

**BEAR CREEK MINING CORPORATION**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2025**

**EXPRESSED IN US DOLLARS**

**(Unaudited)**

**Bear Creek Mining Corporation**

**Interim Condensed Consolidated Statements of Financial Position**

*Expressed in U.S. Dollars (\$000s)  
(Unaudited)*

	Note	March 31, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 6,656	\$ 6,678
Short-term investments		41	40
Inventory	3	7,256	5,926
Receivables	4	8,052	7,160
Prepaid expenses and deposits		4,323	3,281
		<b>26,328</b>	<b>23,085</b>
<b>Non-current assets</b>			
Restricted cash	5	520	255
Property and equipment	6	73,183	78,586
Resource property costs	7	76,690	76,690
Right-of-use assets		611	372
Tax receivables		1,287	1,300
<b>TOTAL ASSETS</b>		<b>\$ 178,619</b>	<b>\$ 180,288</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	8	\$ 29,980	\$ 32,755
Current portion of community projects and other liabilities	13	1,145	1,117
Current portion of stream arrangements	11	8,768	8,580
Current portion of lease liabilities		244	315
Taxes payable		624	1,746
Short term loan	14	1,564	1,540
Note payable	15	22,074	22,097
Convertible debenture and notes	10	48,756	49,098
Warrant liability	16	1,368	2,877
		<b>114,523</b>	<b>120,125</b>
<b>Non-current liabilities</b>			
Accounts payable	8	645	609
Community projects obligation	13	8,231	7,810
Stream arrangements	11	20,841	14,978
Other liabilities		1,194	715
Provision for site restoration	12	12,906	11,916
		<b>158,340</b>	<b>156,153</b>
<b>EQUITY</b>			
Share capital	17	376,875	367,288
Contributed surplus		39,962	40,050
Deficit		(396,558)	(383,203)
		<b>20,279</b>	<b>24,135</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 178,619</b>	<b>\$ 180,288</b>

Going Concern (Note 1)  
Subsequent Events (Note 24)

**ON BEHALF OF THE BOARD:** Signed "Catherine McLeod-Seltzer", Director

Signed "Kevin Morano", 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

*Expressed in U.S. Dollars (\$000s, except share data)  
(Unaudited)*

	Note	2025	2024
<b>Revenue</b>	18	\$ 23,685	\$ 27,532
Cost of Sales	19	(16,323)	(16,790)
Depletion, amortization, and depreciation		(9,279)	(7,403)
<b>Gross Profit (Loss)</b>		<b>(1,917)</b>	3,339
<b>Operating expenses</b>			
Corani engineering and evaluation costs	7a	\$ (1,662)	\$ (1,638)
Other exploration and evaluation costs	7b	(94)	(1,294)
Share-based compensation		(52)	60
Professional and advisory fees		(276)	(244)
General and administrative expenses		(1,484)	(1,719)
<b>Loss before other items</b>		<b>(5,485)</b>	(1,496)
<b>Other income and expense</b>			
Foreign exchange gain (loss)		(387)	(253)
Interest expense and accretion expense	10,12,13,14,15	(1,758)	(1,910)
Change in fair value of embedded derivative	10,15	1,280	(1,396)
Change in valuation of warrant liability	16	1,509	(694)
Change in fair value of stream arrangements	11	(7,835)	(2,557)
Other income (expense)		(69)	60
Loss on restructuring agreement	9,10,11,15	-	(8,289)
<b>Comprehensive loss for the period before taxes</b>		<b>\$ (12,745)</b>	\$ (16,535)
Current income tax recovery (expense)		(610)	(537)
Deferred income tax recovery		-	(217)
<b>Comprehensive loss for the period</b>		<b>\$ (13,355)</b>	\$ (17,289)
<b>Loss per Share – Basic and Diluted</b>		<b>\$ (0.06)</b>	\$ (0.08)
<b>Weighted Average Number of Shares Outstanding</b>		<b>242,051,896</b>	220,619,381

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

Expressed in U.S. Dollars (\$000s)  
(Unaudited)

	Note	2025	2024
<b>Operating Activities</b>			
Loss for the period		\$ (13,355)	\$ (17,289)
Items not affecting cash:			
Share-based compensation	17	52	(60)
Depletion, depreciation, and amortization for Mercedes	21	9,279	7,403
Depreciation and amortization in evaluation costs and general and administrative expenses		97	148
Interest and accretion expense	10,12,14,15	1,758	1,910
Accretion of community projects obligation	13	218	228
Gain on sale of fixed assets		(106)	-
Unrealized foreign exchange (gain) loss		499	107
Change in fair value of stream arrangements	11	7,835	2,557
Change in fair value of embedded derivative	10,15	(1,280)	1,396
Loss on restructuring agreement	9,10,11,15	-	8,289
Change in valuation of warrant liability	16	(1,509)	694
Debt issuance costs		-	(101)
Adjustment to community projects obligation	13	18	(10)
Deferred income tax recovery		-	217
Deliveries for stream arrangements	11	(1,784)	(1,278)
		1,722	4,211
Changes in working capital:			
Receivables and prepaid expenses		(2,453)	730
Accounts payable and accrued liabilities		(1,150)	54
Inventory		(169)	1,256
Taxes payable		(1,119)	372
Cash from (used in) operating activities		(3,172)	6,623
<b>Investing Activities</b>			
Mine development and exploration equipment	6	(5,957)	(4,169)
Resource acquisition costs	7	-	(3)
Payment of community projects and Corani obligation	13	(8)	(8)
Interest received		24	40
Restricted cash	5	(265)	(360)
Proceeds from royalties		212	-
Proceeds from sale of fixed assets		106	-
Cash used in investing activities		(5,888)	(4,500)
<b>Financing Activities</b>			
Share capital issued, net of share issuance costs	17	9,587	-
Proceeds from note payable	15	-	1,125
Interest paid	10,15	(450)	(702)
Principal payments on leases		(100)	(96)
Cash from financing activities		9,037	327
<b>Effect of exchange rate change on cash</b>			
		1	(8)
<b>Net decrease (increase) in cash</b>		<b>(22)</b>	<b>2,442</b>
Cash – Beginning of period		6,678	3,903
<b>Cash – End of period</b>		<b>\$ 6,656</b>	<b>\$ 6,345</b>

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

## Interim Condensed Consolidated Statements of Cash Flows

For the Three Months Ended March 31

Expressed in U.S. Dollars (\$000s)

(Unaudited)

<b>Supplemental Cash Flow Information</b>	Note	<b>2025</b>	<b>2024</b>
<b>Non-cash Investing and Financing Activities</b>			
Share consideration issued for Sandstorm Restructuring Agreement	9	\$ -	\$ 4,063
Mine development and exploration equipment costs in accounts payable		<b>3,796</b>	-

