

BEAR CREEK MINING CORPORATION

(An Exploration Stage Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months Ended March 31, 2017 and 2016

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, 2017		December 31, 2016
ASSETS					
Current assets					
Cash and cash equivalents	4	\$	6,808	\$	9,172
Short-term investments			20,754		20,608
Receivables and prepaid expenses			303		417
			27,865		30,197
Non-current assets					
Equipment and leasehold improvements			171		182
Resource property costs	5		78,227		78,209
TOTAL ASSETS		\$	106,263	\$	108,588
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		\$	1,060	\$	577
Current portion of other liabilities	6		187		200
			1,247		777
Non-current liabilities					
Other liabilities	6		420		398
Provision for site restoration			200		200
			1,867		1,375
EQUITY					
Share capital	7		286,786		286,786
Contributed surplus			31,638		31,064
Deficit			(214,028)		(210,637)
			104,396		107,213
TOTAL LIABILITIES AND EQUITY		\$	106,263	\$	108,588

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 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	2017	2016
Operating expenses			
Corani engineering and evaluation costs	5	\$ 2,027	\$ 795
Share-based compensation		574	60
Other exploration and evaluation costs	5	285	256
Santa Ana arbitration	5	178	490
Wages and management salaries	8	160	179
Professional and advisory fees	8	59	67
General office expenses		42	41
Shareholder information and filing fees		75	18
Travel		26	12
Loss before other items		3,426	1,918
Other income and expense			
Foreign exchange loss (gain)		20	(259)
Finance income		(55)	(20)
Loss and Comprehensive Loss for the Period		\$ 3,391	\$ 1,639
Loss per Share – Basic and Diluted		\$ 0.03	\$ 0.02
Weighted Average Number of Shares Outstanding		103,085,064	93,107,139

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

Bear Creek Mining Corporation
(An Exploration Stage Company)
Interim Consolidated Statements of Cash Flows
For the Three Months Ended March 31
US Dollars (000's)
(Unaudited)

	Note	2017	2016
Operating Activities			
Loss for the period		\$ (3,391)	\$ (1,639)
Adjustments for:			
Amortization		11	11
Share-based compensation		574	60
Interest income		(55)	(20)
Unrealized foreign exchange gain		(42)	(258)
		(2,903)	(1,846)
Changes in current assets and liabilities:			
Receivables and prepaid expenses		129	591
Accounts payable and accrued liabilities		483	(749)
Cash used in operating activities		(2,291)	(2,004)
Investing Activities			
Purchase of equipment		(2)	-
Resource acquisition costs	5	(18)	(7)
Reimbursement of acquisition funds	5	-	115
Payment of Corani obligation	6	(10)	(14)
Short-term investment		(117)	-
Interest received		41	20
Cash used in investing activities		(106)	114
Effect of exchange rate change on cash and cash equivalents		33	277
Net Decrease in Cash and Cash Equivalents		(2,364)	(1,613)
Cash and cash equivalents – Beginning of Period		9,172	19,368
Cash and Cash Equivalents – End of Period		\$ 6,808	\$ 17,755

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

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

	Share Capital (Number of Shares)	Share Capital (Amount)	Contributed Surplus	Deficit	Total
December 31, 2015	93,107,139	\$ 265,531	\$ 30,217	(199,317)	96,431
Share-based compensation	-	-	60	-	60
Net loss for the period	-	-	-	(1,639)	(1,639)
March 31, 2016	93,107,139	265,531	30,277	(200,956)	94,852
Prospectus financing, net of share issuance costs	9,967,050	21,234	-	-	21,234
Options exercised	10,875	21	(5)	-	16
Share-based compensation	-	-	792	-	792
Net loss for the period	-	-	-	(9,681)	(9,681)
December 31, 2016	103,085,064	286,786	31,064	(210,637)	107,213
Share-based compensation	-	-	574	-	574
Net loss for the period	-	-	-	(3,391)	(3,391)
March 31, 2017	103,085,064	\$ 286,786	\$ 31,638	(214,028)	104,396

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

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2017

US Dollars
(Unaudited)

1. Nature of Business

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

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

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs and development projects will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its exploration commitments, 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.

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, 2016, which have been prepared in accordance with IFRS as issued by IASB. The accounting policies adopted are consistent with those of the previous financial year.

The Board of Directors approved the consolidated financial statements on May 24, 2017.

3. Recent Accounting Pronouncements

The following new standards and amendments to standards have been issued but are not effective during the period ended March 31, 2017:

- IFRS 9 Financial Instruments addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized costs, fair value through OCI and fair value through P&L. The basis of classification depends on entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the hedged ratio to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The Standard is effective for

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2017

US Dollars
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accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is currently evaluating the impact of this Standard.

