



BEAR CREEK MINING CORPORATION

#1400 – 400 Burrard Street
Vancouver, British Columbia V6C 3A6

INFORMATION CIRCULAR

(As at April 19, 2017, except as otherwise indicated)

Bear Creek Mining Corporation (the “**Company**” or “**Bear Creek**”) is providing this management information circular (the “**Information Circular**”) and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the “**Meeting**”) of the Company to be held on Thursday, June 1, 2017 at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournments or postponements thereof. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

In this Information Circular references to “C\$” or “\$” are to amounts in Canadian dollars and references to “US\$” are to amounts in United States dollars.

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the “**Management Proxyholders**”).

A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.

VOTING BY PROXY

Only registered shareholders as of April 19, 2017 (the “Record Date”) or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters

specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**"), 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise her discretion to accept proxies received subsequently.

NOTICE-AND-ACCESS

In February 2013, the Canadian Securities Administrators implemented regulatory amendments to securities laws, including National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**"), governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to deliver proxy-related materials to their shareholders using the "notice-and-access" mechanism (as defined under NI 54-101, and sometimes referred to herein as the "**notice-and-access provisions**") by posting such materials both on SEDAR and a non-SEDAR website, rather than delivering the materials by mail. The use of the notice-and-access reduces paper waste and mailing costs to the Company. In order for the Company to employ notice-and-access, the Company must send a notice to shareholders indicating that the proxy-related materials have been posted electronically and explaining how a shareholder can access them or obtain from the Company a paper copy of those materials. The required elements of such notice have been built into the accompanying Notice of Meeting.

The Company is sending this Information Circular to registered and non-registered (beneficial) shareholders using notice-and-access as permitted by NI 54-101 and NI 51-102. The Meeting materials, including this Information Circular, are available on the Company's website at <http://www.bearcreekmining.com/s/agm-materials.asp> and will remain on the website for at least one full year from the date that the Meeting materials are posted on SEDAR. The Meeting materials are also available under the Company's profile on SEDAR at www.sedar.com.

The Company will not use procedures known as "stratification" in relation to its use of the notice-and-access provisions in relation to the Meeting. Stratification occurs when a reporting issuer using notice-and-access provides a paper copy of the relevant information circular to some, but not all, shareholders with the notice package in relation to the relevant meeting. In relation to the Meeting, registered shareholders will receive a paper copy of each of the Notice of the Meeting and a form of proxy, whereas non-registered shareholders (see "Non-Registered Holders" below) will receive a paper copy of the Notice of the Meeting and a voting instruction form.

To obtain a printed paper copy of the Information Circular prior to the date of the Meeting please call 1-866-962-0498 (toll-free within North America) or 514-982-8716 (if calling from outside North America) and enter your control number as indicated on your Proxy or Voting Instruction Form, or email info@bearcreekmining.com. The Company will send paper copies of the Information Circular to requesting shareholders at no cost to them within three business days of their request, if such requests are made before the Meeting. To obtain a paper copy of the Information Circular after the date of the Meeting, please contact

Barbara Henderson at 604-685-6269. The Company will send paper copies of the Information Circular to requesting shareholders at no cost to them within ten calendar days of their request, if such requests are made after the date of the Meeting. To obtain additional information about the notice-and-access provisions, shareholders may contact the Company's transfer agent, Computershare, at the following toll-free number: 1-866-964-0492.

NON-REGISTERED HOLDERS

Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee, such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (each a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the relevant Meeting materials to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you, as a non-registered holder, wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

NON-OBJECTING BENEFICIAL HOLDERS

These securityholder materials are being sent to both registered and non-registered owners of the common shares in the capital of the Company (the "**Common Shares**"). The Company is sending the proxy-related materials for the Meeting directly to "non-objecting beneficial owners" ("**NOBOs**") as defined under NI 54-101. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your NOBO holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee(s) holding your shares on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee(s) holding your shares on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

OBJECTING BENEFICIAL HOLDERS

The Company does not intend to pay for Nominees to deliver the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to "objecting beneficial owners" ("**OBOs**"), as defined under NI 54-101. As a result, OBOs will not receive the Meeting materials unless their respective Nominee assumes the costs of delivery.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a registered shareholder, his or her attorney authorized in writing or, if the shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. Only registered shareholders have the right to revoke a proxy. Non-registered shareholders who wish to change their vote should contact their respective Nominees well in advance of the Meeting to revoke the proxy on their behalf.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at the Record Date and as of the date of this Information Circular there are 103,085,064 Common Shares issued and outstanding. The Company has only one class of shares.