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**Bear Creek Mining Corporation**

**Interim Condensed Consolidated Statements of Changes in Equity**

*Express in U.S. Dollars (\$000s, except share data)  
(Unaudited)*

	Share Capital (Number of Shares)	Share Capital	Contributed Surplus	Deficit	Total
December 31, 2023	198,733,386	362,864	39,916	(316,384)	86,396
Share consideration issued for Sandstorm Restructuring Agreement (Note 9)	28,767,399	4,063	-	-	4,063
Share-based compensation	-	-	(60)	-	(60)
Issuance of DSUs	75,000	108	(108)	-	-
Loss for the period	-	-	-	(17,289)	(17,289)
<b>March 31, 2024</b>	<b>227,575,785</b>	<b>367,035</b>	<b>39,748</b>	<b>(333,673)</b>	<b>73,110</b>
December 31, 2024	227,730,785	367,288	40,050	(383,203)	24,135
Bought-deal private placement (Note 17)	64,445,000	9,986	-	-	9,986
Share issuance costs	-	(399)	-	-	(399)
Transfer to RSU liability	-	-	(142)	-	(142)
Share-based compensation	-	-	54	-	54
Loss for the period	-	-	-	(13,355)	(13,355)
<b>March 31, 2025</b>	<b>292,175,785</b>	<b>376,875</b>	<b>39,962</b>	<b>(396,558)</b>	<b>20,279</b>

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, 2025

Expressed in U.S. Dollars (\$000s)

(Unaudited)

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#### 1. Nature of Business and Going Concern

Bear Creek Mining Corporation (“Bear Creek” or the “Company”) is a public company incorporated in British Columbia, Canada. Its common shares are listed on the TSX Venture Exchange (“TSX-V”) 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 Company's head office, and principal address is 733 Seymour Street, Suite 3200, Vancouver, British Columbia, Canada, V6B 0S6.

Bear Creek is engaged in the production and sale of gold and silver, as well as other related activities, including exploration and development of precious and base metal properties in Peru and Mexico.

The mining and exploration business involves a high degree of risk, and there can be no assurance that current mine production, exploration, and development projects will be profitable. The Company relies on financing activities and cash flow from the Mercedes mine to carry out 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 profitable production at the Mercedes mine, the ability to complete the development of the Company's Corani Project in Peru and profitably operate or dispose of the Corani Project.

Ownership interests in mineral properties involve risks due to the difficulties in determining and obtaining clear title to claims and the potential for problems to arise due to these difficulties. 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.

#### Going Concern

These interim condensed consolidated financial statements were prepared following accounting principles applicable to a going concern, which assumes the Company will be able to continue operations for at least twelve months from March 31, 2025 and will be able to realize its assets and discharge its liabilities in the ordinary course of operations.

As at March 31, 2025, the Company had cash of \$6.7 million (December 31, 2024: \$6.7 million), a working capital (“WC”) (current assets less current liabilities) deficiency of \$88.2 million (December 31, 2024, \$97.0 million), and had cash outflows from operating activities of \$3.2 million (March 31, 2024 :inflow of \$6.6 million).

The Company did the following to address their liquidity issues:

On March 11, 2025, the Company completed a bought deal private placement (the “Offering”) for aggregate gross proceeds of \$10 million (C\$14.5 million) (Note 17). Subsequent to period-end, the Company also amended its Debt Arrangements to defer monthly interest payments from February 2025 to November 2025, and payable in full on December 31, 2025 (Note 10 and 15).

While the Offering and other financing activities improve the Company's liquidity, material uncertainty remains in relation to the ability of the Company to achieve the operating results and necessary cash flow generation from the Mercedes mine in order to avoid seeking additional financing, which gives rise to significant doubt about the Company's ability to continue as a going concern. There can be no assurance that the steps management is taking to improve the Company's liquidity will be successful.

These interim condensed consolidated financial statements do not include adjustments to the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used, should the Company be unable to continue as a going concern. These adjustments could be material.

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**Bear Creek Mining Corporation**

**Notes to Interim Condensed Consolidated Financial Statements**

**March 31, 2025**

*Expressed in U.S. Dollars (\$000s)*

*(Unaudited)*

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**2. Basis of Preparation**

These interim condensed consolidated financial statements of the Company were prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”). The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2024, which were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

The Board of Directors approved these interim condensed consolidated financial statements on May 26, 2025.

**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. The functional currency of the Company and its subsidiaries is the US Dollar. These interim condensed consolidated financial statements are presented in thousands of US dollars unless otherwise noted.

These interim condensed consolidated financial statements follow the same accounting policies and methods of application as our most recent annual audited consolidated financial statements.

Certain amounts in the interim condensed consolidated financial statements of prior years have been reclassified to conform to current year presentation.

**Areas of Accounting Policy Judgment and Estimation Uncertainty**

The preparation of the interim condensed consolidated financial statements in accordance with IAS 34 requires management to make use of accounting policy judgments and 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 our most recent annual audited consolidated financial statements. 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.

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## Bear Creek Mining Corporation

### Notes to Interim Condensed Consolidated Financial Statements

March 31, 2025

Expressed in U.S. Dollars (\$000s)

(Unaudited)

#### 3. Inventory

The inventory balance as at March 31, 2025 relates to the materials, finished goods, work in process inventory and current ores stockpiles at Mercedes mine. During the three-month period ended March 31, 2025, the Company recognized \$16.3 million (March 31, 2024 – \$16.8 million) in cost of goods sold. During the three-month period ended March 31, 2025, the Company recorded a net realizable value adjustment to Materials and Supplies inventory of \$nil million (March 31, 2024 - \$0.6 million).

	March 31, 2025 (000's) \$	December 31, 2024 (000's) \$
Materials and Supplies (i)	4,209	4,631
Mineral inventory (ii)	1,481	258
Work in process (iii)	1,415	510
Current Ore Stockpiles (iv)	151	527
	<b>7,256</b>	<b>5,926</b>

- (i) Materials and supplies represent consumables and other raw materials used in the production process, as well as spare parts and other maintenance supplies that are not classified as capital items.
- (ii) Mineral inventory contains finished goods inventory in the form of gold or silver.
- (iii) Work-in-process represents gold and silver in the processing circuit that has not completed the production process and is not yet in a saleable form.
- (iv) Ore is accumulated in stockpiles that are subsequently processed into gold and silver in a saleable form. Milled ore undergoes agitated leaching, counter current decantation Merrill-Crowe precipitation and smelting.

#### 4. Receivables

The Company has one customer outside of its current selling arrangements (Note 11 and Note 15) and majority of the trade receivable balances relate to that one customer.

