

BEAR CREEK MINING CORPORATION

(An Exploration Stage Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)**

Three Months Ended March 31, 2015 and 2014

EXPRESSED IN US DOLLARS

Bear Creek Mining Corporation
(An Exploration Stage Company)
Interim Consolidated Statements of Financial Position

US Dollars (000's)
(Unaudited)

	Note	March 31, 2015	December 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents	4	\$ 30,505	\$ 34,309
Short-term investments		23	25
Receivables and prepaid expenses		210	648
		30,738	34,982
Non-current assets			
Equipment and leasehold improvements		256	243
Resource property costs	5	77,573	77,552
TOTAL ASSETS		\$ 108,567	\$ 112,777
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 1,315	\$ 1,223
Current portion of other liabilities	6	361	251
		1,676	1,474
Non-current liabilities			
Other liabilities	6	512	669
Provision for site restoration		200	200
		2,388	2,343
EQUITY			
Share capital	7	265,531	265,531
Contributed surplus		29,752	29,391
Deficit		(189,104)	(184,488)
		106,179	110,434
TOTAL LIABILITIES AND EQUITY		\$ 108,567	\$ 112,777

Commitments (Notes 6 and 10)

ON BEHALF OF THE BOARD:

Signed "Catherine McLeod-Seltzer", Director

Signed "Nolan Watson", Director

The accompanying notes are an integral part of these interim condensed financial statements

Bear Creek Mining Corporation
(An Exploration Stage Company)

Interim Consolidated Statements of Loss and Comprehensive Loss

For the Three Months Ended March 31

US Dollars (000's, except share data)

(Unaudited)

	Note	2015	2014
Operating expenses			
Corani engineering and evaluation costs	5	\$ 1,953	\$ 1,189
Other exploration and evaluation costs	5	865	1,347
Santa Ana arbitration		367	59
Share-based compensation	7	361	1,028
Wages and management salaries		169	276
Professional and advisory fees		132	85
General office expenses		46	48
Shareholder information and filing fees		44	53
Travel		22	30
Loss before other items		3,959	4,115
Other income and expense			
Foreign exchange loss		695	370
Finance income		(38)	(48)
Impairment of Carito prospect		-	175
Other losses		-	(1)
Loss and Comprehensive Loss for the Period		\$ 4,616	\$ 4,611
Loss per Share – Basic and Diluted		\$ 0.05	\$ 0.05
Weighted Average Number of Shares Outstanding		93,107,139	92,803,917

The accompanying notes are an integral part of these interim condensed financial statements

Bear Creek Mining Corporation
(An Exploration Stage Company)
Interim Consolidated Statements of Cash Flows

For the Three Months Ended March 31

US Dollars (000's)

(Unaudited)

	Note	2015	2014
Operating Activities			
Loss for the period		\$ (4,616)	\$ (4,611)
Adjustments for:			
Amortization		19	17
Share-based compensation		361	1,028
Interest income		(38)	(48)
Impairment of Carito prospect		-	175
Other		-	(1)
Unrealized foreign exchange loss		687	369
		(3,586)	(3,071)
Changes in current assets and liabilities:			
Receivables and prepaid expenses		429	291
Accounts payable and accrued liabilities		93	19
Cash used in operating activities		(3,065)	(2,761)
Investing Activities			
Purchase of equipment and leasehold improvements		(33)	(9)
Resource acquisition costs	5	(20)	(68)
Payment of Corani obligation	6	(11)	(875)
Interest received		47	43
Cash provided by (used in) investing activities		(17)	(909)
Financing Activities			
Share capital issued – net		-	529
Cash provided by financing activities		-	529
Effect of exchange rate change on cash and cash equivalents		(722)	(308)
Net Decrease in Cash and Cash Equivalents		(3,804)	(3,449)
Cash and cash equivalents – Beginning of Period		34,309	46,970
Cash and Cash Equivalents – End of Period		\$ 30,505	\$ 43,521

