BEAR CREEK MINING CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED MARCH 31, 2019

Introduction

The following Management's Discussion and Analysis ("MD&A") of Bear Creek Mining Corporation (the "Company" or "Bear Creek") was prepared on May 23, 2019 and should be read in conjunction with the interim condensed consolidated financial statements of the Company for the three-months ended March 31, 2019, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. All dollar amounts are expressed in United States dollars unless otherwise noted. Additional information relating to the Company, including the Company's Annual Information Form ("AIF"), is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Bear Creek's business is the acquisition, exploration and development of precious and base metal properties. The Company is advancing its 100%-owned Corani silver-lead-zinc project towards development and has a few early-stage exploration projects being reviewed by third parties or explored by joint venture partners. Bear Creek has no revenue from its mineral properties.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. A description of significant risks may be found in the Company's AIF for the year ended December 31, 2018.

Except where otherwise indicated, Bear Creek's exploration programs and pertinent disclosure of a technical or scientific nature are prepared by or prepared under the direct supervision of Andrew Swarthout, P.Geo., Executive Chairman of the Company, who serves as the Qualified Person under the definitions of National Instrument 43-101 ("NI 43-101").

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1) Current Highlights

Corporate Developments:

On March 6, 2019, the Company announced the appointment of Mr. Alfredo Bullard as a Director of the Company. Mr. Bullard, Partner in the Lima, Peru law firm Bullard Falla Ezcurra +, is an accomplished lawyer, author and professor. Mr. Bullard's legal expertise focuses on law and economics, including competition, economic regulation, property, consumer protection, torts, contracts and international trade and arbitration. Mr. Bullard is a member of the International Bar Association and various other legal institutions and has served as an arbitrator on more than 200 cases administered by both Peruvian and international arbitration courts. Mr. Bullard graduated from the Law School of Pontificia Universidad Católica del Perú and holds a Master's degree in law from Yale University in the United States.

Corani Project:

The Company continues to advance the Corani project ("Corani" or the "Corani Project") toward development through additional metallurgical testing, engineering and early works. The Company will evaluate financing options for developing the Corani Project once the current engineering studies are complete in 2019. In accordance with the Corani Project Environmental and Social Impact Assessment and local community agreements the Company started, in 2018, a $4.5 million early works program including building temporary access roads, mine camp and maintenance and storage facilities. Additionally, the Company started civil works on the Antapata electrical substation and placed an order for the transformer on October 16, 2018. The transformer is expected to be delivered in August 2019.

The Company is advancing the project by undertaking Phase 2 Detailed Engineering with the assistance of Ausenco Engineering, while at the same time continuing community and environmental initiatives.

For more details, see section 2.1

Maria Jose Project:

Analytica Mineral Services SAC ("AMS") and the Company signed an option providing for a future joint venture agreement in 2015. AMS has secured surface rights agreements with the local community and has built an access road to the tunnel portal sites. Tunneling work began during December of 2018. The Maria Jose tunneling program is designed to test the continuity of gold mineralization and define resources for potential production.

For more details, see section 3.1

2) Development Projects

2.1) Corani Silver-Lead-Zinc Project

The 100%-owned Corani silver-lead-zinc project ("Corani") is located in the Andes Mountains approximately 160 kilometers southeast of Cusco, Peru at an elevation of approximately 4800 meters above sea level. The Corani Project currently consists of twelve mineral concessions that form a contiguous block of ground covering approximately 5,700 hectares. The Company applied for, and during Q3 2018 was notified that it won the auction for, an additional 300 hectares of mineral concessions in the Corani Project area. The Company is awaiting the results of a due diligence process required to be undertaken by the Peruvian government before adjudication of the concessions can be legally ratified, which due diligence may include title searches, dispute resolution (if required), and archeological research.

2017 Corani Technical Report Project Metrics and Key Updates and Optimizations *(all dollar amounts are expressed in US dollars unless otherwise noted)*

On October 27, 2017, the Company filed a NI 43-101 feasibility study technical report (the "2017 Corani Technical Report"). This feasibility study was prepared on behalf of the Company by Sedgman Chile SpA with contributions from other mining and engineering consulting firms.