	March 31, 2025 (000's) \$	December 31, 2024 (000's) \$
Trade receivables	2,709	1,412
Value added taxes and other receivables	5,343	5,748
	<b>8,052</b>	<b>7,160</b>

## Bear Creek Mining Corporation

### Notes to Interim Condensed Consolidated Financial Statements

March 31, 2025

Expressed in U.S. Dollars (\$000s)

(Unaudited)

#### 5. Restricted Cash

On January 30, 2024, the Dirección General de Asuntos Ambientales (DGAA) of the Ministerio de Energía y Minas (MEM) in relation to changes made to the Corani Mine Closure Plan, also approved a resolution to temporarily suspend the mine closure guarantee until November 29, 2024. As such, the Company's previously provided certificate of deposit has been returned in its entirety, and, as at March 31, 2025, the restricted cash account has a balance of \$0.5 million (December 31, 2024 - \$0.3 million).

In accordance with the new schedule for the establishment of guarantees for the closure of the Corani Mine, on January 16, 2025 the Company established a \$2.6 million the new guarantee in favor of the Peruvian Ministry of Energy and Mines with a maturity date of January 16, 2026 by delivering to liquid guarantee (restricted cash) for \$0.5 million to the insurance company.

As of the date of these interim condensed 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 \$0.2 million upon acquiring the Corani Project.

#### 6. Property and Equipment

	Mineral Property (000's) \$	Mining and Other Equipment (000's) \$	Total (000') \$
<b>Balance – December 31, 2024</b>	<b>58,884</b>	<b>19,702</b>	<b>78,586</b>
Additions	3,827	502	4,329
Change in estimate (Note 12)	733	-	733
Amortization and depletion	(9,404)	(1,061)	(10,465)
<b>Balance – March 31, 2025</b>	<b>54,040</b>	<b>19,143</b>	<b>73,183</b>

#### 7. Resource Property Costs

	Corani Project (000's) \$
<b>Balance – December 31, 2023</b>	<b>88,717</b>
Land acquisition costs	10
1% NSR provided on Sandstorm Restructuring Agreement (Note 9)	(12,037)
<b>Balance – December 31, 2024</b>	<b>76,690</b>
<b>Balance – March 31, 2025</b>	<b>76,690</b>

As part of the consideration of the Sandstorm Restructuring Agreement in 2024, the Company issued a 1% NSR to Sandstorm. The fair value of the NSR royalty was estimated at \$12.0 million (Note 9). Management accounted for the consideration given as a reduction to the carrying value of the Corani mineral interest.

**Bear Creek Mining Corporation**

**Notes to Interim Condensed Consolidated Financial Statements**

**March 31, 2025**

*Expressed in U.S. Dollars (\$000s)*

*(Unaudited)*

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**a) Corani Project**

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

	<b>Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
	<b>(000s)</b>	<b>(000s)</b>
	<b>\$</b>	<b>\$</b>
Community contributions	<b>335</b>	297
Detailed engineering	<b>43</b>	33
Engineering and consulting	<b>55</b>	-
Environmental	<b>85</b>	167
Salaries and consulting	<b>680</b>	699
Camp, supplies and logistics	<b>446</b>	429
Other	<b>18</b>	13
<b>Total</b>	<b>1,662</b>	1,638

**b) Other Exploration and Evaluation Costs (Recoveries)**

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

Total other exploration and evaluation costs incurred during the three-month period ended March 31, 2025 was \$0.1 million (March 31, 2024 - \$1.3 million).

The Company expenses the value added tax it pays during the exploration phase. During the three-month period ended March 31, 2025, the total value added taxes paid were \$0.1 million (March 31, 2024 - \$0.1 million). The Company also received a total of \$0.1 million in form of Peruvian value added taxes refunds (March 31, 2024 - \$0.1 million).

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## Bear Creek Mining Corporation

### Notes to Interim Condensed Consolidated Financial Statements

March 31, 2025

Expressed in U.S. Dollars (\$000s)

(Unaudited)

#### 8. Accounts payable and accrued liabilities

	March 31, 2025 (000s) \$	December 31, 2024 (000s) \$
Trade payables	24,367	27,195
Tax payables	3,924	3,870
Advances received	2,334	2,299
<b>Total</b>	<b>30,625</b>	<b>33,364</b>
Less: Current Portion	(29,980)	(32,755)
Non-Current Portion	645	609

On November 22, 2022, the Company received a \$2.0 million advance from a third party for additional testing to be performed relative to one of the Company's projects. Repayment of the principal, along with interest at a rate of 7% that may apply from November 22, 2022 up to its due date on June 30, 2025, subject to the third party's satisfaction with the results of the testing program. As of March 31, 2025, the Company has accrued interest of \$0.3 million related to this liability (December 31, 2024 - \$0.3 million).

#### 9. Sandstorm Restructuring Agreement

On January 22, 2024, the Company closed the Sandstorm Restructuring Agreement for Stream Arrangements (Note 11), effective January 1, 2024, and debt amendments (Note 10 and Note 15). The total consideration issued on the Sandstorm Restructuring Agreement was \$20.3 million and the Company recognized a net loss on the extinguishment of the debt and stream agreements of \$8.3 million.

The Company and Sandstorm have also signed the Cross Default Agreement, providing that, if any event of default occurs under any of the Transaction Documents, any or all outstanding obligations become immediately due and payable, all security agreements, charges, pledges, or guarantees shall become immediately enforceable and enforcements proceedings must commence. "Transaction Documents" defined as, collectively, the Sandstorm Stream Agreement (Note 11), the Sandstorm Convertible Debenture (Note 10), the Nomad Stream Agreement (Note 11), and the Sandstorm Promissory Note (Note 15). This Cross Default Agreement also extends to agreements entered as of the date of the financial statements namely, the completed Deferred Interest amendments on its Debt Arrangements until December 31, 2025 (Note 10 and 15).

As of the date of the financial statements, the Company is in compliance with all of the above agreements.

## Bear Creek Mining Corporation

### Notes to Interim Condensed Consolidated Financial Statements

March 31, 2025

Expressed in U.S. Dollars (\$000s)

(Unaudited)

#### 10. Convertible Debenture and Notes

##### *Sandstorm Convertible Debenture*

Subsequent to period-end, the Company and Sandstorm agreed to defer the monthly interest payments on the Amended Sandstorm Convertible Debenture. Where the monthly interest payments payable on the last day of each month from and including February 2025 to November 2025, at 7% per annum, compounded monthly, and any accrued and unpaid interest (the “Deferred Interest”) thereon is payable in full on December 31, 2025. In addition, interest shall also accrue monthly on the Deferred Interest at the rate of 7% per annum.

The fair value of the Sandstorm Conversion Option was estimated using the Partial Differential Equation model and as at March 31, 2025, its fair value was estimated to be \$0.4 million (December 31, 2024 – \$0.8 million). The assumptions used to determine the fair value of the Sandstorm Convertible Option on March 31, 2025 and December 31, 2024 are set in the table below.

