

# Precious Metals Summit 2013



**BEAR CREEK**  
MINING CORPORATION

# Cautionary Statement Regarding Forward Looking Statements

This presentation contains forward-looking statements or forward-looking information within the meaning of applicable securities legislation (collectively referred to as "forward-looking statements") concerning the plans of Bear Creek Mining Corporation (the "Company") for its properties, operations and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements contained in this presentation include statements with respect to: the mineral resource and mineral reserve estimates, and economic studies and analyses, on the Company's Corani and Santa Ana projects; expectations regarding the potential mineralization and geological merits of the Company's exploration-stage projects; the Company's proposed timelines for the potential development of its Corani and Santa Ana projects, and for generative exploration activities on its other projects; expectations regarding the potential to upgrade existing mineral resources on the Corani project to higher categories of mineral resources or reserves; expectations regarding the continuity of mineral deposits, including in relation to adjacent or other properties (including producing or past-producing properties) that are in the vicinity or same region as the Company's projects; receipt and timing of permitting and other third party approvals; and expectations regarding environmental or social issues that may affect the exploration or development progress in Peru.

These forward-looking statements are based on certain assumptions which the Company believes are reasonable, including that: current gold, silver, base metal and other commodity prices will be sustained, or will improve, and global market conditions will stabilize; additional financing required by the Company will be available on reasonable terms; all necessary government approvals and social licences necessary for the planned exploration and development of the Company's mineral projects will be obtained in a timely manner and on terms acceptable to the Company; the Company will not experience any material accident, labour dispute or failure of plant or equipment or other material disruption in the Company's planned exploration or development programs; mining equipment and personnel will continue to be available on reasonable terms; key management and directors will continue to be retained by the Company; and any proposed future development of the Company's mineral projects will be viable operationally and economically and proceed as expected.

Assumptions relating to the mineral resources, mineral reserves and economic analyses on the Company's Corani and Santa Ana projects are discussed in the most recent technical reports in respect thereof which are available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Many forward-looking statements are made assuming the correctness of other forward-looking statements, such as statements of net present value and internal rate of return, which are based on most of the other forward-looking statements and assumptions herein and in the Company's technical reports. The cost information is also prepared using current values, but the time for incurring the costs will be in the future and it is assumed costs will remain stable over the relevant period.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur, but specifically include, without limitation: risks and uncertainties relating to the interpretation of drill results and other exploration data, and the geology, grade and continuity of mineral deposits; results of initial feasibility, prefeasibility and feasibility studies, and the possibility that future exploration, development or mining results, will not be consistent with the Company's expectations; risks related to variance in actual production from those forecasted in prefeasibility studies; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; risks related to escalating project capital expense costs; the possibility that future exploration results will not be consistent with the Company's expectations; market conditions and volatility, and global economic conditions; risks related to gold, silver, base metal and other commodity price fluctuations; changes in project parameters as plans continue to be refined; mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in the exploration and development process; the potential for delays in completion of geological reports, or that the contents of geological reports will not be consistent with the Company's expectations; the uncertainty of profitability based upon the Company's history of losses; risks related to environmental regulation and liability; risks associated with failure to maintain community acceptance, agreements, and permissions (generally referred to as "social licence"); political and regulatory risks associated with mining and exploration in Peru; competition and loss of key management and personnel; insurance and tax risks; risks related to foreign exchange fluctuations; and general risks and uncertainties related to the Company's prospects, properties and business strategy.

Some of the important risks and uncertainties that could affect forward-looking statements are also described in the Company's most recent annual information form which is available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, other than as required by applicable laws. Investors are therefore cautioned against placing undue reliance on forward-looking statements. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, may also materially and adversely affect the Company's business and prospects.

## Scientific and Technical Disclosure

All scientific and technical disclosure contained in this presentation has been reviewed and approved by Andrew Swarthout, P.Geo., the Chief Executive Officer of the Company, whom is a "qualified person" within the meaning of National Instrument 43-101 ("NI 43-101"). Please refer to the NI 43-101 technical report dated December 22, 2011 entitled "Corani Project, Form 43-101F1 Technical Report, Feasibility Study" available under the Company's profile at [www.sedar.com](http://www.sedar.com), as well as the Company's news releases dated November 9, 2011 and January 4, 2012, for further details of the feasibility study in respect of the Company's Corani project. Please refer to the NI 43-101 technical report dated October 21, 2010 entitled "Feasibility Study, Santa Ana Project, Puno, Peru, Form 43-101F1 Technical Report" available under the Company's profile at [www.sedar.com](http://www.sedar.com), as well as the Company's news release dated October 7, 2010, for further details of the feasibility study in respect of the Company's Santa Ana project.



