Bear Creek Mining Reports Q1 2023 Financial and Operating Results

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Vancouver, May 31, 2023 - Bear Creek Mining Corp. (TSXV: BCM) (OTCQX: BCEKF) (BVL: BCM) ("Bear Creek" or the "Company") reports its interim consolidated financial results for the three months ended March 31, 2023 ("Q1 2023"). Monetary amounts in this news release are in United States dollars unless otherwise stated.

This news release should be read in conjunction with the Company's interim consolidated financial statements and management discussion and analysis ("MD&A") for the three months ended March 31, 2023, which are available on SEDAR (www.sedar.com) and on the Company's website (www.bearcreekmining.com).

The Company will host a conference call at 4:00 pm Eastern time today. The call-in details are below.

Bear Creek has recently taken steps to improve production and decrease operating costs at the Mercedes mine, and to improve the Company's financial liquidity by restructuring certain of its debt and streaming obligations. As previously announced, the Company recently amended the Gold Purchase Agreement with Sandstorm Gold Ltd. ("Sandstorm") in exchange for which it received a payment of $5.0 million. Most recently, on May 30, 2023 the Company announced that it had executed a non-binding indicative term sheet with a wholly owned subsidiary of Equinox Gold Corp. ("Equinox") to refinance $25.8 million in near-term payment obligations into a convertible debenture with a five-year term to maturity (the "Convertible Debenture"). The Convertible Debenture will extend payment of the final $25 million purchase price installment (the "Deferred Payment") owed to Equinox for the Mercedes mine acquisition, and replaces the planned two-year amortizing note that the Company announced on October 26, 2022 and March 10, 2023.These technical developments and financial restructurings support improvements to Mercedes' operating performance and place the Company in a stronger financial position. Additional details are provided below, in the Company's Management Discussion and Analysis for the quarter ended March 31, 2023, and in the Company's news releases dated May 11, 2023 and May 30, 2023.

From January 1 to March 31, 2023, 12,038 ounces of gold and 40,241 ounces of silver were produced at Mercedes. During this period 9,304 ounces of gold were sold, and 3,182 ounces of gold were delivered under streaming arrangements. Cash cost and all-in-sustaining cost ("AISC") per ounce of gold sold and streamed were $1,386 and $1,670, respectively.

Eric Caba, President & COO, states "Mercedes has delivered on our Q1 2023 guidance estimates but has faced significant headwinds in recent months including inflationary pressures, significant strengthening of the Mexican Peso against the US Dollar, and areas of operating performance that still have room to improve. The impact of these factors will primarily be felt in our Q2 results. However, actions being taken to mitigate their downside effects and to positively impact operating efficiencies make me very excited about Mercedes in the immediate term. Recent drilling results, dramatic changes in the operating cost structure, and the restructuring of the short term liability as described above, has set Mercedes up to meet the annual guidance and deliver the cash flow envisioned, despite the difficulties expected in Q2."

Selected Q1 2023 Financial and Production Results

Financial Results (thousands of dollars, except share and per share amounts)	Three Months Ended March 31, 2023
Revenue	$24,281
Comprehensive earnings (loss) after taxes	$(11,642)
Comprehensive earnings (loss) per share [(1)]	$(0.08)

Cash from (used in) operating activities	$4,020
Cash from (used in) investing activities	$(3,606)
Cash from (used in) financing activities	$(1,308)
Weighted average shares during period	154,528,815
Shares issued and outstanding at end of period	154,640,386

Mercedes Operating Highlights	January 1, 2023 - March 31, 2023
Gold ounces produced	12,038
Gold ounces sold	9,304
Gold ounces streamed	3,182
Cash costs per gold ounce sold and streamed (2)	$1,386
AISC per gold ounce sold and streamed (2)	$1,670
Tonnes mined	133,621
Tonnes processed	134,487
Average gold grade mined (g/t)	2.93
Average gold grade processed (g/t)	2.91
Recovery rate gold	95.56
Average realized gold price (3)	$1,872

(1) Per share amounts are based on weighted average shares during the period.
(2) Non-GAAP Measure. Please see "Non-GAAP Measures" section below for further information.
(3) Inclusive of final settlement adjustments on sales for non-streamed ounces.

Mercedes Gold Mine, Mexico

Safety

The Mercedes Mine had no lost time incidents ("LTI"), restricted work or medical treatment accidents during Q1 2023. The Mercedes Mine reached one year without an LTI during the third quarter of 2022 and has maintained that status to date. No reportable environmental incidents occurred during Q1 2023.

Mine Plan and Development

During Q1 2023 Mr. Pedro Calle, a mining engineer with 24 years of underground mining experience, joined Bear Creek as the General Manager of the Mercedes mine. Since joining the team he has led efforts to improve production efficiency and reduce costs resulting in changing from cut and fill mining in the San Martin and Marianas deposits to room and pillar or block caving which will lower operating cost per tonne of ore and increase productivity. The San Martin deposit began to provide feed to the mill in May 2023 and is expected to account for roughly 50% of Mercedes' gold production in the second half of 2023. Additional efficiency, grade control and cost reduction measures are being implemented and are showing early indications of success in reducing operating costs per tonne.

