

BEAR CREEK MINING CORPORATION

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

EXPRESSED IN US DOLLARS

(Unaudited)

Bear Creek Mining Corporation

Interim Condensed Consolidated Statements of Financial Position

US Dollars (000's)
(Unaudited)

	Note		March 31, 2020		December 31, 2019
ASSETS					
Current assets					
Cash and cash equivalents	3	\$	17,789	\$	10,902
Short-term investments			10,856		11,173
Receivables and prepaid expenses			937		901
			29,582		22,976
Non-current assets					
Restricted cash	4		627		627
Property and equipment	5		4,351		3,917
Resource property costs	6		89,598		89,592
Right-of-use assets	8		859		901
TOTAL ASSETS		\$	125,017	\$	118,013
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		\$	1,331	\$	1,349
Current portion of community projects obligation	7		1,163		1,205
Current portion of other liabilities			66		67
Current portion of lease liabilities	8		556		593
			3,116		3,214
Non-current liabilities					
Community projects obligation	7		8,570		9,840
Other liabilities			1,172		1,249
Lease liabilities	8		263		279
Provision for site restoration	4		200		200
			13,321		14,782
EQUITY					
Share capital	9		298,869		287,035
Contributed surplus			36,756		36,623
Deficit			(223,929)		(220,427)
			111,696		103,231
TOTAL LIABILITIES AND EQUITY		\$	125,017	\$	118,013

Subsequent Events (Note 12)

ON BEHALF OF THE BOARD:

Signed "Catherine McLeod-Seltzer", Director

Signed "Erfan Kazemi", Director

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

Bear Creek Mining Corporation**Interim Condensed Consolidated Statements of Loss and Comprehensive Loss**

For the Three Months Ended March 31

US Dollars (000's, except share data)

(Unaudited)

	Note	2020	2019
Operating expenses			
Corani engineering and evaluation costs	6	\$ 2,249	\$ 2,269
Other exploration and evaluation costs		338	620
Share-based compensation		209	1,116
Wages and management salaries	10	208	202
Professional and advisory fees		116	43
General office expenses		51	84
Shareholder information and filing fees		108	54
Travel		16	21
Loss before other items		3,295	4,409
Other income and expense			
Foreign exchange loss (gain)		341	(83)
Finance income		(134)	(252)
Loss and Comprehensive Loss for the Period		\$ 3,502	\$ 4,074
Loss per Share – Basic and Diluted		\$ 0.03	\$ 0.04
Weighted Average Number of Shares Outstanding		106,983,734	103,085,064

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

Bear Creek Mining Corporation

Interim Condensed Consolidated Statements of Cash Flows

For the Three Months Ended March 31

US Dollars (000's)
(Unaudited)

	Note	2020	2019
Operating Activities			
Loss for the period		\$ (3,502)	\$ (4,074)
Items not affecting cash:			
Amortization		200	137
Accretion of community projects obligation	7	245	247
Accretion of lease liabilities	8	19	2
Share-based compensation		209	1,116
Finance income		(134)	(252)
Unrealized foreign exchange loss		330	138
		(2,633)	(2,686)
Changes in current assets and liabilities:			
Receivables and prepaid expenses		(43)	(1,032)
Accounts payable and accrued liabilities		183	321
Cash used in operating activities		(2,493)	(3,397)
Investing Activities			
Purchase of equipment	5	(656)	(365)
Resource acquisition costs	6	(6)	(17)
Payment of community projects obligation	7	(1,121)	(1,031)
Payment of Corani obligation		(21)	(10)
Short-term investment		239	(1,041)
Interest received		135	244
Restricted cash	4	-	(627)
Cash used in investing activities		(1,430)	(2,847)
Financing Activities			
Public offering (net of issuance cost)	9	11,617	-
Exercise of stock options	9	140	-
Principal payments on leases	8	(182)	(122)
Cash provided by (used in) financing activities		11,575	(122)
Effect of exchange rate change on cash and cash equivalents		(765)	14
Net Increase (Decrease) in Cash and Cash Equivalents		6,887	(6,352)
Cash and cash equivalents – Beginning of Period		10,902	34,957
Cash and Cash Equivalents – End of Period		\$ 17,789	\$ 28,605

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Bear Creek Mining Corporation

Interim Condensed Consolidated Statements of Changes in Equity

*US Dollars (000's, except share data)
(Unaudited)*

	Share Capital (Number of Shares)	Share Capital	Contributed Surplus	Deficit	Total
December 31, 2018	103,085,064	286,786	34,462	(202,684)	118,564
Share-based compensation	-	-	1,116	-	1,116
Loss for the period	-	-	-	(4,074)	(4,074)
March 31, 2019	103,085,064	286,786	35,578	(206,758)	115,606
December 31, 2019	103,229,064	287,035	36,623	(220,427)	103,231
Public offering	7,905,000	12,522	-	-	12,522
Share issuance cost	-	(904)	-	-	(904)
Exercise of stock options	130,000	140	-	-	140
Fair value of options exercised	-	76	(76)	-	-
Share-based compensation	-	-	209	-	209
Loss for the period	-	-	-	(3,502)	(3,502)
March 31, 2020	111,264,064	298,869	36,756	(223,929)	111,696

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

Bear Creek Mining Corporation

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020

*US Dollars
(Unaudited)*

1. Nature of Business

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

Bear Creek is a public company incorporated in British Columbia, Canada. Its common shares are listed on the TSX Venture Exchange in Canada and the Bolsa de Valores de Lima in Peru under the symbol "BCM", and are posted for trading on the OTCQX Market in the U.S. under the symbol "BCEKF" and on the Börse Frankfurt in Germany under the symbol "OU6". The head office, principal address and records office of the Company are 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 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 plans and 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 interests in mineral properties involve 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 of many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests is in good standing.

