

# Bear Creek Mining Reports Q3 2024 Financial and Operating Results

Vancouver, British Columbia--(Newsfile Corp. - November 26, 2024) - Bear Creek Mining Corporation (TSXV: BCM) (OTCQX: BCEKF) (BVL: BCM) ("Bear Creek" or the "Company") reports its interim condensed consolidated financial results for the three months ended September 30, 2024 ("Q3 2024").

This news release should be read in conjunction with the Company's interim condensed consolidated financial statements and management discussion and analysis ("MD&A") for the three and nine months ended September 30, 2024, which are available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and the Company's website ([www.bearcreekmining.com](http://www.bearcreekmining.com)). Monetary amounts in this news release are in United States dollars unless otherwise stated and all capitalized terms herein have the same meaning as defined in the Q3 2024 financial statements.

Eric Caba, President & CEO, states, "We are very happy to report that Bear Creek recorded a gross profit of \$5.9 million during the quarter, and for the first time since acquiring Mercedes, a profit after operating expenses for the three months ended September 30, 2024. Our ongoing efforts to improve efficiency, reduce costs, and our application of operational discipline resulted in an increase in gold and silver production during the quarter. Undoubtedly, the current strength in metal prices also had a positive impact on achieving this exciting financial milestone. We continue to adapt and improve the mining methods to suit the ore bodies, and we anticipate this will further reduce dilution and contribute to improvements in profitability in 2025. The ongoing operational improvements at Mercedes, the identified exploration targets, and the inclusion of the oxide resource in Corani, leave us very excited for the year ahead."

## Selected Q3 2024 Financial and Production Results

Bear Creek's Mercedes gold mine, located in Sonora, Mexico, produced 10,751 ounces of gold and 76,939 ounces of silver during the three months ended September 30, 2024. During this period 11,066 ounces of gold were sold, of which 825 ounces of gold were delivered under streaming arrangements. Cash costs and AISC per ounce of gold sold were \$1,285 and \$1,697, respectively. See "Non-GAAP Financial Measures", below.

Mercedes Operating Highlights	Q3 2024	Year to Date
Gold ounces produced	10,751	32,283
Silver ounces produced	76,939	161,872
Gold ounces sold	11,066	32,900
Cash costs per gold ounce sold <sup>(1)</sup>	\$1,285	\$1,349
AISC per gold ounce sold <sup>(1)</sup>	\$1,697	\$1,755
Tonnes mined	103,889	303,348
Tonnes processed	102,535	307,541
Average gold grade mined (g/t)	3.36	3.51
Average gold grade processed (g/t)	3.40	3.45
Recovery rate gold	96%	95%
Average realized gold price <sup>(2)</sup>	\$2,469	\$2,266
Development (meters)	2,025	7,374

Financial Results (millions of dollars, except share and per share amounts)	Three Months Ended September 30, 2024
Revenue	\$29.7
Gross Profit	\$5.9
Profit before "other items"	\$0.4
Comprehensive earnings (loss) after taxes	\$(7.0)
Comprehensive earnings (loss) per share <sup>(3)</sup>	\$(0.03)
Adjusted earnings (loss) after taxes <sup>(1)(4)</sup>	\$(2.2)
Adjusted earnings (loss) per share <sup>(1)(3)(4)</sup>	\$(0.01)
Weighted average shares during period	227,658,982
Shares issued and outstanding at end of period	227,725,785

	Nine Months Ended September 30, 2024
Cash generated from (used in) operating activities	\$12.6
Cash generated from (used in) investing activities	\$(8.2)
Cash generated from (used in) financing activities	\$(0.6)
Net increase (decrease) in cash	\$3.8

(1) Non-GAAP Measure. Please see "Non-GAAP Measures" below for further information.

(2) Inclusive of final settlement adjustments on sales for non-streamed ounces.

(3) Per share amounts are based on weighted average shares during the period.

(4) Adjusted earnings excludes non-cash items that are significant but not reflective of the underlying operational performance of the Company and are a useful metric as they are an important indicator of the strength of operations and the performance of the Company's core business. Additional information is provided in the Company's Q3 2024 MD&A.

