BEAR CREEK MINING CORPORATION

(An Exploration Stage Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Nine months Ended September 30, 2013 and 2012

EXPRESSED IN US DOLLARS

Bear Creek Mining Corporation
(An Exploration Stage Company)
Interim Consolidated Statements of Financial Position
US Dollars (000's)
(Unaudited)

	Note		**September 30, 2013**		December 31, 2012
ASSETS					
Current assets					
Cash and cash equivalents	3	**$**	**52,431**	$	64,378
Short-term investments	4		**1,779**		4,067
Receivables and prepaid expenses			**625**		419
			54,835		68,864
Non-current assets					
Equipment and leasehold improvements	5		**300**		334
Resource property costs	6		**77,096**		75,842
TOTAL ASSETS		**$**	**132,231**	$	145,040
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**579**	$	1,682
Current portion of other liabilities	7		**1,304**		418
			1,883		2,100
Non-current liabilities					
Other liabilities	7		**1,117**		1,385
Provision for site restoration			**200**		200
			3,200		3,685
EQUITY					
Share capital	8		**264,042**		263,906
Contributed surplus			**27,819**		24,153
Deficit			**(162,830)**		(146,704)
			129,031		141,355
TOTAL LIABILITIES AND EQUITY		**$**	**132,231**	$	145,040

Commitments (Note 11)
Subsequent Events (Note 12)

ON BEHALF OF THE BOARD:

Signed "Catherine McLeod-Seltzer", Director

Signed "Nolan Watson", Director

Bear Creek Mining Corporation
(An Exploration Stage Company)

Interim Consolidated Statements of Loss and Comprehensive Loss

For the Nine months Ended September 30
US Dollars (000's, except share data)
(Unaudited)

	Note	Three Months Ended September 30		Nine months Ended September 30	
		2013	2012	**2013**	2012
Operating expenses					
Corani engineering and evaluation costs	6	**$ 2,417**	$ 4,412	**$ 7,025**	$ 11,808
Exploration and evaluation costs	6	**1,107**	1,444	**3,474**	4,894
Share-based compensation		**775**	1,036	**3,719**	5,806
Wages and management salaries		**311**	250	**887**	895
Professional and advisory fees		**132**	63	**400**	537
Shareholder information and filing fees		**57**	84	**323**	343
General office expenses		**39**	58	**154**	202
Travel		**10**	32	**75**	162
Loss before other items		**4,848**	7,379	**16,057**	24,647
Other income and expense					
Foreign exchange loss (gain)		**(187)**	(406)	**255**	(296)
Finance income		**(57)**	(80)	**(189)**	(211)
Other losses		**1**	-	**3**	7
Loss and Comprehensive Loss for the Period		**$ 4,605**	$ 6,893	**$ 16,126**	$ 24,147
Loss per Share – Basic and Diluted		**$ 0.05**	$ 0.07	**$ 0.17**	$ 0.26
Weighted Average Number of Shares Outstanding		**92,291,639**	92,212,182	**92,246,511**	92,178,610

The accompanying notes are an integral part of these financial statements

Bear Creek Mining Corporation
(An Exploration Stage Company)
Interim Consolidated Statements of Cash Flows
For the Nine months Ended September 30
US Dollars (000's)
(Unaudited)

	Note		2013		2012
Operating Activities					
Loss for the period		**$**	**(16,126)**	$	(24,147)
Adjustments for:					
Amortization			**47**		105
Loss on investments			**3**		7
Share-based compensation			**3,719**		5,805
Interest income			**(189)**		(211)
Unrealized foreign exchange loss			**232**		(415)
			(12,314)		(18,856)
Changes in current assets and liabilities:					
Receivables and prepaid expenses			**(214)**		327
Accounts payable and accrued liabilities			**(102)**		(283)
Cash used in operating activities			**(12,630)**		(18,812)
Investing Activities					
Purchase of equipment and leasehold improvements			**(13)**		(60)
Resource acquisition costs	**6**		**(1,254)**		(1,292)
Payment of Corani obligation	**7**		**(240)**		(668)
Short-term investments redeemed			**2,217**		(2,024)
Interest received			**197**		211
Cash provided by (used in) investing activities			**907**		(3,833)
Financing Activities					
Share capital issued – net			**83**		94
Cash provided by financing activities			**83**		94
Effect of exchange rate change on cash and cash equivalents			**(307)**		441
Net Decrease in Cash and Cash Equivalents			**(11,947)**		(22,110)
Cash and cash equivalents – Beginning of Period			**64,378**		93,027
Cash and Cash Equivalents – End of Period		**$**	**52,431**	$	70,917

