

BEAR CREEK MINING CORPORATION

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2007

EXPRESSED IN US FUNDS

(Unaudited)

Bear Creek Mining Corporation
 (An Exploration Stage Company)
Interim Consolidated Balance Sheets

Statement 1

U.S. Funds
 Unaudited

ASSETS		As at 31 March 2007	As at December 31 2006
Current	Cash and cash equivalents	\$ 7,034,766	\$ 5,024,649
	Prepaid expenses and advances	121,986	130,562
		<u>7,156,752</u>	<u>5,155,211</u>
Equipment (Note 4)		244,646	250,821
Resource Acquisition Costs (Note 5)		<u>2,000,000</u>	<u>-</u>
		<u>\$ 9,401,398</u>	<u>\$ 5,406,032</u>

LIABILITIES

Current	Accounts payable and accrued liabilities	\$ 620,131	\$ 820,391
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SHAREHOLDERS' EQUITY

Share Capital	Authorized: (Note 6a)		
	Unlimited common shares without par value		
	Issued and fully paid:		
	42,652,023 (2006 - 40,423,485) common shares	34,506,715	28,330,924
	Contributed surplus (Note 6b)	<u>4,788,597</u>	<u>4,436,161</u>
		39,295,312	32,767,085
Deficit - Statement 2		<u>(30,514,045)</u>	<u>(28,181,444)</u>
		<u>8,781,267</u>	<u>4,585,641</u>
		<u>\$ 9,401,398</u>	<u>\$ 5,406,032</u>

ON BEHALF OF THE BOARD:

Signed "Catherine McLeod-Seltzer" _____, Director

Signed "Andrew Swarthout" _____, Director

Bear Creek Mining Corporation
(An Exploration Stage Company)

Statement 2

Interim Consolidated Statements of Loss, Comprehensive Loss and Deficit

For the Three Months Ended 31 March

U.S. Funds

Unaudited

	2007	2006
Operating Expenses		
Exploration costs - schedule	\$ 1,653,712	\$ 2,402,864
Stock compensation expense	466,676	305,375
Wages and management salary	67,761	83,658
Professional fees	56,526	71,126
Shareholder information and filing fees	99,898	60,179
Travel	41,770	21,455
General administrative expenses	59,061	17,702
Amortization	910	421
	<u>(2,446,314)</u>	<u>(2,962,780)</u>
Other Items		
Foreign exchange gain (loss)	56,214	(30,924)
Interest income	57,499	87,852
	<u>113,713</u>	<u>56,928</u>
Loss and Comprehensive Loss for the Period	(2,332,601)	(2,905,852)
Deficit - Beginning of period	<u>(28,181,444)</u>	<u>(12,922,612)</u>
Deficit - End of Period	\$ (30,514,045)	\$ (15,828,464)
Loss per Share - Basic and Diluted	\$ (0.06)	\$ (0.08)
Weighted Average Number of Shares Outstanding	42,243,832	37,983,718

See Accompanying Notes

Bear Creek Mining Corporation
(An Exploration Stage Company)

Statement 3

Interim Consolidated Statements of Cash Flow
For the Three Months Ended 31 March

U.S. Funds
Unaudited

	2007	2006
Operating Activities		
Loss for the period	\$ (2,332,601)	\$ (2,905,852)
Items not affecting cash:		
Stock compensation	466,676	305,375
Amortization included in exploration costs	9,849	2,562
Amortization	910	421
	<u>(1,855,166)</u>	<u>(2,597,494)</u>
Changes in:		
Prepaid expenses and advances	8,576	4,938
Accounts payable and accrued liabilities	(200,260)	60,359
Cash used in operating activities	<u>(2,046,850)</u>	<u>(2,532,197)</u>
Investing Activities		
Purchase of equipment	(4,584)	(3,643)
Resource Acquisition costs	(2,000,000)	-
Cash used in investing activities	<u>(2,004,584)</u>	<u>(3,643)</u>
Financing Activities		
Share capital issued - net	6,061,551	2,565,758
Cash received from financing activities	<u>6,061,551</u>	<u>2,565,758</u>
Net Increase in Cash Position	2,010,117	29,918
Cash position - Beginning of period	<u>5,024,649</u>	<u>12,122,688</u>
Cash Position - End of Period	<u>\$ 7,034,766</u>	<u>\$ 12,152,606</u>

Non-cash Investing and Financing Activities

Fair value of options and warrants exercised	\$ 114,240	\$ 251,994
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See Accompanying Notes

Bear Creek Mining Corporation
(An Exploration Stage Company)

Schedule

Interim Consolidated Schedule of Exploration Costs
For the Three Months Ended 31 March

U.S. Funds
Unaudited

		2007	2006
Corani	Option/Lease Payments	\$ 24,148	\$ 302,707
	Drilling	520,589	1,089,036
	Salary and consulting	263,195	158,011
	Travel	101,069	203,573
	Assaying and sampling	62,941	57,853
	Supplies and general	27,404	11,416
	Geophysics	7,945	82,274
		<u>1,007,291</u>	<u>1,904,870</u>
Santa Ana	Salary and consulting	26,876	270
	Assaying and sampling	13,190	-
	Supplies and general	9,677	2,561
	Travel	2,227	947
	Geophysics	-	16
	<u>51,970</u>	<u>3,794</u>	
El Abuelo	Drilling	150,000	-
	Salaries and consulting	21,314	-
	Supplies and general	17,998	-
	Travel	11,381	-
	Assaying and sampling	8,136	-
	Geophysics	42	-
	<u>208,871</u>	<u>-</u>	
Don Marcelo	Acquisition/claims	30,000	-
	Salaries and consulting	7,366	-
	Supplies and general	569	-
	Assaying and sampling	97	-
	<u>38,031</u>	<u>-</u>	
Generative	Supplies and general	124,349	66,306
	Salaries and consulting	29,762	28,791
	Travel	11,404	22,800
	Assaying and sampling	5,697	17,853
	Geophysics	2,244	1,258
	Acquisition/claims	900	900
	<u>174,355</u>	<u>137,908</u>	
Other Properties		<u>15,632</u>	<u>125,210</u>
IGV		<u>157,562</u>	<u>231,082</u>
Costs for the Period		<u>\$ 1,653,712</u>	<u>\$ 2,402,864</u>

See Accompanying Notes

Notes to Interim Consolidated Financial Statements

31 March 2007

US Funds
(Unaudited)

1. Nature of Business

Bear Creek Mining Corporation's ("Bear Creek" or the "Company") business is acquiring and exploring mineral properties principally located in Peru with the objective of identifying mineralized deposits economically worthy of sale or development for the creation of value for shareholders.