# Corporate Structure

## ISSUED AND OUTSTANDING (as of Sept 4/13) 92,291,639 shares

Employee stock options (Exercise prices from Cdn.\$1.24 – Cdn.\$10.77)	7.8M
Share Price (TSX)	\$2.50
Average Daily Volume (TSX)	113,000
52 Week Range	\$1.17 - \$3.81
Market Capitalization	\$225M

## FULLY DILUTED 98,099,339 shares

Insiders	4%	3.5M
Silver Wheaton	14.40%	13.2M
Mason Hill Advisors	10.80%	9.9M
Tocqueville Asset Management	10.00%	9.2M
Sprott Asset Management	9.80%	9.0M

## CASH BALANCE (end of Q2, 2013) US \$58M, no debt

Note: Bear Creek has no need to finance until decision to construct Corani is reached. The existing cash balance provides a considerable cushion post ESIA/Community approvals.





# Peru: An Established Mining Jurisdiction



## 2011 Top 5 Silver Producing Countries (millions of oz)

Mexico	152.8
Peru	109.8
China	103.9
Australia	55.2
Chile	42.1

## 2011 Top 5 Zinc Producing Countries (in '000 metric tonnes)

China	3,500
Peru	1,520
Australia	1,450
India	750
United States	720

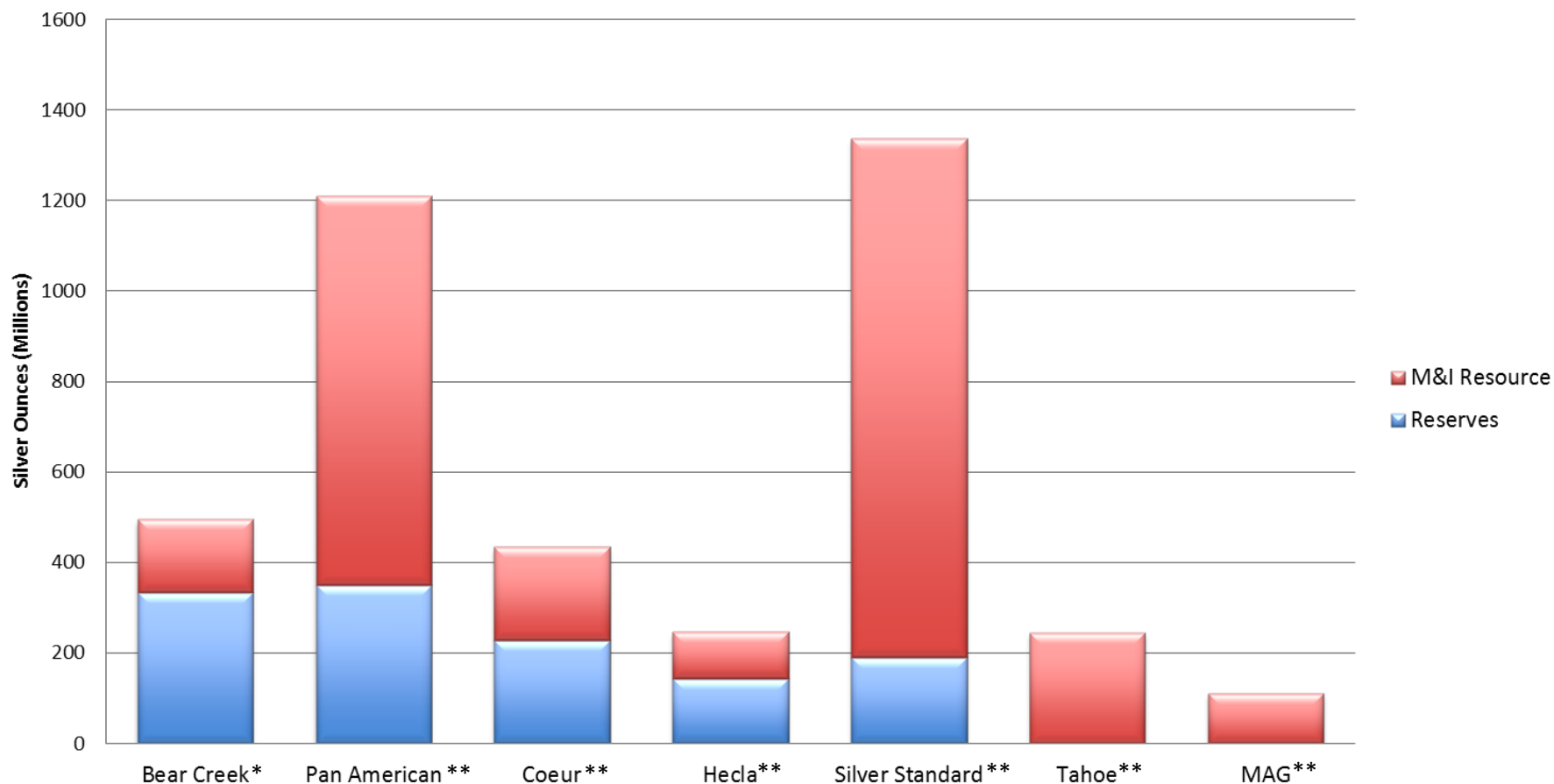
## 2012 Top 5 Lead Producing Countries (in '000 metric tonnes)

