

**BEAR CREEK MINING CORPORATION**

**(An Exploration Stage Company)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Three Months Ended March 31, 2018 and 2017**

**EXPRESSED IN US DOLLARS**

**(Unaudited)**

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

US Dollars (000's)  
(Unaudited)

	Note		March 31, 2018		December 31, 2017
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	\$	3,850	\$	5,481
Short-term investments			13,252		13,342
Receivables and prepaid expenses			220		739
Santa Ana settlement award receivable	5		31,400		31,000
			<b>48,722</b>		<b>50,562</b>
<b>Non-current assets</b>					
Equipment and leasehold improvements			263		240
Resource property costs	5		78,242		78,239
<b>TOTAL ASSETS</b>		\$	<b>127,227</b>	\$	<b>129,041</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities		\$	800	\$	1,016
Current portion of other liabilities	6		181		165
			<b>981</b>		<b>1,181</b>
<b>Non-current liabilities</b>					
Other liabilities	6		941		952
Provision for site restoration			200		200
			<b>2,122</b>		<b>2,333</b>
<b>EQUITY</b>					
Share capital	7		286,786		286,786
Contributed surplus			33,131		32,581
Deficit			(194,812)		(192,659)
			<b>125,105</b>		<b>126,708</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		\$	<b>127,227</b>	\$	<b>129,041</b>

Commitments (Note 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 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	2018	2017
<b>Operating expenses</b>			
Corani engineering and evaluation costs	5	\$ 1,332	\$ 2,027
Share-based compensation		550	574
Other exploration and evaluation costs	5	176	285
Santa Ana arbitration	5	65	178
Wages and management salaries	8	193	160
Professional and advisory fees	8	50	59
General office expenses		54	42
Shareholder information and filing fees		60	75
Travel		25	26
<b>Loss before other items</b>		<b>2,505</b>	<b>3,426</b>
<b>Other income and expense</b>			
Foreign exchange loss		98	20
Finance income		(50)	(55)
Interest on Santa Ana settlement	5	(400)	-
<b>Loss and Comprehensive Loss for the Period</b>		<b>\$ 2,153</b>	<b>\$ 3,391</b>
<b>Loss per Share – Basic and Diluted</b>		<b>\$ 0.02</b>	<b>\$ 0.03</b>
<b>Weighted Average Number of Shares Outstanding</b>		<b>103,085,064</b>	<b>103,085,064</b>

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	2018	2017
<b>Operating Activities</b>			
Loss for the period		\$ (2,153)	\$ (3,391)
Adjustments for:			
Amortization		12	11
Share-based compensation		550	574
Interest income		(50)	(55)
Interest on Santa Ana settlement	5	(400)	-
Unrealized foreign exchange loss (gain)		90	(42)
		(1,951)	(2,903)
Changes in current assets and liabilities:			
Receivables and prepaid expenses		531	129
Accounts payable and accrued liabilities		(216)	483
Cash used in operating activities		(1,636)	(2,291)
<b>Investing Activities</b>			
Purchase of equipment		(36)	(2)
Resource acquisition costs	5	(3)	(18)
Payment of Corani obligation	6	-	(10)
Short-term investment		1	(117)
Interest received		38	41
Cash used in investing activities		-	(106)
<b>Effect of exchange rate change on cash and cash equivalents</b>		<b>5</b>	<b>33</b>
<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(1,631)</b>	<b>(2,364)</b>
Cash and cash equivalents – Beginning of Period		5,481	9,172
<b>Cash and Cash Equivalents – End of Period</b>		<b>\$ 3,850</b>	<b>\$ 6,808</b>

