Gatos' serious financial constraints—with a cash balance of \$10.5 million and \$9 million outstanding debt, as well as mineral reserves that will run out within five years—the maximum theoretical damages, and the risks and delay of continued litigation. The Court granted final approval of the settlement on October 15, 2024.