	March 31, 2025	December 31, 2024
Remaining term	3.5 years	3.7 years
Interest rate	7.0%	7.0%
Conversion price	C\$0.73	C\$0.73
Share price	C\$0.20	C\$0.34
Expected stock price volatility	75%	50%
Risk-free interest rate	3.9%	4.3%
Credit spread	4.7%	4.5%
All-in-yield	8.5%	8.8%

A continuity of the Sandstorm Convertible Debenture is as follows:

	Debenture (000's) \$	Conversion Option (000's) \$	Total (000's) \$
<b>Balance – December 31, 2024</b>	<b>22,144</b>	<b>813</b>	<b>22,957</b>
Interest accrued	396	-	396
Interest paid	(151)	-	(151)
Accretion	10	-	10
Change in fair value of conversion option	-	(406)	(406)
<b>Balance – March 31, 2025</b>	<b>22,399</b>	<b>407</b>	<b>22,806</b>

##### *Equinox Note*

Subsequent to period-end, the Company and Equinox agreed to defer the monthly interest payments on the Equinox Note. Where the monthly interest payments payable on the last day of each month from and including February 2025 to November 2025, at 7% per annum, compounded monthly, and any Deferred Interest thereon is payable in full on December 31, 2025. In addition, interest shall also accrue monthly on the Deferred Interest at the rate of 7% per annum.

## Bear Creek Mining Corporation

### Notes to Interim Condensed Consolidated Financial Statements

March 31, 2025

Expressed in U.S. Dollars (\$000s)

(Unaudited)

The fair value of the Equinox Conversion Option was estimated using the Partial Differential Equation model and as at March 31, 2025, its fair value was estimated to be \$0.5 million (December 31, 2024 – \$1.1 million). The assumptions used to determine the fair value of the Equinox Conversion Option on March 31, 2025 and December 31, 2024 are set in the table below.

	March 31, 2025	December 31, 2024
Remaining term	3.6 years	3.8 years
Interest rate	7.0%	7.0%
Conversion price	C\$0.73	C\$0.73
Share price	C\$0.20	C\$0.34
Expected stock price volatility	75%	50%
Risk-free interest rate	3.9%	4.3%
Credit spread	4.7%	4.5%
All-in-yield	8.5%	8.8%

A continuity of the Equinox Note is as follows:

	Debtenture (000's) \$	Conversion Option (000's) \$	Total (000's) \$
<b>Balance – December 31, 2024</b>	<b>24,995</b>	<b>1,146</b>	<b>26,141</b>
Interest accrued	469	-	469
Interest paid	(155)	-	(155)
Accretion	93	-	93
Change in fair value of conversion option	-	(598)	(598)
<b>Balance – March 31, 2025</b>	<b>25,402</b>	<b>548</b>	<b>25,950</b>

## 11. Stream Arrangements

### *Restructured Sandstorm Gold Stream*

Under the Restructured Sandstorm Gold Stream, there is variability of the pricing and delivery amount of gold, leading to the agreement being accounted for as a derivative financial liability measured at fair value through profit or loss. The fair value is estimated based on the net present value of the expected future cash flows and gold deliveries using a discount rate that reflects the time value of money and risks associated with the liability. The interest rate is determined based on the rate implicit in the streaming agreement at the date of acquisition, which is then reassessed to be adjusted according to the risks associated with the liability at each reporting period. Any changes to fair value are reflected in the consolidated statement of loss and comprehensive loss.

The following inputs were used to determine the fair value of the Restructured Sandstorm Gold Stream as at March 31, 2025 and December 31, 2024. The Company used a discounted cash flow model using the reserves at the Mercedes mine and an allocated portion of indicated and inferred resources. The following key assumptions were applied:

	March 31, 2025
Estimated life of Mercedes mine	8.1 years
Forward gold price range	\$2,517 – \$3,633
Discount rate	22.0%

**Bear Creek Mining Corporation****Notes to Interim Condensed Consolidated Financial Statements****March 31, 2025***Expressed in U.S. Dollars (\$000s)**(Unaudited)*

The Company's Restructured Sandstorm Gold Stream continuity is as follows:

	<b>Total (000s) \$</b>
<b>Balance – December 31, 2024</b>	<b>18,328</b>
Gold stream deliveries	(1,784)
Change in fair value	7,802
<b>Balance – March 31, 2025</b>	<b>24,346</b>
Less: Current Portion	(8,768)
Non-Current Portion	15,578

During the three-month period ended March 31, 2025, the Company, under the Restructured Sandstorm Gold Stream, has delivered 825 ounces (March 31, 2024 – 825 ounces) of refined gold to Sandstorm and recognized a total sales revenue of \$2.4 million (March 31, 2024 – \$1.3 million), including the 25% cash sales.

*Nomad Silver Stream and Restructured Silver Stream*

On January 22, 2024, the Company restructured the Nomad Silver Stream and effective January 1, 2024, the silver stream deliveries were fully suspended until April 2028 (the "Restructured Nomad Silver Stream"). After April 2028, the Company is required to resume deliveries under this stream arrangement and will receive cash payments of 25% (previously 20%) of the silver price applied to 100% of its production with no minimum delivery requirements. As the Company has not yet determined if it will be able to meet the delivery requirements of the Restructured Nomad Silver Stream, it continues to be a financial liability recorded at fair value through profit or loss as at March 31, 2025.

The following inputs were used to determine the fair value of the Restructured Nomad Silver Stream as at March 31, 2025 and December 31, 2024. The Company used a discounted cash flow model using the reserves at the Mercedes mine and an allocated portion of indicated and inferred resources. The following key assumptions were applied:

	<b>March 31, 2025</b>
Estimated life of Mercedes mine	8.1 years
Forward silver price range	\$30.26 – \$39.41
Discount rate	22.0%

For the three-month period ended March 31, 2025, the Company, in accordance with the Sandstorm Restructuring Agreement made no deliveries (March 31, 2024 – nil) of silver as part of this stream and recorded revenue of \$nil (March 31, 2024 - \$nil).

The Company's Restructured Silver Stream continuity is as follows:

	<b>Total (000's) \$</b>
<b>Balance – December 31, 2024</b>	<b>5,230</b>
Change in fair value	33
<b>Balance – March 31, 2025</b>	<b>5,263</b>
Less: Current Portion	-
Non-Current Portion	5,263

## Bear Creek Mining Corporation

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#### 12. Provision for Site Restoration

The Company estimates that the undiscounted future value of the cash flows required to settle the closure provision is \$20.2 million (December 31, 2024 - \$20.3 million) for the Mercedes mine. The Company expects these cash flows outflows to begin in 2027. In calculating the March 31, 2025 estimate, management used the Mexican risk-free interest rate of 9.2% (December 31, 2024 – 10.4%), Mexican inflation rate of 3.8% (December 31, 2024 – 3.7%), and a forecasted Mexican inflation rate of 3.6% (December 31, 2024 – 3.6%).