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, 2011	**92,161,639**	**$ 263,729**	**$ 17,605**	**$ (115,692)**	**$ 165,642**
Options exercised	50,000	94	-	-	94
Fair value of options exercised	-	65	(65)	-	-
Share-based compensation	-	-	5,806	-	5,806
Net loss for the period	-	-	-	(24,147)	(24,147)
September 30, 2012	**92,211,639**	**$ 263,888**	**$ 23,346**	**$ (139,839)**	**$ 147,395**
December 31, 2012	**92,221,639**	**$ 263,906**	**$ 24,153**	**$ (146,704)**	**$ 141,355**
Options exercised	70,000	83	-	-	83
Fair value of options exercised	-	53	(53)	-	-
Share-based compensation	-	-	3,719	-	3,719
Net loss for the period	-	-	-	(16,126)	(16,126)
September 30, 2013	**92,291,639**	**$ 264,042**	**$ 27, 819**	**$ (162,830)**	**$ 129,031**

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 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

The following standards became effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company adopted these standards and they did not have a material impact on its consolidated financial statements.

a) IFRS 10, Consolidated Financial Statements ("IFRS 10"), was issued in May 2011 and will supersede the consolidation requirements in SIC-12, Consolidation – Special Purpose Entities ("SIC-12"), and IAS 27, Consolidated and Separate Financial Statements ("IAS 27").

b) IFRS 11, Joint Arrangements ("IFRS 11"), was issued in May 2011 and will supersede existing IAS 31, Joint Ventures ("IAS 31").

c) IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12"), was issued in May 2011 and is a new and comprehensive standard on disclosure requirements for all forms of interest in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.

d) IFRS 13, Fair Value Measurements ("IFRS 13") was issued in May 2011 and sets out, in a single IFRS, a framework for measuring fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition of fair value emphasizes that fair value is a market-based measurement, not an entity specific measurement. In addition, IFRS 13 also requires specific disclosures about fair value measurement.

e) IAS 1, Presentation of Items of Other Comprehensive Income ("OCI") ("IAS 1"), was revised in June 2011 to change the disclosure of items presented in OCI, including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future.

The interim condensed consolidated financial statements were approved by the Board of Directors on November 19, 2013.

3. Cash and Cash Equivalents

		September 30, 2013 (000's)		December 31, 2012 (000's)
Cash	**$**	**2,310**	$	11,063
Guaranteed investment certificate		**7,503**		4,000
Investment savings account		**42,618**		49,315
	$	**52,431**	$	64,378

4. Short-term Investments

		September 30, 2013 (000's)		December 31, 2012 (000's)
Common shares – Magellan Minerals Ltd.	**$**	**2**	$	5
Term deposits		**1,777**		4,062
	$	**1,779**	$	4,067

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.

5. Equipment and Leasehold Improvements

	September 30, 2013					
		Cost (000's)		**Accumulated Amortization (000's)**		**Net Book Value (000's)**
Exploration Equipment		**352**		**147**		**205**
Vehicles		**335**		**330**		**5**
Office Equipment		**75**		**43**		**32**
Leasehold Improvements		**129**		**71**		**58**
	$	**891**	**$**	**591**	**$**	**300**

	December 31, 2012					
		Cost (000's)		Accumulated Amortization (000's)		Net Book Value (000's)
Exploration Equipment		334		122		212
Vehicles		335		327		8
Office Equipment		76		39		37
Leasehold Improvements		129		52		77
	$	874	$	540	$	334

