

BEAR CREEK MINING CORPORATION

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

EXPRESSED IN US DOLLARS

(Unaudited)

Bear Creek Mining Corporation

Interim Condensed Consolidated Statements of Financial Position

US Dollars (000's)

	Note	March 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	4	\$ 40,438	\$ 20,560
Short-term investments		22	22
Receivables and prepaid expenses		726	866
		41,186	21,448
Non-current assets			
Restricted cash	5	965	627
Property and equipment	6	5,964	5,569
Resource property costs	7	89,616	89,613
Right-of-use assets	8	556	705
TOTAL ASSETS		\$ 138,287	\$ 117,962
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 1,429	\$ 976
Current portion of community projects obligation	9	1,064	1,104
Current portion of other liabilities	10	64	61
Current portion of lease liabilities	8	483	591
		3,040	2,732
Non-current liabilities			
Community projects obligation	9	7,675	8,840
Other liabilities	10	1,081	1,252
Lease liabilities	8	16	68
Provision for site restoration	5	200	200
		12,012	13,092
EQUITY			
Share capital	11	326,223	300,986
Contributed surplus		37,122	36,835
Deficit		(237,070)	(232,951)
		126,275	104,870
TOTAL LIABILITIES AND EQUITY		\$ 138,287	\$ 117,962

Subsequent Events (Note 14)

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	2021	2020
Operating expenses			
Corani engineering and evaluation costs	7	\$ 3,258	\$ 2,249
Other exploration and evaluation costs		460	338
Share-based compensation		288	209
Wages and management salaries	12	218	208
Professional and advisory fees		293	116
General office expenses		57	51
Shareholder information and filing fees		104	108
Travel		3	16
Loss before other items		4,681	3,295
Other income and expense			
Foreign exchange loss (gain)	9	(548)	341
Finance income		(14)	(134)
Loss and Comprehensive Loss for the Year		\$ 4,119	\$ 3,502
Loss per Share – Basic and Diluted		\$ 0.03	\$ 0.03
Weighted Average Number of Shares Outstanding		122,022,647	106,983,734

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	2021	2020
Operating Activities			
Loss for the period		\$ (4,119)	\$ (3,502)
Items not affecting cash:			
Amortization		182	200
Accretion of community projects obligation	9	218	245
Accretion of lease liabilities	10	32	19
Adjustment to Corani obligation		(113)	-
Share-based compensation		288	209
Finance income		(14)	(134)
Unrealized foreign exchange (gain) loss		(625)	330
		(4,151)	(2,633)
Changes in current assets and liabilities:			
Receivables and prepaid expenses		16	(43)
Accounts payable and accrued liabilities		357	183
Cash used in operating activities		(3,778)	(2,493)
Investing Activities			
Purchase of equipment	6	(208)	(656)
Resource acquisition costs	7	(3)	(6)
Payment of community projects and Corani obligation	9 & 10	(1,084)	(1,142)
Short-term investment		-	239
Interest received		14	135
Restricted cash	5	(337)	-
Cash used in investing activities		(1,618)	(1,430)
Financing Activities			
Share capital issued, net of any share issuance costs	11	25,238	11,617
Principal payments on leases	8	(178)	(182)
Proceeds from exercise of stock options		-	140
Cash provided by financing activities		25,060	11,575
Effect of exchange rate change on cash and cash equivalents		214	(765)
Net Increase in Cash and Cash Equivalents		19,878	6,887
Cash and cash equivalents – Beginning of Period		20,560	10,902
Cash and Cash Equivalents – End of Period		\$ 40,438	\$ 17,789

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

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, 2019	103,229,064	287,035	36,623	(220,427)	103,231
Share offerings	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
December 31, 2020	112,439,314	300,986	36,835	(232,951)	104,870
Share offerings	11,500,000	27,107	-	-	27,107
Share issuance costs	-	(1,870)	-	-	(1,870)
Share-based compensation	-	-	287	-	287
Loss for the period	-	-	-	(4,119)	(4,119)
March 31, 2021	123,939,314	326,223	37,122	(237,070)	126,275

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, 2021

*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.

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 is 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 revenue source and requires funds 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 the development of these properties, and future profitable production or proceeds from the disposition of mineral properties.