China	1,410
Australia	641
United States	444
Peru	329
Mexico	120



# Peer Comparison

## Reserve - Resource Comparison



\*Bear Creek numbers include Corani and Santa Ana Reserves and Measured and Indicated Resources as detailed on the Bear Creek website.

\*\* This information is based solely on the mineral resources and reserves reported by these companies in their public disclosure documents, which Bear Creek has not evaluated in any manner and is reproducing such information for comparison purposes only.



# Corani Silver Project





# Corani Site – Excellent Infrastructure

**Open-Pit Outline 270M oz Silver in Reserves**



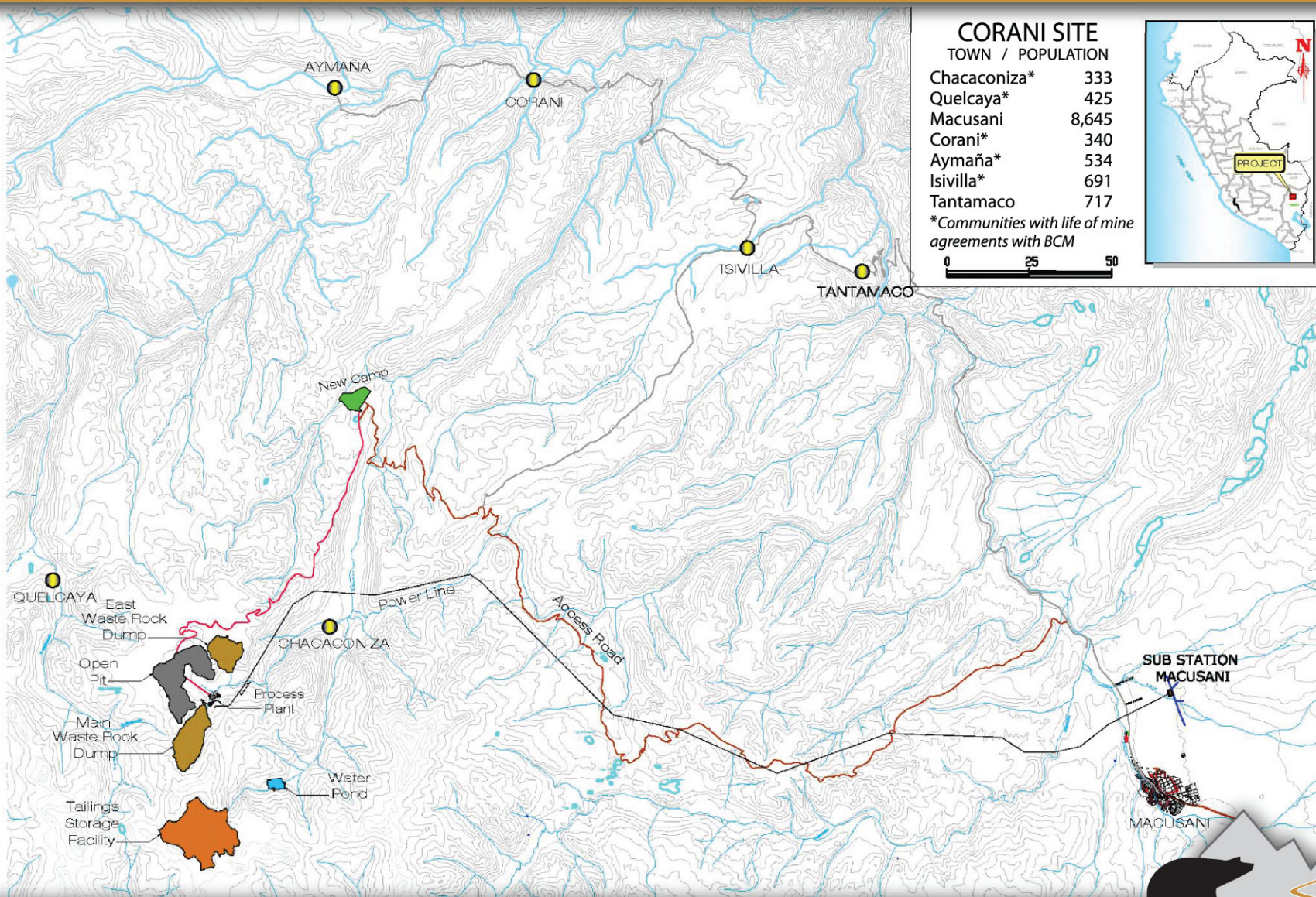
## Site Attributes

- ✓ High desert, sparse population
- ✓ Ample tailings waste dump sites
- ✓ Excellent infrastructure – power and water





# Corani Area





# Corani Reserves/Resources at \$18/oz Ag.

Mineral Reserves, \$10.54 NSR Cutoff					Contained Metal			Equivalent Ounces	
Category	Ktonnes	Silver Gm/t	Lead %	Zinc %	Silver Million Ozs	Lead Million Lbs	Zinc Million Lbs	Eq. Silver Million Ozs	Eq. Silver Gm/t
Proven	30,083	66.6	1.04	0.60	64.4	690.4	399.9	115.7	119.6
Probable	126,047	50.7	0.87	0.47	205.6	2,422.6	1,297.7	381.5	94.1
<b>P + P</b>	<b>156,130</b>	<b>53.8</b>	<b>0.90</b>	<b>0.49</b>	<b>270.0</b>	<b>3,113.0</b>	<b>1,697.6</b>	<b>497.2</b>	<b>99.1</b>