Development work at Mercedes aimed at re-establishing additional working faces at the Marianas and Rey de Oro deposits continued to experience delays during Q1 2023 due to unsatisfactory contractor performance, equipment availability, and unplanned ground control remediation work. Although Q1 2023 gold production is within the Company's 2023 guidance (see Bear Creek Mining news release dated February 24, 2023), the delays in development work and lower than predicted grades from the ore mined during the quarter will have a negative impact on Q2 2023 results. However, Mercedes remains on track to not only deliver on the Company's 2023 annual production guidance of 65,000 -75,000 ounces of gold but, owing to the shift in mining methods outlined above, to do so at an improved cost structure allowing the Company to combat the inflationary effects and appreciation of the Mexican Peso seen in Q4 2022 and Q1 2023.

Exploration

During 2022 we gained a fuller understanding of the role of low angle detachment faults on mineralization at Mercedes, mainly where these detachment faults intersect steeply dipping regional structures and create broad zones of structural preparedness. This structural model bears out at the San Martin and Lupita deposits, where mineralization is typically shallower and bulkier than the deposits that follow the main Mercedes structural trend. In addition to drilling along strike and depth at the Marianas and Rey de Oro deposits, the Company's 2023 exploration drilling program will test for mineralization where similar structural intersections are suspected to occur elsewhere in the Mercedes concessions including extensions to the Lupita and Diluvio areas as well as San Martin.

Subsequent to the end of Q1 2023, a new mining law was passed in Mexico. It will likely be some time before the regulations are written and the full effect of the new law is known. The Company is assessing the potential impacts this new law may have on its Mercedes operations and evaluating what actions are appropriate for the situation.

Overview of Results of Operations, Liquidity and Capital Resources

Results of Operations

For the three months ended March 31, 2023, the Company recorded revenue of $24.3 million from the sale of gold and silver. The cost of goods sold was $14.4 million and depletion, amortization and depreciation amounted to $11.2 million.

The gross loss from Mercedes operations was $1.3 million during Q1 2023. Operations were negatively impacted by inflationary pressures on direct consumable costs (primarily diesel, tires, lubricants, explosives and cement), indirect costs (supplies and services) and the strengthening of the Mexican peso against the US dollar. Spending on the Corani property totalled $1.6 million during Q1 2022, a decrease of $0.6 million from the same period a year earlier due to a lower activity level. The Corani expenditures comprise both direct project expenditures and corporate overhead costs. General and administrative costs totaled $1.5 million in Q1 2023, an increase of $1.4 million from the same period of 2022 reflecting added administrative costs related to Mercedes mine improvements.

After all operating expenses, other income and expenses, tax expenses and recoveries the Company recorded a comprehensive net loss of $11.6 million ($0.08 per share) for the three months ended March 31, 2023.

Liquidity

At March 31, 2023 the Company held cash and cash equivalents and short terms investments in the amount of $2.6 million (not including $1.7 million in restricted cash), a reduction of $0.9 million from December 31, 2022. During Q1 2023, operating activities resulted in a cash outflow of $4.0 million, investing activities used $3.6 million in cash and financing activities used $1.3 million in cash.

At March 31, 2023, the Company's net working capital deficiency was $60.0 million (compared to $51.2 million at December 31, 2022). Significant amounts contributing to the March 31, 2023 net working capital deficiency are current amounts owing in relation to the final Mercedes mine acquisition payment, accounts payable, and deferred revenue plus streams.

Amended Gold Purchase Agreement

Subsequent to the end of Q1 2023, Bear Creek announced that Sandstorm advanced the Company an additional US$5 million pursuant to an amendment to the gold purchase agreement (the "Gold Purchase Agreement") between the two parties dated December 17, 2022 (see Bear Creek Mining news releases dated December 17, 2022 and May 11, 2023). In exchange for the additional cash payment, the amended Gold Purchase Agreement extends the Company's delivery to Sandstorm of 600 ounces of gold per month by an additional seven months (a new total of 29,400 ounces over 49 months) at a price equal to 7.5% of the

spot gold price at the time of delivery. All other delivery and payment terms of the Gold Purchase Agreement remain the same. A total of 7,200 ounces of gold have been sold to Sandstorm pursuant to the Gold Purchase Agreement as of March 31, 2023. No delivery or payment amendments have been made to Bear Creek's additional gold and silver stream agreement with Nomad Royalty Co. Ltd. (a wholly owned subsidiary of Sandstorm).

Debt Restructuring

As described above and in the Company's news release dated May 30, 2023, Bear Creek has entered into a term sheet to restructure $25.8 million in debt by way of the Convertible Debenture. The Convertible Debenture bears a nominal interest rate of 7% per year, matures after a term of five years from closing, and, subject to applicable corporate and securities laws approvals, may be converted into common shares of the Company at a price equal to CAD$0.73 (1.25 times the volume-weighted average price of the common shares of the Company for the 10-day period ending on May 29, 2023). If such conversion would create a new control person (as defined by applicable securities laws) of the Company, no conversion may occur until applicable shareholder approval of the Company is obtained. Additional details regarding the terms of the Convertible Debenture are provided in the Company's news release dated May 30, 2023. The Convertible Debenture substantially improves the Company's working capital position, and the reduced monthly interest and principal repayments better allow Bear Creek to aggressively explore and develop Mercedes.