6. Resource Property Costs

		Corani Project (000's)		Carito Project (000's)		Maria Jose Project (000's)		Total (000's)
Balance at December 31, 2011	$	73,936	$	-	$	-	$	73,936
Land acquisition costs		1,731		175		-		1,906
Balance at December 31, 2012	$	75,667	$	175	$	-	$	75,842
Land acquisition costs		954		-		300		1,254
Balance at September 30, 2013	**$**	**76,621**	**$**	**175**	**$**	**300**	**$**	**77,096**

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 September 30 (000's)				Nine months Ended September 30 (000's)			
		2013		2012		**2013**		2012
Corani								
Assaying and sampling	**$**	**-**	$	26	**$**	**23**	$	47
Community contributions		**787**		508		**2,178**		1,348
Drilling		**-**		-		**-**		1,039
Engineering and consulting		**257**		1,344		**667**		3,444
Environmental		**-**		1,488		**-**		2,466
Geophysics		**238**		-		**464**		-
Maintenance costs		**73**		3		**141**		22
Salary and consulting		**314**		362		**1,491**		994
Supplies and general		**738**		492		**2,013**		1,621
Travel		**10**		189		**48**		827
Costs for the Period	**$**	**2,417**	$	4,412	**$**	**7,025**	$	11,808

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 can purchase the project for $7,475,000 payable as follows:

- $175,000 due upon signing the agreement (paid)
- $250,000 due May 5, 2014
- $181,250 due May 5, 2015
- $181,250 due August 5, 2015
- $181,250 due November 5, 2015
- $181,250 due February 5, 2016
- $750,000 due May 5, 2016
- $750,000 due November 5, 2016
- $2,412,500 due May 5, 2017
- $2,412,500 due November 5, 2017

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 $310,150 is due 18 months after the agreement date. An additional payment of $2,605,264 must be made if the deposit is greater than 1 million ounces 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 seek injunctive relief against the rescission of the Company’s rights to operate on the mineral concessions comprising the Santa Ana Property (as hereinafter defined) requesting that the court determine the Peruvian Government violated the Company’s constitutional rights when it issued the Supreme Decree in June 2011 that resulted in the rescission of the Company’s authorization to operate on the mineral concessions comprising the Santa Ana Property. 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 modifying 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 Constitutional law. The Amparo hearing was held on June 6, 2013, and a judgment is expected to be issued in 2013. The Company believes that a political solution is yet possible.

In September 2011 the Company received notice of a civil lawsuit filed by 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 has requested the removal of the judge selected to hear the case due to a conflict of interest, which was accepted by the court in November 2011. 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 on technical grounds; namely, that the government’s civil suit comingled administrative and civil arguments in a civil proceeding.

Based on technical ground, on February 5, 2013, the Company was informed that the judge had dismissed the MEM Civil Suit. The dismissal was based on technical grounds. The Company was also informed that the MEM has appealed the judge's decision to the next level of court, namely the Peruvian Superior Court. The Superior Court has decided to withdraw the pleadings claimed by the MEM as to the validity of Santa Ana’s titles and allow certain other claims in the civil case not affecting the validity of Santa Ana’s titles to proceed.

e) Tassa Project

The Tassa silver-gold prospect is located in southern Peru and was acquired by staking mineral concessions in 2007. The Company has a 100% interest in the project.

f) 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. Approximately $1.8 million of qualified expenditures have been incurred by JOGMEC as of September 30, 2013.

g) 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.

Other exploration and evaluation costs for the period ended September 30, 2013 and 2012 are as follows:

Bear Creek Mining Corporation
(An Exploration Stage Company)
Notes to Interim Condensed Consolidated Financial Statements
September 30, 2013
US Dollars
(Unaudited)

Exploration and Evaluation Costs:

	Three Months Ended September 30		Nine months Ended September 30	
	2013 (000's)	2012 (000's)	**2013 (000's)**	2012 (000's)
Carito				
Community contributions	**3**	-	**$ 15**	$ -
Geophysics	**14**	-	**58**	-
Maintenance costs	**1**	-	**20**	-
Salary and consulting	**36**	-	**107**	-
Supplies and general	**66**	-	**266**	-
	120	-	**466**	-
Maria Jose				
Community contributions	**9**	-	**22**	-
Geophysics	**7**	-	**8**	-
Maintenance costs	**1**	-	**35**	-
Salary and consulting	**122**	-	**204**	-
Supplies and general	**131**	-	**264**	-
	270	-	**533**	-
Santa Ana				
Community contributions	**2**	-	**17**	-
Maintenance costs	**54**	16	**123**	77
Salary and consulting	**25**	42	**90**	190
Supplies and general	**6**	37	**19**	148
Travel	**-**	-	**1**	3
	87	95	**250**	418
Tassa				
Assaying and sampling	**-**	9	**-**	81
Drilling	**-**	73	**-**	918
Geophysics	**3**	-	**19**	-
Maintenance costs	**2**	-	**3**	4
Salary and consulting	**16**	94	**32**	372
Supplies and general	**6**	98	**25**	321
Travel	**-**	27	**-**	98
	27	301	**79**	1,794
La Yegua				
Community contributions	**7**	-	**28**	4
Geophysics	**10**	-	**19**	-
Maintenance costs	**3**	1	**45**	13
Salary and consulting	**22**	21	**112**	90
Supplies and general	**66**	12	**327**	73
Travel	**1**	-	**3**	-
Recovery of costs	**(113)**	(34)	**(547)**	(262)
	(4)	-	**(13)**	(82)
Generative				
Assaying and sampling	**28**	21	**73**	53
Maintenance costs	**-**	11	**79**	39
Salary and consulting	**183**	219	**794**	515
Supplies and general	**34**	60	**127**	133
Travel	**55**	89	**186**	190
	300	400	**1,259**	930
Other Properties	**12**	118	**30**	203
Value added tax	**295**	530	**870**	1,631
Costs for the Period	**1,107**	1,444	**$ 3,474**	$ 4,894

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 $2,600,000 of which $1,055,086 was paid as of September 30, 2013. 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, 2012	$	2,633
Less: payments to December 31, 2012		(815)
Foreign exchange gain to December 31, 2012		(15)
Other liabilities – December 31, 2012	$	1,803
Addition of community obligation per agreement (Note 11(c))		1,000
Less: payments		(240)
Foreign exchange gain		(142)
Balance as of September 30, 2013	$	2,421
Less: current portion of other liabilities		**(1,304)**
Other liabilities – September 30, 2013	**$**	**1,117**

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 September 30, 2013, a total of 1,424,464 options were reserved under the option plan with 7,804,700 options outstanding.

During the nine months ended September 30, 2013, 70,000 options with a fair value of $53,112 were exercised for proceeds of $82,417.

a) Movements in share options during the period

The changes in share options during the period ended September 30, 2013 and the year ended December 31, 2012 were as follows:

	September 30, 2013		December 31, 2012	
	Number of options	**Weighted average exercise price (in CDN$)**	Number of options	Weighted average exercise price (in CDN$)
Options outstanding, beginning of the period	5,877,700	4.64	3,440,500	5.97
Granted	2,178,000	3.19	3,052,200	3.70
Exercised	(70,000)	1.24	(60,000)	1.79
Expired	(150,000)	4.95	(445,000)	7.99
Forfeited	(31,000)	3.73	(18,000)	3.73
Cancelled	-	-	(92,000)	8.86
Options outstanding, end of the period	**7,804,700**	**4.27**	**5,877,700**	**4.64**

b) Fair value of share options granted

During the period ended September 30, 2013, the Company granted options to directors, officers, and employees to purchase up to 2,178,800 common shares of the Company at a weighted exercise price of CDN$3.19 per share. The weighted estimated fair value of the stock options granted during the period ended September 30, 2013 was $1.69 using the Black-Scholes option pricing model.

During the year ended December 31, 2012, the Company granted options to directors, officers and employees to purchase up to 3,052,200 common shares of the Company at a weighted average exercise price of CDN$3.70 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.