Summary of key estimated Corani Project Life-of-Mine Metrics from the 2017 Corani Technical Report:

	2017 CORANI TECHNICAL REPORT
CAPITAL	
Initial Capital	**$585 M**
Total Capital	**$586 M**
PROCESSING	
Ore Milled (k t)	**139,073**
Silver Recovery	**69.9%**
Lead Recovery	**61.1%**
Zinc Recovery	**67.1%**
Payable Silver (M oz)	**144**
Payable Lead (B lbs)	**1.59**
Payable Zinc (B lbs)	**1.03**
OPERATING	
Total Production Costs (1)	**$3,350 M**
AISC (2) per oz Silver (by-product basis) Years 1-6	**$1.81**
AISC (2) per oz Silver (by-product basis) Life of Mine	**$5.01**
AISC (2) per oz Silver (co-product basis) Life of Mine	**$11.55**
Avg. Annual Silver Production Years 1-6	**12.0 M oz/year**
Avg. Annual Silver Production Life of Mine	**8.0 M oz/year**
Stripping Ratio	**1.49**
Mine Life (extraction)	**18 years**
Mine Life (processing)	**18 years**
Mill Capacity	**22,500 tpd**

(1) Total Production Costs are calculated as total cash operating costs + sustaining capital costs + reclamation and closure costs + social costs
(2) AISC are per payable oz, and are calculated as cash operating costs + sustaining capital costs + reclamation and closure costs + social costs divided by ounces of silver produced

Corani Reserve and Resources Estimates

2017 Corani Feasibility Mineral Reserves							
					Contained Metal		
Category	**M Tonnes**	**Silver g/t**	**Lead %**	**Zinc %**	**Silver Million oz.**	**Lead Million lb.**	**Zinc Million lb.**
Proven	20.8	65.8	1.03	0.71	44	472	323
Probable	118.3	47.5	0.87	0.57	181	2,274	1,486
Proven & Probable	139.1	50.3	0.90	0.59	225	2,746	1,809

2017 Corani Feasibility Study Mineral Resources in Addition to Reserves							
					Contained Metal		
Category	**M Tonnes**	**Silver g/t**	**Lead %**	**Zinc %**	**Silver Million oz.**	**Lead Million lb.**	**Zinc Million lb.**
Measured	13.4	34.5	0.39	0.17	15	111	50
Indicated	83.3	26.9	0.38	0.27	72	701	500
Measured & Indicated	96.7	27.9	0.38	0.26	87	812	550
Inferred	39.9	37.2	0.58	0.40	48	511	352

NI 43-101 Disclosure

The 2017 Corani Technical Report was prepared by a team of independent Qualified Persons ("QP"s, as defined in National Instrument 43-101) including: Juan Carlos Tapia, ChE, IMCh, PE of Sedgman, responsible for Summary, Introduction, Reliance on Other Experts, Recovery Methods, Interpretations and Conclusions, Recommendations and References; Kevin Gunesch, PE, Principal Mining Engineer of GRE, responsible for Property Description and Location, Accessibility and Infrastructure, History, Mining Methods and Market Studies; Jennifer Brown, PG, SME-RM, an associate of GRE, responsible for Geological Setting and Mineralization, Deposit Types, Exploration, Drilling, Sample Preparation and Analysis, Data Verification and Adjacent Properties; Rick Moritz, MMSA, Principal Mining Engineer of GRE, jointly responsible for Mineral Processing and Metallurgical Testing; Deepak Malhotra, PhD, MMSA, Independent Consultant, jointly responsible for Mineral Processing and Metallurgical Testing; Terre Lane, MMSA, Principal Mining Engineer of GRE, responsible for Mineral Resource Estimates, Economic Analysis, Other Relevant Data and Information and jointly responsible for Mineral Reserve Estimates and Mining Methods; Denys Parra, PE, Independent Consultant, jointly responsible for Mineral Reserve Estimates, Environmental Studies, Permitting and Social or Community Impact and Mining Methods; Gregory Wortman, BE (Metallurgy), PE, of Sedgman, jointly responsible for Project Infrastructure; Larry Breckenridge, PE, Principal Environmental Engineer of GRE, jointly responsible for Environmental Studies, Permitting and Social or Community Impact and Project Infrastructure; and, Michal Short, BE (Civil), CEng FIMMM, FAusIMM(CP), FIEAust, CPEng, of GBM, responsible for Capital and Operating Costs.