## **Mercedes Mine, Mexico**

The Mercedes mine, in the state of Sonora, Mexico, is a fully mechanized, ramp-access operation that produces gold and silver. Eleven individual deposits have been mined, of which five are actively in production.

The Mercedes Mine had one lost time incident ("LTI") and no reportable environmental incidents during the three and nine months ended September 30, 2024.

### *Exploration*

Mercedes exploration efforts during Q3 2024 focused on underground Mineral Resource extension and infill drilling at the Marianas, Diluvio West and Barrancas deposits. Data obtained from infill drilling will assist in the upgrading of new Mineral Resources and the conversion of Resources to Mineral Reserves. Surface Mineral Resource exploration & extension drilling programs at the Diluvio Northwest and Lagunas West targets also continued during Q3 2024. Expenditures on exploration drilling during the quarter totaled \$0.5 million and underground delineation drilling expenses totaled \$1.34 million.

As a result of initiatives to identify new near-mine and district-wide exploration targets undertaken during Q2 and Q3 2024, six high priority brownfield targets and eight greenfield targets have now been identified in the Mercedes concessions. The Company is currently evaluating and prioritizing these targets for potential inclusion in its 2025 surface and underground exploration drilling programs. The 69,284-hectare Mercedes property is located at the convergence of discrete porphyry, epithermal & orogenic belts – a geologically highly prospective setting that is largely underexplored outside of the Mercedes mine area.

### *Development*

Development totaled 2,025 meters during Q3 2024, a slight decrease from past quarters as development in the Marianas deposit was limited in favour of driving the new lateral ramp. This ramp was completed during the quarter and production from Marianas resumed toward the end of September 2024. Portal access to the Rey de Oro Alta deposit was also initiated during Q3 2024.

Planning for a new tailings storage facility ("TSF3") continued during Q3 2024. A land use permit for TSF3 was issued during Q1 2024, however final permitting has been impacted by bureaucratic delays in the implementation of Mexico's new mining law announced in 2023. Alternative plans for the deposition of tailings are underway, including utilizing a third-party engineering firm to engineer and design a dry stack tailings disposal option that is expected to move into the permitting phase during Q1 of 2025.

A focus on fundamental changes to the cost structure and operating protocols continued to dominate management's efforts to improve outcomes from the Mercedes mine. Initiatives completed or further advanced during Q3 2024 include the restructuring of mining contracts to help replace aged machinery with equipment that is right sized for the extraction and exploitation of the Marianas ore body.

### *Production*

Mercedes' Q3 2024 production was comprised of contributions from four main deposit areas: San Martin, Marianas, Diluvio and Lupita and totalled 10,751 ounces of gold and 76,939 ounces of silver. During the three months ended September 30, 2024, 103,889 tonnes of ore were mined at an average mining grade of 3.36 g/t gold and 43.77 g/t silver, and 102,535 tonnes of ore were processed at an average grade of 3.10 g/t gold and 47.91 g/t silver. The average gold grade of ore processed during Q3 2024 was largely in keeping with the last two quarters, continuing the improvement in grade in comparison to the 2023 average of 2.77 g/t. The San Martin deposit continued to contribute the majority of Mercedes' Q3 2024 mined and processed tonnage.

Gold production improved during Q3 2024 relative to the previous quarter as a result of an increase in mined and processed tonnage coupled with slightly higher gold recovery rates. Notably, silver production totaled almost 77,000 ounces during the third quarter, a substantial increase over each of the first two quarters of 2024 as well as the average quarterly silver produced from Mercedes since Bear Creek acquired the mine in 2022, as a result of favorable mineralogy at San Martin that allowed to significantly improve silver recovery rates.

### *Outlook*

Production from the San Martin is expected to wind down during Q1 of 2025. Both the Marianas and Rey de Oro Alta deposits are expected to begin contributing ore in the later part of 2024 and be significant contributors in 2025. During the transition of production to these deposits in the near term, we expect production levels to be highly variable as we sequentially advance through differing grades in San Martin and advance the development in Marianas and Rey de Oro.

