

BEAR CREEK MINING CORPORATION

(An Exploration Stage Company)

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

Three Months Ended March 31, 2014 and 2013

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, 2014		December 31, 2013
ASSETS					
Current assets					
Cash and cash equivalents	4	\$	43,521	\$	46,970
Short-term investments	5		3,156		3,221
Receivables and prepaid expenses			402		688
			47,079		50,879
Non-current assets					
Equipment and leasehold improvements			285		294
Resource property costs	6		77,209		77,316
TOTAL ASSETS		\$	124,573	\$	128,489
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		\$	992	\$	936
Current portion of other liabilities	7		350		1,234
			1,342		2,170
Non-current liabilities					
Other liabilities	7		1,017		1,051
Provision for site restoration			200		200
			2,559		3,421
EQUITY					
Share capital	8		265,399		264,573
Contributed surplus			28,826		28,095
Deficit			(172,211)		(167,600)
			122,014		125,068
TOTAL LIABILITIES AND EQUITY		\$	124,573	\$	128,489

Commitments (Note 11)

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 consolidated 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	2014	2013
Operating expenses			
Corani engineering and evaluation costs	6	\$ 1,189	\$ 1,939
Exploration and evaluation costs	6	1,406	961
Share-based compensation		1,028	1,819
Wages and management salaries		276	274
Impairment of Carito prospect	6	175	-
Professional and advisory fees		85	132
Shareholder information and filing fees		53	140
General office expenses		48	60
Travel		30	38
Loss before other items		4,290	5,363
Other income and expense			
Foreign exchange loss		370	179
Finance income		(48)	(65)
(Gain) loss on investment		(1)	2
Loss and Comprehensive Loss for the Period		\$ 4,611	\$ 5,479
Loss per Share – Basic and Diluted		\$ 0.05	\$ 0.06
Weighted Average Number of Shares Outstanding		92,803,917	92,221,639

The accompanying notes are an integral part of these interim condensed consolidated 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	2014	2013
Operating Activities			
Loss for the period		\$ (4,611)	\$ (5,479)
Adjustments for:			
Amortization		17	17
(Gain) loss on investments		(1)	2
Share-based compensation		1,028	1,819
Impairment of Carito prospect	6	175	-
Interest income		(48)	(65)
Unrealized foreign exchange loss		369	225
		(3,071)	(3,481)
Changes in current assets and liabilities:			
Receivables and prepaid expenses		291	(149)
Accounts payable and accrued liabilities		19	(571)
Cash used in operating activities		(2,761)	(4,201)
Investing Activities			
Purchase of equipment and leasehold improvements		(9)	(8)
Resource acquisition costs	6	(68)	(730)
Payment of Corani obligation	7	(875)	(59)
Short-term investments redeemed		-	2,000
Interest received		43	59
Cash used in investing activities		(909)	1,262
Financing Activities			
Share capital issued – net		529	-
Cash provided by financing activities		529	-
Effect of exchange rate change on cash and cash equivalents		(308)	(223)
Net Decrease in Cash and Cash Equivalents		(3,449)	(3,162)
Cash and cash equivalents – Beginning of Period		46,970	64,378
Cash and Cash Equivalents – End of Period		\$ 43,521	\$ 61,216

The accompanying notes are an integral part of these interim condensed consolidated 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, 2012	92,221,639	\$ 263,906	\$ 24,153	\$ (146,704)	\$ 141,355
Options exercised	-	-	-	-	-
Fair value of options exercised	-	-	-	-	-
Share-based compensation	-	-	1,819	-	1,819
Net loss for the period	-	-	-	(5,479)	(5,479)
March 31, 2013	92,221,639	\$ 263,906	\$ 25,972	\$ (152,183)	\$ 137,695
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 period	-	-	-	(4,611)	(4,611)
March 31, 2014	93,057,139	\$ 265,399	\$ 28,826	\$ (172,211)	\$ 122,014

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

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2014

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 625 Howe Street, Suite 1050, Vancouver, British Columbia, Canada, V6C 2T6.

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 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.

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, 2013, 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, except for impact of recent accounting pronouncements as described in note 3 below. The Board of Directors approved the interim condensed consolidated financial statements on May 21, 2014.

3. Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board ("IASB") or International Financial Reporting Interpretations Committee ("IFRIC").