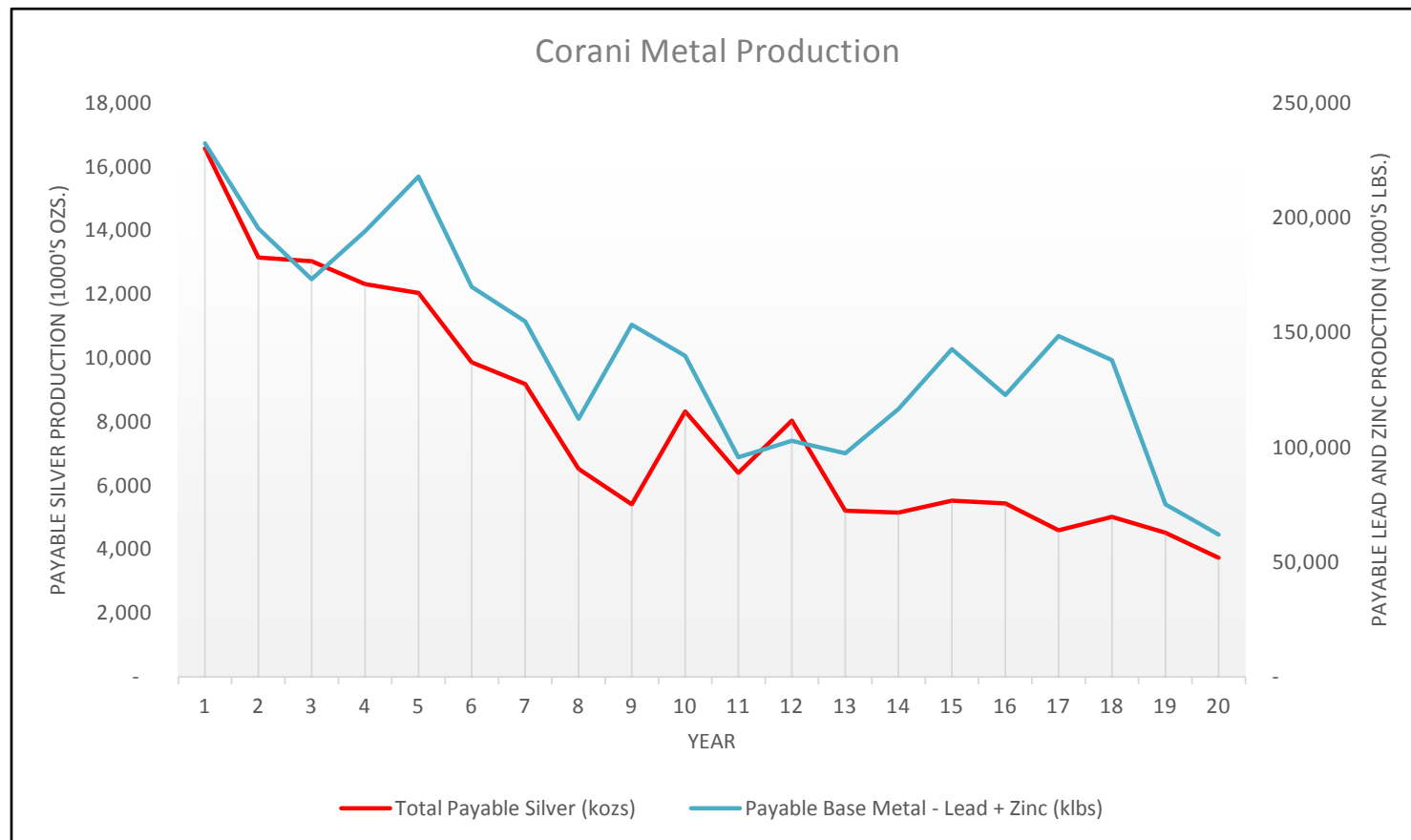
  

Mineral Resources, \$9.20 NSR Cutoff					Contained Metal			Equivalent Ounces	
Measured	10,878	17.5	0.38	0.33	6.1	91.1	79.1	13.9	39.6
Indicated	123,583	20.8	0.38	0.29	82.6	1,035.3	790.1	166.7	42.0
<b>M + I</b>	<b>134,461</b>	<b>20.5</b>	<b>0.38</b>	<b>0.29</b>	<b>88.7</b>	<b>1,126.4</b>	<b>869.2</b>	<b>180.6</b>	<b>41.8</b>
Inferred	49,793	30.0	0.46	0.28	48.0	509.4	305.2	86.2	53.9

Note: Silver Equivalency calculation represents the contained equivalent silver ounces contained in the ground and is based on the resource metal prices assumptions of \$18.00/oz Ag, 0.85/lb Pb and 0.85/lb Zn and recoveries to concentrate of 64.2% for silver and 71.1% for lead and 51.6% for zinc. The calculation does not take into account the net smelter payment terms for the different metals in the two separate concentrates. The resulting equivalency is 1 oz Ag = 19.1 lb Pb and 1 oz Ag = 26.3 lb Zn. For further details, please see the NI 43-101 technical reports on the Corani and Santa Ana projects referred to at the beginning of this presentation and which can be found on the company website..  
 Bearcreekmining.com



# Corani Production



First 5yr average payable silver = 13.4 million ounces per year  
 First 5yr average payable lead = 149 million pounds per year  
 First 5yr average payable zinc = 54 million pounds per year

LOM Silver = 160.2 million ounces  
 LOM Lead = 2.1 billion pounds  
 LOM Zinc = 744 million pounds