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
<b>December 31, 2016</b>	<b>103,085,064</b>	<b>\$ 286,786</b>	<b>\$ 31,064</b>	<b>\$ (210,637)</b>	<b>\$ 107,213</b>
Share-based compensation	-	-	574	-	574
Net loss for the period	-	-	-	(3,391)	(3,391)
<b>March 31, 2017</b>	<b>103,085,064</b>	<b>286,786</b>	<b>31,638</b>	<b>(214,028)</b>	<b>104,396</b>
Share-based compensation	-	-	943	-	943
Net loss for the period	-	-	-	21,369	21,369
<b>December 31, 2017</b>	<b>103,085,064</b>	<b>286,786</b>	<b>32,581</b>	<b>(192,659)</b>	<b>126,708</b>
Share-based compensation	-	-	550	-	550
Net loss for the period	-	-	-	(2,153)	(2,153)
<b>March 31, 2018</b>	<b>103,085,064</b>	<b>\$ 286,786</b>	<b>\$ 33,131</b>	<b>\$ (194,812)</b>	<b>\$ 125,105</b>

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

## **Notes to Interim Condensed Consolidated Financial Statements**

**March 31, 2018**

US Dollars  
(Unaudited)

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### **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, development activities, 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.

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### **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, 2017, 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 as described in Note 3.

The Board of Directors approved the consolidated financial statements on May 23, 2018.

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### **3. Recent Accounting Pronouncements**

We have adopted the new IFRS pronouncement for financial instruments as at January 1, 2018, in accordance with the transitional provisions outlined in the respective standard and described below. The adoption of the new IFRS pronouncement has not resulted to adjustments in previously reported figures and no change to the opening deficit balance as at January 1, 2018, under the IFRS 9 transition provisions.

#### Overview of Changes in IFRS 9

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement (IAS 39).

Under IFRS 9, on initial recognition, a financial asset or liability is classified at amortized cost or at fair value (either through other comprehensive income ("FVOCI") or profit or loss ("FVPL")).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

**Notes to Interim Condensed Consolidated Financial Statements**

**March 31, 2018**

*US Dollars*  
*(Unaudited)*

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income (FVOCI).

For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

**Classification and Measurement Changes**

We have assessed the classification and measurement of our financial assets and financial liabilities under IFRS 9 and have summarized the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 in the following table:

	Measurement Category	
	Original (IAS 39)	New (IFRS 9)
<b>Financial Assets:</b>		
Cash and cash equivalents	Amortized cost	Amortized cost
Short-term investments	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Santa Ana settlement award receivable	Amortized cost	Amortized cost
<b>Financial Liabilities:</b>		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Other liabilities	Amortized cost	Amortized cost

There has been no change in the measurement categories, carrying values or to previously reported figures of our financial instruments. The adoption of the Standard did not have a significant impact on the financial statements.

The following new standards and amendments to standards have been issued but are not effective during the period ended March 31, 2018:

- IFRS 16 Leases is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The amendments are effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of this Standard.

**4. Cash and Cash Equivalents**

	<b>March 31, 2018</b>	December 31, 2017
	<b>(000's)</b>	<b>(000's)</b>
Cash	\$ 2,400	\$ 2,065
Investment savings account	1,450	3,416
	<b>\$ 3,850</b>	<b>\$ 5,481</b>

**Bear Creek Mining Corporation**  
*(An Exploration Stage Company)*

**Notes to Interim Condensed Consolidated Financial Statements**

**March 31, 2018**

*US Dollars*  
*(Unaudited)*

**5. Resource Property Costs**

	<b>Corani Project</b>		<b>Maria Jose Project</b>		<b>Total</b>
	<b>(000's)</b>		<b>(000's)</b>		<b>(000's)</b>
Balance at December 31, 2016	\$	77,258	\$	951	\$ 78,209
Land acquisition costs		30		-	30
Balance at December 31, 2017	\$	77,288	\$	951	\$ 78,239
Land acquisition costs		3		-	3
<b>Balance at March 31, 2018</b>	<b>\$</b>	<b>77,291</b>	<b>\$</b>	<b>951</b>	<b>\$ 78,242</b>

**a) Corani Project**

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

<b>Corani Engineering and Evaluation Costs:</b>	<b>Three Months Ended March 31</b>	
	<b>2018</b>	2017
	<b>(000's)</b>	(000's)
<b>Corani</b>		
Community contributions	135	492
Detailed engineering	242	638
Consulting and geophysics	-	16
Environmental	6	22
Maintenance costs	9	1
Salary and consulting	576	460
Camp, supplies and logistics	351	385
Travel	13	13
<b>Costs for the Period</b>	<b>\$ 1,332</b>	<b>\$ 2,027</b>