The accompanying notes are an integral part of these interim condensed financial statements

Bear Creek Mining Corporation*(An Exploration Stage Company)***Interim Consolidated Statements of Changes in Equity***US Dollars (000's, except share data)**(Unaudited)*

	Share Capital (Number of Shares)	Share Capital (Amount)	Contributed Surplus	Deficit	Total
December 31, 2013	92,586,639	\$ 264,573	\$ 28,095	\$ (167,600)	\$ 125,068
Options exercised	470,500	529	-	-	529
Fair value of options exercised	-	297	(297)	-	-
Share-based compensation	-	-	1,028	-	1,028
Net loss for the year	-	-	-	(4,611)	(4,611)
March 31, 2014	93,057,139	\$ 265,399	\$ 28,826	\$ (172,211)	\$ 122,014
Options exercised	50,000	87	-	-	87
Fair value of options exercised	-	45	(45)	-	-
Share-based compensation	-	-	610	-	610
Net loss for the year	-	-	-	(12,277)	(12,277)
December 31, 2014	93,107,139	\$ 265,531	\$ 29,391	(184,488)	110,434
Share-based compensation	-	-	361	-	361
Net loss for the period	-	-	-	(4,616)	(4,616)
March 31, 2015	93,107,139	\$ 265,531	\$ 29,752	(189,104)	106,179

The accompanying notes are an integral part of these interim condensed financial statements

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2015

US Dollars
(Unaudited)

1. Nature of Business

Bear Creek Mining Corporation's ("Bear Creek" or the "Company") business is the acquisition, exploration and development of precious and base metal properties in Peru.

Bear Creek is a public company incorporated in British Columbia, Canada with shares listed on the TSX Venture Exchange. The head office, principal address and records office of the Company are located at 400 Burrard Street, Suite 1400, Vancouver, British Columbia, Canada, V6C 3A6.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs and development projects will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its exploration commitments, administrative overhead and maintain its mineral interests. The recoverability of amounts shown for resource properties is dependent on several factors. These factors include the discovery of economically recoverable reserves, the ability to complete development of these properties, and future profitable production or proceeds from disposition of mineral properties.

Ownership in mineral properties involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

2. Basis of Preparation

The interim condensed consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS as issued by IASB. The accounting policies adopted are consistent with those of the previous financial year.

The Board of Directors approved the Interim Condensed Consolidated Financial Statements on May 19, 2015.

3. Recent Accounting Pronouncements

The following new standards and amendments to standards have been issued but are not effective during the period ended March 31, 2015:

- IFRS 9 Financial Instruments addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. The Standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is currently evaluating the impact of this Standard.
 - IFRS 15 Revenue from Contracts with Customers deals with revenue recognition and establishes principles of reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It is effective for annual periods beginning on or after January 1, 2017 and earlier application is permitted. The IASB has issued an exposure draft that would, if approved defer the effective date to January 1, 2018. The Company is still in the process of assessing the impact, if any, on the financial statements of this new standard.
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Bear Creek Mining Corporation
(An Exploration Stage Company)

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2015

US Dollars

(Unaudited)

4. Cash and Cash Equivalents

	March 31, 2015 (000's)	December 31, 2014 (000's)
Cash	\$ 3,026	\$ 2,777
Investment savings account	27,479	31,532
	\$ 30,505	\$ 34,309

5. Resource Property Costs

	Corani Project (000's)	Carito Project (000's)	Maria Jose Project (000's)	Total (000's)
Balance at December 31, 2013	\$ 76,841	\$ 175	\$ 300	\$ 77,316
Land acquisition costs	376	-	35	411
Impairment of Carito prospect	-	(175)	-	(175)
Balance at December 31, 2014	\$ 77,217	\$ -	\$ 335	\$ 77,552
Land acquisition costs	21	-	-	21
Balance at March 31, 2015	\$ 77,238	\$ -	\$ 335	\$ 77,573

a) Corani Project

The Company has a 100% interest in the project. The Corani project is located in the Department of Puno, Peru.