Persons who are registered shareholders at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Common Share held.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company, except the following:

<i>Name</i>	<i>No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾</i>	<i>Percentage of Outstanding Shares</i>
Silver Wheaton Corp.	13,264,305	12.9%
Mason Hill Advisors LLC	13,147,472	12.8%
Tocqueville Asset Management, L.P.	10,726,366	10.4%

(1) Beneficial ownership of these shares is not known by the Company.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company's process for determining executive compensation, which is designed to attract and retain highly qualified individuals, relies on recommendations from the Compensation Committee for approval by the Company's board of directors (the "**Board**"). In evaluating the performance of the Company's executives for the possible award of bonuses or long term incentive compensation, the Compensation Committee reviews the achievement of project specific goals included in the Company's plans such as: identifying mineral prospects; executing successful drill programs; advancing or completing scoping, prefeasibility or feasibility studies; building and maintaining social licence through community relationships and initiatives; acquiring necessary permits; and successfully advancing projects and/or initiatives that accomplish the Company's goals. In addition, the Committee considers management's performance in unplanned situations and their ability to manage projects through complex political and social situations. Finally, corporate objectives such as successful capital raising (if applicable), peer benchmarking (as further discussed below) and market performance are considered. The Company's compensation of executives may consist of any or all of a base salary, cash bonuses and long term incentive compensation. As further discussed below, however, compensation of the Company's

executives for the most recently completed financial year consisted of only base salary and long term incentive compensation in the form of stock options.

Base Salary

The Compensation Committee is responsible for reviewing the salary levels for the Company's Named Executive Officers (or "NEOs" as defined below) and other senior executives on a regular basis. The Compensation Committee may consider independent salary surveys, as well as informal surveys prepared by the Company which are specific to mining and exploration companies. The Compensation Committee reviews the performance of senior executive officers with the Chief Executive Officer ("CEO") and, in an executive session without the CEO present, reviews the performance of the CEO.

When making compensation decisions in relation to the Company's executives, including the NEOs, the Compensation Committee evaluates the compensation of the Company's CEO and other executives in comparison to the compensation paid to similarly situated executives at companies that the Compensation Committee considers to be of similar size and stage to the Company. It also considers the financial and operating performance of the Company and the level of responsibility of each of the executives. Previously (up to the financial year ended December 31, 2014), the Company utilized the Bedford Compensation Report on executive compensation (the "Survey"), a broad mining industry survey, comprised of 165 companies in the mineral development and exploration sector, to compare salary, annual incentive bonus and long term incentive equity grants for the Company's executives to the similar sized mining and exploration companies included in the Survey. While the Company has not undertaken formal benchmarking to updated Survey data during the past two years, the Company believes that general and mining market conditions have remained essentially unchanged and that its compensation levels relative to compensation paid to executives of similar sized companies included in the Survey remain valid, including for the most recently completed financial year. Accordingly, the Company has not made changes to its executive compensation for the past three years but rather has maintained executive compensation at the same levels based on the market-relevant compensation policies discussed above.

For the Company's CEO, the Compensation Committee has historically targeted total compensation, including base salary, annual cash incentive compensation and long term incentive compensation of between the 50th and the 75th percentile of the compensation paid to CEOs in similar sized companies. For the NEOs other than the CEO, the Compensation Committee's policy is to target compensation relative to the CEO and to use compensation information on comparably situated executives in similar sized companies. The Compensation Committee additionally assesses market conditions, including those of the labor market, and executive retention priorities when considering adjustments to the compensation, including base salary, paid to the Company's CEO and NEOs. The Compensation Committee has established this market positioning policy for total compensation because it believes the Company's success is highly dependent on its executive talent.

As a result of the Company's current activities and the assessment of the executives' current compensation, no changes were made to executive compensation for the year ended December 31, 2016. Compensation paid to the Company's CEO and other NEOs during the most recently completed financial year consisted of only salary and grants of long term incentive option-based awards. No other compensation was paid to any NEOs in relation to the year ended December 31, 2016.