Ownership interests in mineral properties involve risks due to the difficulties of determining and obtaining a clear title to claims and the potential for problems arising from the frequently ambiguous conveyance history of many mineral properties. The Company has investigated the 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 home. The stay-at-home order was lifted on June 30, 2020 and international travel resumed, with certain restrictions during October 2020. On January 26, 2021, Peru announced increased restrictions, including stay-at-home orders through February 28, 2021, with curfews that varied by region remaining in place. The state of emergency was extended through September 2, 2021. The Company's office in Vancouver remains closed. Some workers in Lima have returned to the office on a reduced schedule and only on an as-needed basis. Staff levels at the Corani Property remain on 28-day rotations rather than the pre-COVID-19 turnaround of two weeks. The effect and duration of COVID-19 and related government responses are unknown and as a result, management cannot predict the impact of COVID-19 on the Company's future business plans, financial position, cash flows, and results of operations.

2. Basis of Preparation

These interim condensed consolidated financial statements of the Company were prepared in accordance with International Financial Reporting Standards ("IFRS") 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, 2020, which were prepared in accordance with IFRS. The accounting policies adopted are consistent with those of the previous financial year.

The Board of Directors approved these interim consolidated financial statements on May 26, 2021.

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.

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

Bear Creek Mining Corporation

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2021

*US Dollars
(Unaudited)*

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, 2020.

3. New accounting standards not yet adopted

Property, Plant and Equipment

Proceeds before Intended Use (Amendments to IAS 16): The amendments prohibit an entity from deducting from the cost of an item of property, plant, and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. This amendment is effective for the Company's annual reporting period beginning January 1, 2022, with early adoption permitted. Management has determined that neither these amendments nor any of the promulgated standards and amendments to standards and interpretations that are not yet effective will significantly affect the Company's consolidated financial statements.

4. Cash and Cash Equivalents

	March 31, 2021 (000's) \$	December 31, 2020 (000's) \$
Cash	38,847	702
Term deposits and other Investment accounts	1,591	19,858
	40,438	20,560

5. Restricted Cash

According to the Corani Mine Closure Plan approved on September 12, 2018, the Company must post annual guarantees every January 17 between 2019 and 2036. On January 17, 2020, The Company posted an insurance policy for \$2,539,779 with the Peruvian Ministry of Energy and Mines to cover the first two-year cumulative mine closure guarantee and on January 17, 2021, the Company increased the guarantee by \$1,319,011 for a total guarantee of \$3,858,790. The Company provided a certificate of deposit in the insurer's name for \$627,208 during 2020 and for a further \$337,490 during January 2021, for a total of \$964,698.

As of the date of these condensed interim consolidated 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, 2021

*US Dollars
(Unaudited)*

6. Property and Equipment

	Exploration and Other Equipment (000's) \$	Office Equipment (000's) \$	Land (000's) \$	Total (000') \$
Balance – December 31, 2019	3,864	8	45	3,917
Additions	1,781	4	-	1,785
Amortization	(129)	(4)	-	(133)
Balance – December 31, 2020	5,516	8	45	5,569
Additions	428	-	-	428
Amortization	(32)	(1)	-	(33)
Balance – March 31, 2021	5,912	7	45	5,964

7. Resource Property Costs

	Corani Project (000's) \$	Maria Jose Project (000's) \$	Total (000's) \$
Balance at December 31, 2019	88,641	951	89,592
Land acquisition costs	21	-	21
Balance at December 31, 2020	88,662	951	89,613
Land acquisition costs	3	-	3
Balance at March 31, 2021	88,665	951	89,616

a) Corani Project

The Company has a 100% interest in the Corani Project located in the Department of Puno, Peru. Engineering and evaluation cost incurred on the Corani Project are expensed. Details are as follows:

	Three Months Ended March 31, 2021 (000's) \$	Three Months Ended March 31, 2020 (000's) \$
Assaying and sampling	-	6
Community contributions	239	411
Detailed engineering	1,274	343
Environmental	34	56
Maintenance costs	1	1
Salaries and consulting	1,103	1,009
Camp, supplies and logistics	595	407
Travel	12	16
Total	3,258	2,249

Bear Creek Mining Corporation

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2021

*US Dollars
(Unaudited)*

b) Other Exploration and Evaluation Costs (Recoveries)

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, 2021, the total value added taxes paid were \$0.3 million (2020 - \$0.2 million).