Assumptions used in the 2017 Corani Technical Report Mineral Reserve estimate are:

- The Mineral Reserves have been estimated using the definitions of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM).
- The Mineral Reserves have been estimated using the following metal prices: $20.00/oz Ag, $1.00/lb Zn, $0.95/lb Pb using a revenue factor 1.00 pit shell as a basis for the pit design.
- Only pre-mineral tuff type of material has been considered as reserves.
- NSR Cut-off grades used are equal or higher than: $11.11/t for the East Pit, and $11.26/t for Minas and Main pits.
- The effective date for these Mineral Reserves is 1 May 2017.
- Totals / Averages may not add up due to rounding of individual tonnes and grades.
- The tonnes and grades shown above are considered a Mineral Reserve because they have been demonstrated to be economically viable through the Front End Engineering Design study ("FEED") financial model using the following metal prices: $18.00/oz Ag, $1.10/lb Zn, $0.95/lb Pb.

The economic input for mineral resource determination was identical to that applied to the mineral reserve, with the following exceptions:

- The resource Whittle pit shell did receive economic credit for inferred-class material. Inferred was treated as waste for the mineral reserve.
- The Mineral Resources were generated within the $30.00 silver, $1.425 lead, and $1.50 zinc price pit shell and the calculated $11/tonne NSR cut-off.
- The Mineral Resource contains potentially leachable material processed at $4.82/tonne and above a 15 g/tonne silver cut-off. This Resource is contained within the Whittle pit shell but is not included in the Resource Estimate. The Mineral Reserve does not include any potentially leachable material.

Social and Environmental

The Company has maintained excellent working relationships with the local communities and has continued to conduct activities at Corani without interruption. One of the areas of primary focus for the coming year will be to build on the positive relations with the local communities as the project is advanced. The Company owns 100% of the surface rights covering the mine, waste dumps and processing plant. The Company is working with the Peruvian government to provide the access rights for the ancillary facilities including the access roads and power.

The Company entered into a Life of Mine Investment Agreement ("LOM Agreement") in June 2013 with the District of Carabaya, five surrounding communities, and relevant, ancillary organizations specifying investment commitments over the project life, including the pre-production period. Under the agreement annual payments totaling 4 million nuevo soles per year (approximately $1.2 million per year) are to be made into a trust designed to fund community projects. The first installment was made in 2013. Subsequent installments were contingent upon certain permits being received. All of the permits were received by the end of June 2018 and as a result, payments will remain constant at 4 million nuevo soles throughout the term of the agreement. All future yearly obligations were present valued and recorded as a liability in June 2018. The required payment for 2018 was paid in July 2018. Cessation or interruptions of operations will cause pro-rata decreases in the annual payments. Under the LOM Agreement, a trust structure was established to fund approved investments. Each of the five communities (Corani (Aconsaya), Chacaconiza, Quelcaya, Isivilla, and Aymaña) has agreed to the formation of committees that will consider and approve investment projects for the benefit of the communities, such as schools, medical facilities, roads, or other infrastructure. The annual investment to be directed toward each community is agreed to and defined in the agreement. Bear Creek is an oversight member of the trust; however, the Company has no voting or governing powers. Bear Creek appoints independent members with community social responsibility experience to provide oversight of the foundation's functions in meeting its commitments to the communities and all of its members.

During September 2018, the Company started construction of the Antapata electrical substation near the town of Macusani, the nearest sizeable town to the Corani Project, located on the Interoceanic Highway approximately 30 kilometers directly east of Corani (approximately 64 kilometers by road). A purchase order for the transformer in the amount of $0.5 million was placed on October 16, 2018 and delivery on site is expected in August 2019. This substation will be used to direct electricity to a future power line that will supply the Corani Project and to provide a consistent power supply to the residents of Macusani, who experience regular power brownouts. The Company began substation construction activities during September 2018.

The Company will continue to cultivate the social license it has earned with the communities neighboring the Corani Project by maintaining the open, honest and transparent relationships it has established and by continuing its funding of the community trust established through the LOM Agreement.

Outlook

The Company expects to assess potential Corani Project financing alternatives during 2019. Concurrently, the Company continues to work on the pre-construction initiatives started during Q3 2018.