2. Significant Accounting Policies

The interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and follow the same accounting policies and methods consistent with those used in the preparation of the most recent annual audited consolidated financial statements except as noted below. The interim consolidated financial statements do not include all information and note disclosures required by Canadian GAAP for annual financial statements, and therefore should be read in conjunction with the Company's audited consolidated financial statements for the year ended 31 December 2006.

Change in Accounting Policies

Financial Instruments

The Company adopted the provisions of CICA Sections 3855, Financial Instruments – Recognition Measurement, 3865, Hedges and 1530, Comprehensive Income, on January 1, 2007 which addresses the classification, recognition and measurement of financial instruments and hedges in the financial statements and inclusion of other comprehensive income. The adoption of these accounting policies did not have a material effect on the financial statements of the Company during the period.

Mineral Acquisition and Exploration Costs

During the period, the Company clarified its accounting policy with respect to acquisition costs. This does not represent a change in accounting policy and there is no effect on prior periods. The Company's revised policy is as follows:

The Company is in the process of developing its mineral properties and has adopted the policy of capitalizing significant acquisition costs for property rights. Mineral exploration costs and maintenance payments are expensed prior to the determination that a property has economically recoverable ore reserves and maintenance payments. Option payments are considered acquisition costs once the Company has the intention of exercising the option agreement.

Capitalized costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of ore reserves, while capitalized costs for prospects abandoned are written off.

Management reviews and evaluates the carrying value of its mineral properties for impairment when events or changes in circumstances indicate that the carrying amount of the related asset may not be recoverable. If the total estimated future operating cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is recognized and assets are written down to fair value which is normally determined using the discounted value of future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment,

Notes to Interim Consolidated Financial Statements

31 March 2007

US Funds
(Unaudited)

management assesses whether carrying value can be recovered by considering alternative methods of determining fair value. When it is determined that a mineral property is impaired it is written down to its estimated fair value.

Ownership in mineral properties involves certain interest risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

3. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, advances and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, price or credit risks arising from its financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

The Company holds cash balances and incurs payables that are denominated in Canadian Dollars. These balances are subject to fluctuations in the exchange rate between the Canadian Dollar and the U.S. Dollar, resulting in currency gains or losses for the Company.

4. Equipment

Details are as follows:

	31 March 2007			31 December 2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office equipment	\$ 29,132	\$ 13,561	\$ 15,571	\$ 27,165	\$ 12,450	\$ 14,715
Exploration equipment	318,808	89,733	229,075	316,191	80,085	236,106
	<u>\$ 347,940</u>	<u>\$ 103,294</u>	<u>\$ 244,646</u>	<u>\$ 343,356</u>	<u>\$ 92,535</u>	<u>\$ 250,821</u>

5. Resource Property Costs

Cumulative resource expenditures, per project under active exploration, are as follows:

	Acquisition Costs	Maintenance Costs	Exploration Costs	Incurred to 31 March 2007
Corani Project, Peru	\$ 2,000,000	\$ 477,649	\$ 10,116,000	\$ 12,593,648
Santa Ana Project, Peru	-	41,383	863,413	904,796
El Abuelo Project, Peru	-	25,000	219,701	244,701
Don Marcelo Project, Peru	-	40,000	8,057	48,057
	<u>\$ 2,000,000</u>	<u>\$ 584,032</u>	<u>\$ 11,207,170</u>	<u>\$ 13,791,202</u>

Notes to Interim Consolidated Financial Statements

31 March 2007

US Funds
(Unaudited)

a) Corani Project

By letter of understanding dated 19 January 2005 and subsequently formalized by an option agreement dated 15 March 2007, the Company entered into an agreement with Rio Tinto Mining and Exploration Limited ("Rio Tinto"), whereby the Company has the right to earn a 70% interest in the Corani property located in southeastern Peru, subject to Rio Tinto's claw-back right. In order to earn its 70% interest, the Company, at its option, must make payments of \$5,400,000 over three years. To date, Bear Creek has made the required payments totaling \$2,400,000 (of which \$2,000,000 was paid within the current quarter), with the final payment of \$3 million due on or before 19 January 2008.

Once the 70% interest is earned, Rio Tinto shall have 90 days from the date of receipt to elect, at its sole discretion, either to offer its remaining 30% interest in the Property to Bear Creek for \$5,000,000 and additional "Success Payments" as described below or enter into a joint venture agreement with Bear Creek. The joint venture agreement stipulates dilution clauses for each party consistent with industry practices. If at any time either Bear Creek's or Rio Tinto's interest is diluted to 10% or less, by either electing or by default in making the required capital contributions, then the shareholder shall be deemed to have withdrawn its entire shareholding interest. The party that relinquishes this interest shall have the right to receive for consideration a 3% Net Smelter Royalty ("NSR") on all sales of gold or silver ("Precious Metals Royalty") and a 1.5% NSR royalty on all sales of base minerals ("Base Metals Royalty"). These royalties can be purchased jointly or separately by the remaining shareholder under the following terms: (i) up to two-thirds of the Precious Metals Royalty (thereby reducing the Precious Metals Royalty to 1%) for a royalty buy-out price equal to \$20 million for each one-third of the Precious Metals Royalty purchased; and (ii) the entire Base Metals Royalty for a buy-out price equal to \$20 million.