8. Leases

The Company's lease liabilities and right-of-use assets are:

	Office Space and Warehouse (000's) \$	Vehicles (000's) \$	Total (000's) \$
Lease Liabilities			
Balance - December 31, 2019	570	302	872
Payments	(340)	(395)	(735)
Accretion expense	44	53	97
Change in estimate	87	368	455
Foreign exchange translation effect	(12)	(18)	(30)
Balance - December 31, 2020	349	310	659
Payments	(86)	(92)	(178)
Accretion expense	15	17	32
Foreign exchange translation effect	-	(14)	(14)
Balance – March 31, 2021	278	221	499
Less: current portion	262	221	483
Long-term portion	16	-	16

	Office space and Warehouse (000's) \$	Vehicles (000's) \$	Total (000's) \$
Right-of-Use Assets			
Balance - December 31, 2019	584	317	901
Amortization	(289)	(362)	(651)
Change in Estimate	87	368	455
Balance – December 31, 2020	382	323	705
Amortization	(74)	(75)	(149)
Balance – March 31, 2021	308	248	556

Bear Creek Mining Corporation

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2021

*US Dollars
(Unaudited)*

9. Community Projects Obligation

On April 8, 2013, the Company entered into a Framework Agreement for the Sustainable Use of Natural Resources in the Mining Project Corani (the “Framework Agreement”) with the Corani District Municipality, five surrounding communities, and relevant ancillary organizations. 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. These Successive Payments of S/. 4 million per year were dependent on the Company receiving the permit to build the processing facilities and the mining installations, which were received during 2018.

The Framework Agreement with the local communities and the Corani Environmental and Social Impact Assessment (“ESIA”) requires the Company to undertake certain development work, such as access roads, mine camp and maintenance and storage facilities, and an electrical substation. The Company began development work in 2018 in accordance with the ESIA and the Framework Agreement.

The gross community obligation under the Framework Agreement is the sum of a payment stream discounted at a pre-tax rate of 10% for initial recognition of \$11.2 million during the year ended December 31, 2018. The liability recognized is adjusted for annual payments made and the winding down of the initial discount every reporting period.

As at March 31, 2021, total undiscounted obligation remaining under the Framework Agreement was \$19.2 million.

A continuity of the Company’s community projects obligation per the Framework Agreement is as follows:

	(000’s) \$
Balance as of December 31, 2019	11,045
Payment	(1,126)
Accretion expense	979
Impact of foreign exchange	(954)
Balance as of December 31, 2020	9,944
Payment	(1,075)
Accretion expense	218
Impact of foreign exchange	(348)
Balance as of March 31, 2021	8,739
Less: current portion	(1,064)
Long-term portion as of March 31, 2021	7,675

The annual payment amount is subject to review at the end of the fifth year of production and may change depending on factors the Company cannot foresee at this time.

Bear Creek Mining Corporation**Notes to Interim Condensed Consolidated Financial Statements****March 31, 2021**US Dollars
(Unaudited)**10. Other Liabilities**

In 2011 the Company entered into land purchase agreements with local landowners for surface rights access to the Corani project and an agreement to provide the Corani Municipality with funding to build schools and other improvements to the community as determined by the Corani Municipality. The total amount owed under the agreements was approximately \$3.47 million, of which \$1.15 million remains outstanding as of March 31, 2021.

The liability includes a pension obligation adjusted for pensioner life expectancy, the official Peruvian minimum wage level, and the exchange rate, with the estimated payment stream discounted at the rate implicit on sovereign Peruvian zero coupon bonds

A continuity of the Company's obligation under these agreements is as follows:

	(000's) \$
Balance as of December 31, 2019	1,316
Payments	(32)
Revaluation of obligation	110
Impact of foreign exchange	(81)
Balance as of December 31, 2020	1,313
Payments	(9)
Revaluation of obligation	(113)
Impact of foreign exchange	(46)
Balance as of March 31, 2021	1,145
Less: current portion	(64)
Long-term portion as of March 31, 2021	1,081

The Company's estimated future payments are as follows:

	March 31, 2021 (000's) \$	December 31, 2020 (000's) \$
Within one year	64	61
After one year but not more than five years	1,081	1,252
	1,145	1,313

Bear Creek Mining Corporation

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2021

US Dollars
(Unaudited)

11. Capital

Authorized and Issued Share Capital

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

2021 Activity

During January 2021, the Company completed a bought deal financing with a syndicate of underwriters for a total of 11,500,000 common shares at CDN\$3.00 per share for gross proceeds of CDN\$34.5 million (\$27.1 million). The underwriters who purchased the shares received a cash fee equal to 6% of the gross proceeds (\$1.63 million). Additional issuance cost in relation to the financing included professional and filing fees totalling \$0.24 million.