Cash Bonuses

Notwithstanding the achievement of several corporate goals and milestones during the year ended December 31, 2016, ongoing volatility in the Company's share price and lingering uncertainty and periodic weakness in the mining markets led the Compensation Committee to conclude it would be inappropriate to award cash bonuses to executive management. As a result, no cash bonuses were awarded for during the year ended December 31, 2016.

Cash bonuses were awarded intermittently, at the Compensation Committee's discretion, prior to fiscal 2013. The Compensation Committee has declined to award cash bonuses to executive management since fiscal 2013 for reasons similar to those outlined above. If annual bonuses are deemed appropriate in the future, the Compensation Committee shall determine individual awards by evaluating the performance of the Company and its management against certain established goals and objectives weighted as to their relative importance in the judgment of the Compensation Committee. Management is then given a performance rating for each individual goal based on the degree to which the goal was met or exceeded, and a bonus amount shall be determined based on each candidate's overall performance.

NEO Compensation

Mr. Swarthout has been employed as the Company's CEO since its inception, and additionally served as the Company's President from 2003 – 2011 and from 2013 to the present. There have been no changes to Mr. Swarthout's base salary of US\$310,000 since April 2011. As noted above, there were no cash bonuses paid by the Company to the current NEOs, including Mr. Swarthout, in relation to any of the three most recently completed financial years.

Mr. Krause was appointed Chief Financial Officer (“**CFO**”) of the Company effective May 2012. Mr. Krause is not an employee of the Company. He is employed by Avisar Chartered Accountants (“**Avisar**”) and the portion of the compensation paid to Mr. Krause by Avisar during the financial years ended December 31, 2016, 2015 and 2014 that Avisar attributed to the CFO services Mr. Krause provided to the Company, was \$13,706, \$15,333 and \$12,216, respectively. In addition, the amount Avisar charged the Company for accounting, tax and financial consulting services during the financial years ended December 31, 2016, 2015 and 2014 was \$136,300, \$171,113 and \$180,530, respectively. Mr. Krause previously served as CFO of the Company from June 2003 to February 2011. As noted above there were no cash bonuses paid by the Company to the current NEOs, including Mr. Krause, in relation to any of the three most recently completed financial years.

Mr. Antunez de Mayolo was first employed with the Company's subsidiary, Bear Creek Exploration Company Ltd. as General Manager in April 2010 and was promoted to Vice President of Operations and General Manager of the Peruvian operations in February 2011. In August 2013, Mr. Antunez de Mayolo was promoted to Chief Operating Officer (“**COO**”) of Bear Creek, and the Compensation Committee approved an increase in Mr. Antunez de Mayolo's annual salary to US\$286,500 effective August 5, 2013 in connection with his promotion. (From August 2013 onward, Mr. Antunez de Mayolo's salary is denominated in Peruvian Soles and converted to US dollars for reporting purposes). As noted above, there were no cash bonuses paid by the Company to the current NEOs, including Mr. Antunez de Mayolo, in relation to any of the three most recently completed financial years.

Mr. Franco was hired in April 2011 by Bear Creek Mining Company Sucursal del Peru, a branch office of the Company's subsidiary Bear Creek Exploration Company Ltd., at a starting salary of US\$74,200 (Mr. Franco's salary is denominated in Peruvian Soles and converted to US dollars for reporting purposes). In 2013, he was promoted to Vice President, Corporate Development for Bear Creek Mining SAC (a subsidiary of the Company) and awarded a salary increase to the equivalent of US\$173,800. As noted above, there were no cash bonuses paid by the Company to the current NEOs, including Mr. Franco, in relation to any of the three most recently completed financial years.

Mr. Diaz was hired in September 2010 by Bear Creek Mining Company Sucursal del Peru, a branch office of the Company's subsidiary Bear Creek Exploration Company Ltd., at a starting salary of US\$98,900. In 2013, he was promoted to Vice President Legal for Bear Creek Mining SAC (a subsidiary of the Company) and awarded a salary increase to the equivalent of US\$172,800. As noted above, there were no cash bonuses paid by the Company to the current NEOs, including Mr. Diaz, in relation to any of the three most recently completed financial years.