The Company plans to advance Corani toward development during 2019 and expects to consider a production decision for the project once Phase 2 detailed engineering is complete and an acceptable financing structure has been arranged.

Corani Expenditures

During the three months ended March 31, 2019, the Company incurred expenses of $2.3 million on the Corani Project. Included in this total are: detailed engineering costs of $0.2 million; drilling costs of $0.2 million; camp supplies and logistics of $0.5 million; community contribution activities totaling $0.3 million; salaries and consulting of $1 million; and other costs of $0.1 million.

The Company had incurred $88.6 million of capitalized acquisition costs related to the Corani Project as of March 31, 2019 (March 31, 2018 - $77.3 million). During the year ended December 31, 2018 the Company recognized a community projects liability and capitalized a corresponding resource property cost of $11.2 million upon receipt of mine and processing facility construction permits, which triggered payments under the LOM Agreement.

Planned expenditures of $17.1 million during 2019, including year to date expenditures, will be primarily directed to the Anatapata electrical sub-station ($4.3 million), access road rehabilitation ($0.5 million), detailed engineering, metallurgical and geotechnical drilling and test work ($2.7 million), camp operating costs ($1.5 million), community related programs ($1.9 million), environmental management ($0.4 million), Corani and Lima salaries and overhead expenses ($5.7 million), and permitting ($0.1 million).

3) Exploration Projects

The Company reduced its exploration activities over the past several years in order to preserve cash. The Company maintains a core exploration staff to manage its joint venture exploration projects. The Company has budgeted $0.3 million for these exploration programs in 2019.

3.1) Maria Jose Prospect

In March 2013, the Company entered into an option agreement with a private Peruvian third party to acquire 100% of the 3,500 hectare Maria Jose property. In 2015, the Company signed an option providing for a future joint venture agreement with AMS, a Peruvian tunneling contractor and gold producer to explore and develop the Maria Jose gold-quartz vein system. AMS is required to complete 2,000 meters of tunneling and cross-cuts in the vein systems, at its cost, to earn a 51% undivided interest in the mineral concessions. Following AMS earning its 51% interest, the two parties would form a joint venture. The primary purpose of this alliance was to reduce Bear Creek's exploration costs while maintaining a meaningful ownership interest with a reputable operating partner.

In December 2015, Bear Creek and AMS made a payment of $1.2M to the underlying owner to acquire a 100% interest in the company holding the mineral concessions. As a result, the Company and AMS now jointly own a 100% interest in the Maria Jose concessions. There are no underlying royalties. Under the purchase agreement there is an obligation to pay an additional

$2.1 million to the former property owner upon commencement of commercial production. The $2.1 million is payable by the Company and AMS in proportion to their respective joint venture interests.

AMS has secured surface rights agreements with the local community and built an access road to the planned tunnel portal sites. AMS received the required permits and began the tunneling work during the December 2018. The Maria Jose tunneling program is designed to test the continuity of gold mineralization and define resources for potential production.

3.2) Sumi Gold Prospect

The Company acquired a 100% interest in the Sumi gold prospect by staking in 2011. Sumi is comprised of 1,200 hectares located in the gold-silver tertiary-age epithermal belt in central Peru.

Since March 2014, the Sumi prospect has been explored by Japan Oil, Gas and Metals National Corporation ("JOGMEC"), with which the Company had entered into a joint venture agreement. JOGMEC and the Company terminated the joint venture agreement on July 31st, 2018 upon fulfilment of JOGMEC’s contractual obligation. JOGMEC has complied with its environmental remediation obligations in accordance with the closure plan approved by the Peruvian Ministry of Mines. Such obligations have been discharged. Bear Creek is reviewing the drilling results obtained from JOGMEC before making any decisions about future activity on this project.

3.3) Generative Exploration

Generative exploration has been an important part of the business of identifying and acquiring new opportunities. However, as a result of the Company's focus on the Corani Project generative exploration efforts have been reduced. Generative exploration costs are those costs not attributable to a specific project.