2020 Activity

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 \$0.14 million were also incurred in connection with the financing.

During the year ended December 31, 2020, a total of 1,305,250 incentive stock options were exercised for gross proceeds of \$1.41 million (CDN\$1.93 million). The average market price for the options exercised during the year ended December 31, 2020, was CDN\$2.61. A total of 14,000 incentive stock options, exercisable at CDN\$1.41, expired without being exercised.

Options Exercised	Exercise Price (CDN\$)	Gross Proceeds (CDN\$)	Gross Proceeds (USD\$)
933,250	1.41	1,315,882	948,475
300,000	1.50	450,000	333,439
32,000	2.05	65,600	48,787
40,000	2.48	99,200	73,923
1,305,250		\$ 1,930,682	\$ 1,404,624

Share Purchase Options

The Company has established a share purchase option plan (the "Stock Option Plan") and a long term incentive plan ("LTIP"). Under the Stock Option Plan, 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 Board of Directors. Under the Stock Option Plan exercise price of an option, cannot be lower 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. The Board of Directors also sets vesting terms for each grant. The Stock Option Plan provides that the aggregate number of shares reserved for issuance under the plan (including shares issuable upon the exercise of existing options and restricted or deferred share units issuable under the Company's Long Term Incentive Plan) shall not exceed 10% of the total number of issued and outstanding common shares of the Company on a non-diluted basis, as constituted on the grant date of such options. Pursuant to the LTIP, the Board of Directors may, from time to time, award restricted share units ("RSUs") and/or deferred share units ("DSUs") to directors, officers, employees, and in the case of RSUs, consultants. Under the LTIP the maximum number of shares the Company is entitled to issue from treasury for payments in respect of awards of DSUs and RSUs is an aggregate of 5,000,000 shares. The Stock Option Plan together with the LTIP may not cumulatively exceed 10% of the total number of shares issued and outstanding.

Bear Creek Mining Corporation**Notes to Interim Condensed Consolidated Financial Statements****March 31, 2021***US Dollars
(Unaudited)*

As at March 31, 2021 and December 31, 2020, the following stock options, RSUs and DSUs were under grant and available for issuance:

	March 31, 2021	December 31, 2020
Issued and outstanding shares	123,939,314	112,439,314
Option limit (10% of issued and outstanding shares)	12,393,931	11,243,931
RSU & DSU limit	5,000,000	5,000,000
Options under grant	6,512,500	6,512,500
RSUs under grant	1,000,000	1,000,000
DSUs under grant	Nil	Nil
RSU & DSU available	4,000,000	4,000,000
Options available for issuance	4,881,431	3,731,431
RSU & DSU available for issuance	4,000,000	3,731,431

12. 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 vice president of project development (collectively, the key management personnel) were as follows:

	Three Months Ended March 31	
	2021 (000's)	2020 (000's)
Salaries and director's fees	\$ 402	\$ 383
Share-based compensation	269	208
	\$ 671	\$ 591

13. 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, 2021 (000's)	December 31, 2020 (000's)
Total Assets		
Peru	\$ 99,253	\$ 102,584
Canada	39,034	15,378
	\$ 138,287	\$ 117,962

	Three Months Ended March 31	
	2021 (000's)	2020 (000's)
Net Loss		
Peru	\$ 3,328	\$ 2,089
Canada	791	1,413
	\$ 4,119	\$ 3,502

Bear Creek Mining Corporation

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2021

US Dollars

(Unaudited)

14. Subsequent Events

On April 26, 2021, the Company issued a total of 1 million deferred share units (the “DSU’s”) to its directors and officers of the Company. The DSU’s vest in full and become payable on the date the awardee ceases to be a director, officer or employee of the Company.

On May 10, 2021 383,333 RSUs granted on April 22, 2020 vested and became payable to awardees. Of these vested RSUs, 333,818 were paid in the form of common shares of the Company and the equivalent of 49,515 were paid in cash based on the May 10, 2021 fair market value of the Company's shares of Cdn \$1.84.