**b) Maria Jose Project**

The Maria Jose Project is located in northern Peru in the Ancash Department. On February 27, 2013, the Company entered into an option agreement to purchase 100% of the Maria Jose Prospect for \$4.9 million over a four-year period. In 2015, the Company entered into an option and joint venture agreement with a private Peruvian gold producer, Analytica Mineral Services SAC ("AMS"). AMS can earn a 51% interest in the project by completing 2,000 meters of tunneling at its cost. To date, AMS has not completed the 2,000 meters of tunneling. Following AMS earning its 51% interest, the two parties will form a joint venture agreement with standard terms. In December 2015, replacing the February 2013 agreement, Bear Creek and AMS made a payment of \$1.2 million to the underlying property owner to acquire 100% interest in the Maria Jose mineral concessions. Under the purchase agreement there is an obligation to pay an additional \$2.1 million to the former property owner on commencement of commercial production. This additional payment has no time limit.

**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.

On June 25, 2011 the Company learned 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 50 kilometers of the Peruvian territorial boundaries. The 2011 Supreme Decree rescinded, without legal



**Notes to Interim Condensed Consolidated Financial Statements**

**March 31, 2018**

*US Dollars*  
*(Unaudited)*

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grounds the Company's rights to operate on the concessions; however, the titles to the concessions continue to be held by the Company.

Following a series of actions, including Constitutional lawsuits in Peru, known as Amparo, and negotiations to reach an amicable resolution with the Peruvian Government, 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 Free Trade Agreement ("FTA").

An in-person hearing before the Arbitration Tribunal took place in Washington D.C. between September 7 - 14, 2016. In September 2017, the proceedings in the case were officially closed and no further testimony or exhibits were submitted to the Tribunal. On December 1, 2017, the tribunal of arbitration at the ICSID rendered an award in favor of the Company of approximately \$31.0 million, which consisted of \$18.2 million for compensation costs incurred in Santa Ana, \$6.0 million for reimbursement of costs associated with the ICSID arbitration and accrued interest of \$6.8 million. The articles of the ICSID Convention provides the opportunity, within 120 days and under limited grounds, for either party to request annulment of the award. No annulment was sought by either party during the 120-day period. The Company anticipates that it will receive payment from the Peruvian government in 2018. As such, the Company recorded the \$31.0 million as a receivable in the statement of financial position at December 31, 2017. Interest is accrued on the settlement amount at 5% per annum, compounded quarterly. During the current quarter to March 31, 2018, the Company has recorded \$0.4 million interest on the settlement.

**d) 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 by investing \$2.5 million over a four-year period. Following JOGMEC's earn-in, 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. This drill program concluded in 2017 with marginal results and during the three-month period ended March 31, 2018, JOGMEC informed the Company of its intent to terminate the Sumi joint venture. The Company is currently drafting a termination agreement.

**Bear Creek Mining Corporation***(An Exploration Stage Company)***Notes to Interim Condensed Consolidated Financial Statements****March 31, 2018***US Dollars  
(Unaudited)*

Other exploration and evaluation costs for the three months ended March 31, 2018 and 2017 are as follows:

<b>Exploration and Evaluation Costs:</b>	<b>Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
	<b>(000's)</b>	<b>(000's)</b>
<b>Maria Jose</b>		
Community contributions	\$ 1	\$ 1
Maintenance costs	-	22
Salary and consulting	10	21
Supplies and general	-	6
	<u>11</u>	<u>50</u>
<b>Santa Ana</b>		
Salary and consulting	17	56
Supplies and general	-	14
	<u>17</u>	<u>70</u>
<b>Sumi</b>		
Community contributions	4	8
Geophysics	2	-
Salary and consulting	50	39
Supplies and general	75	9
Recovery of costs	(142)	(47)
	<u>(11)</u>	<u>9</u>
<b>Generative</b>		
Salary and consulting	10	8
Supplies and general	1	-
	<u>11</u>	<u>8</u>
<b>Other Properties</b>	1	1
<b>Value added tax</b>	147	147
<b>Costs for the Period</b>	<u>\$ 176</u>	<u>\$ 285</u>