A reconciliation of the discounted provision is provided below:

	Total (000's) \$
<b>Balance – December 31, 2024</b>	<b>11,916</b>
Accretion	284
Adjustment due to inflation and discount rate	733
Foreign exchange	(27)
<b>Balance – March 31, 2025</b>	<b>12,906</b>

#### 13. 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 permits to build the processing facilities and the mining installations, which were received during 2018. On initial recognition of the Successive Payments, the Company used a pre-tax risk-adjusted interest rate of 10.0% to discount the obligation and recognized a liability of \$11.2 million.

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.

As at March 31, 2025, the total undiscounted obligation remaining under the Framework Agreement was \$16.3 million (December 31, 2024 – \$15.9 million).

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

	(000s) \$
<b>Balance – December 31, 2024</b>	<b>8,871</b>
Payment	-
Accretion expense	218
Impact of foreign exchange	230
<b>Balance – March 31, 2025</b>	<b>9,319</b>
Less: Current Portion	(1,088)
<b>Non-Current Portion</b>	<b>8,231</b>

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#### 14. Short Term Loan

On September 13, 2023, the Company entered into an unsecured short term loan via a Promissory Note with Equinox ("Short Term Loan") in the amount of \$1.3 million, effective September 7, 2023. The loan bears interest at 13% with interest calculated daily and the outstanding balance (interest and principal) is callable by Equinox as of January 7, 2024. No call notice has been received by the Company as at the date of these statements and the balance remains outstanding.

A continuity of the Short Term Loan is as follows:

	Total (000's) \$
<b>Balance – December 31, 2024</b>	<b>1,540</b>
Interest accrued	24
<b>Balance – March 31, 2025</b>	<b>1,564</b>

#### 15. Note Payable

Subsequent to period-end, the Company and Sandstorm agreed to defer the monthly interest payments on the Sandstorm Promissory Note. Where the monthly interest payments payable on the last day of each month from and including February 2025 to November 2025, at 7% per annum, compounded monthly, and any Deferred Interest thereon is payable in full on December 31, 2025. In addition, interest shall also accrue monthly on the Deferred Interest at the rate of 7% per annum.

Upon executing the Sandstorm Restructuring Agreement, the fair value of the restructured call options was estimated using the Partial Differential Equation model. The assumptions used on March 31, 2025 and December 31, 2024 are set in the table below.

	March 31, 2025	December 31, 2024
Remaining term	3.5 years	3.7 years
Interest rate	7.0%	7.0%
Conversion price	C\$0.73	C\$0.73
Share price	C\$0.20	C\$0.34
Expected stock price volatility	75%	50%
Risk-free interest rate	3.9%	4.3%
Credit spread	4.7%	4.5%
All-in-yield	8.5%	8.8%

A continuity of the Note Payable is as follows:

	Note (000,'s) \$	Call Option (000's) \$	Total (000's) \$
<b>Balance – December 31, 2024</b>	<b>21,427</b>	<b>670</b>	<b>22,097</b>
Interest accrual	381	-	381
Interest payments	(145)	-	(145)
Accretion	17	-	17
Change in fair value of call option	-	(276)	(276)
<b>Balance – March 31, 2025</b>	<b>21,680</b>	<b>394</b>	<b>22,074</b>

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#### 16. Warrant Liability

On initial recognition, these warrants were estimated to have a fair value of \$2.6 million and costs related to the issuance of warrants in the amount of \$0.2 million were expensed and reported as Other Expenses. As at March 31, 2025, these warrants were estimated to have a fair value of \$1.4 million (December 31, 2024 – \$2.9 million). The Company uses the Black Scholes Options pricing model to determine the fair value of the warrant liability. The assumptions used on March 31, 2025 and December 31, 2024 are set in the table below.

	March 31, 2025	December 31, 2024
Risk-free interest rate	2.61%	2.96%
Expected dividend yield	0.0%	0.0%
Stock price	C\$ 0.20	C\$ 0.34
Expected stock price volatility	75.0%	65.3%
Expected life in years	3.5	3.8

The changes in warrants during the three-month period ended March 31, 2025 is as follows:

	Number of warrants	Weighted average exercise price (in CDN\$)
Outstanding, December 31, 2024	27,195,000	C\$0.42
Exercised	-	-
Outstanding, March 31, 2025	27,195,000	C\$0.42

#### 17. Capital

##### Authorized and Issued Share Capital

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

##### 2025 Activity

On March 11, 2025, the Company completed a bought deal private placement of 64,445,000 common shares at a price of C\$0.225 per share (the "Offering Price") for aggregate gross proceeds of C\$14.5 million (the "Offering"). The Company paid cash commissions of \$0.5 million, which is equal to 6.0% of the gross proceeds received by the Company from the issuance and sale of 38,667,000 shares.

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Each of Sandstorm and Equinox purchased 32,222,500 Shares on a gross basis pursuant to the Offering, or 12,889,000 Shares on a net basis after giving effect to Equinox and Sandstorm concurrently disposing of 19,333,500 shares to an arm's length third-party on a joint and several basis at the Offering Price immediately prior to the closing of the Offering (the "Concurrent Sale"). The Company did not receive any proceeds from the Concurrent Sale. Prior to the Concurrent Sale and the Offering, Sandstorm and Equinox held 45,492,399 and 25,397,160 shares, respectively, which represented approximately 19.97% and 11.15% of the Company's issued and outstanding common shares. Following the Concurrent Sale and the Offering, Sandstorm and Equinox hold 58,381,399 and 38,286,160 shares, respectively, which represent approximately 19.98% and 13.10% (Note 20) of the Company's issued and outstanding common shares.

#### Stock Option Plan

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, the exercise price of an option cannot be lower than the closing price on the TSX-V on the trading date preceding the grant date, 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 DSUs 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. Under the LTIP, the Board of Directors may, from time to time, award RSUs or 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 regarding awards of DSUs and RSUs is an aggregate of 5,000,000 shares. The Stock Option Plan and the LTIP may not cumulatively exceed 10% of the total number of shares issued and outstanding. Both the Stock Option Plan and the LTIP are intended to be equity-settled, with participants receiving common shares of the Company upon vesting or exercise.