- IFRS 15 Revenue from Contracts with Customers deals with revenue recognition and establishes principles of reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when the customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The Standard replaces IAS 18 Revenue, and IAS 11 Construction Contracts and related interpretations. It is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted. The Standard is not expected to have an impact on the Company in its present form.
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture the amendments address the conflict between IFRS 10 and IAS 28 in dealing with loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company will apply these amendments when they are effective.
- IFRS 2 Share-Based Payments addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Company is currently evaluating the impact of this Standard.
- 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

	March 31, 2017 (000's)	December 31, 2016 (000's)
Cash	\$ 1,162	\$ 1,432
Investment savings account	5,646	7,740
	\$ 6,808	\$ 9,172

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(An Exploration Stage Company)

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5. Resource Property Costs

	Corani Project		Maria Jose		Total
	(000's)		Project		(000's)
			(000's)		
Balance at December 31, 2015	\$ 77,235	\$	1,066	\$	78,301
Land acquisition costs	23		-		23
Return of acquisition funds	-		(115)		(115)
Balance at December 31, 2016	\$ 77,258	\$	951	\$	78,209
Land acquisition costs	18		-		18
Balance at March 31, 2017	\$ 77,276	\$	951	\$	78,227

a) Corani Project

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

Corani Engineering and Evaluation Costs:

Three Months Ended March 31

	2017	2016
	(000's)	(000's)
Corani		
Community contributions	492	146
Detailed engineering	638	-
Consulting and geophysics	16	14
Environmental	22	34
Maintenance costs	1	5
Salary and consulting	460	353
Camp, supplies and logistics	385	239
Travel	13	4
Costs for the Period	\$ 2,027	\$ 795

Notes to Interim Condensed Consolidated Financial Statements

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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 a formal 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 drilling. 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 negotiated purchase payment of \$1.2 million to the underlying property owner to acquire 100% interest in the Maria Jose mineral concessions. The Company and AMS now jointly own 100% of the concessions. There are no royalties; however, under the purchase agreement, Bear Creek and AMS are obligated to pay an additional \$2.1 million on commencement of commercial production. This additional payment has no time limits.

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

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 FTA. While Bear Creek remains committed to continuing discussions with the Peruvian Government to resolve and settle the dispute relating to the Santa Ana mining project, commencing the arbitration proceedings at ICSID was necessary to preserve the Company's rights under the Canada-Peru FTA.

The Company submitted its Memorial on the Merits on May 29 2015 and is seeking full reparation for, among other things, the Peruvian Government's expropriation of Santa Ana as well as resulting damages to the Corani project. In its Memorial on the Merits, the Company articulated factual and legal arguments supporting its claims against the Peruvian Government and also calculated the damages sustained with respect to the expropriation of Santa Ana as the Fair Market Value ("FMV") of the Santa Ana project on the date immediately prior to its expropriation by the Government. The Company estimated the FMV of the Santa Ana Project at US\$ 224.2 million as of June 23, 2011 using the discounted cash flow analysis ("DCF), excluding interest. The Company also estimated the damages to Corani resulting from Peru's expropriation of Santa Ana at \$170.6 million, excluding interest. Accordingly, the Company requested that the Tribunal award it the sum of \$522.2 million, which includes pre-award interest of 5.0% per annum, compounded annually, up to the estimated date of the award. Peru submitted its Counter-Memorial on October 6, 2015, and the Company submitted its Reply to Peru's Counter-Memorial in early January 2016. Peru's Rejoinder to the latest filing was submitted to ICSID and the Tribunal in mid-April and a final submission from the Company was filed in late May 2016.

An in-person hearing before the Arbitration Tribunal took place in Washington D.C. between September 7 - 14, 2016. A decision on Bear Creek's case is anticipated within the second half of 2017, although there is no prescribed deadline for the tribunal's ruling.

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d) La Yegua Project

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

JOGMEC terminated the joint venture and returned to Bear Creek its 100% undivided interest. The Company has minimal holding costs through June 2017 during which time it will likely seek a new partner for further exploration.

e) Sumi Project

The Sumi gold-silver prospect is located in southern Peru and was acquired by staking the mineral concessions in 2011. The Company has a 100% interest in the project. In March 2014, Bear Creek entered into a joint venture agreement with JOGMEC to advance the project. The agreement provides for JOGMEC to earn a 51% interest through investing \$2.5 million over a three-year period. 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.

Other exploration and evaluation costs for the three months ended March 31, 2017 and 2016 are as follows:

Exploration and Evaluation Costs:	Three Months Ended March 31	
	2017 (000’s)	2016 (000’s)
Maria Jose		
Community contributions	\$ 1	\$ 2
Geophysics	-	1
Maintenance costs	22	2
Salary and consulting	21	11
Supplies and general	6	1
	<u>50</u>	<u>17</u>
Santa Ana		
Salary and consulting	56	61
Supplies and general	14	20
	<u>70</u>	<u>81</u>
La Yegua		
Geophysics	-	2
Salary and consulting	-	4
Supplies and general	-	4
Travel	-	-
Recovery of costs	-	(11)
	<u>-</u>	<u>(1)</u>
Sumi		
Community contributions	8	6
Geophysics	-	1
Salary and consulting	39	35
Supplies and general	9	10
Recovery of costs	(47)	(29)
	<u>9</u>	<u>23</u>
Generative		
Salary and consulting	8	-
Supplies and general	-	10
	<u>8</u>	<u>10</u>
Other Properties	1	1
Value added tax	147	125
Costs for the Period	<u>\$ 285</u>	<u>\$ 256</u>

Bear Creek Mining Corporation
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Notes to Interim Condensed Consolidated Financial Statements

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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 \$607,000 remains outstanding as of March 31, 2017. All of the land purchase amounts have been capitalized as mineral properties. All community contributions have been expensed.