The following items have been issued and are effective for annual periods beginning on or after January 1, 2014:

- IAS 32 Financial Instruments: Presentation updates the application guidance to clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This is effective for annual periods beginning on or after January 1, 2014. The Standard did not have an impact on the financial statements of the Company.
 - Effective January 1, 2014, the Company adopted IFRIC 21 'Levies'. This interpretation of IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', applies to the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This interpretation had no impact on the financial statements of the Company.
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Bear Creek Mining Corporation
(An Exploration Stage Company)

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2014

US Dollars
(Unaudited)

4. Cash and Cash Equivalents

	March 31, 2014 (000's)	December 31, 2013 (000's)
Cash	\$ 2,863	\$ 3,067
Guaranteed investment certificate	4,001	5,000
Investment savings account	36,657	38,903
	\$ 43,521	\$ 46,970

5. Short-term Investments

	March 31, 2014 (000's)	December 31, 2013 (000's)
Common shares – Magellan Minerals Ltd.	\$ 2	\$ 2
Term deposits	3,154	3,219
	\$ 3,156	\$ 3,221

Term deposits included in short-term investments have maturities of greater than three months, but less than one year, and are redeemable at any time.

6. Resource Property Costs

	Corani Project (000's)	Carito Project (000's)	Maria Jose Project (000's)	Total (000's)
Balance at December 31, 2012	\$ 75,667	\$ 175	\$ -	\$ 75,842
Land acquisition costs	1,174	-	300	1,474
Balance at December 31, 2013	\$ 76,841	\$ 175	\$ 300	\$ 77,316
Land acquisition costs	68	-	-	68
Impairment of Carito prospect	-	(175)	-	(175)
Balance at March 31, 2014	\$ 76,909	\$ -	\$ 300	\$ 77,209

a) Corani Project

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

Corani Exploration and Evaluation Costs:

Three Months Ended March 31

	2014 (000's)	2013 (000's)
Corani		
Community contributions	103	468
Drilling and assaying	-	16
Engineering, consulting and geophysics	62	289
Maintenance costs	48	6
Salary and consulting	495	605
Supplies and general	475	536
Travel	6	19
Costs for the Period	\$ 1,189	\$ 1,939

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2014

US Dollars

(Unaudited)

b) Carito Project

On November 5, 2012, the Company entered into an option agreement to purchase 100% of the Carito Project. The Carito Project is located in northern Peru in the Ancash Department. The Company made the initial payment of \$175,000 upon signing the agreement. Due to exploration results received the property was written off in the current period.

c) 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 initial option payment is \$372,180 (paid) and the second payment of \$43,421 is due on or before June 2, 2014. The subsequent payment of \$266,727 is due on or before 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 NI 43-101 technical report. There are no royalty provisions under the agreement.

d) 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.

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 the Company's rights to operate on the concessions without legal grounds; however, the titles to the concessions continue to be held by the Company. Although the Company believes that the annulment of the 2007 Supreme Decree represents a violation of the Company's rights, an impairment loss of \$0.9 million was recorded against the carrying amount of Santa Ana resource property costs at December 31, 2011 due to the uncertainty and unknown timing of a favourable resolution to this matter.

On July 13, 2011, the Company filed an application for a Constitutional lawsuit in Peru, known as an "Amparo", against the Peruvian Government. The objective of this legal action is to a determination from the Peruvian court that the 2011 Supreme Decree violates the Company's rights under the Peruvian Constitution and is therefore unlawful. The Company and its Peruvian legal advisors continue to maintain that it has complied with all legal requirements and Environmental and Social Impact Assessment in respect of the Santa Ana Project (the "Santa Ana ESIA") procedures, including public consultations which exceeded the requirements of applicable Peruvian laws. The Company maintains that there was no basis for rescinding the 2007 Supreme Decree which granted the Company title to and the rights to operate on the mineral concessions comprising the Santa Ana Property in full accordance with Peruvian law. The Amparo hearing was held on June 6, 2013 and a decision is still pending.

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 Suit"). 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 accepted by the court. The Company and its Peruvian legal counsel strongly maintain that the grounds of the MEM Civil Suit are without merit. In October 2012, the judge ruled that the civil case was inadmissible because the government's civil suit improperly comingled administrative and legal arguments.

On February 5, 2013, the Company was informed that the judge had dismissed the MEM Civil Suit. The dismissal was based on technical grounds described previously. The Company was also informed that the MEM appealed the judge's decision to the Peruvian Superior Court. The Peruvian Superior Court issued a decision dismissing the pleadings, as filed by the MEM as to the validity of Santa Ana's titles but allowed certain other claims in the civil case not affecting the validity of Santa Ana's titles to proceed. Based on this decision, the Company initiated a separate amparo action against the Peruvian Superior Court for violation of the Company's right to due process under the Peruvian Constitution. A decision whether the court will admit the Company's amparo is pending.