In addition to the payments listed above, the Company will also pay pro rata Success Payments of \$1.10 per ounce of gold, \$0.015 per ounce of silver, and \$0.005 per pound of copper, based upon recoverable metal as defined in a feasibility study. The Company will pay additional cash Success Payments of \$5 million for each event that the Recoverable Reserves exceed 1 million ounces of gold and/or 100 million ounces of silver, subject to a maximum amount of \$10 million. To date the Company has not completed a Feasibility Study to determine the Recoverable Reserves. The Success Payments will be payable within thirty days following acceptance of the feasibility study by Rio Tinto. Should the Recoverable Reserves, as defined at commencement of commercial production, be 20% or more than the Recoverable Reserves defined by a Feasibility Study, the Company will then adjust the Success Payments and pay Rio Tinto the balance.

Rio Tinto has the claw-back right to earn up to a 60% interest in the project from Bear Creek by reimbursing the Company three times its pro-rated total direct exploration expenditures should the Economic Resources exceed 5 million tonnes of copper or exceed 10 million ounces of gold-equivalent precious metal mineralization (500 million ounces of silver). In addition, if the claw-back right is exercised, Rio Tinto will provide Bear Creek financing on its 40% interest, on a deferred carried basis, on which interest shall accrue at an annual rate equal to the rate of LIBOR plus 4% per annum, to be repaid monthly after the commencement of commercial production. The claw-back right ceases once the Decision to Mine has been made.

Notes to Interim Consolidated Financial Statements

31 March 2007

US Funds
(Unaudited)

b) Santa Ana Project

During 2004, the Company acquired a 100% interest in the Santa Ana property in southeastern Peru. The property is subject to payments totalling 3% of direct exploration expenditures to a maximum lifetime payment of \$280,000.

c) AngloGold Exploration Alliance

The Company acquired certain data from AngloGold Ashanti Exploraciones del Peru S.A. ("AGA") in exchange for the issuance of 200,000 common shares of the Company's stock, 1 million warrants priced at CDN\$1.50 (exercised in 2005), and 1 million warrants priced at CDN\$2.20 to expire 12 January 2007 (exercised in March 2006). Any properties acquired will be subject to certain back-in rights in favor of AGA; namely, AGA has a "back-in" right to acquire a 65% interest in any prospect, acquired through the use of this data package, by funding a feasibility study and providing Bear Creek a full carried interest to production. The Company's Corani, Sana Ana and Don Marecelo projects are not subject to the AGA back-in right.

d) Ataspaca Project

The Company entered into a term sheet dated 29 May 2002 and earned a 50% interest and management control of a mineral claim named "Brisa 1" in the department of Tacna, Southern Peru, known as the Ataspaca Project, from Southwestern Resources Corp. ("SW").

On 17 November 2004, the Company and SW entered into an agreement with Anglo American Exploration Peru ("AAEP"), whereby AAEP will continue exploration. Under the terms of the agreement, AAEP must incur exploration expenditures of \$2,750,000 over a four-year period and make payments totalling \$150,000 over a two-year period in order to earn a 60% interest in the project. The agreement takes effect once AAEP acquires a federal decree allowing for a foreign company to acquire title of mineral rights within the 50km border zone of Peru. The Company's interest would then be a 20% participating interest. In November 2006, Bear Creek was notified that the Supreme Decree had been approved and that the agreement will be finalized. To date, the Company has received \$34,260 as reimbursement of expenditures.

e) El Abuelo Project

On 18 October 2006, the Company entered into an option agreement, whereby the Company has the right to earn a 100% interest in the El Abuelo property located in Peru. In order to earn its interest, Bear Creek must make payments of \$10 million over a four year period, conduct exploration of \$1 million over three years. In April 2007, management of the Company decided to cancel its option agreement relating to the El Abuelo property.

f) Don Marcelo Project

On 6 December 2006, the Company entered into an option agreement, whereby the Company has the right to earn a 75% interest in the Don Marcelo property located in Peru. In order to earn its interest, Bear Creek must make payments of \$4.0 million over a four year period and has a commitment to complete a geophysical survey and a drill programme of 1,500 meters in the first year.

Bear Creek Mining Corporation
(An Exploration Stage Company)

Notes to Interim Consolidated Financial Statements

31 March 2007

US Funds
(Unaudited)

The Company can acquire the remaining 25% by either granting a 1.25% NSR or by making the following additional payments of: \$10 million for gold recoveries up to 2 million ounces, \$20 million for gold recoveries between 2 and 5 million ounces, or \$30 million for gold recoveries in excess of 5 million ounces.

g) La Yegua

In February 2007 Bear Creek signed a Letter of Intent with Chapleau Resources Ltd. ("Chapleau") in which Chapleau may acquire up to a 75% interest in the project. La Yegua is a porphyry copper-molybdenum project, which is 100% owned by the Company and is located in the Apurimac Department of Southern Peru. Chapleau has an opportunity to earn a 51% interest in the property by spending a total amount of \$2.8 million in exploration over a four year period and the granting of the equivalent of \$0.35 million in Chapleau shares, which is based on the market price of Chapleau shares at the time of issuance, during the four years. With the issuance of an additional 1.25 million shares Chapleau may increase the vested interest from 51% to 75%. In April 2007, the Company received 55,556 shares of Chapleau, which has a value of approximately \$0.02 million.

6. Share Capital

a) **Details of shares issued are as follows:**

	Shares	Amount
Authorized:		
Unlimited common shares without par value		
Issued and fully paid:		
Balance - 31 December 2005	37,618,609	\$ 22,448,748
Shares issued for stock options	764,650	469,963
Shares issued for warrants	1,040,226	2,616,523
Shares issued for exploration alliance warrants	1,000,000	1,905,752
Fair value of options and warrants exercised	-	889,938
Balance – 31 December 2006	40,423,485	28,330,924
Shares issued for stock options	157,500	118,674
Shares issued for warrants	2,071,038	5,942,877
Fair value of options and warrants exercised	-	114,240
Balance – 31 March 2007	42,652,023	\$ 34,506,715

b) **Details of Contributed Surplus:**

	Three Months Ended 31 March 2007
Balance – Beginning of Period	\$ 4,436,161
Fair value of stock-based compensation	466,676
Fair value of broker warrants exercised	(16,845)
Fair value of stock options exercised	(97,395)
Balance – End of Period	\$ 4,788,597

Notes to Interim Consolidated Financial Statements

31 March 2007

US Funds
(Unaudited)

c) Share Purchase Options

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from the date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the Toronto Stock Exchange on the last trading day preceding the grant date. Options begin vesting on the grant date based on a schedule outlined in the share purchase option plan.