As the Company continues its planned transition from an exploration and development company to a potential producer, the executive officers' responsibilities may increase. The Compensation Committee may periodically grant salary increases to its officers based on the Compensation Committee's review of comparable companies and mining industry surveys, each individual officer's performance, and market conditions.

Share-based and Option-based Awards

The Compensation Committee has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

Stock Option Plan

The Company's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the overall compensation of such executive officer including the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the "**Exchange**") and closely align the interests of the executive officers with the interests of shareholders. The Board determines the vesting provisions of all stock option grants.

A description of the material terms of the Company's stock option plan is provided below under the heading "Approval of Rolling Stock Option Plan". Please also see the column entitled "Option-Based Awards" in the Summary Compensation Table for further details with regard to stock options in relation to the NEOs for the three most recently completed financial years.

Long-Term Incentive Plan

Effective April 2, 2016, the Company's Board adopted a long-term incentive plan (the "**LTIP**") providing the Company with the ability to grant deferred share units ("**DSUs**") and restricted share units ("**RSUs**") to eligible participants. The LTIP was approved by disinterested shareholders (defined as Insiders, including directors and senior officers of the Company, to whom units may be granted under the LTIP, and their associates) at the Company's annual general meeting held on June 2, 2016.

Under the LTIP, an officer, Director, employee or consultant of the Company who has been designated by the Company for participation, and who agrees to participate, in the LTIP, is eligible to receive RSUs pursuant to the LTIP. An officer, Director, or employee (but not a consultant) of the Company who has been designated by the Company for participation, and who agrees to participate, in the LTIP is eligible to receive DSUs pursuant to the LTIP.

The Company believes that compensation that involves a mix of RSUs, DSUs and stock options provides the best vehicle to help the Company attract and retain employees, directors and officers by providing them with an opportunity to participate in Bear Creek's future success and to align the interests of such eligible participants with the Company's interests and the interests of its shareholders.

There have been no grants to any person under the LTIP as of the date of this Information Circular. Accordingly, there are no entries in the column entitled "Share-Based Awards" in the Summary Compensation Table with regard to DSUs or RSUs in relation to the NEOs for the three most recently completed financial years.

Compensation Risk Considerations

The Compensation Committee considers the implications of risk associated with the Company's compensation policies and practices. If necessary, the Committee recommends corrective action in relation to any compensation policies and practices that could encourage executive officers to take inappropriate or excessive risks. Under the terms of its charter, the Compensation Committee reports to the Board at least annually with regard to the Committee's consideration of such risks.

Executive compensation is comprised of both short-term compensation in the form of a base salary/fee and an incentive cash bonus plan, and long-term ownership through the grant of stock options, RSUs and DSUs. This structure ensures that a significant portion of executive compensation (securities-based compensation) is both long-term and “at risk” and, accordingly, is directly linked to the achievement of business results and the creation of long term shareholder value. As mentioned above, as of the date of this Information Circular, no DSUs or RSUs have been granted to any person pursuant to the LTIP.

The Board also has the ability to set out vesting periods in each stock option agreement. As the benefits of such compensation, if any, are not realized by officers and Directors until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and its shareholders is extremely limited. Stock options typically vest over an 18-month period and, unless otherwise approved by the Board, any RSUs will vest over a three-year period. Furthermore, all elements of executive compensation are discretionary. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or its shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the relatively small size of the Company and its current management group, the Board is able to closely monitor and consider any risks that may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company is reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Financial Instruments

The Company's officers and Directors are prohibited from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in the market value of the Company's securities.

Compensation Governance

The Company has a Compensation Committee, which is further described under the heading “Compensation Discussion and Analysis” above and under the sub-section “Compensation” under the heading “Corporate Governance Disclosure” below.

Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6 - *Statement of Executive Compensation*) sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company, in respect of persons acting as the CEO and CFO for all or any portion of the most recently completed financial year, and each of the three most highly compensated executive officers of the Company or its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, as at December 31, 2016, whose individual total compensation for the most recently completed financial year exceeded \$150,000 and any individual who would have satisfied these criteria but for the fact that the individual was neither an

executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of the most recently completed financial year (collectively the “Named Executive Officers” or “NEOs”).