Notes to Interim Condensed Consolidated Financial Statements

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(Unaudited)

On February 6, 2014, the Company delivered to the Peruvian Minister of Economy and Finance, a Notice of Intent to Submit a Claim to Arbitration ("Notice of Intent"), under the Free Trade Agreement between Canada and Peru ("Canada-Peru FTA"). The dispute arises out of, among other things, the enactment by the Peruvian Government on June 25, 2011, of the 2011 Supreme Decree which rescinded 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 is necessary 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 initiates a six-month consultation period (which expires on August 7, 2014) during which time the parties are to continue to attempt to amicably settle the dispute. If no amicable settlement is reached in that six-month period, the Company may then initiate international arbitration proceedings against Peru in accordance with the Canada-Peru FTA.

On May 12, 2014, the Company was informed that the Lima First Constitutional Court rendered its ruling regarding the action brought by the Company against the Peruvian government on July 13, 2011, 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 stated 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.

In the event the government appeals the decision, the parties have until August 7, 2014 to reach a negotiated resolution of the dispute when the required six-month period for negotiation of an amicable resolution under the Peru-Canada Free Trade Agreement ("FTA") ends, following which the Company intends to initiate formal arbitration proceedings under the FTA. While the court's decision is considered final and is posted on the Peruvian Judiciary website (www.pj.gob.pe), formal notification of the parties can take up to two weeks under the Peruvian service of process procedures. The ruling is subject to appeal upon formal notification.

e) 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 September 30, 2014. JOGMEC completed the required \$3 million in qualified expenditures as of March 31, 2014. 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.

f) 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 phase II drilling to test additional blind vein-breccia targets plus a possible buried Cu porphyry source underlying the large epithermal mineralization footprint exposed at the surface. 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.

Bear Creek Mining Corporation
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Notes to Interim Condensed Consolidated Financial Statements

March 31, 2014

US Dollars

(Unaudited)

Other exploration and evaluation costs for the three months ended March 31, 2014 and 2013 are as follows:

Exploration and Evaluation Costs:	Three Months Ended March 31	
	2014 (000's)	2013 (000's)
Carito		
Community contributions	\$ -	\$ 7
Drilling and assaying	197	-
Geophysics	5	5
Maintenance costs	1	6
Salary and consulting	61	11
Supplies and general	116	71
	<u>380</u>	<u>100</u>
Maria Jose		
Community contributions	4	1
Geophysics	12	-
Maintenance costs	5	12
Salary and consulting	104	12
Supplies and general	230	3
	<u>355</u>	<u>28</u>
Santa Ana		
Community contributions	1	10
Maintenance costs	-	14
Professional fees	59	-
Salary and consulting	24	31
Supplies and general	2	6
	<u>86</u>	<u>61</u>
La Yegua		
Community contributions	2	10
Drilling and assaying	275	-
Geophysics	1	-
Maintenance costs	4	2
Salary and consulting	124	37
Supplies and general	220	100
Travel	4	-
Recovery of costs	(590)	(126)
	<u>40</u>	<u>23</u>
Generative		
Assaying and sampling	10	22
Salary and consulting	116	334
Supplies and general	15	44
Travel	37	67
	<u>178</u>	<u>467</u>
Other Properties	40	56
Value added tax	327	226
Costs for the Period	\$ 1,406	\$ 961

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Notes to Interim Condensed Consolidated Financial Statements

March 31, 2014

US Dollars
(Unaudited)

7. Other Liabilities

The Company has 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 \$1,957,034 had been paid as of March 31, 2014. All of the land purchase amounts have been capitalized as mineral properties. All community contributions have been expensed.

	(000's)
Total other liabilities per agreement as of December 31, 2013	\$ 2,633
Less: payments to December 31, 2013	(1,082)
Addition of community obligation per agreement (Note 12(c))	900
Foreign exchange gain	(166)
Other liabilities – December 31, 2013	\$ 2,285
Less: payments to March 31, 2014	(875)
Adjustment to community obligation addition	(37)
Foreign exchange gain	(6)
Balance as of March 31, 2014	\$ 1,367
Less: current portion of other liabilities	(350)
Other liabilities – March 31, 2014	<u>\$ 1,017</u>

8. 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, 2014, a total of 1,343,814 options were reserved under the option plan with 7,961,900 options outstanding.

During the three months ended March 31, 2014, 470,500 options with a fair value of \$297,214 were exercised for proceeds of \$529,348.