Upgraded geological and Mineral Resource block models for all Mercedes deposits are progressing in preparation for a 2024 update on the Mineral Resource estimate and subsequent conversion to Mineral Reserves. Modifying factors used in the resource and reserve estimates, including gold and silver prices, are being updated and the 2024 Mineral Resource and Reserve estimates will inform the mine planning, production scheduling and ultimately, determination of mining costs to be incorporated into a new 2025 economic model for the Mercedes mine. The continued focus on development as well as Resource delineation and exploration Resource extension drilling will support the plans for short and medium-term production planning as well as the 2025 budgeting process.

The Company has commenced a program to delineate new prospects, with the potential to lead to discovery of new Mineral Resources proximal to Mercedes' current operations, to be followed by a second phase of work aimed at expanding the existing interpretation of the remainder of the Mercedes concessions with a view to defining key mineralized systems and including new mineralization models.

### **Corani Project**

Activities at the Corani Property during the three months ended September 30, 2024 focused primarily on assessment of the "Oxide Opportunity" (see news release dated September 9, 2024), which has the potential to enhance life of mine silver production, improve already robust economic returns, and meaningfully lower the initial capital required to commence operations at Corani. The Company is working toward completion of a Preliminary Economic Assessment ("PEA") that will consider a development plan for Corani consisting of an initial phase of mining near-surface, silver-rich oxidized material (the "Oxides") to be followed by the development and extraction of the silver-lead-zinc sulfide resources outlined in the 2019 Corani Feasibility Study technical report (available on the Company's website and SEDAR+). The results of the PEA, and the technical report supporting them, are expected to be announced prior to the end of 2024.

The Company is continuing to investigate financing alternatives to fund development of the Corani mine, supporting prior early works initiatives such as road access and completion of electrical transmission lines, and focusing on maintaining the Corani permits and the project's strong social license.

### **Overview of Results of Operations, Liquidity and Capital Resources**

The Company recorded revenue of \$29.7 million from the sale of gold and silver during the three months ended September 30, 2024 (compared to \$18.8 million for the comparative period of 2023). The cost of

goods sold was \$16.5 million and depletion, amortization and depreciation amounted to \$7.2 million during Q2 2024. Gross profit from operations was \$6.0 million during the three months ended September 30, 2024 compared to a gross loss of \$6.8 million for the same period in 2023.

The Company recorded a profit (before other items) of \$0.4 million for the three months ended September 30, 2024 (compared to a loss (before other items) of \$11.7 million the same period a year earlier).

Adjusted Earnings for the three months ended September 30, 2024 totalled \$(2.2) million or (\$0.01) per share. Adjusted Earnings are a non-GAAP financial measure (see "Non-GAAP Measures", below) which excludes items that are significant but not reflective of the underlying operational performance of the Company.

Spending on the Corani property totalled \$1.8 million during the three months ended September 30, 2024, a small decrease compared to the same period a year earlier (Q3 2023: \$2.0 million) due to decreased consulting costs. The Corani expenditures comprise both direct project expenditures and corporate overhead costs. Exploration costs, including maintenance of the Company's Peruvian property interests and exploration at Mercedes, totalled \$1.9 million during the quarter (Q3 2023: \$1.1 million). This increase is due to increased exploration drilling at Mercedes.

The Company fair values the conversion feature of its convertible debentures, and call options granted as part of notes payable at each period end and recorded a loss of \$1.2 million (Q3 2023: gain of \$1.3 million) presented as a change in fair value of the derivatives embedded into the Equinox Note and Sandstorm Loan. The major factor impacting this loss was the change in share price of the Company during the quarter.

The Company fair values the warrant liability associated with financing in Q4 2023 and recorded a loss of \$0.3 million (Q3 2023: nil) due to the fluctuations in the Company's share price.

The difference between the Q3 2024 profit (before other items) and the after-tax net loss is primarily attributable to a \$(3.4) million change in the fair value of stream arrangements recorded during the quarter (compared to a \$0.6 million gain in Q3 2023) due to increases in metals prices, remaining deliveries and the discount rates utilized.