**Notes to Interim Condensed Consolidated Financial Statements**

**March 31, 2018**

*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 \$1,122,000 remains outstanding as of March 31, 2018. All of the land purchase amounts have been capitalized as mineral properties. All community contributions have been expensed.

	<b>(000's)</b>	
<b>Balance as of December 31, 2016</b>	<b>\$</b>	<b>598</b>
Payments		(100)
Addition to obligation		597
Impact of foreign exchange		22
<b>Balance as of December 31, 2017</b>	<b>\$</b>	<b>1,117</b>
Payments		-
Impact of foreign exchange		5
<b>Balance as of March 31, 2018</b>	<b>\$</b>	<b>1,122</b>
Less: current portion		(181)
<b>Long-term portion as of March 31, 2018</b>	<b>\$</b>	<b>941</b>

The Company's estimated future payments are as follows:

	<b>March 31, 2018 (000's)</b>	<b>December 31, 2017 (000's)</b>
Within one year	<b>\$ 181</b>	<b>\$ 165</b>
After one year but not more than five years	<b>941</b>	<b>952</b>
	<b>\$ 1,122</b>	<b>\$ 1,117</b>

**7. Capital**

**Authorized share capital**

Unlimited number of common shares without par value.

During the three months ended March 31, 2018 and the year ended December 31, 2017, the Company did not issue any share capital.

**Notes to Interim Condensed Consolidated Financial Statements**

**March 31, 2018**

*US Dollars*  
*(Unaudited)*

**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 but they are generally set with vesting of 25% on the date of grant, 25% six months from the date of grant, 25% one year from the date of grant and 25% eighteen months from the date of grant. 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, 2018, a total of 2,917,756 options were reserved under the option plan with 7,390,750 options outstanding.

a) Movements in share options

The changes in share options during the period ended March 31, 2018 and the year ended December 31, 2017 were as follows:

	<b>March 31, 2018</b>		<b>December 31, 2017</b>	
	<b>Number of options</b>	<b>Weighted average exercise price (in CDN\$)</b>	<b>Number of options</b>	<b>Weighted average exercise price (in CDN\$)</b>
Outstanding, beginning of the period	7,195,750	2.40	7,353,850	2.76
Granted	1,845,000	2.09	2,050,500	2.50
Expired	(1,650,000)	3.25	(2,208,600)	3.69
<b>Outstanding, end of the period</b>	<b>7,390,750</b>	<b>2.14</b>	<b>7,195,750</b>	<b>2.40</b>

b) Fair value of share options granted

During the period ended March 31, 2018, the Company granted options to directors, officers, and employees to purchase up to 1,845,000 common shares of the Company at a weighted average exercise price of CDN\$2.09 per share.

795,000 options vest over a period of 18 months from the date of grant and expire ten years from the date of grant. The remaining 1,050,000 options vest 50% at the earlier of a construction decision on the Company's Corani project or two years from the date of grant and the remaining 50% vest at the earlier of commercial production on the Company's Corani project or five years from the date of grant and expire ten years from the date of grant.

During the year ended December 31, 2017, the Company granted options to directors, officers, and employees to purchase up to 2,050,500 common shares of the Company at a weighted average exercise price of CDN\$2.50 per share.

1,050,500 options vest over a period of 18 months from the date of grant and expire five years from the date of grant. The remaining 1,000,000 options vest 50% at the earlier of a construction decision on the Company's Corani project or two years from the date of grant and the remaining 50% vest at the earlier of commercial production on the Company's Corani project or five years from the date of grant and expire ten years from the date of grant.