Bear Creek Mining Corporation
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Notes to Interim Condensed Consolidated Financial Statements

March 31, 2014

US Dollars

(Unaudited)

a) Movements in share options during the period

The changes in share options during the period ended March 31, 2014 and the year ended December 31, 2013 were as follows:

	March 31, 2014		December 31, 2013	
	Number of options	Weighted average exercise price (in CDN\$)	Number of options	Weighted average exercise price (in CDN\$)
Options outstanding, beginning of the period	7,487,400	4.36	5,877,700	4.64
Granted	1,292,500	2.05	2,178,000	3.09
Exercised	(470,500)	1.24	(365,000)	1.24
Expired	-	-	(150,000)	4.95
Forfeited	(347,500)	4.62	(53,300)	3.73
Options outstanding, end of the period	7,961,900	4.16	7,487,400	4.36

b) Fair value of share options granted

During the period ended March 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 exercise price of CDN\$2.05 per share. The weighted estimated fair value of the stock options granted during the period ended March 31, 2014 was \$1.09 using the Black-Scholes option pricing model.

During the year ended December 31, 2013, the Company granted options to directors, officers and employees to purchase up to 2,178,000 common shares of the Company at a weighted average exercise price of CDN\$3.09 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.

	2014	2013
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	70.59%	72.10%
Risk-free interest rate	1.36%	1.44%
Expected life of options	4.0 years	4.1 years
Grant date fair value	\$1.09	\$1.69

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March 31, 2014

US Dollars
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c) Share options outstanding at the end of the period

A summary of the Company's options outstanding as at March 31, 2014 is as follows:

Options Outstanding	Options Exercisable	Price per Share	Remaining contractual life (years)	Expiry Date
50,000	50,000	CDN\$1.90	0.38	August 18, 2014
150,000	150,000	CDN\$4.00	0.54	October 14, 2014
140,000	140,000	CDN\$4.12	0.94	March 8, 2015
90,000	90,000	CDN\$8.80	1.65	November 23, 2015
75,000	75,000	CDN\$9.95	1.68	December 6, 2015
120,000	120,000	CDN\$8.30	1.84	February 1, 2016
782,000	782,000	CDN\$10.77	1.98	March 23, 2016
260,000	260,000	CDN\$4.01	2.43	September 2, 2016
75,000	75,000	CDN\$3.67	2.77	January 4, 2017
2,373,400	2,373,400	CDN\$3.73	2.82	January 23, 2017
16,000	16,000	CDN\$3.64	3.01	April 3, 2017
30,000	30,000	CDN\$2.71	3.20	June 11, 2017
330,000	247,500	CDN\$3.55	3.63	November 15, 2017
1,928,000	1,446,000	CDN\$3.25	3.86	February 6, 2018
250,000	125,000	CDN\$1.85	4.34	August 2, 2018
1,292,500	323,125	CDN\$2.05	4.90	February 21, 2019
7,961,900	6,303,025		2.94	

The weighted average exercise price of exercisable options at March 31, 2014 is CDN\$4.60.

9. 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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(Unaudited)

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

	Three Months ended March 31	
	2014	2013
	(000's)	(000's)
Legal fees	\$ 58	\$ 94
Accounting fees	35	39
	\$ 93	\$ 133

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, 2014 included \$62,801 (December 31, 2013 - \$35,407) 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, chief executive officer, president and chief operating officer, chief financial officer and vice president of operations (collectively, the key management personnel) during the three months ended March 31, 2014 and 2013 were as follows:

		Three Months ended March 31	
	Note	2014	2013
		(000's)	(000's)
Salaries and directors' fees	(i)	\$ 209	\$ 246
Share-based compensation	(ii)	896	1,638
		\$ 1,105	\$ 1,884

- (i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three months ended March 31, 2014 and 2013.
- (ii) Share-based compensation represents the non-cash expense for the three months ended March 31, 2014 and 2013, translated at the grant date foreign exchange rate.

10. 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,		December 31,
	2014		2013
	(000's)		(000's)
Total Assets			
Peru	\$ 78,414	\$	79,743
Canada	46,146		48,732
United States	13		14
	\$ 124,573	\$	128,489

Bear Creek Mining Corporation
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March 31, 2014

US Dollars
(Unaudited)

	Three Months ended March 31, 2014 (000's)	Three Months ended March 31, 2013 (000's)
Net Loss (Income)		
Peru	\$ 2,780	\$ 2,843
Canada	1,838	2,650
United States	(7)	(14)
	\$ 4,611	\$ 5,479

11. Commitments

- a) The Company entered into an operating lease for office space commencing January 2012 through December 2014. The total minimum lease payments are \$4 thousand per month.
- b) The Company entered into an operating lease for office space commencing December 2010 through December 2013. The lease has been extended through to December 2015 with total minimum lease payments of \$9 thousand per month.
- c) 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 Aymana. 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, 2014, these initial two payments totalling S/. 2.664 million or approximately \$1 million had been made. The remaining payment of S/. 1.336 million and the 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.
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