	Number of options	Weighted average exercise price (in CDN\$)
Options outstanding at 31 December 2005	5,130,000	1.49
Granted	235,000	6.38
Exercised	(764,650)	0.69
Cancelled	(245,000)	1.99
Options outstanding at 31 December 2006	4,355,350	1.87
Exercised	(157,500)	0.89
Options outstanding at 31 March 2007	4,197,850	1.92

A summary of the Company's options as at 31 March 2007 is as follows:

	Number	Price per Share	Expiry Date
Options	1,185,000	US\$0.50	21 April 2008
	260,000	US\$0.50	5 June 2008
	20,000	US\$0.50	2 July 2009
	850,350	Cdn\$0.70	24 November 2009
	730,000	Cdn\$3.00	5 August 2010
	835,000	Cdn\$3.00	5 August 2010
	100,000	Cdn\$4.75	6 December 2010
	107,500	Cdn\$4.60	31 May 2011
	110,000	Cdn\$8.08	22 August 2011
	4,197,850		

4,074,100 options have vested as at 31 March 2007.

Notes to Interim Consolidated Financial Statements

31 March 2007

US Funds
(Unaudited)

7. Related Party Transactions

The following represents the details of related party transactions paid or accrued during the period ended 31 March 2007:

	2007		2006
Consulting fees paid to a director of the Company	\$ 11,500	\$	12,500
Legal fees paid to a firm in which a director of the Company is a partner	\$ 3,600	\$	28,713
Legal fees paid to a firm in which an officer of the Company is a partner	\$ 33,626	\$	10,500
Accounting fees paid to a firm in which an officer of the Company is a partner	\$ 13,856	\$	6,496

Included in accounts payable are \$22,474 of amounts due to related parties, which are unsecured, non-interest bearing and payable on demand.

Related party transactions are in the normal course of business and occur on terms similar to transactions with non-related parties, and therefore are measured at the exchange amount.

8. Segmented Information

The Company has one operating segment, which is mineral exploration. All of the Company's exploration expenses as disclosed on the exploration cost schedule are incurred in South America. All of the Company's assets and other expenses are in Canada, except for \$832,629 of assets, which are located in Peru.

9. Commitments

- a) By an agreement dated 27 September 2003 (and amended in April 2006 and March 2007), the Company entered into a consulting agreement with a director and officer of the Company to act as the President and C.E.O. of the Company. Compensation per the amended agreement is \$15,000 per month. The amended agreement is effective from 22 April 2006 and will continue for a term of two years. The Company may terminate this agreement by providing a severance package depending on the nature of the termination.
- b) By an agreement dated 30 September 2003 (and amended in April 2006), the Company entered into a consulting agreement with an officer of the Company to act as the Vice President of Explorations of the Company. Compensation per the amended agreement is \$10,300 per month. The amended agreement is effective from 22 April 2006 and will continue for a term of two years. The Company may terminate this agreement by providing a severance package depending on the nature of termination.
- c) The Company has co-signed an operating lease agreement, commencing on 1 October 2006 to 31 December 2011. The total minimum lease payments are Cdn\$8,823 per month and Cdn\$105,876, per annum. The Company's proportionate share of the minimum lease payments is Cdn\$3,265 per month and Cdn\$39,180 per annum.

Bear Creek Mining Corporation
(An Exploration Stage Company)

Notes to Interim Consolidated Financial Statements

31 March 2007

US Funds
(Unaudited)

11. Subsequent Events

Subsequent to period end, a total of 7,500 options were exercised for cash of Cdn \$5,250.

**FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR BEAR CREEK MINING CORPORATION**

Our Management's Discussion and Analysis

Introduction

Prepared May 15, 2007 for the three months ended 31 March 2007. The following discussion and analysis of the financial condition and results of operations of Bear Creek Mining Corporation (the "Company" or "Bear Creek") should be read in conjunction with the Company's unaudited interim consolidated financial statements for the three months ended 31 March 2007, and the notes hereto. This discussion and analysis includes references to United States dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars, and Canadian dollars are referred to as C\$.

Bear Creek Mining Corporation's ("Bear Creek" or the "Company") business is acquiring and exploring mineral properties, principally located in Peru, with the objective of creating value for shareholders by identifying economic mineral deposits which can be sold or developed. Bear Creek is a publicly traded Canadian exploration company without any mineral producing properties, and thus, have no revenues from any mineral properties.

Forward-Looking Information

This management discussion and analysis ("MD&A") contains certain forward-looking statements that are based on the beliefs and assumptions of its management and information currently available to Bear Creek. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to Bear Creek or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of Bear Creek with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Therefore the reader is cautioned not to place undue reliance on forward-looking statements.

Activities on Mineral Projects

Current efforts are focused on gold and silver exploration in Peru. Base metals exploration prospects of potential are also considered. From time to time, precious or base metal exploration opportunities in other Latin American countries are considered when compatible with management's history and expertise. A large number of projects are under Bear Creek's review at any given time; including scoping study preparation, active drill evaluation, some being prepared for drilling, others in first pass mapping and sampling following staking or acquisition, and many in preliminary evaluation to decide if property ownership is possible or desired. Due to the generative nature of Bear Creek's business, many of the expenditures consist of drilling and assay costs, salaries for professional personnel, land, legal and property payments, and travel to/from and within properties. The following section details property specific spending and activities for the three months ended 31 March 2007 and relative to the same period in 2006.