Corani Engineering and Evaluation Costs:

Three Months Ended March 31

	2015 (000's)	2014 (000's)
Corani		
Community contributions	184	103
Engineering, consulting and geophysics	765	62
Environmental	52	-
Maintenance costs	6	48
Salary and consulting	384	495
Camp, supplies and logistics	551	475
Travel	11	6
Costs for the Period	\$ 1,953	\$ 1,189

b) Maria Jose Project

On February 27, 2013, the Company entered into an option agreement to purchase 100% of the Maria Jose Prospect for \$4,962,406 over a four-year period. The Maria Jose Project is located in northern Peru in the Ancash Department. The Company has made option payments of \$415,601 as of March 31, 2015. The next payment, of \$266,727, is due on or before April 2015 (paid April 2015). An additional payment of \$2,605,264 must be made if the deposit shows greater than 1 million ounces of gold in resources as defined by a NI 43-101 technical report. There are no royalty provisions under the agreement.

c) Santa Ana Project

In December 2004 the Company acquired an option to earn a 100% interest in the Santa Ana silver property in south eastern Peru. The option was exercised in November 2007.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2015

US Dollars

(Unaudited)

On June 25, 2011 the Company learned by publication in the Official Gazette "El Peruano" that the Peruvian Government issued Supreme Decree DS-032-2011 (the "2011 Supreme Decree") that reversed Supreme Decree DS-083-2007 issued in 2007, (the "2007 Supreme Decree") which granted the Company the right to acquire title to and operate on the mineral concessions covering the Santa Ana Project within an area 50 kilometers of the Peruvian territorial boundaries. The 2011 Supreme Decree rescinded, without legal grounds or an opportunity to be heard, the Company's rights to operate on the concessions; however, the titles to the concessions continue to be held by the Company.

On July 12, 2011, the Company commenced a constitutional lawsuit in Peru, known as an "Amparo", against the Peruvian Government. The objective of the Amparo is to seek a determination that the 2011 Supreme Decree violates the Company's rights under the Peruvian Constitution and is therefore unlawful. The Company maintains that there was no basis for rescinding the 2007 Supreme Decree which had granted the Company title to and the rights to operate on the mineral concessions comprising the Santa Ana Project in full accordance with Peruvian Constitutional law. The Amparo hearing was held on June 6, 2013, and on May 12, 2014, as set forth more fully below, the Lima First Constitutional Court issued a ruling in the Company's favor holding that the Peruvian Government, among other things, had violated the Company's constitutional rights and that all rights should be returned to the Company as per the 2007 Supreme Decree. The Peruvian Government appealed that decision. In connection the international arbitration proceeding described below, as required by the Free Trade Agreement between Canada and Peru ("Canada-Peru FTA"), the Company formally desisted from the Amparo action it had commenced against the Peruvian Government with respect to the 2011 Supreme Decree.

On September 5, 2011 the Company received notice of a civil lawsuit filed by the Peruvian Ministry of Energy and Mines (the "MEM") against the Company claiming that the titles to its Santa Ana mineral concessions were not acquired in accordance with Peruvian law (the "MEM Civil Case"). The Company has formally submitted arguments in its defense, and requested the removal of the judge selected to hear the case due to a conflict of interest. In November 2011, the request to seek removal of the judge was granted by the court. The Company and its Peruvian legal counsel strongly maintain that the grounds of the MEM Civil Case are without merit. In October 2012, the judge ruled that the civil case was inadmissible because the government's Civil Case improperly comingled administrative and legal claims.