The novel coronavirus ("COVID-19") has caused many countries to implement measures to reduce the spread of the virus. On March 15, 2020, the President of Peru issued a national state of emergency decree that closed the country's borders, limited transportation within the country, and required most people to work from their homes. On March 16, the Company closed its offices in Lima and Vancouver and reduced staff at the Corani project site to a minimum. As at the date of these interim condensed consolidated financial statements, the office closures and staff reductions are still in effect. The effect and duration of COVID-19 and government responses to it are unknown. Consequently, management anticipates, but cannot predict the effect of unknown adverse changes to its future business plans, financial position, cash flows, and results of operations.

2. Basis of Preparation

Statement of Compliance

The interim condensed consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards applicable to preparation of interim financial statements. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS. The accounting policies adopted are consistent with those of the previous financial year.

The Board of Directors approved the consolidated financial statements on May 26, 2020.

Basis of Measurement

These interim condensed consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. These consolidated financial statements are presented in US dollars unless otherwise noted.

Bear Creek Mining Corporation

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020

*US Dollars
(Unaudited)*

Significant Accounting Estimates and Judgments

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors believed to be reasonable under the circumstances and result in judgments about the carrying value of assets and liabilities. Actual results could differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements for the year ended December 31, 2019.

3. Cash and Cash Equivalents

	March 31, 2020 (000's) \$	December 31, 2019 (000's) \$
Cash	\$ 1,415	\$ 550
Cash equivalents	16,374	10,352
	\$ 17,789	\$ 10,902

4. Restricted Cash

The Company has a future obligation of \$2,539,779 in respect of the Corani Mine Closure Plan. This amount is guaranteed by an insurance company. The Company has provided a certificate of deposit in the insurer's name for \$627,208 to partially support the guarantee. The certificate of deposit is considered to be restricted cash.

The Company may be required to post additional guarantees or obtain additional third party guarantees every year until 2036 according to a schedule within the Mine Closure Plan.

As of the date of these financial statements, no significant environmental disturbance has been caused due to the activities conducted on the Corani Project. The Company assumed a restoration obligation estimated at \$200,000 upon acquisition of the Corani Project.

Bear Creek Mining Corporation

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020

US Dollars
(Unaudited)

5. Property and Equipment

	Exploration and Other Equipment (000's) \$	Office Equipment (000's) \$	Land (000's) \$	Total (000') \$
Balance - December 31, 2018	762	12	31	805
Additions	3,211	-	14	3,225
Amortization	(109)	(4)	-	(113)
Balance - December 31, 2019	3,864	8	45	3,917
Additions	463	-	-	463
Amortization	(28)	(1)	-	(29)
Balance – March 31, 2020	4,299	7	45	4,351

During the period ended March 31, 2020, additions to Property and Equipment included \$0.46 million for the Antapata substation construction (year ended December 31, 2019 - \$2.74 million). The capitalized cost of the Antapata substation are not amortized as the asset is still under construction and therefore not in use.

6. Resource Property Costs

	Corani Project (000's) \$	Maria Jose Project (000's) \$	Total (000's) \$
Balance at December 31, 2018	\$ 88,601	\$ 951	\$ 89,552
Land acquisition costs	40	-	40
Balance at December 31, 2019	\$ 88,641	\$ 951	\$ 89,592
Land acquisition costs	6	-	6
Balance at March 31, 2020	\$ 88,647	\$ 951	\$ 89,598

a) Corani Project

The Company has a 100% interest in the Corani Project located in Peru. Costs incurred during the period are described in the following table.

Corani Engineering and Evaluation Costs:	Three Months Ended March 31	
	2020 (000's) \$	2019 (000's) \$
Corani		
Assaying and sampling	\$ 6	\$ 5
Community contributions	411	332
Drilling	-	195
Detailed engineering	343	164
Environmental	56	57
Maintenance costs	1	4
Salaries and consulting	1,009	972
Camp, supplies and logistics	407	513
Travel	16	27
Costs for the Period	\$ 2,249	\$ 2,269

Bear Creek Mining Corporation

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020

*US Dollars
(Unaudited)*

b) Other Exploration and Evaluation Costs

Other exploration and evaluation costs include administrative expenses for maintaining and managing the Company's Peruvian affiliates and concession payments which are not directly attributable to the Company's Corani project.

The Company expenses the value added tax it pays during the exploration phase. During the three months ended March 31, 2020, total value added taxes paid were \$0.2 million (2019 - \$0.4 million).