IGV

In November 2016, the Company submitted an application to the Peruvian Ministry of Energy and Mines (“MEM”) for accelerated recovery of the 18% IGV ("Impuesto General a las Ventas" - Peruvian value added tax) that applies to the Company’s planned future investments in the Corani project. The application was approved and a contract (the “IGV Contract”) with the MEM and its agents was executed in the second quarter of 2017. Under the terms of the IGV Contract the Company will be able to recover, on an expedited basis, the IGV taxes associated with its Corani capital investments as described in the approved ESIA and the 2017 Corani Technical Report. The Company recovered S/ 2.8 million of Corani related IGV, equivalent to approximately $0.9 million during 2018.

The IGV expense of $407 thousand represents IGV that was paid during the three months ended March 31, 2019. This amount is expected to be recoverable when the Company generates future revenues in Peru or under the provisions of the IGV Contract.

Since the Company is in the exploration stage and there is no assurance that future revenues will be generated in Peru, IGV has been expensed as incurred. IGV is denominated in Peruvian soles, with a cumulative amount of IGV paid by the Company as of March 31, 2019 of $14.5 million (48.0 million soles) net of 2018 recoveries. IGV credits can be carried forward indefinitely and can be applied to reduce future income taxes or future IGV.

Other Properties

Other properties are non-material exploration properties which management has determined are not an exploration priority or which management has chosen not to pursue and; therefore, has terminated option agreements.

4) Results of Operations

Three months ended March 31, 2019 as compared to the three months ended March 31, 2018

For the three months ended March 31, 2019 the Company had a loss of $4.1 million compared to a loss of $2.2 million for the three months ended March 31, 2018. The Company's loss per share for Q1 2019 was $0.04 compared to a loss per share of $0.02 for Q1 2018.

During the three months ended March 31, 2019, spending on the Corani property was $2.3 million which was an increase of $1.0 million from the $1.3 million spent in the three months ended March 31, 2018. Increased spending is primarily due to the Company's pre-construction initiatives, staffing, drilling, and Phase 2 Detailed Engineering related activities. Other exploration and evaluation costs rose $0.4 million to $0.6 million mostly due to increased generative exploration spending and value added tax paid. Share based compensation increased $0.6 million to $1.1 million due to incentive stock option grants to directors, officers and employees.

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of the Company and is derived from unaudited interim consolidated financial statements. The Company's interim consolidated financial statements are prepared in accordance with IFRS applicable to interim financial statements and are expressed in US dollars. The presentation currency is the US dollar.

Period	Revenues	Income (Loss) for the period (in millions)	Basic and fully diluted income (loss) per share
1st Quarter 2019	Nil	$(4.1)	$(0.04)
4th Quarter 2018	Nil	$(2.2)	$(0.02)
3rd Quarter 2018	Nil	$(2.6)	$(0.03)
2nd Quarter 2018	Nil	$(3.0)	$(0.03)
1st Quarter 2018	Nil	$(2.2)	$(0.02)
4th Quarter 2017	Nil	$27.3	$0.26
3rd Quarter 2017	Nil	$(2.6)	$(0.03)
2nd Quarter 2017	Nil	$(3.3)	$(0.03)

The increase in loss of $1.9 million in the 1st Quarter of 2019 as compared to the 4th Quarter of 2018 is due to an increase of $1.3 million in exploration and evaluation costs, an increase of $0.8 million in share based compensation due to incentive stock option grants to directors officers and employees in the 1st Quarter of 2019, and decline of $0.1 million in other income and expenses offset by a decrease of $0.3 million in Corani engineering and evaluation costs.

The decrease in loss of $0.4 million in the 4th Quarter of 2018 as compared to the 3rd Quarter of 2018 is mostly attributable to a reduction of exploration and evaluation costs of $0.9 million, an increase in Corani expenditures of $0.5 million, reduction of share based compensation of $0.1 million, a decrease in Santa Ana arbitration costs of $0.1 million, a decrease in Santa Ana award interest accrual of $0.5 million, an increase in foreign exchange gain of $0.2 million and an increase in finance income of $0.1 million.

The decrease in loss of $0.4 million in the 3rd Quarter of 2018 as compared to the 2nd Quarter of 2018 is mostly attributable to a reduction of Corani expenditures of $0.1 million, reduction of share based compensation of $0.1 million and a foreign exchange gain of $0.1 million in the 3rd quarter as compared to a $30,000 loss in the 2nd quarter.