Corani Project

By letter of understanding dated 19 January 2005 and subsequently formalized by an option agreement dated 15 March 2007, the Company entered into an agreement with Rio Tinto Mining and Exploration Limited ("Rio Tinto"), whereby the Company has the right to earn a 70% interest in the Corani property located in southeastern Peru, subject to Rio Tinto's claw-back right.

Current Developments at Corani

Current drilling demonstrates that silver-base metal mineralization continues under post-mineral cover. The on-site emphasis is shifting to the drilling of untested targets located elsewhere in the district for new discoveries under thin cover. Drilling will begin with the recently identified silver-gold mineralization in the hanging wall of Main Corani. The drills will move onto other untested targets during the coming months; follow-up drilling will be designed dependant on results.

Corani Este and Minas Este Connector

Drill results released in April 2007 continue to indicate mineralization open to the northwest of Este as well as extending between Corani Este and Minas Corani at the head of the glacial valley.

Minas Corani

Drilling has concentrated on extending mineralization to the northwest of Minas under post-mineral tuff cover. April 2007 drill results have extended mineralization and indicate that the mineralized structures continue to the north with long intercepts of silver and base metal mineralization.

Main Corani

Additional surface rock-chip sampling in the hanging wall of the main silver-lead structure located 500 meters to the west of the main zone has discovered new silver-gold mineralization. Results of this sampling include 6m averaging 50g/t Ag and 640ppb Au; 4m averaging 214g/t Ag; 2m at 6.0g/tAu. The outcrop samples are taken over a 600 meter length in a northwest orientation, parallel to the Main Corani structure. Drilling of these untested targets will begin immediately as the results indicate that mineralization remains open at Main Corani.

Gold Zone

Recently completed trenches in the foot wall of the Gold Zone have returned the following assays:

16m @ 1.800g/tAu / 47 g/t Ag;
4m @ 1.335g/t Au / 78 g/t Ag;
4m @ 4.153g/t Au / 170 g/t Ag;
8m @ 1.866g/t Au / 88 g/t Ag;
6m @ 1.766 g/t Au / 36 g/t Ag and
8m @ 1.111 g/t Au / nil Ag.

These trenches represent continuous 2m chip channel samples and are located approximately 50 to 250 meters east of the main structure previously tested by thirty eight drill holes and

extend over an area 300 x 400 meters. Drilling of these new targets will commence in early May. Thirty-three drill holes yielded intersections averaging 17.4 meters grading 2.0 g/t Au and 40.4 g/t Ag. In May 2006, drilling in the gold-silver target area was temporarily suspended in order to focus on expanding resources in the silver-rich portions of the district for the IMC resource estimation. None of the results for the gold-silver target have yet to be included in any resource estimations.

Metallurgical Testing

Bear Creek has successfully completed the initial phase of metallurgical test work, which provides a conceptual flow sheet for the processing of the Corani material. Testing indicates that the probable recovery method will involve grinding, flotation and leaching to produce a silver rich lead concentrate, a zinc concentrate and silver dore. Bear Creek's test work indicates that an average combined silver recovery of approximately 76% has been obtained in high-sulfide material. Lead recovery of 60% is indicated to be achievable producing silver-rich lead concentrates. An overall recovery of zinc of approximately 60% is expected upon completion of additional test work; however, zinc recoveries of 87% have been produced when testing material containing greater than 2% zinc. These higher zinc recoveries are important considering that the zinc occurs in a reduced volume in the deposit.

The preliminary testing recoveries achieved to date differ from the assumptions used by Independent Mining Consultants ("IMC") of Tucson Arizona in the resource estimate. IMC utilized recoveries based upon historical performance in similar poly-metallic silver-lead-zinc deposits world-wide, in the absence of a defined flow sheet for the Corani ore processing.

Assumptions used in the resource model by IMC are: Silver Price= \$9.75/oz; Zinc Price= \$0.94/lb; Lead Price= \$0.52/lb; Silver Recovery= 85%; Zinc Recovery= 65%; Lead Recovery= 65%; Smelter charges: Silver= \$0.40 per ounce; Zinc= \$0.135 per pound; Lead= \$0.113 per pound; Mining Costs per tonne= \$1.10; Process cost per tonne= \$8.50; G&A per processed tonne= \$0.85; Pit Slopes= 42 degrees in mineralized tuff and 50 degrees in post-mineralized tuff. Actual results will vary based upon completion of metallurgical testing.

Metallurgical testing is an ongoing process in poly-metallic deposits, and the Company expects that an economically viable outcome is achievable. Until further testing is completed, the Company is satisfied with the IMC assumptions.

The drilling of four 3.5 inch diameter drill holes was completed in mid-November 2006 to provide metallurgical samples for shipment to SGS-Lakefield in Ontario for advanced metallurgical testing. A preliminary mining plan was performed, which provided guidance for the location of metallurgical drill holes, as well as further in-fill and step-out drilling requirements. The metallurgical drilling focused on areas identified in the preliminary mine plan as areas within the deposit which are likely to produce high-grade feed during the first years of production. The samples were collected and preserved for shipment under the supervision of Transmin Metallurgical Consultants. A metallurgical test work plan has to be designed to build upon the positive results in previous testing and to further improve recoveries in silver, lead, and zinc for the purposes of a pre-feasibility study.

Resource Estimation / Scoping Study - An initial scoping study, which considers the resource, ore processing and treatment, scale of production, and basic engineering has begun and is expected to be completed in the middle of 2007, which is dependant upon completion of metallurgical testing. This scoping study will provide Bear Creek with a project description which is expected to justify the Company's decision to commence a preliminary feasibility study.

Currently, one drill continues to explore within the three deposit areas and in exploration targets identified throughout the Corani District. The Company anticipates spending approximately \$2 million in the next six to nine months on the Corani Project in order to continue drilling, perform metallurgical testing, finalize the scoping study, and other exploration expenses to continue the project. A decision to commence a pre-feasibility study is pending the completion of a positive scoping study.