7. Community Projects Obligation

The Company is party to a Framework Agreement for the Sustainable Use of Natural Resources in the Mining Project Corani (the "Framework Agreement") with the Corani District Municipality and the five communities contained within the District Municipality: Chacaconiza, Quelcaya, Isivilla, Corani-Aconsaya and Aymaña. The Framework Agreement was for an initial payment (the "Initial Payment") and 22 successive payments (the "Successive Payments") of Peruvian Sol ("S/") 4 million to be made into a trust designed to fund community projects.

The Framework Agreement with the local communities and the Corani Environmental and Social Impact Assessment ("ESIA") requires certain development work; such as access roads, mine camp and maintenance and storage facilities. The Company began development work during 2018 in accordance with the ESIA and the Framework Agreement.

As at March 31, 2020, total undiscounted obligation under the Framework Agreement as \$9.73 million.

The Company's community projects obligation per the Framework Agreement is as follows:

	(000's) \$
Balance as of December 31, 2018	11,039
Payment	(1,206)
Accretion expense	1,034
Impact of foreign exchange	178
Balance as of December 31, 2019	11,045
Payment	(1,121)
Accretion expense	245
Impact of foreign exchange	(436)
Balance as of March 31, 2020	9,733
Less: current portion	(1,163)
Long-term portion as of March 31, 2020	8,570

Bear Creek Mining Corporation

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020

*US Dollars
(Unaudited)*

8. Leases

The Company's lease liabilities and right-of-use assets is as follows:

	Office Space and Warehouse (000's) \$	Vehicles (000's) \$	Total (000's) \$
Lease Liabilities			
Balance - December 31, 2018	-	-	-
Adoption of IFRS 16	196	632	828
Additions	655	-	655
Payments	(277)	(352)	(629)
Accretion expense	17	18	35
Change in estimate	(20)	-	(20)
Foreign exchange translation effect	(1)	4	3
Balance - December 31, 2019	570	302	872
Additions	67	61	128
Payments	(85)	(97)	(182)
Accretion expense	9	10	19
Change in estimate	-	-	-
Foreign exchange translation effect	(11)	(7)	(18)
Balance – March 31, 2020	550	269	819
Less: current portion	(287)	(269)	(556)
Long-term portion	263	-	263

	Office space and Warehouse (000's) \$	Vehicles (000's) \$	Total (000's) \$
Right-of-Use Assets			
Balance - December 31, 2018	-	-	-
Adoption of IFRS 16	196	632	828
Additions	655	-	655
Amortization	(267)	(315)	(582)
Balance - December 31, 2019	584	317	901
Additions	67	61	128
Amortization	(78)	(92)	(170)
Balance – March 31, 2020	573	286	859

Bear Creek Mining Corporation**Notes to Interim Condensed Consolidated Financial Statements****March 31, 2020**US Dollars
(Unaudited)**9. Capital**

The Company is authorized to issue unlimited number of common shares without par value.

On February 6, 2020, the Company issued 7,905,000 common shares at a price of CDN\$2.10 per share for gross proceeds of CDN\$16.6 million (\$12.52 million). The underwriters who purchased the shares received a cash fee equal to 6% of the gross proceeds. Additional costs of \$0.15 million were also incurred in connection with the financing.

During the period ended March 31, 2020, a total of 130,000 incentive stock options were exercised at CDN\$1.41 per share, for gross proceeds of \$0.14 million (CDN\$0.18 million).

As at March 31, 2020, the Company had a total of 7,701,750 (exercisable – 5,913,000) incentive stock options outstanding at weighted exercise price of CDN\$2.03 per share (exercisable – CDN\$2.03 per share).

10. Related Party Transactions**Compensation of key management personnel**

The remuneration of the Directors, President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the Senior Vice President of Project Delivery (collectively, the key management personnel) were as follows:

	Three Months Ended March 31	
	2020	2019
	(000's)	(000's)
Salaries and directors' fees	\$ 383	\$ 388
Share-based compensation	208	1,096
	\$ 591	\$ 1,484

Amounts due to key management personnel are unsecured, non-interest bearing and due on demand. As at March 31, 2020 \$51,750 (December 31, 2019 - \$nil) was due to key management personnel for unpaid director fees.

11. 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,
	2020	2019
	(000's)	(000's)
Total Assets		
Peru	\$ 108,767	\$ 111,885
Canada	16,250	6,128
	\$ 125,017	\$ 118,013

Bear Creek Mining Corporation

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020

*US Dollars
(Unaudited)*

Net Loss	Three Months Ended March 31			
		2020		2019
		(000's)		(000's)
Peru	\$	2,089	\$	2,859
Canada		1,413		1,215
	\$	3,502	\$	4,074

12. Subsequent Events

A total of 803,250 incentive stock options were exercised at CDN\$1.41 per share, for gross proceeds of \$0.81 million (CDN\$1.13 million).

On April 22, 2020, the Company granted 1,000,000 Restricted Share Units ("RSUs") to its directors and officers. The RSUs vest one-third each on April 22, 2021, 2022, and 2023.