	2013	2012
Expected dividend yield	**0.00%**	0.00%
Expected stock price volatility	**72.10%**	79.42%
Risk-free interest rate	**1.44%**	1.27%
Expected life of options	**4.1 years**	3.8 years
Grant date fair value	**$1.69**	$2.10

Option pricing models require the input of subjective assumptions including the expected price volatility and the expected option life. Changes in these assumptions can materially affect the estimated fair value of the stock options granted.

c) Share options outstanding at the end of the period

A summary of the Company's options outstanding as at September 30, 2013 is as follows:

Options Outstanding	Options Exercisable	**Price per Share**	**Remaining contractual life (years)**	**Expiry Date**
765,500	765,500	CDN$1.24	0.33	January 27, 2014
50,000	50,000	CDN$1.90	0.88	August 18, 2014
150,000	150,000	CDN$4.00	1.04	October 14, 2014
240,000	240,000	CDN$4.12	1.44	March 8, 2015
90,000	90,000	CDN$8.80	2.15	November 23, 2015
75,000	75,000	CDN$9.95	2.18	December 6, 2015
120,000	120,000	CDN$8.30	2.34	February 1, 2016
818,000	818,000	CDN$10.77	2.48	March 23, 2016
340,000	340,000	CDN$4.01	2.93	September 2, 2016
75,000	75,000	CDN$3.67	3.27	January 4, 2017
2,502,200	2,502,200	CDN$3.73	3.32	January 23, 2017
16,000	12,000	CDN$3.64	3.51	April 3, 2017
30,000	22,500	CDN$2.71	3.70	June 11, 2017
355,000	177,500	CDN$3.55	4.13	November 15, 2017
1,928,000	964,000	CDN$3.25	4.36	February 6, 2018
250,000	62,500	CDN$1.85	4.84	August 2, 2018
7,804,700	**6,464,200**		**3.11**	

The weighted average exercise price of exercisable options at September 30, 2013 is CDN$4.24.

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) Trading transactions

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 (effective May 7, 2012)	Accounting fees

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

	Note	Three Months ended September 30 2013 (000's)	2012 (000's)	Nine months ended September 30 2013 (000's)	2012 (000's)
Legal fees		**$ 43**	$ 39	**$ 386**	$ 273
Accounting fees		**59**	37	**135**	81
		$ 102	$ 76	**$ 521**	$ 354

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at September 30, 2013 included $18,787 (December 31, 2012 - $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 nine months ended September 30, 2013 and 2012 were as follows:

	Note	Three Months ended September 30 2013 (000's)	2012 (000's)	Nine months ended September 30 2013 (000's)	2012 (000's)
Salaries and directors' fees	(i) (ii)	**$ 193**	$ 193	**$ 584**	$ 927
Share-based compensation	(i)	**684**	854	**3,342**	4,839
		$ 877	$ 1,047	**$ 3,926**	$ 5,766

(i) Share-based compensation represents the non-cash expense for the nine months ended September 30, 2013 and 2012, translated at the grant date foreign exchange rate.
(ii) Salaries and directors' fees include the salary of the previous CFO who resigned on May 6, 2012. Subsequent to this, CFO consulting fees were included in the accounting fees.
(iii) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the nine months ended September 30, 2013 and 2012.

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:

Total Assets	**September 30, 2013 (000's)**	December 31, 2012 (000's)
Peru	**$ 78,837**	$ 76,514
Canada	**53,351**	68,492
United States	**43**	34
	$ 132,231	$ 145,040

Net Loss (Income)		Three Months ended September 30, 2013 (000's)		Three Months ended September 30, 2012 (000's)		Nine months ended September 30, 2013 (000's)		Nine months ended September 30, 2012 (000's)
Peru	**$**	**3,552**	$	5,988	**$**	**10,384**	$	16,916
Canada		**1,078**		915		**5,793**		7,269
United States		**(25)**		(10)		**(51)**		(38)
	$	**4,605**	$	6,893	**$**	**16,126**	$	24,147

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 total minimum lease payments are $8 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 (together approximately US$1.1 million) were dependent on the Company obtaining the Environmental and Social Impact Assessment approval which was received in September. This liability has been included in the current portion of the other liabilities (Note 7). 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.

12. Subsequent Events

The Company issued 295,000 common shares on the exercise of stock options for gross proceeds of Cdn $365,800.