During the three months ended 31 March 2007, the Company incurred expenditures of \$3.0 million on the Corani project. Included in this total are option payments of \$2.0 million, drilling costs of \$0.5 million, salaries of \$0.3 million, travel of \$0.1 million.

Santa Ana Project

The Company has the option to acquire a 100% interest in the Santa Ana silver project. The property, which comprises 6,300 hectares, is located in the Department of Puno in southern Peru.

The Company has completed 4,311 meters of drilling in two phases in thirty-seven drill holes, with the average of reported intercepts in both drill phases being 53 meters averaging 43.9 g/t Ag. Silver mineralization is contained in low-angle structures and broad, vertical structural zones outcropping at surface and extending to depths of at least 100 vertical meters. Mineralization remains open at depth and laterally to the west and east.

In the three months ended 31 March 2007, the Company incurred expenditures of \$0.05 million directed towards the Santa Ana project.

Metallurgical Testing

The mineralization is comprised of almost entirely oxide bearing minerals with a noticeable absence of sulfides, raising the possibility of low-cost cyanide leach extraction processing to recover the silver. Preliminary guidance test work was performed in December 2006 and January 2007 to determine initial leach extraction performance. The positive results have led to further testing, in progress, at McClelland Labs, Sparks, Nevada to measure extractions in representative drill samples using bottle roll and column leach testing to determine initial low-cost, heap leaching performance.

Preliminary cyanide leach amenability tests were performed where ten samples were agitated for 24 hours. Subsequent testing was performed by Plenge Labs, Lima, Peru and, McClelland Labs, Sparks, Nevada on ground core samples (coarse assay rejects) from the same ten drill hole samples. Cyanide and pH were monitored throughout the test periods in order to maintain the proper test conditions.

Plenge Laboratory Test Summary

The samples were ground to approximately 50% passing 200 mesh (76µm) and bottle roll tested for 96 hours under supervision of Adam Johnston of Transmin (a consulting metallurgist for the Company). The tests showed silver recoveries ranging from 72% to 96% Ag with an average of 85%. These results are indicative of potential recoveries in a vat leach recovery plant suitable for the treatment of higher-grade material.

McClelland Laboratory Test Summary

Bottle roll tests were performed on material from the same ten drill hole intervals at McClelland Labs in Sparks, Nevada. The material was crushed to 70% passing 2mm material and was leached for 168 hours. The tests show the average recovery of silver on this coarser material to be 71% and ranges from 54% to 88%. Importantly, recoveries were still increasing when the testing was terminated. These results give guidance on potential leach recoveries at coarser crush size.

Phase II Metallurgical Testing

The test results indicate potential for a "Pulp Agglomeration" heap leaching technique; a method where higher grade material is milled and vat leached to achieve higher recoveries, then mixed with crushed lower grade material and placed in a heap leach. McLelland Labs has commenced a column leach test program to evaluate expected recoveries in actual heap leach conditions and define optimal crush size as well as the cyanide and lime consumption. The testing involves three- 6 inch by 10' columns utilizing approximately 300 kg of drill core from the same drill hole intervals so that comparisons can be made to bottle roll leach performance. Column leaching is a long-term test intended to predict heap leach performance; results are expected in 2-3 months.

Drilling

Given the leach testing results, a Phase 3 drilling program commenced on 18 April 2007 with approximately 2500m planned. New holes are offsetting mineralization discovered in Phases 1 and 2 and will test new areas with significant surface silver values. Also, a soil sampling program flanking the known mineralization to the north, south and southwest was initiated on 17 April to test for blind mineralization in those areas. This program is designed to evaluate the bulk-tonnage, low cost heap leaching potential of the Santa Ana silver deposit using lower cut-off grades, as well as expanding the higher-grade intercepts, which remain open along the limits of the anomaly. Results received to date from the Phase 3 drill program continue to show silver mineralization, and as a result the Phase 3 drill program has been expanded. Results to date from the Phase 3 drill program are as follows:

Drill Hole #	Azimuth (degrees)	Inclination (degrees)	Total Depth (m)	From (m)	To (m)	Interval (m) DTH	Silver (grams per tonne)	Lead (%)	Zinc (%)	Comments
SA-2A	330	-45	139	0	139	139	34.6	0.3	0.7	Hole ends in 54g
includes				82	94	12	91.0	0.4	1.0	
and				112	128	16	77.8	0.5	1.0	
SA-2B	105	-40	152	0	152	152	96.3	0.4	0.8	Hole ends in 4m @45g
includes				100	152	152	239.7	0.7	1.3	
SA-22	270	-55	125	0	64	64	52.0	0.2	0.7	
includes				42	62	20	131.5	0.4	1.2	
SA-23	335	-50	162	134	154	20	127.7	0.9	1.5	
includes				134	138	4	415.5	0.7	1.2	
SA-23A	90	-45	145	84	145	61	39.7	0.1	0.2	
includes				124	128	4	179.5	0.2	0.3	

Full drill results and a drill hole location map can be found at www.bearcreekmining.com.

El Abuelo Project

On 18 October 2006, the Company entered into an option agreement, whereby the Company has the right to earn a 100% interest in the El Abuelo property located in Peru. In order to earn its interest, Bear Creek must make payments of \$10 million over a four year period, conduct exploration of \$1 million over three years, and conduct 1,000 meters of drilling in the first six months.

The Company has completed sampling, which defined several drilling targets and on 1 March 2007 it initiated a 1,000 meter phase I drilling program. Results were received and management of the Company decided to cancel its option agreement relating to the El Abuelo property, as the drill results did not warrant additional spending on the property.

During the three months ended 31 March 2007, the Company expended \$0.2 million on the El Abuelo project, of which \$0.15 million was incurred on drilling.

Don Marcelo Project

On 6 December 2006, the Company entered into an option agreement, whereby the Company has the right to earn a 75% interest in the Don Marcelo property located in Peru. In order to earn its interest, Bear Creek must make payments of \$4.0 million over a four year period and has a commitment to complete a geophysical survey and a drill program of 1,500 meters within the first year.