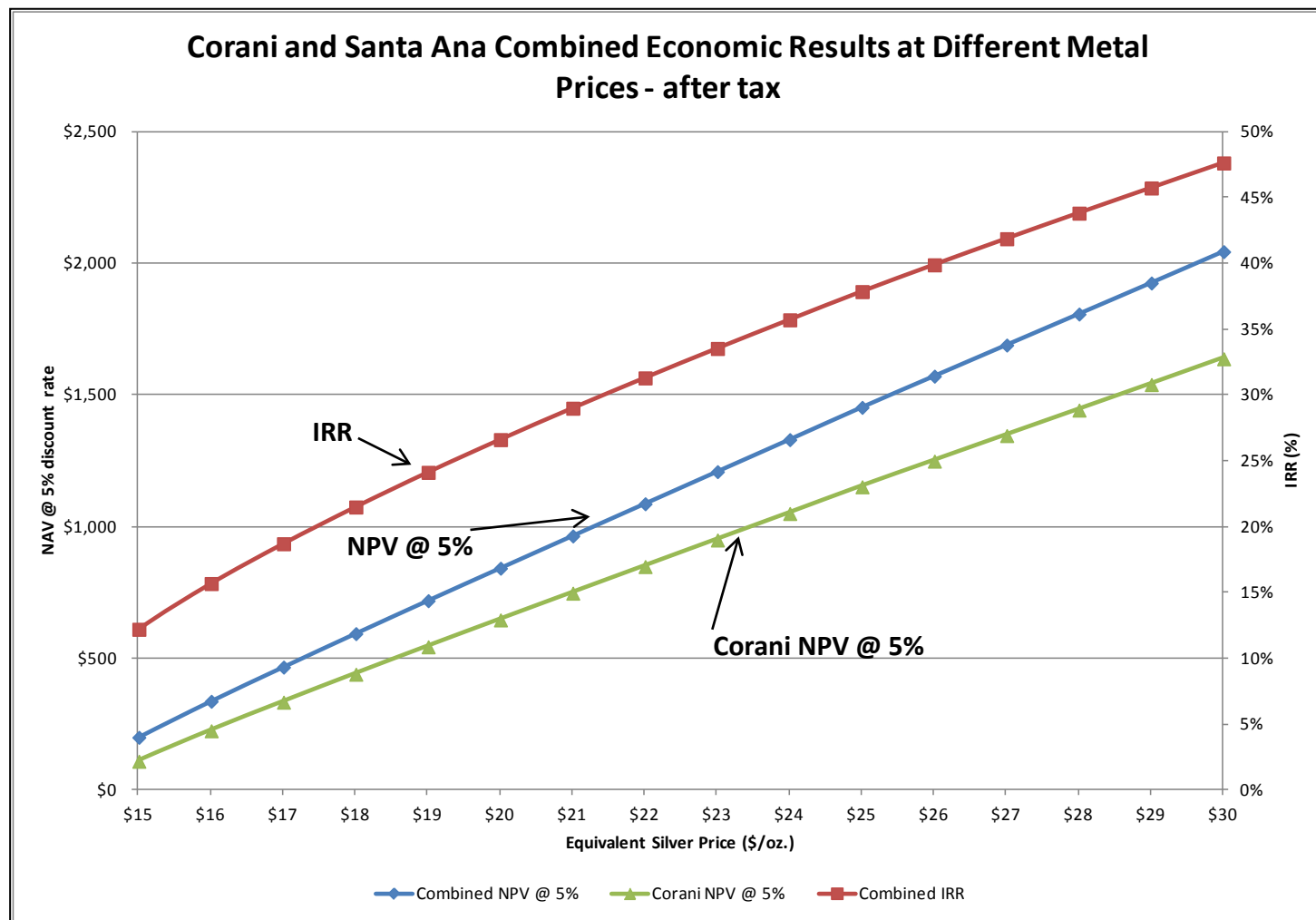
# Corani Economics

- Proven and probable mineral reserves of 270 million ounces of silver, 3.1 billion pounds of lead and 1.7 billion pounds of zinc
- 13.4M ounces Ag per year for the first 5 years, 8M opy life of mine (20 years)
  - Ag Eq. per ounce basis, 23.0M opy for the first five years & 14.7M opy for the life of the project
- Cash cost of negative \$0.45 per oz Ag for the first 5 years;
  - LOM cash costs of \$3.66 per ounce (net of base metal credits at \$0.85 Pb and Zn)
- Capital costs of \$574 million with payback in 3 years @ current metal prices
- 89M oz Ag in measured and indicated mineral resources for possible future reserve conversion & additional new mineralization