#### Stock Options

During the three-month period ended March 31, 2025, the Company did not grant any stock options. The changes in share options during the three-month period ended March 31, 2025, and the year ended December 31, 2024, were as follows:

	March 31, 2025		December 31, 2024	
	Number of options	Weighted average exercise price (in CDN\$)	Number of options	Weighted average exercise price (in CDN\$)
Outstanding, beginning of the year	8,512,500	C\$0.88	9,550,000	C\$1.27
Granted	-	-	2,562,500	C\$0.29
Forfeited	-	-	(950,000)	C\$0.55
Cancelled	-	-	(2,650,000)	C\$1.61
Outstanding, end of the period	8,512,500	C\$0.88	8,512,500	C\$0.88

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*(Unaudited)*

A summary of the Company's stock options outstanding as at March 31, 2025 is as follows:

<b>Options Outstanding</b>	<b>Options Exercisable</b>	<b>Exercise Price (in CDN\$)</b>	<b>Remaining contractual life (years)</b>	<b>Expiry Date</b>
670,000	670,000	C\$2.05	2.91	February 26, 2028
400,000	400,000	C\$2.24	2.96	March 16, 2028
150,000	150,000	C\$1.92	3.20	June 12, 2028
1,280,000	1,280,000	C\$1.50	3.84	February 1, 2029
75,000	75,000	C\$1.41	3.93	March 6, 2029
75,000	75,000	C\$2.58	4.61	November 6, 2029
2,450,000	2,450,000	C\$0.69	7.72	December 15, 2032
450,000	300,000	C\$0.45	8.24	June 26, 2033
900,000	862,500	C\$0.19	8.67	November 30, 2033
500,000	250,000	C\$0.25	8.97	March 19, 2034
1,362,500	454,167	C\$0.35	9.24	June 26, 2034
200,000	100,000	C\$0.33	9.35	August 2, 2034
<b>8,512,500</b>	<b>7,066,667</b>		<b>6.88</b>	

**RSUs**

The changes in RSU's during the three-month period ended March 31, 2025, and the year ended December 31, 2024, were as follows:

	<b>March 31, 2025</b>	December 31, 2024
	<b>Number of RSUs</b>	Number of RSUs
Outstanding, beginning of the year	<b>1,605,588</b>	-
Granted	-	1,622,500
Forfeited	-	(16,912)
Outstanding, end of the period	<b>1,605,588</b>	1,605,588

As at March 31, 2025, the Company had vested and exercisable RSUs of 697,258 (December 31, 2024 – 697,258).

RSUs are settled in cash upon termination of service and are therefore classified as cash-settled share-based payment liabilities under IFRS 2. As at March 31, 2025, the fair value of vested and exercisable RSUs was estimated to be \$0.1 million and are recorded as part of Other Liabilities.

**DSUs**

The changes in DSU's during the three-month period ended March 31, 2025, and the year ended December 31, 2024, were as follows:

	<b>March 31, 2025</b>	December 31, 2024
	<b>Number of DSUs</b>	Number of DSUs
Outstanding, beginning of the year	<b>500,000</b>	725,000
Vested	-	(225,000)
Outstanding, end of the period	<b>500,000</b>	500,000

As at March 31, 2025, the Company had vested and exercisable DSUs of nil (December 31, 2024 – nil).

**Bear Creek Mining Corporation****Notes to Interim Condensed Consolidated Financial Statements****March 31, 2025***Expressed in U.S. Dollars (\$000s)**(Unaudited)*

As at March 31, 2025 and December 31, 2024, the following stock options, RSUs, and DSUs were under grant and available for issuance:

	<b>March 31, 2025</b>	December 31, 2024
Issued and outstanding shares	<b>292,175,785</b>	227,730,785
Options allowed	<b>29,217,579</b>	22,773,079
RSU & DSU limit	<b>5,000,000</b>	5,000,000
RSU's & DSU's available for issuance	<b>1,377,500</b>	1,377,500

**18. Revenue**

The Company's revenues are primarily from sales of gold and silver. These products are sold to Sandstorm and its subsidiary (Note 11 and 20), Auramet (Note 15) and Asahi Refining.

The revenue for the three-month period ended March 31, 2025 is shown below:

	<b>Three Months Ended March 31</b>	
	<b>2025</b>	2024
	<b>(000s)</b>	(000s)
	<b>\$</b>	\$
Restructured Gold Stream (Note 11)	<b>2,378</b>	1,703
Auramet and Asahi Refining – gold and silver revenue (Note 15)	<b>21,307</b>	25,829
	<b>23,685</b>	27,532

**19. Production Costs**

The production costs for the three-month period ended March 31, 2025 is shown below:

	<b>Three Months Ended March 31</b>	
	<b>2025</b>	2024
	<b>(000s)</b>	(000s)
	<b>\$</b>	\$
Raw materials and consumables	<b>5,897</b>	6,195
Salaries and benefits	<b>3,034</b>	4,393
Contractors and outside services	<b>5,504</b>	4,339
Other expenses	<b>2,478</b>	1,845
Changes in inventory	<b>(590)</b>	18
	<b>16,323</b>	16,790

## Bear Creek Mining Corporation

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#### 20. 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) was as follows:

	Three Months Ended	
	March 31	
	2025	2024
	(000s)	(000s)
	\$	\$
Salaries and director's fees	432	753
Share-based compensation	97	78
	<b>529</b>	<b>831</b>

(i) Key management personnel were not paid post-employment benefits or other long-term benefits.

As at March 31, 2025, \$0.1 million (December 31, 2024 – \$nil) was due for director fees.

During the three-month period ended March 31, 2025, the Company paid a related party, the spouse of an officer, \$nil (March 31, 2024 - \$0.1 million) for internal contract/procurement review services. As at March 31, 2025, amounts owed to the related party are \$nil (December 31, 2024 - \$nil).

##### Sandstorm

Sandstorm is a related party of the Company. On March 11, 2025, Sandstorm participated in the Offering (Note 17) which resulted in its 19.98% ownership of the Company's issued and outstanding common shares.

##### Equinox

Equinox is a related party of the Company. On March 11, 2025, Equinox participated in the Offering (Note 17) which resulted in its 13.10% ownership of the Company's issued and outstanding common shares.

#### 21. Segmented Information

The Company's business consists of two reportable segment namely Mercedes, and Corani.