On February 5, 2013, the Company was informed that the judge had dismissed the MEM Civil Case. This claim had two aspects, one related to administrative acts (the State) and other linked to relations between individuals. The dismissal was based on that, together, these two aspects cannot be treated at the Civil Courts and therefore it would have to become inadmissible. The Company was also informed that the MEM appealed the judge's decision to the Peruvian Superior Court. The Peruvian Superior Court confirmed the dismissal with regards to the administrative issues, and ordered that the process regarding the issues between individuals be initiated. Regarding this decision of the Peruvian Superior Court, the Company initiated an Amparo Action, separately, against the Peruvian Superior Court for, among other things, the violation of the Company's right to due process under the Peruvian Constitution. The court refused to admit the Company's Amparo and the Company appealed this decision. In connection with the international arbitration proceeding described below, the Company has since waived this appeal in its Amparo action, and has formally desisted from the Amparo action it had commenced in connection with the Superior Court's decision dismissing some claims in the MEM Civil Case while permitting others to proceed.

On February 6, 2014, the Company officially notified the Peruvian Government with a Notice of Intent to Submit a Claim to Arbitration ("Notice of Intent"), under the Canada-Peru FTA. In the Notice of Intent, the Company advised Peru that the dispute arises out of, among other things, the enactment by the Peruvian Government on June 25, 2011, of Supreme Decree 032 rescinding the Company's rights to operate the Santa Ana Project and which resulted in a complete stoppage of activities at Santa Ana and significant damages to the Company. Peru's actions constitute violations of the Canada-Peru FTA, Peruvian and international law.

The Notice of Intent was a necessary step in order to preserve the Company's rights to initiate arbitration should a resolution with the Peruvian Government not be reached. The filing of the Notice of Intent also initiated a six-month consultation period between the parties during which time they were to continue to attempt to amicably settle the dispute. Because no amicable settlement resulted during that six-month period, the Company initiated international arbitration proceedings against Peru in accordance with the Canada-Peru FTA.

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On May 12, 2014, the Company was informed that the Lima First Constitutional Court rendered its ruling regarding the Amparo action brought by the Company against the Peruvian Government challenging the constitutionality of the Supreme Decree N° 032-2011-EM., which rescinded the Company's rights to operate on its Santa Ana mineral concessions. The decision states unequivocally and unconditionally that:

- Bear Creek's constitutional rights were violated;
- The Company's rights are unconditionally returned as stipulated under Supreme Decree N° 083-2007-EM, which originally granted the right to Bear Creek, as a foreign company, to operate the Santa Ana concessions, located within the 50 kilometer border zone of Peru;
- Bear Creek is recognized as title holder of the Santa Ana's mining concessions and therefore, is enabled to perform all the rights arising from said titles; and
- The Court reaffirms that the Santa Ana project is in the National interest of Peru.

The Peruvian Government appealed this decision. As discussed in the Company's previous MD&A, with respect to the above-referenced proceeding, as required by the Canada-Peru FTA and in order to pursue the international arbitration process described above, the Company, through local counsel, made a submission to the Peruvian court desisting from this legal proceeding on August 11, 2014. Bear Creek's voluntary dismissal was approved by the Court of Appeals on October 23, 2014, declaring the proceeding concluded.

On August 11, 2014, and after the six-month negotiation period under the Canada-Peru FTA had expired without the parties reaching an amicable resolution of the dispute despite many meetings between the Company and the Peruvian Government to that end, the Company submitted a Request for Arbitration to The International Center for Settlement of Investment Disputes ("ICSID") against the Republic of Peru pursuant to the terms of the Canada-Peru FTA. While Bear Creek remains committed to continuing discussions with the Peruvian Government to resolve and settle the dispute relating to the Santa Ana mining project, commencing the arbitration proceedings at ICSID was necessary to preserve the Company's rights under the Canada-Peru FTA.