Bear Creek can acquire the remaining 25% interest in the property by either granting a 1.25% NSR to the optionor, or by making the following additional payments of \$10 million for up to 2 million ounces for recoverable gold as defined in a feasibility study, \$20 million for between 2 and 5 million ounces of recoverable gold, or \$30 million for in excess of 5 million ounces of recoverable gold.

During the three months ended 31 March 2007, the Company expended \$0.04 million on the Don Marcelo project.

Previously, the Company had completed 316 surface samples with 89 samples containing greater than 100 ppb gold. The company is currently completing a more detailed mapping and sampling in program with first phase drilling expected to commence in the third quarter of 2007.

Ataspaca Project

Bear Creek has a 50% interest in the Ataspaca project, located in the southern Peru copper belt. In December 2004, Bear Creek and its 50% joint venture partner, Southwestern Resources, signed a "Heads of Agreement" with Anglo American Exploration ("Anglo"), whereby Anglo may earn a 60% interest in Ataspaca in return for \$2.75 million in work commitments over a four-year period and payments totaling \$150,000 over a two-year period. Anglo American will be the operator during its earn-in period so long as it maintains a majority interest under the resulting joint venture agreement. The final agreement is contingent upon Anglo American Exploration receiving approval in the form of a Supreme Decree issued by the Peruvian government allowing foreign ownership of mineral rights within the 50 kilometer border region of Peru. On 9 November 2006, Bear Creek was informed that the Supreme decree had been

approved and that the agreement is being finalized. Anglo American has informed the Company that the required drilling permits are in place and plans to begin its drilling commitment in the second quarter of 2007.

La Yegua

La Yegua is a porphyry copper-molybdenum-gold project in the Apurimac Department of Southern Peru is located 20 km northeast of Southern Peru Copper Corporation's Los Chancas. The La Yegua project includes 4,100 ha of mineral claims located approximately 250 km from the Atlantic coast and 100 km southwest of the city of Cusco.

In February 2007, Bear Creek has signed a Letter of Intent with Chapleau Resouces Ltd. ("Chapleau") regarding an option for Chapleau to acquire up to a 75% interest in the project. Chapleau has an opportunity to earn a 51% interest in the property by spending a total amount of \$2.8 million in exploration over a four year period and the granting of the equivalent of \$0.35 million in Chapleau shares, which is based on the market price of Chapleau shares at the time of issuance, during the four years. With the issuance of an additional 1.25 million shares Chapleau may increase the vested interest from 51% to 75%. In April 2007, the Company received 55,556 shares of Chapleau, which has a value of approximately \$0.02 million.

An environmental permit for the phase I drilling has been granted by the government and Chapleau plans to start drilling in the second quarter of 2007.

Generative Exploration

Generative exploration is a crucial part of the business in identifying and acquiring new opportunities. Generative exploration costs are those costs not attributable to a specific Bear Creek project. Bear Creek maintains at least two field teams and a system of field prospectors who focus on generating new exploration targets with the emphasis on gold and silver. Typically, dozens of prospects are submitted to or are generated by Bear Creek during any given quarter. At any given time, several targets may be under consideration for possible acquisition through staking or entering into third party option to purchase agreements. When Bear Creek defines a project as a distinct exploration target, it is then accounted for as a separate project.

IGV

IGV expense of \$0.2 million represents the amount of IGV that has been paid to the Peruvian government during the three months ended 31 March 2007. This amount is recoverable when there are future revenues generated by the Company in Peru. As the Company is an exploration stage company there can be no reasonable assurance that future revenue can be generated, and as a result the IGV receivable has been expensed.

Other Properties

Other properties are exploration properties which management has decided are not a priority or which management has chosen not to pursue and, therefore, has terminated option agreements.

Bear Creek's Results of Operations

Bear Creek is a publicly traded Canadian exploration company without any mineral producing properties, and thus, does not have revenues from any mineral properties.

For the Three Months Ended 31 March 2007 as compared to the Three Months Ended 31 March 2006

Net Loss and Operating Expenses

In the current quarter, the Company experienced a net loss of \$2.3 million compared to a net loss of \$2.9 million for the same period in 2006, a decrease of \$0.3 million. The decrease is primarily due to lower drilling and exploration costs incurred on the Corani property. The Company had a loss per share of \$0.06 compared to \$0.08 for 2006.

Total operating expenses for the three months ended 31 March 2007 were \$2.4 million compared to operating expenses of \$3.0 million for the three months ended 31 March 2006. Stock compensation expense increased to \$0.5 million in the current period, up from \$0.3 million in the same period in 2006, due to an increase in the fair value of options that were vesting during the current period as compared to 2006; in 2006 the weighted average fair value of the options granted as determined under the Black-Scholes pricing model was Cdn\$4.70 as compared to Cdn\$2.08 in 2005. Exploration costs were \$1.7 million in the current year, down from \$2.4 million in 2006 largely due to lower drilling costs incurred on the Corani project.

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of Bear Creek and is derived from unaudited quarterly consolidated financial statements prepared by management. Bear Creek's interim consolidated financial statements are prepared in accordance with Canadian GAAP and expressed in US dollars.

Period	Revenues	Loss from Continued Operations (In Millions)	Basic and Fully Diluted Loss per Share from Continued Operations
1 st Quarter 2007	Nil	(2.3)	(0.10)
4 th Quarter 2006	Nil	(4.8)	(0.12)
3 rd Quarter 2006	Nil	(4.0)	(0.10)
2 nd Quarter 2006	Nil	(3.6)	(0.09)
1 st Quarter 2006	Nil	(2.9)	(0.08)
4 th Quarter 2005	Nil	(1.8)	(0.05)
3 rd Quarter 2005	Nil	(1.2)	(0.03)
2 nd Quarter 2005	Nil	(0.8)	(0.02)

The decrease in the first quarter of 2007 resulted primarily from a decrease in drilling activities on the Corani project.