The following is an analysis of the long-term assets by geographical area:

Long -Term Assets	March 31,		December 31,	
	2025		2024	
	(000s)		(000s)	
Peru	\$	80,578	\$	80,040
Mexico		66,706		72,150
Canada		5,006		5,011
	\$	<b>152,290</b>	\$	<b>157,201</b>

**Bear Creek Mining Corporation**

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**Three Months Ended March 31, 2025**

	Revenue	Cost of Sales & other operational costs	Depletion, Depreciation & Amortization	Exploration expenses	Other expenses (income)	Net loss
<b>Net Loss (income)</b>	<b>(000s)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>
Mercedes	\$ (23,685)	16,853	9,279	8	1,177	3,632
Corani	-	-	-	1,517	300	1,817
Other	-	2,671	-	86	5,149	7,906
	<b>\$ (23,685)</b>	<b>19,524</b>	<b>9,279</b>	<b>1,611</b>	<b>6,626</b>	<b>13,355</b>

**Three Months Ended March 31, 2024**

	Revenue	Cost of Sales & other operational costs	Depletion, Depreciation & Amortization	Exploration expenses	Other expenses (income)	Net loss
<b>Net Loss (income)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>
Mercedes	\$ (27,532)	17,274	7,403	1,137	1,320	(398)
Corani	-	-	-	1,638	84	1,722
Other	-	2,151	-	157	13,657	15,965
	<b>\$ (27,532)</b>	<b>19,425</b>	<b>7,403</b>	<b>2,932</b>	<b>15,061</b>	<b>17,289</b>

**22. Fair Value Measurements**

Fair value is 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. The Company's financial assets and liabilities are initially measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (or supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

The following tables present the Company's financial assets and liabilities by level within the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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As at March 31, 2025	Carrying Value			Fair Value		
	Amortized Cost	FVTPL	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>						
Cash (i)	\$ 6,656	-	-	-	-	-
Short-term investments	41	-	-	-	-	-
Trade receivables (i)	2,709	-	-	-	-	-
Restricted cash (i)	520	-	-	-	-	-
	<b>\$ 9,926</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at March 31, 2025	Carrying Value			Fair Value		
	Amortized Cost	FVTPL	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>						
Accounts payable and accrued liabilities (i)	\$ 30,625	-	-	-	-	-
Short term loan	1,564	-	-	-	-	-
Note payable – debt portion	21,680	-	-	-	-	-
Note payable – embedded derivative (iii)	-	394	-	394	-	394
Convertible debenture and notes – debt portion	47,801	-	-	-	-	-
Convertible debenture and notes – embedded derivative (ii) (iii)	-	955	-	955	-	955
Warrant liability (ii)	-	1,368	-	1,368	-	1,368
Stream arrangements (iv)	-	29,609	-	-	29,609	29,609
	<b>\$ 101,670</b>	<b>32,326</b>	<b>-</b>	<b>2,717</b>	<b>29,609</b>	<b>32,326</b>

As at December 31, 2024	Carrying Value			Fair Value		
	Amortized Cost	FVTPL	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>						
Cash (i)	\$ 6,678	-	-	-	-	-
Short-term investments	40	-	-	-	-	-
Trade receivables (i)	1,412	-	-	-	-	-
Restricted cash (i)	255	-	-	-	-	-
	<b>\$ 8,385</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at December 31, 2024	Carrying Value			Fair Value		
	Amortized Cost	FVTPL	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>						
Accounts payable and accrued liabilities (i)	\$ 33,365	-	-	-	-	-
Short term loan	1,540	-	-	-	-	-
Note payable – debt portion	21,427	-	-	-	-	-
Note payable – embedded derivative (iii)	-	670	-	670	-	670
Convertible debenture and notes – debt portion	47,139	-	-	-	-	-
Convertible debenture and notes – embedded derivative (ii) (iii)	-	1,959	-	1,959	-	1,959
Warrant liability (ii)	-	2,192	-	2,192	-	2,192
Stream arrangements (iv)	-	23,558	-	-	23,558	23,558
	<b>\$ 103,471</b>	<b>28,379</b>	<b>-</b>	<b>4,821</b>	<b>23,558</b>	<b>28,379</b>

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- (i) The carrying values of cash, trade receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.
  - (ii) The fair value of the embedded derivative is measured using inputs that include level 2 inputs. The fair value is estimated using the Black-Scholes option pricing model. Key inputs used include contractual terms of the debt, and market-derived inputs including the Company's share price and share price volatility.
  - (iii) The fair value of the embedded derivative is measured using inputs that include level 2 inputs. The fair value is estimated using the Partial Differential Equation model. Key inputs include contractual terms of the debt, and market-derived inputs including the Company's share price and share price volatility.
  - (iv) The fair value of the stream arrangements is measured using inputs that include level 3 inputs. The fair value of the Company's stream arrangement is estimated based on the net present value of the expected future cash flows discounted using a market interest rate that reflects the risks associated with the liability. Key inputs include contractual terms, forecasted production at Mercedes, future gold and silver prices, and discount rate associated with the liability.
- 

### 23. Financial Instrument Risks and Risk Management

The Company has exposure to liquidity risk and market risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Risk management is the responsibility of management and is carried out under the oversight of and policies approved by the Board of Directors. Material risks are monitored and are regularly discussed with the Audit Committee and the Board of Directors.

#### a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of the cash, short-term investments, and trade receivables.

The Company's cash is held in major Canadian chartered banks and accredited Mexican and Peruvian financial institutions with strong credit ratings. Short-term investments (including those presented as cash) consist of financial instruments issued by Canadian or Peruvian banks. These investments mature at various dates over the next twelve months.

#### b) Liquidity risk

Liquidity risk (Note 1) is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company tries to ensure sufficient funds to meet its short-term business requirements by considering anticipated revenues and cash expenditures for its operating activities and to cover its financings coming due. The Company will pursue equity or debt financing as required to meet its long-term commitments and current cash requirements. There is no assurance that such financing will be available or that it will be available on favorable terms.

## Bear Creek Mining Corporation

### Notes to Interim Condensed Consolidated Financial Statements

March 31, 2025

Expressed in U.S. Dollars (\$000s)

(Unaudited)

The following table summarizes the contractual maturities of the Company's financial liabilities and operating and capital commitments at March 31, 2025:

Expenses in (000's)	2025	2026	2027	2028	2029 and Beyond	Total
Accounts payable and accrued liabilities (Note 8)	\$29,980	-	-	-	\$645	\$30,625
Provision for site restoration (Note 12)	-	-	2,733	3,102	14,356	20,191
Community projects obligation (Note 13)	1,088	1,088	1,088	1,088	11,966	16,318
Other liabilities	57	33	710	-	-	800
Office space leases	5	-	-	-	-	5
Vehicle rentals	415	195	205	211	218	1,244
Short Term Loan (Note 14)	1,564	-	-	-	-	1,564
Streaming Arrangements (Note 11)	6,576	8,768	8,768	2,923	-	27,035
Note payable – Principal (Note 15)	-	-	-	21,667	-	21,667
Note payable – Interest (Note 15)	1,439	1,517	1,517	1,091	-	5,564
Equinox Note – Principal (Note 10)	-	-	-	26,632	-	26,632
Equinox Note – Interest (Note 10)	1,769	1,864	1,864	1,709	-	7,206
Sandstorm Convertible Debenture – Principal (Note 10)	-	-	-	22,500	-	22,500
Sandstorm Convertible Debenture – Interest (Note 10)	1,495	1,575	1,575	1,056	-	5,701
<b>Total as at March 31, 2025</b>	<b>\$44,388</b>	<b>\$15,040</b>	<b>\$18,460</b>	<b>\$81,979</b>	<b>\$27,185</b>	<b>\$187,052</b>

The Company continues the process of improving its working capital by updating its mine production plan and shifting to a narrow vein mining methodology which is expected to increase production output and reduce cost of sales moving forward.