\*Base case uses \$18/oz Ag, \$0.85/lb lead & \$0.85/lb zinc



# Combined Projects NPV @ 5%





# Corani Community



**ESIA Philosophy** – To ensure the project has a small footprint and ensure the community sees long term benefits

## **Long term community benefits**

- Rebuild/construction on 2 of 5 schools in local communities completed
- Health and nutrition programs
- Local hiring policy
- Herd quality programs
- Women's programs
- Farming programs including vaccination and herd improvement programs
- Education supplies and programs
- Water improvement projects



# Corani Public Audience - Permitting

- Public hearing (required for Environmental and Social Impact Assessment) held on April 12
- Eight hundred community members in attendance
- Life of mine investment agreements registered with all 5 communities
- Responses to 147 community comments registered on Aug 27, 2013
- Approval expected Q3 – Q4





# Corani Job Creation and Tax Generation



## Job Creation

- 2000+ jobs created during construction
- 433 full time positions post construction
- Training programs underway (mechanics, welding)

## Tax, Royalties and Workers Participation Paid over LOM

- Taxes - \$412 Million
- Royalty and Special Tax - \$107 Million
- Workers Participation - \$119 Million



# Recent Permitting Activity in Peru

- **San Luis Project** (Silver Standard)
  - ESIA approved September 2012
- **Inmaculada Project** (Hochschild)
  - ESIA approved September 2012
- **Cerro Verde Project** (Freeport-McMoRan Copper & Gold)
  - ESIA approved December 2012
  - Construction Permit received February 2013
- **Shahuindo Project** (Sulliden)
  - ESIA submitted December 2012
  - Public audience completed March 13, 2013
  - Electrical Permit received April 2013
  - ESIA approval announced September 11, 2013
- **Corani Project** (Bear Creek Mining)
  - ESIA submitted December 2012
  - Public audience successfully completed April 12, 2013
  - Responses submitted Aug 27, 2013



# Santa Ana

- Management remains optimistic regarding negotiated settlement
  - Constitutional hearing to return the Company's rights to operate - June 2013
  - Decision expected Q3 – Q4, 2013
- 11 year mine life producing 47.4 million ounces of silver
- Expandable to 18 year mine life, producing 75 million ounces of silver
- \$330 million in taxes & royalties paid at current prices and creation of 600 direct and 1500 indirect jobs
- Pure silver producer averaging 5.0 million ounces / year first 6 years
- Low Capex (~ \$70M), rapid payback (~ 1.3 years)





# Bear Creek Exploration Upside

- **Carito Project:**  
Untested surface target with up to 22 g/t Au in outcrop (Refer to BCM news release dated Mar. 18, 2013.)  
Similar to Rio Alto La Arena project producing 201 K oz Au/year  
Phase I drilling Q4 2013
- **Tassa Silver-Gold Project:**  
16kms from Chucapaca discovery (Goldfields)  
Drilling intersects 60m averaging 111 g/t and 16 m averaging 1.5 g/t gold (Refer to BCM news release dated Aug. 16, 2012.)
- **Sumi Gold Project:**  
Surface sampling up to 15 g/t Au, 156 g/t Ag (Refer to BCM news release dated Aug. 16, 2012.)  
Phase I drilling intersects 17 m averaging 3.6 g/t Au, 50 m averaging 0.98 g/t Au, and 10 m averaging 4.4 g/t Au
- **Maria Jose Project:**  
Potential bonanza-style vein system with 4 – 22 g/t Au at surface in veins up to 1 meter wide, untested (Refer to BCM news release dated Mar. 18, 2013.)



# Bear Creek – Vision Forward

## CORANI

ESIA  
Approval

Complete Permitting  
/Detail Engineering

Advance Financing  
Options

Lead Order  
Items

Cash flowing \$182M/yr\*\*  
3 year payback

← Construction - 1.5 year build out →

## SANTA ANA

Negotiations in progress to recover rights

1 year  
build out

Cash flowing \$60M/yr\*  
Approx. 1.5 year payback

## GENERATIVE

Ongoing exploration – 2 – 3 projects per year

\* Corani and Santa Ana cash flow based on \$23 Ag

\*\* Corani cash flow represents first 5 years of mine life