After operating expenses, other income and expenses, tax expenses and recoveries the Company recorded a comprehensive net loss of \$7.0 million (\$0.03 per share) for the three months ended September 30, 2024 (Q3 2023: \$9.8 million and \$0.06 per share). The \$2.8 million decrease in comprehensive loss period over period is primarily due to the \$6.9 million increased loss on the valuation of embedded derivatives, stream arrangements and warrant liability and \$1.1 million decrease in foreign exchange gain offset by the higher profit of \$12.0 million.

On September 30, 2024, the Company held cash and short-term investments totaling \$7.7 million, an increase of \$3.8 million over the cash and short-term investments on December 31, 2023 of \$3.9 million.

For the nine months ended September 30, 2024, the Company had a cash inflow from operating activities of \$12.6 million (2023: inflow of \$2.0 million); a cash outflow from investing activities of \$8.2 million (2023: outflow of \$12.2 million); and an outflow of \$0.6 million from financing activities (2023: outflow of \$8.4 million).

The Company's interim condensed consolidated financial statements for the three and nine months ended September 30, 2024 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 September 30, 2024 and will be able to realize its assets and discharge its liabilities in the ordinary course of operations.

On September 30, 2024, the Company had a working capital (current assets minus current liabilities)

deficiency of \$93.2 million (December 31, 2023: \$89.7 million), which was impacted by the amendments to IAS 1 – Presentation of Financial Statements, requiring reclassification of equity-settleable convertible notes and warrant liabilities totaling \$57.2 million (December 31, 2023: \$47.4 million) from non-current liabilities to current liabilities.

### **Non-GAAP Measures**

This news release includes disclosure of certain financial measures or ratios, as such terms are used in National Instrument 52-112 - *Non-GAAP and Other Financial Measures Disclosure*, including Cash Cost, All-In Sustaining Cost ("AISC") and Adjusted Earnings. These Non-GAAP financial measures are not standardized financial measures under IFRS □ Accounting Standards ("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 as they provide additional information related to operating performance and are widely used in the mining industry.

For further information regarding these non-GAAP financial measures including reconciliations of these measures to the applicable costs items as reported in the consolidated financial statements for the respective periods, please see the information under the heading "Cash Cost and All-in-Sustaining Cost ("AISC") for Mercedes" and "Adjusted Earnings and Adjusted Earnings per Share" in the Company's MD&A for the three months and nine months ended September 30, 2024, available on the Company's website and on SEDAR+.

On behalf of the Board of Directors,

Eric Caba  
President and CEO

For further information contact:

Barbara Henderson - VP Corporate Communications

Direct: 604-628-1111

E-mail: [barb@bearcreekmining.com](mailto:barb@bearcreekmining.com)

[www.bearcreekmining.com](http://www.bearcreekmining.com)

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### **NI 43-101 Disclosure**

Unless otherwise indicated, the technical and scientific information provided in this MD&A related to the Company's mineral projects is based on work programs and initiatives conducted under the supervision of, and has been reviewed and approved by, Donald Mc Iver, Fellow SEG and Fellow Aus IMM. Mr. Mc Iver is Vice President, Exploration and Geology of Bear Creek Mining Corporation and is a qualified person ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

### **Cautionary Statement Regarding Forward-Looking Information**

This news release contains forward-looking statements regarding: the ability of the Mercedes mine to generate free cash flow; expectations for future reductions in dilution and improvements in profitability at the Mercedes mine; expectations regarding the completion of updated estimates of Mineral Resources and Mineral Reserves at the Mercedes mine and the implications of these new estimates on future mining plans, economic models and mining costs; anticipated exploration plans at the Mercedes property and the goals thereof; the evaluation of exploration targets and the potential for additional mineralization, yet undiscovered, within the Mercedes property; expectations regarding volatility in near term production results; the development of contingency plans for the disposal of tailings at the Mercedes mine and the viability of such contingencies; the expected contributions of various deposits to Mercedes' future production; expectations regarding the timing and outcomes of the Corani Oxides PEA; plans to re-initiate Corani project financing discussions; and expectations regarding the maintenance of Corani permits and social license. 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 these forward-looking statements, the Company has applied several material assumptions, including, but not limited to: that the Company will be able to meet its debt and stream obligations; 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 these assumptions to be reasonable based on information available to it, they 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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