The increase in the fourth quarter of 2006 resulted primarily from increased drilling and other exploration incurred on the Corani project, in addition the Company had additional exploration costs, including drilling on its Santa Ana project.

The increase in the third quarter of 2006 resulted primarily from increased drilling and other exploration incurred on the Corani project.

The increase in the loss for the first quarter of 2006 resulted primarily from increased drilling and other exploration costs incurred on the Corani project.

The increase in the loss for the fourth quarter of 2005 resulted primarily from additional stock compensation expenses as a result of the vesting of stock options granted in the second half of 2005 and increased drilling expenses on Corani.

Liquidity and Capital Resources

On 31 March 2007, the Company had 42,652,023 issued shares. The Company's net working capital as at 31 March 2007 was \$6.5 million compared to a net working capital of \$4.3 million as at 31 December 2006. The cash balance at 31 March 2007 was \$7.0 million compared to \$5.0 million as at 31 December 2006. As at 31 March 2007 current liabilities were \$0.6 million compared to \$0.8 million as at 31 December 2006.

As at 15 May 2007, the Company had 42,659,523 issued shares. The Company has 4,190,350 options which have been granted to directors, officers, employees and consultants to purchase an aggregate of 4,392,850 shares at prices ranging from US\$0.50 to Cdn\$8.08, expiring at varying dates between 21 April 2008 and 22 August 2011.

The Company estimates that it has sufficient cash to meet its planned expenditures and operating needs through the end of 2007. Based upon current information and the Company's future capital requirements, this amount will be insufficient to cover the Company's commitments and planned expenditures beyond the fourth quarter of 2007. This estimate is based on current information, as the Company's expenditures and cash requirements may change over time.

Planned expenditures for 2007 include the completion of the scoping study at Corani the continuation of drilling at the Santa Ana project and continued exploration programs on other projects, as well as the Company's general and administrative costs associated with the exploration of various projects. Planned expenditures for periods immediately beyond 2007 include the exercise of the Corani Option, and dependant on a positive scoping study, a pre-feasibility study would be commenced at the Corani project.

The Company is aware of its cash needs and requirements and may secure additional financing to satisfy its future commitments and planned expenditures, including the exercise of the Corani Option. The Company anticipates obtaining additional financing through but not limited to, the issuance of additional equity. The Company believes that given the opportunity that the Corani Project represents and the current state of world markets the necessary financing will be obtained, although the Company has no assurance that such financing will be available on favorable terms.

Bear Creek's opinion concerning liquidity and its ability to avail itself in the future of the financing options mentioned above are based on currently available information. To the extent that this information proves to be inaccurate, future availability of financing may be adversely affected. Factors that could affect the availability of financing include Bear Creek's performance (as measured by various factors including the progress and results of the Corani and Santa Ana projects, the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets.

Financing Activity

During the three months ended 31 March 2007, the Company received cash proceeds of \$6.1 million from the exercise of 2,071,038 Series D and E and Broker warrants and the exercise of 157,500 options.

Investing Activity

During the three months ended 31 March 2007, the Company made an option payment of \$2.0 million related to its Corani option agreement.

Transactions with Related Parties

In connection with the approval of related party transactions, the Company has a policy that requires that the terms of all such transactions must be comparable to terms available in arms-length transactions. Each of the transactions described below meet those requirements.

The Company received legal services, totaling \$3,600, from a law firm in which a Director of Bear Creek, is a partner. Legal services were rendered in association with the Company's subsidiary in Peru and its interest in various mineral projects.

The Company received legal services, totaling \$33,626, during the period from a law firm in which an Officer of Bear Creek, is a partner. Legal fees related primarily to the amendment of the Company warrants and ongoing other administrative items.

The Company received accounting services from an accounting firm in an Officer of the Company, is a partner. The total accounting fees paid were \$13,856.

The Company received consulting services from a Director of the Company, during the period. The fees were incurred in relation to management consulting services. Total fees paid during the period were \$11,500.

Critical Accounting Policies and Estimates

The details of Bear Creek's accounting policies are presented in note 2 of the annual consolidated financial statements. The following policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

a) *Resource Properties*

During the period, the Company clarified its accounting policy with respect to acquisition costs. This does not represent a change in accounting policy and there is no effect on prior periods. The Company's revised policy is as follows:

The Company is in the process of developing its mineral properties and has adopted the policy of capitalizing significant acquisition costs for property rights. Mineral exploration costs and maintenance payments are expensed prior to the determination that a property has economically recoverable ore reserves and maintenance payments. Option payments are

considered acquisition costs once the Company has the intention of exercising the option agreement.

Capitalized costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of ore reserves, while capitalized costs for prospects abandoned are written off.

Management reviews and evaluates the carrying value of its mineral properties for impairment when events or changes in circumstances indicate that the carrying amount of the related asset may not be recoverable. If the total estimated future operating cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is recognized and assets are written down to fair value which is normally determined using the discounted value of future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether carrying value can be recovered by considering alternative methods of determining fair value. When it is determined that a mineral property is impaired it is written down to its estimated fair value.

Ownership in mineral properties involves certain interest risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

b) Estimates

Financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c) Financial Instruments

Effective January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants:

a) Section 3855 – Financial Instruments – Recognition and Measurement. Section 3855 requires that all financial assets, except those classified as held to maturity, and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments classified as available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Investments subject to significant influence are reported at cost and not adjusted to fair market value.

b) Section 1530 – Comprehensive Income. Comprehensive Income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Corporation's shareholders and includes items that would not normally be included in net earnings such as unrealized gains or losses on available-for-sale investments. Other comprehensive income includes the holding gains and losses from available for sale securities which are not included in net income (loss) until realized.

c) The adoption of Section 3855 and 1530 had no impact on the opening equity and losses of the Company nor the quarter.

Disclosure Controls and Internal Control Over Financial Reporting

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the three months ended March 31, 2007, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

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 on SEDAR at www.sedar.com