The increase in loss of $0.8 million in the 2nd Quarter 2018 as compared to the 1st Quarter 2018 is mostly attributable to $0.9 million increase in Corani property expenditures.

In the 4th quarter of 2017, the Tribunal of arbitrators hearing the Arbitration rendered a $31 million Award in favor of the Company. Without the Award, the Company had a loss of $3.7 million in the 4th quarter of 2017.

The decrease in loss of $1.5 million in the 1st Quarter 2018 as compared to the 4th Quarter 2017 (excluding the $31M award) is mostly attributable to a $1.4 million decline in Corani property expenditures along with the accrual of $0.4 million interest on the Santa Ana Award, partially offset by an increase in share-based compensation of $0.3 million.

The decrease in loss in the 3rd quarter of 2017 relates primarily to reduced expenditures on the Corani project. The Company completed its detailed engineering study on Corani during September 2017 and filed a technical report in October 2017, and as a result had fewer costs during the final months of the study preparation as compared to the previous quarters. In addition, the Company had lower share-based compensation and other exploration costs during the 3rd and 4th quarters of 2017 as compared to the 2nd quarter of 2017.

The principal recurring factors that can cause fluctuations in the Company's quarterly results include the timing and valuations attributable to stock option grants, expenditure levels on exploration projects, impairment losses on exploration projects and foreign exchange gains or losses related to Canadian dollar or Peruvian sole cash balances. The principal non-recurring factors affecting the quarterly results include detailed engineering expenditures and related expenses.

5) Liquidity and Capital Resources

Of the $35.45 million in cash and cash equivalents and short term investments, as of March 31, 2019, approximately $2.1 million (CDN$2.8 million) was denominated in Canadian dollars, $6.8 million (Soles 22.4 million) was denominated in Soles, with the remaining balance in US dollars. The Company's major exploration and development expenditures for 2019 are expected to be denominated in US dollars. The Company generally invests its cash and cash equivalents in Canadian government backed paper, Canadian chartered bank corporate paper with short-term maturities, Peruvian bank time deposits, or Peruvian chartered bank commercial paper with short-term maturities. In the three months ended March 31, 2019 the Company had a cash outflow from operating activities of $3.4 million compared to a cash outflow of $1.6 million in the comparative period in 2018.

As of March 31, 2019, the Company's net working capital (current assets less current liabilities) was $34 million compared to net working capital of $39.3 million as of December 31, 2018. Cash and cash equivalents and short term investments at March 31, 2019 totaled $34.45 million compared to $40.7 million as of December 31, 2018. The decrease is primarily due to funding operating activities associated with Corani community contributions and other operating activities during the period, as well as working capital adjustments.

As of January 17, 2019, $0.63 million of the Company's cash was restricted due to the issuance of a Certificate of Deposit related to the posting of a mine closure guarantee with the Government of Peru.

The Company believes its current cash balances are sufficient to fund its planned exploration, development and corporate overhead activities for at least the next twelve months.

The Company has incurred expenses related to the use of net proceeds from the July 2016 common share offering approximately $13.1 million, of which $6.6 million related to costs associated with detailed engineering, $0.5 million for permitting work, and $0.2 million on pre-production infrastructure projects. The other costs incurred from the net proceeds of the 2016 prospectus related to: $0.3 million for costs of the offering, $1.1 million for IGV; $0.5 million for exploration costs and $3.9 million for general working capital expenses.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations in the future. The Company has had no source of revenue and has significant cash requirements to fund its development project capital requirements, continue with its exploration programs, administrative overhead and maintain its mineral properties.

The following table summarizes the contractual maturities of the Company's financial liabilities, and operating and capital commitments at March 31, 2019:

(000's)	**2019**	**2020**	**2021**	**2022**	**2023 and Beyond**	**Total**
Accounts payable and accrued liabilities	$ 1,153	$ -	$ -	$ -	$ -	$ 1,153
Provisions	-	-	-	-	200	200
Community Projects	1,187	1,187	1,187	1,187	20,178	24,926
Other liabilities	43	41	41	41	946	1,111
Office space leases	364	353	261	22	-	1,001
Vehicle rentals	321	321	-	-	-	642
	$ 3,068	$ 1,902	$ 1,489	$ 1,250	$ 21,324	$ 29,033

As at May 23, 2019, the Company had 103,085,064 outstanding common shares. The Company also had 7,900,750 share purchase options outstanding with a weighted average exercise price of CDN$2.00.