**Bear Creek Mining Corporation**  
(An Exploration Stage Company)

**Notes to Interim Condensed Consolidated Financial Statements**

March 31, 2018

US Dollars  
(Unaudited)

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:

	2018	2017
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	75.30%	77.53%
Risk-free interest rate	2.13%	1.47%
Expected life of options	8.1 years	5.8 years
Forfeiture rate	3.44%	3.32%
Grant date fair value	CDN \$1.54	CDN \$1.53

c) Share options outstanding

A summary of the Company's options outstanding as at March 31, 2018 is as follows:

Options Outstanding	Options Exercisable	Price per Share	Remaining contractual life (years)	Expiry Date
250,000	250,000	CDN\$1.85	0.34	August 2, 2018
1,200,000	1,200,000	CDN\$2.05	0.90	February 21, 2019
1,109,250	1,109,250	CDN\$1.41	1.90	February 23, 2020
936,000	936,000	CDN\$2.48	3.22	June 17, 2021
1,050,500	787,875	CDN\$2.73	3.88	February 16, 2022
1,000,000	-	CDN\$2.25	9.52	October 3, 2027
795,000	198,750	CDN\$2.05	9.92	February 26, 2028
650,000	-	CDN\$2.05	9.93	March 2, 2028
400,000	-	CDN\$2.24	9.97	March 16, 2028
<b>7,390,750</b>	<b>4,481,875</b>		<b>5.17</b>	

The weighted average exercise price of exercisable options at March 31, 2018 is CDN\$2.09.

**8. Related Party Transactions**

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. <sup>1</sup>	Legal fees
Avisar Chartered Accountants <sup>2</sup>	Accounting fees

<sup>1</sup> Ceased being a related party as at December 31, 2017

<sup>2</sup> Ceased being a related party as at March 1, 2018

**Bear Creek Mining Corporation**  
*(An Exploration Stage Company)*

**Notes to Interim Condensed Consolidated Financial Statements**

**March 31, 2018**

*US Dollars*  
*(Unaudited)*

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

	<b>Three Months Ended March 31</b>	
	<b>2018</b> <b>(000's)</b>	<b>2017</b> <b>(000's)</b>
Legal fees – DuMoulin Black LLP	\$ 7	\$ 23
Legal fees – Estudio Grau S.C.R.L.	-	27
Accounting fees	19	24
	<b>\$ 26</b>	<b>\$ 74</b>

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, 2018 included \$886 (December 31, 2017 - \$8,169) 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, 2018 and 2017 were as follows:

	Note	<b>Three Months Ended March 31</b>	
		<b>2018</b> <b>(000's)</b>	<b>2017</b> <b>(000's)</b>
Salaries and directors' fees	(i)	\$ 260	\$ 203
Share-based compensation	(ii)	514	492
		<b>\$ 774</b>	<b>\$ 695</b>

- (i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three months ended March 31, 2018 and 2017.
- (ii) Share-based compensation represents the non-cash expense for the three months ended March 31, 2018 and 2017, translated at the grant date foreign exchange rate.

**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:

	<b>March 31,</b> <b>2018</b> <b>(000's)</b>	<b>December 31,</b> <b>2017</b> <b>(000's)</b>
<b>Total Assets</b>		
Peru	\$ 111,279	\$ 111,445
Canada	15,948	17,596
	<b>\$ 127,227</b>	<b>\$ 129,041</b>

**Bear Creek Mining Corporation**  
(An Exploration Stage Company)

**Notes to Interim Condensed Consolidated Financial Statements**

**March 31, 2018**

US Dollars  
(Unaudited)

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	<b>March 31, 2018</b>		March 31, 2017
<b>Net Loss (Income)</b>	<b>(000's)</b>		<b>(000's)</b>
Peru	\$ 1,117	\$	2,347
Canada	1,036		1,044
	<b>\$ 2,153</b>	<b>\$</b>	<b>3,391</b>

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**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 Peruvian Sol("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 yearly payment was dependent on the Company obtaining the Environmental and Social Impact Assessment approval which was received in September 2013. As of March 31, 2018, the Company has made all required payments under the agreement. 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.