On January 12, 2015, the Company participated in the first procedural meeting called by the ICSID arbitration tribunal, which addressed an agenda comprised of largely procedural matters. Following the first procedural meeting, the ICSID tribunal issued Procedural Order No. 1 on January 27, 2015, addressing the procedural issues discussed during the meeting. Set forth below is a summary of the tribunal's material decisions in P.O. No. 1:

- Bear Creek will submit its legal memorial on the merits, witness statements, expert witness statements and supporting documentation by May 29, 2015;
- The Government of Peru will have 130 days to submit its counter-memorial and lodge jurisdictional objections, if any;
- Bear Creek will have 94 days to submit its reply on the merits and counter-memorial on jurisdiction, if any;
- The Government of Peru will have 94 days to submit its rejoinder on the merits and reply on jurisdiction, if any;
- Bear Creek will have 45 days to submit its rejoinder on jurisdiction, if any;
- A process for non-disputing party submissions (*amicus* submissions), if any, is scheduled for the period June 9, 2016 – July 21, 2016; and
- The final hearings before the ICSID arbitration tribunal will take place in Washington D.C. on September 8 - 14, 2016, with three days held in reserve in case more hearing time is needed.

The Company is preparing its case for international arbitration beginning with the submission of its memorial on the merits on May 29 2015 and is seeking full reparation for, among other things, the Peruvian Government's expropriation of Santa Ana as well as resulting damages to the Corani project. Irrespective of the foregoing, the Company remains open to seeking to achieve an amicable settlement of this dispute with the Peruvian Government and is willing to re-engage in settlement discussions which ceased in August 2014.

Bear Creek Mining Corporation
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Notes to Interim Condensed Consolidated Financial Statements

March 31, 2015

US Dollars
(Unaudited)

d) La Yegua Project

The La Yegua gold-copper prospect is located in southern Peru and was acquired by staking of mineral rights in 2004. In 2010 the Company entered into an agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") that provides for JOGMEC to earn a 51% interest in the project by funding \$3 million of qualified expenditures by December 31, 2014, which JOGMEC completed by March 31, 2014. The Company can elect to dilute its interest to 10% at which time, its interest will revert to a 1.0% NSR.

e) Sumi Project

The Sumi gold-silver prospect is located in southern Peru and was acquired by staking the mineral concessions in 2011. The Company has a 100% interest in the project. In March 2014, Bear Creek entered into a joint venture agreement with JOGMEC to advance the project. The agreement provides for JOGMEC to earn a 51% interest through investing \$2.5 million over a three year period. After March 2017, Bear Creek can elect to maintain its 49% interest or to dilute until reaching 10%, at which time the Company's interest will revert to a 1.0% NSR.

Other exploration and evaluation costs for the period ended March 31, 2015 and 2014 are as follows:

Exploration and Evaluation Costs:	Three Months Ended March 31	
	2015	2014
	(000's)	(000's)
Maria Jose		
Community contributions	\$ 9	\$ 4
Geophysics	-	12
Maintenance costs	4	5
Salary and consulting	192	104
Supplies and general	98	230
	303	355
Santa Ana		
Community contributions	-	1
Salary and consulting	34	24
Supplies and general	7	2
Travel	1	-
	42	27
La Yegua		
Community contributions	67	2
Drilling and assaying	231	275
Geophysics	7	1
Maintenance costs	2	4
Salary and consulting	143	124
Supplies and general	154	220
Travel	4	4
Recovery of costs	(389)	(590)
	219	40
Generative		
Assaying and sampling	7	10
Salary and consulting	16	116
Supplies and general	7	15
Travel	2	37
	32	178
Other Properties	(12)	420
Value added tax	281	327
Costs for the Year	\$ 865	\$ 1,347

Bear Creek Mining Corporation
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Notes to Interim Condensed Consolidated Financial Statements

March 31, 2015

US Dollars
(Unaudited)

6. Other Liabilities

During 2011 the Company entered into land purchase agreements with local landowners for surface rights access to the Corani project as well as an agreement to provide the Municipality of Corani with funding for the construction of schools and other improvements to the community as determined by the Municipality of Corani. The total amount owed under the agreements was approximately \$3,533,000 of which \$873,000 remains outstanding as of March 31, 2015. All of the land purchase amounts have been capitalized as mineral properties. All community contributions have been expensed.