6) 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) for the three months ended March 31, 2019 and 2018 were as follows:

			Three Months Ended March 31		
	Note		**2019 (000's)**		2018 (000's)
Salaries and directors' fees	(i)	**$**	**388**	$	260
Share-based compensation	(ii)		**1,096**		514
		$	**1,484**	$	774

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits.
(ii) Share-based compensation represents the non-cash expense, translated at the grant date foreign exchange rate.

Amounts due to key management personnel are unsecured, non-interest bearing and due on demand. As at March 31, 2019 $57,034 (March 31, 2018 - $886) was due to key management personnel.

7) Key Accounting Estimates and Judgments

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

In preparing the interim condensed consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements for the year ended December 31, 2018, except for the judgments and assumptions applied by the Company for the adoption of IFRS 16, as described in Note 8 below.

8) Changes in Accounting Policies and New Accounting Pronouncements

The Company adopted the IFRS 16 for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

IFRS 16

The Company leases various office spaces, warehouses, equipment and vehicles. As at the date of the adoption of IFRS 16, most of the Company's leases for office spaces and warehouses were for short periods or were nearing expiry. The leases for vehicles are generally for three to twelve months with an option to renew at the end of the respective terms. Up until December 31, 2018, all leases of the Company were classified as operating leases and payments made were charged directly to profit or loss.

From January 1, 2019, leases are recognized as a right-to-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment and with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less. Low value assets comprise office equipment.

The Company adopted IFRS 16 retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The adjustments arising from the new leasing rules were therefore recognized in the opening balance sheet on January 1, 2019.

In applying IFRS 16 for the first time, the Company used the following practical expedients permitted by the standard.

- Account for leases with a remaining term of less than 12 months as of January 1, 2019 as short-term leases;
- Apply a single discount rate to a portfolio of leases with similar characteristics;
- Account for lease payments as an expense and not recognize a right-to-use asset if the underlying asset is of low dollar value; and
- Use hindsight in determining the lease term where the contract contains terms to extend or terminate the lease.

On adoption of IFRS 16, the Company recognized lease liabilities in relation to its vehicle leases in Peru, the lease of certain warehouses in Peru and an office space in Canada. Even though such assets are leased for a shorter period, management considers all facts and circumstances that create the economic incentive to exercise the extension options for such leases. The Company estimated the term of all its leases to be completed by the end of its fiscal year 2020. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 10%. The associated right-of-use assets were measured at the value of the lease liability. As a result, on January 1, 2019, the Company recognized total lease liabilities and right-of-use assets of $0.83 million.

A continuity of the Company's lease liabilities and right-of-use assets is as follows:

Lease Liabilities	Office space and Warehouse (000's)	Vehicles (000's)	Total (000's)
Balance as of December 31, 2018	**-**	**-**	**-**
Adoption of IFRS 16	196	632	828
Additions	655	-	655
Payments	(35)	(87)	(122)
Accretion expense	-	2	2
Impact of foreign exchange	2	-	2
Balance as of March 31, 2019	**818**	**547**	**1,365**
Less: current portion	(249)	(332)	(581)
Long-term portion as of March 31, 2019	**569**	**215**	**784**

Right-of-Use Assets	Office space and Warehouse (000's)	Vehicles (000's)	Total (000's)
Balance as of December 31, 2018	**-**	**-**	**-**
Adoption of IFRS 16	196	632	828
Additions	655	-	655
Amortization	(69)	(50)	(119)
Impact of foreign exchange	1	-	1
Balance as of March 31, 2019	**783**	**582**	**1,365**

Financial Instruments

The Company's financial instruments as at March 31, 2019 consist of cash and cash equivalents, short-term investments, receivables, accounts payable and accrued liabilities, community projects obligation and other liabilities. The fair value of these instruments approximates their carrying value. There were no off-balance sheet financial instruments.

The Company's cash and cash equivalents, and short-term investments are held in large Canadian and Peruvian financial institutions. Short-term investments (including those presented as part of cash and cash equivalents) are composed of financial instruments issued by Canadian and Peruvian banks. These investments mature at various dates over the current operating period.