Going Concern

The Company's Q1 2023 interim consolidated financial statements were prepared following accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for at least twelve months from March 31, 2023 and will be able to realize its assets and discharge its liabilities in the ordinary course. Amendments to the Gold Purchase Agreement, as described above, added $5.0 million to the Company's cash balances subsequent to the end of Q1 2023. However, until the Convertible Debenture is finalized and receives TSX Venture Exchange approval, uncertainty remains about the ability of the Company to continue as a going concern.

Conference Call

A conference call will be held today to discuss the Company's Q1 2023 financial and operating results. To participate in the conference call please refer to the following directions:

Date and Time:	Wednesday, May 31, 2023 at 4:00 pm Eastern
Telephone Dial-In:	1-877-407-3982 (toll free from Canada or the US) or 1-201-493-6780
Call-Me:	https://callme.viavid.com/viavid/?callme=true&passcode=13734643&h=true&info=company&r=true& (active 15 minutes prior to event start time)
Replay:	Available from May 31, 2023 at 7:00 pm through to June 7, 2023 at 11:59 pm Eastern and may be a using the following dial-in numbers and PIN: 1-844-512-2921 (toll free from Canada or the US) or 1-412-317-6671 PIN: 13739151

Non-GAAP Measures

This news release includes disclosure of certain non-GAAP financial measures or ratios, as such terms are used in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure, including AISC, Cash Cost, AISC per gold ounce sold and Cash Cost per gold ounce sold. The non-GAAP financial measures used in this news release are not standardized financial measures under IFRS and might not be comparable to similar measures presented by other companies. The Company believes that these measures and ratios provide investors with an improved ability to evaluate the prospects of the Company.

The most directly comparable financial measure of AISC and cash costs per gold ounce that is disclosed in the Company's primary financial statements is cost of sales. For further information regarding these non-GAAP financial measures, please see the information under the heading "Cash Cost and

All-in-Sustaining Cost ("AISC") for Mercedes" in the Company's Management Discussion and Analysis for the period ended March 31, 2023, available on its website (www.bearcreekmining.com) and on SEDAR (www.sedar.com).

On behalf of the Board of Directors,

Anthony Hawkshaw
Chief Executive Officer

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NI 43-101 Disclosure

Unless otherwise indicated, scientific and technical information in this news release is based on work programs and initiatives conducted under the supervision of, and/or has been reviewed and approved by, Andrew Swarthout, AIPG Certified Professional Geologist, a director of the Company who is a Qualified Person ("QP") as defined in NI 43-101. Additional information related to the Mercedes Mine and the Corani Project, including the Quality Assurance and Quality Control measures applied to the Company's sampling and assaying practices, is available in its Annual Information Form for the year ended December 31, 2022, available on its website and on SEDAR .

Cautionary Statement Regarding Forward-Looking Information

This news release contains forward-looking statements regarding: finalizing documentation in respect of the Convertible Debenture; TSXV, securities laws, and, if applicable, shareholder and corporate laws approval of the matters contemplated by the term sheet; the conversion of the amounts outstanding under the Convertible Debenture into common shares of the Company; the ability of the Company to meet the monthly payments, interest and principal repayment obligations under the Convertible Debenture; the continuation of mineralization outside of estimated mineral reserves and mineral resources at Mercedes; anticipated 2023 Mercedes drilling plans and budget; the progression and timing of development work at the Mercedes mine; plans regarding mining methods; expectations regarding increases in Mercedes gold head grade and quarterly and annual production; the timing and tenor of potential contributions of ore mined from the Marianas, San Martin and Rey de Oro zones to Mercedes production; 2023 guidance on gold production, cash costs and AISC; the expectation that Mercedes will generate free cash flow in 2023; the anticipated effect of the Convertible Debenture on the Company's financial condition; the Company's ability to remain a going concern and to meet its debt and streamlining obligations, including the Convertible Debenture;. These forward-looking statements are provided as of the date of this news release and reflect predictions, expectations or beliefs regarding future events based on the Company's beliefs at the time the statements were made, as well as various assumptions made by and information currently available to them. In making the forward-looking statements included in this news release, the Company has applied several material assumptions, including, but not limited to: that the Convertible Debenture will be approved by the TSX-Venture Exchange; that unforeseen factors will not impede the anticipated performance of the Mercedes mine; that development work at Mercedes will continue as planned and result in contributions to production as anticipated; and that exploration drilling plans will transpire as and when predicted. Although management considers this assumption to be reasonable based on information available to it, it may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and the risk exists that estimates, forecasts, projections, and other forward-looking statements will not be achieved or that assumptions on which they are based do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the expectations expressed in them. These risk factors may be generally stated as the risk that the assumptions expressed above do not occur, but may include additional risks as described in the Company's latest Annual Information Form, and other disclosure documents filed by the Company on SEDAR. The foregoing list of

factors that may affect future results is not exhaustive. Investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on behalf of the Company, except as required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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