		(000's)
Balance as of December 31, 2013	\$	2,285
Payments		(1,253)
Adjustment to community obligation		(38)
Impact of foreign exchange		(74)
Balance as of December 31, 2014	\$	920
Payments		(11)
Impact of foreign exchange		(36)
Balance as of March 31, 2015	\$	873
Less: current portion		(361)
Long-term portion as of March 31, 2015	\$	512

The Company's estimated future payments are as follows:

	March 31,		December 31,
	2015		2014
	(000's)		(000's)
Within one year	\$ 361	\$	251
After one year but not more than five years	345		495
More than five years	167		174
	\$ 873	\$	920

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2015

US Dollars
(Unaudited)

7. Capital

Authorized share capital

Unlimited number of common shares without par value

Share Purchase Options

The Company has established a share purchase option plan whereby the Board of Directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than ten years from the date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of an option is determined by the Board of Directors, but it cannot be less than the closing price on the TSX Venture Exchange on the trading date preceding the date of grant, less the maximum discount permitted under TSX policies applicable to share purchase options. Vesting terms for each grant are also set by the Board of Directors. The option plan provides that the aggregate number of shares reserved for issuance under the plan which may be made subject to options at any time and from time to time (including those issuable upon the exercise of pre-existing options) shall not exceed 10% of the total number of issued and outstanding shares, on a non-diluted basis, as constituted on the grant date of such options. At March 31, 2015, a total of 1,154,614 options were reserved under the option plan with 8,156,100 options outstanding.

During the year ended December 31, 2014, 520,500 options with a carrying value of \$341,847 were exercised for proceeds of \$615,960.

a) Movements in share options during the year

The changes in share options during the period ended March 31, 2015 and December 31, 2014 were as follows:

	March 31, 2015		December 31, 2014	
	Number of options	Weighted average exercise price (in CDN\$)	Number of options	Weighted average exercise price (in CDN\$)
Outstanding, beginning of the period	7,195,900	4.15	7,487,400	4.36
Granted	1,170,000	1.41	1,292,500	2.05
Exercised	-	-	(520,500)	1.30
Expired	(140,000)	4.12	(709,000)	4.37
Forfeited	(69,800)	3.18	(354,500)	4.61
Outstanding, end of the period	8,156,100	3.77	7,195,900	4.15

b) Fair value of share options granted

During the three months ended March 31, 2015, the Company granted options to directors, officers, and employees to purchase up to 1,170,000 common shares of the Company at a weighted exercise price of CDN\$1.41 per share.

During the year ended December 31, 2014, the Company granted options to directors, officers and employees to purchase up to 1,292,500 common shares of the Company at a weighted average exercise price of CDN\$2.05 per share.

The options vest over a period of 18 months from the date of grant and expire five years from the date of grant.

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The fair value of the options granted was estimated on the date of grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

	2015	2014
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	78.53%	70.59%
Risk-free interest rate	0.50%	1.36%
Expected life of options	4.0 years	4.0 years
Forfeiture rate	1.42%	1.73%
Grant date fair value	CDN \$0.80	CDN \$1.09

c) Share options outstanding at the end of the period

A summary of the Company's options outstanding as at March 31, 2015 is as follows:

Options Outstanding	Options Exercisable	Price per Share	Remaining contractual life (years)	Expiry Date
90,000	90,000	CDN\$8.80	0.65	November 23, 2015
75,000	75,000	CDN\$9.95	0.68	December 6, 2015
120,000	120,000	CDN\$8.30	0.84	February 1, 2016
707,000	707,000	CDN\$10.77	0.98	March 23, 2016
260,000	260,000	CDN\$4.01	1.43	September 2, 2016
75,000	75,000	CDN\$3.67	1.77	January 4, 2017
2,097,600	2,097,600	CDN\$3.73	1.82	January 23, 2017
16,000	16,000	CDN\$3.64	2.01	April 3, 2017
30,000	30,000	CDN\$2.71	2.20	June 11, 2017
305,000	305,000	CDN\$3.55	2.63	November 15, 2017
1,688,000	1,688,000	CDN\$3.25	2.86	February 6, 2018
250,000	250,000	CDN\$1.85	3.34	August 2, 2018
1,272,500	954,375	CDN\$2.05	3.90	February 21, 2019
1,170,000	292,500	CDN\$1.41	4.90	February 23, 2020
8,156,100	6,960,475		2.76	

The weighted average exercise price of exercisable options at March 31, 2015 is CDN\$2.43.

8. Related Party Transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties are disclosed below.

a) Services provided by related parties

Certain of the Company's officers and directors render services to the Company as sole proprietors or through companies in which they are an officer, director or partner.

	Nature of transactions
DuMoulin Black LLP	Legal fees
Estudio Grau S.C.R.L.	Legal fees
Avisar Chartered Accountants	Accounting fees

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The Company incurred the following fees and expenses in the normal course of operations in connection with related parties:

	Three Months Ended March 31	
	2015 (000's)	2014 (000's)
Legal fees – DuMoulin Black LL C	\$ 56	\$ 58
Rent	11	-
Accounting fees	36	35
	\$ 103	\$ 93

Transactions with related parties for goods and services are made on commercial terms. Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at March 31, 2015 included \$50,799 (December 31, 2014 - \$38,308) which were due to individuals or companies whose officers, directors or partners were also officers or directors of the Company.

b) Compensation of key management personnel

The remuneration of the directors, president and chief executive officer, and the chief operating officer (collectively, the key management personnel) for the three months ended March 31, 2015 and 2014 were as follows:

	Note	Three Months Ended March 31	
		2015 (000's)	2014 (000's)
Salaries and directors' fees	(i)	\$ 196	\$ 209
Share-based compensation	(ii)	301	896
		\$ 497	\$ 1,105

- (i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three months ended March 31, 2015 and 2014.
- (ii) Share-based compensation represents the non-cash expense for the three months ended March 31, 2015 and 2014, translated at the grant date foreign exchange rate.

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March 31, 2015

US Dollars

(Unaudited)

9. Segmented Information

The Company's business consists of a single reportable segment being mineral exploration and development. Details on a geographic basis are as follows:

	March 31, 2015 (000's)	December 31, 2014 (000's)
Total Assets		
Peru	\$ 79,379	\$ 79,422
Canada	29,177	33,340
United States	11	15
	\$ 108,567	\$ 112,777

	March 31, 2015 (000's)	March 31, 2014 (000's)
Net Loss (Income)		
Peru	\$ 2,814	\$ 2,780
Canada	1,809	1,838
United States	(7)	(7)
	\$ 4,616	\$ 4,611

10. Commitments

On April 8, 2013 the Company entered into a *Framework Agreement for the Sustainable Use of Natural Resources in the Mining Project Corani* with the Corani District Municipality and the five communities contained within the District Municipality: Chacaconiza, Quelcaya, Isivilla, Corani-Aconsaya and Aymaña. Under the agreement, annual payments of S/. 4 million (approximately \$1.6 million) over the 23 year project life are to be made into a trust designed to fund community projects. The first two payments of S/. 1.332 million each were dependent on the Company obtaining the Environmental and Social Impact Assessment approval which was received in September 2013. As of March 31, 2015, these initial two payments totalling S/. 2.664 million or approximately \$1 million had been made. Subsequent to March 31, 2015, an additional payment of S/. 1.336 million was made. All future ongoing payments of S/. 4 million per year are dependent on receiving the permit for the construction of the processing facilities and the mining installations.