The Company does not use derivative or hedging instruments to reduce its exposure to fluctuations in foreign currency exchange rates involving the Canadian dollar or Peruvian Sol.

Management of Capital

The Company’s capital management objectives are to safeguard the Company’s ability to support the Company’s development and exploration of its mineral properties and support any expansionary plans.

The capital of the Company consists of items included in its shareholders’ equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company’s underlying assets.

To effectively manage its capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its objectives. The Company may issue new shares or seek debt to ensure that there is sufficient working capital to meet its short-term business requirements.

There were no changes to the Company’s approach to capital management during the quarter ended March 31, 2019.

9) Forward-Looking Information

This document contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. This information and these statements, referred to herein as "forward-looking statements" are made as of the date of this MD&A or as of the date of the effective date of information described in this MD&A, as applicable. Forward-looking statements relate to future events or future performance and reflect current estimates, predictions, expectations or beliefs regarding future events and include, without limitation, statements with respect to: (i) the amount of mineral reserves and mineral resources; (ii) the amount of future production over any period; (iii) net present value and internal rates of return of the proposed mining operation; (iv) capital costs, including start-up, sustaining capital and reclamation/closure costs; (v) operating costs, including credits from the sale of silver, lead and zinc; (vi) waste to ore ratios and mining rates; (vii) expected grades and payable ounces and pounds of metals and minerals; (viii) expected processing recoveries; (ix) expected time frames; (x) prices of metals and minerals; (xi) mine life; (xii) expected exploration and development programs and their timing and success; (xiii) expected taxation rates and structure; (xiv) expected mineralization; and (xvi) adequacy of cash balances. 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", "anticipates", "plans", "projects", "estimates", "envisages", "assumes", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

All forward-looking statements are based on the Company's or its consultants' current beliefs as well as various assumptions made by and information currently available to them. These assumptions include, without limitation: (i) the presence of and continuity of metals at projects at modeled grades; (ii) the capacities of various machinery and equipment; (iii) the availability of personnel, machinery and equipment at estimated prices; (iv) exchange rates; (v) metals and minerals sales prices; (vi) appropriate discount rates; (vii) tax rates and royalty rates applicable to the proposed mining operation; (viii) the availability of financing and expected terms; (ix) financing structure and costs; (x) anticipated mining losses and dilution; (xi) metals recovery rates,

(xii) reasonable contingency requirements; and (xiii) receipt of regulatory approvals on acceptable terms. Although management considers these assumptions and estimates to be reasonable based on available information, they may prove to be incorrect. Many forward-looking statements are made assuming the correctness of other forward looking statements, such as estimates of net present value and internal rate of return, which are based on most of the other forward-looking statements and assumptions herein. cost information is prepared using current estimates, but the time for incurring 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. 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 beliefs, plans, objectives, expectations, anticipations, estimates assumptions and intentions expressed in such forward-looking statements. 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 related to exploration and development programs and their timing and success; risks relating to variations in the mineral content within the material identified as mineral reserves and mineral resources from that predicted; variations in rates of recovery and extraction; developments in world metals and minerals markets; risks relating to fluctuations in the Canadian dollar relative to other currencies; increases in the estimated capital and operating costs or unanticipated costs; difficulties attracting the necessary work force; increases in financing costs or adverse changes to the terms of available financing, if any; tax rates or royalties being greater than assumed; changes in development or mining plans due to changes in logistical, technical or other factors, changes in project parameters as plans continue to be refined; risks relating to receipt of regulatory approvals; the effects of competition in the markets in which the Company operates; operational and infrastructure risks; and the additional risks described in the Company's Annual Information Form for the year ended December 31, 2018 and in the feasibility study technical report for the Corani project dated September 13, 2017 as filed on the SEDAR website (available at www.sedar.com). The foregoing list of factors that may affect future results is not exhaustive.

When relying on the forward-looking statements, 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.

10) Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer’s Annual and Interim Filings) (“NI 52-109”), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the interim condensed consolidated financial statements for the quarter ended March 31, 2019 and this accompanying MD&A (together, the “Interim Filings”).

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

Approval

The Audit Committee of Bear Creek has approved the disclosure contained in this MD&A.

Additional Information

Additional information relating to Bear Creek is available on SEDAR at www.sedar.com