#### c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

##### Interest rate risk

Interest rate risk is the risk that a financial instrument's fair value or future cash flows will fluctuate because of changes in market interest rates. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase. During the period ended March 31, 2025, the Company had minimal funds invested in interest earning savings accounts.

Interest rate risk affects the valuation of Stream Arrangements (Note 11), Convertible Debenture and Notes (Note 10), and Note Payable (Note 15), by influencing discount rates and fair value measurements. Changes in interest rates impact the present value of future cash flows associated with Stream Arrangements, as higher rates reduce the discounted value of expected payments, while lower rates increase it. Similarly, the fair value of the embedded derivative liability in the Convertible Debenture and Notes, and Note Payable are sensitive to interest rate fluctuations, as changes affect the risk-free rate and credit spreads used in valuation models. An increase in interest rates may reduce the liability's fair value, while a decrease may lead to higher valuation, impacting financial statements through fair value adjustments recognized in profit or loss.

## Bear Creek Mining Corporation

### Notes to Interim Condensed Consolidated Financial Statements

March 31, 2025

Expressed in U.S. Dollars (\$000s)

(Unaudited)

#### Currency risk

The Company is exposed to financial risk due to changes in foreign exchange rates. The Company operates in Peru, Mexico, and Canada, and a portion of its expenses are incurred in Canadian dollars, Mexican pesos, and Peruvian Soles. The functional currency of the Company and its subsidiaries is determined to be US dollar. A significant change in the exchange rates between the US dollar relative to the Canadian dollar, Mexican Peso to the US dollar, and the Peruvian Sol to the US dollar could affect the Company's operations, financial position, and cash flows. The Company has not hedged its exposure to currency fluctuations.

As at March 31, 2025, the Company was exposed to currency risk through the following assets and liabilities denominated in Canadian dollars, Mexican Pesos, and Peruvian Soles.

	March 31, 2025		
	Canadian Dollars (000's)	Peruvian Soles (000's)	Mexican Pesos (000's)
Cash	123	168	7,452
Receivables	-	473	273,662
Accounts payable, accrued liabilities and other	(369)	(5,510)	(376,235)
Provision for site restoration	-	-	(258,161)
Community project obligation	-	(34,265)	-
<b>Net exposure</b>	<b>(246)</b>	<b>(39,134)</b>	<b>(353,282)</b>

Based on the above net exposures at March 31, 2025, and assuming that all other variables remain constant, a 10% depreciation of the US dollar against the Canadian dollar would result in an increase of approximately \$0.1 million (C\$0.1 million) in the Company's loss for the period. A 10% depreciation of the US dollar against the Peruvian Sol would result in an increase of approximately \$1.1 million (S/3.9 million) in the Company's loss for the period. A 10% depreciation of the US dollar against the Mexican Peso would result in an increase of approximately \$1.7 million (MXN\$ 35.3 million) in the Company's loss for the period. Conversely, a 10% appreciation of the US dollar relative to the Canadian dollar, Soles, or Mexican Pesos would have the opposite effect.

#### Price risk

Stock prices and commodity prices play a crucial role in determining the fair value of financial instruments, including Streaming Arrangements and embedded derivative liabilities. The fair value of Streaming Arrangements is influenced by gold and silver prices, as volatility in these commodities affects expected future cash flows and, consequently, the valuation of these arrangements. Similarly, stock price fluctuations impact stock price volatility, which affects the valuation of embedded derivatives—higher volatility increases fair value due to the greater probability of conversion, while lower volatility reduces it. Changes in commodity and stock prices can lead to significant fair value adjustments, impacting revenue, earnings, and cash flows, with gains or losses recognized in profit or loss.

The fair value of the Streaming Arrangements is dependent on the gold and silver prices. Volatility in the gold and silver prices affects the valuation of the Streaming Arrangements, which in turn affects revenue, earnings, and cash flows.

The price of the Company's common shares and the Company's financial results may be significantly adversely affected by a decline in the price of gold and silver (collectively, the "Metals"). The price of the Metals fluctuates widely, especially in recent years, and is affected by numerous factors beyond the Company's control, including but not limited to, the sale or purchase of the Metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold and silver producing countries throughout the world. As at March 31, 2025, a 10% increase in the price of gold and silver would have resulted in a increase to the stream arrangements liability of approximately \$3.0 million. In addition, a 1% increase in the discount rate would have resulted in a decrease to the stream arrangement liability of approximately \$0.7 million.

## Bear Creek Mining Corporation

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(Unaudited)

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The Company measures the embedded derivative liability portion of the convertible debenture at fair value at each reporting date, recognizing changes in the fair value in the statements of comprehensive income. This requirement to “mark to fair value” the derivative features could significantly affect the results in the statement of comprehensive loss. If the Company’s share price had been 20% higher than it was on March 31, 2025, the fair value of the embedded derivative liability of the Company’s Convertible Debenture (Note 10), Note Payable (Note 15) and Warrant Liability (Note 16) would have increased by \$1.4 million, which would have resulted in the Company recording a combined gain on the fair valuation of the embedded derivative (Note 10 and Note 15) and Warrant Liability (Note 16) of \$1.4 million instead of a gain of \$2.8 million.

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#### 24. Subsequent Events

On May 8, 2025, the Company issued a secured promissory note (the “2025 Sandstorm Note”) to a wholly-owned subsidiary of Sandstorm for up to US\$6.5 million, drawable in monthly increments of up to US\$600,000, with a maturity date of September 22, 2028. The note bears interest at 7% per annum, accruing monthly from June 30, 2025. Interest payments from June to November 2025 will be deferred and paid in full on December 31, 2025, with deferred interest also accruing at 7% annually.

The note is convertible into common shares at C\$0.73 per share, subject to TSX-V approval, provided such conversion does not raise Sandstorm’s ownership above 19.99%.

To secure the 2025 Sandstorm Note, the Company granted Sandstorm:

- (i) A first-ranking security interest in Minera Mercedes Minerales;
- (ii) A first-ranking security interest over all current and future assets of any Guarantor in Mexico;
- (iii) A first-ranking security interest in Bear Creek Mining S.A.C.; and
- (iv) An assignment and subordination of all intercompany debt, giving Sandstorm priority over any such claims.