		(000's)
Balance as of December 31, 2015	\$	726
Payments		(141)
Impact of foreign exchange		13
Balance as of December 31, 2016	\$	598
Payments		(10)
Impact of foreign exchange		19
Balance as of March 31, 2017	\$	607
Less: current portion		(187)
Long-term portion as of March 31, 2017	\$	420

The Company's estimated future payments are as follows:

	March 31, 2017 (000's)	December 31, 2016 (000's)
Within one year	\$ 187	\$ 200
After one year but not more than five years	420	398
More than five years	-	-
	\$ 607	\$ 598

7. Capital

Authorized share capital

Unlimited number of common shares without par value.

Notes to Interim Condensed Consolidated Financial Statements

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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, 2017, a total of 3,811,756 options were reserved under the option plan with 6,496,750 options outstanding.

a) Movements in share options

The changes in share options during the period ended March 31, 2017 and the year ended December 31, 2016 were as follows:

	March 31, 2017		December 31, 2016	
	Number of options	Weighted average exercise price (in CDN\$)	Number of options	Weighted average exercise price (in CDN\$)
Outstanding, beginning of the period	7,353,850	2.76	7,842,100	3.66
Granted	1,050,500	2.73	936,000	2.48
Exercised	-	-	(10,875)	1.85
Expired	(1,907,600)	3.73	(913,000)	9.70
Forfeited	-	-	(500,375)	3.61
Outstanding, end of the period	6,496,750	2.48	7,353,850	2.76

b) Fair value of share options granted

During the period ended March 31, 2017, the Company granted options to directors, officer, and employees to purchase up to 1,050,500 common shares of the Company at a weighted average exercise price of CDN\$2.73 per share.

During the year ended December 31, 2016, the Company granted options to directors, officer, and employees to purchase up to 936,000 common shares of the Company at a weighted average exercise price of CDN\$2.48 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.

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:

	2017	2016
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	80.41%	79.35%
Risk-free interest rate	1.03%	0.57%
Expected life of options	4.2 years	4.1 years
Forfeiture rate	1.72%	1.67%
Grant date fair value	CDN \$1.63	CDN \$1.43

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c) Share options outstanding

A summary of the Company's options outstanding as at March 31, 2017 is as follows:

Options Outstanding	Options Exercisable	Price per Share	Remaining contractual life (years)	Expiry Date
16,000	16,000	CDN\$3.64	0.01	April 3, 2017 *
30,000	30,000	CDN\$2.71	0.20	June 11, 2017
255,000	255,000	CDN\$3.55	0.63	November 15, 2017
1,650,000	1,650,000	CDN\$3.25	0.85	February 6, 2018
250,000	250,000	CDN\$1.85	1.34	August 2, 2018
1,200,000	1,200,000	CDN\$2.05	1.90	February 21, 2019
1,109,250	1,109,250	CDN\$1.41	2.90	February 23, 2020
936,000	468,000	CDN\$2.48	4.22	June 17, 2021
1,050,500	262,625	CDN\$2.72	4.88	February 16, 2022
6,496,750	5,240,875		2.03	

* These options expired unexercised subsequent to the end of the period.

The weighted average exercise price of exercisable options at March 31, 2017 is CDN\$2.44.

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.	Legal fees
Avisar Chartered Accountants	Accounting fees

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

	Three Months Ended March 31	
	2017 (000's)	2016 (000's)
Legal fees – DuMoulin Black LLP	\$ 23	\$ 30
Legal fees – Estudio Grau S.C.R.L.	27	30
Accounting fees	24	25
	\$ 74	\$ 85

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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, 2017 included \$24,851 (December 31, 2016 - \$22,334) 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, 2017 and 2016 were as follows:

	Note	Three Months Ended March 31	
		2017 (000's)	2016 (000's)
Salaries and directors' fees	(i)	\$ 203	\$ 205
Share-based compensation	(ii)	492	60
		\$ 695	\$ 265

- (i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three months ended March 31, 2017 and 2016.
- (ii) Share-based compensation represents the non-cash expense for the three months ended March 31, 2017 and 2016, 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:

		March 31, 2017 (000's)		December 31, 2016 (000's)
Total Assets				
Peru	\$	79,248	\$	79,590
Canada		27,015		28,998
	\$	106,263	\$	108,588
Net Loss (Income)				
Peru	\$	2,347	\$	1,099
Canada		1,044		540
	\$	3,391	\$	1,639

Bear Creek Mining Corporation
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US Dollars
(Unaudited)

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/") of 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, 2017, the Company has made payments totalling \$2.4 million. 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.