Summary Compensation

NEO Name and Principal Position	Year	Salary (US\$) ⁽¹⁾	Share-Based Awards (US\$)	Option-Based Awards (US\$) ⁽¹⁾⁽²⁾	Non-Equity Incentive Plan Compensation (US\$)		Pension Value (US\$)	All Other Compensation (US\$) ⁽¹⁾	Total Compensation (US\$) ⁽¹⁾
					Annual Incentive Plans ⁽³⁾	Long-term Incentive Plans			
Andrew Swarthout ⁽⁴⁾ President and CEO	2016	310,000	Nil	229,192	Nil	Nil	Nil	14,106	553,298
	2015	310,000	Nil	165,101	Nil	Nil	Nil	11,940	487,041
	2014	310,000	Nil	250,620	Nil	Nil	Nil	10,719	571,339
Steven Krause ⁽⁵⁾ CFO	2016	Nil	Nil	21,708	Nil	Nil	Nil	Nil	21,708
	2015	Nil	Nil	13,591	Nil	Nil	Nil	Nil	13,591
	2014	Nil	Nil	23,950	Nil	Nil	Nil	Nil	23,950
Elsiario Antunez de Mayolo ⁽⁶⁾ COO and General Manager of Peruvian Subsidiaries	2016	241,678	Nil	130,247	Nil	Nil	Nil	Nil	371,925
	2015	277,078	Nil	81,546	Nil	Nil	Nil	Nil	358,624
	2014	282,775	Nil	143,700	Nil	Nil	Nil	Nil	426,475
Andres Longhi Franco ⁽⁶⁾ Vice President, Corporate Development of Bear Creek Mining SAC	2016	149,467	Nil	43,416	Nil	Nil	Nil	Nil	192,883
	2015	156,286	Nil	27,182	Nil	Nil	Nil	Nil	183,468
	2014	173,783	Nil	38,320	Nil	Nil	Nil	Nil	212,103
Alvaro Castro Diaz ⁽⁶⁾ Vice President, Legal of Bear Creek Mining SAC	2016	148,533	Nil	43,416	Nil	Nil	Nil	Nil	191,949
	2015	147,211	Nil	27,182	Nil	Nil	Nil	Nil	174,393
	2014	172,803	Nil	47,900	Nil	Nil	Nil	Nil	220,703

- (1) All compensation amounts awarded, earned, paid, or payable are reflected in US Dollars, which is the functional/reporting currency of the Company. Amounts denominated in C\$ have been converted into US\$ for reporting purposes at an average exchange rate. For the financial year ended December 31, 2016 the exchange rate was C\$1.3236/US\$1.00. For the financial years ended December 31, 2015 and 2014 the exchange rate was C\$1.28/US\$1.00 and C\$1.104/US\$1.00 respectively. Amounts denominated in Peruvian Soles have been converted into US\$ for reporting purposes. For the financial year ended December 31, 2016 the exchange rate was Peruvian Soles 3.37/US\$1.00, while for the financial years ended December 31, 2015 and 2014 the exchange rate was Peruvian Soles 3.18/US\$1.00 and Peruvian Soles 2.8369/US\$1.00 respectively.
- (2) The Company used the Black-Scholes-Merton model as the methodology to calculate the grant date fair value, and relied on the following the key assumptions and estimates for the 2016 calculation: expected dividend yield of 0%, expected stock price volatility 79%, risk free interest rate of 0.57%, and expected life of options of 4.1 years. The Company chose this methodology as it is the standard for exploration companies in Canada and has been consistently applied by the Company for valuing option based award by the Company since 2003.
- (3) If awarded, annual incentives are paid as cash bonuses and are based on the evaluation of performance for the financial year noted, but are typically paid in the following year. There were no annual incentives paid in relation to the 2016, 2015 or 2014 financial years.

- (4) Mr. Swarthout was appointed President (in addition to his role as CEO) effective August 1, 2013. Amounts listed under the column All Other Compensation paid to Mr. Swarthout relate to health insurance premiums paid on his behalf by the Company.
- (5) Mr. Krause has served as CFO of the Company effective May 7, 2012 to present, but is not an employee of the Company. He is employed by Avisar and the portion of the compensation paid to Mr. Krause by Avisar during the financial years ended December 31, 2016, 2015 and 2014, which Avisar attributed to the services which Mr. Krause provided to the Company, was C\$13,706, C\$15,333, and C\$12,216, respectively. Mr. Krause previously served as CFO of the Company from June 5, 2003 to February 1, 2011
- (6) The employment histories of Messrs. Antunez de Mayolo, Franco and Diaz are provided under the heading “NEO Compensation”, above. The salaries of Messrs. Antunez de Mayolo, Franco and Diaz are denominated in Peruvian Soles and converted to US for reporting purposes. For the financial year ended December 31, 2016 the exchange rate was Peruvian Soles 3.37/US\$1.00, while for the financial years ended December 31, 2015 and 2014 the exchange rate was Peruvian Soles 3.18/US\$1.00 and Peruvian Soles 2.8369/US\$1.00 respectively.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for each of the Named Executive Officers:

Name	Option-Based Awards				Share-Based Awards ⁽¹⁾		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (C\$)	Option Expiration Date ⁽²⁾	Value of Unexercised In-The-Money Options ⁽³⁾ (C\$)	Number of Shares Or Units Of Shares That Have Not Vested (#)	Market or Payout Value Of Share-Based Awards That Have Not Vested (C\$)	Market or Payout Value Of Vested Share-Based Awards Not Paid Out or Distributed (C\$)
Andrew Swarthout ⁽⁴⁾ President and CEO	450,000	3.73	January 23, 2017	N/A	N/A	N/A	N/A
	450,000	3.25	February 6, 2018	N/A	N/A	N/A	N/A
	250,000	2.05	February 21, 2019	75,000	N/A	N/A	N/A
	225,000	1.41	February 23, 2020	211,500	N/A	N/A	N/A
	200,000	2.48	June 17, 2021	N/A	N/A	N/A	N/A
Steven Krause ⁽⁵⁾ CFO	30,000	2.71	June 11, 2017	N/A	N/A	N/A	N/A
	25,000	2.05	February 21, 2019	7,500	N/A	N/A	N/A
	22,500	1.41	February 23, 2020	21,150	N/A	N/A	N/A
	20,000	2.48	June 7, 2021	N/A	N/A	N/A	N/A
Elsario Antunez de Mayolo ⁽⁶⁾ COO and General Manager of Peruvian Subsidiaries	165,000	3.73	January 23, 2017	N/A	N/A	N/A	N/A
	165,000	3.55	November 15, 2017	N/A	N/A	N/A	N/A
	250,000	1.85	August 2, 2018	125,000	N/A	N/A	N/A
	150,000	2.05	February 21, 2019	45,000	N/A	N/A	N/A
	135,000	1.41	February 23, 2020	126,900	N/A	N/A	N/A
120,000	2.48	June 17, 2021	N/A	N/A	N/A	N/A	
Andres Longhi Franco ⁽⁶⁾ Vice President, Corporate Development of Bear Creek Mining SAC	14,000	3.73	January 23, 2017	N/A	N/A	N/A	N/A
	35,000	3.55	November 15, 2017	N/A	N/A	N/A	N/A
	50,000	2.05	February 21, 2019	15,000	N/A	N/A	N/A
	45,000	1.41	February 23, 2020	42,300	N/A	N/A	N/A
	40,000	2.48	June 17, 2021	N/A	N/A	N/A	N/A
Alvaro Castro Diaz ⁽⁶⁾ Vice President, Legal of Bear Creek Mining SAC	24,000	3.73	January 23, 2017	N/A	N/A	N/A	N/A
	30,000	3.55	November 15, 2017	N/A	N/A	N/A	N/A
	50,000	2.05	February 21, 2019	15,000	N/A	N/A	N/A
	45,000	1.41	February 23, 2020	42,300	N/A	N/A	N/A
	40,000	2.48	June 17, 2021	N/A	N/A	N/A	N/A

- (1) There have been no grants to any person under the LTIP as of the date of this Information Circular. Accordingly, there are no entries in the column entitled “Share-Based Awards” with regard to DSUs or RSUs in relation to the NEOs.
- (2) The stock options awarded vest 25% immediately upon the grant date, with an additional 25% to vest every six (6) months thereafter, with a five-year term.
- (3) This amount is calculated based on the difference between the market value of the Common Shares underlying the options on December 31, 2016, which was C\$2.35, and the exercise or base price of the option. These stock options have not been exercised and actual gains, if any, on exercise will depend on the value of the Company’s stock price on the date of exercise.
- (4) Mr. Swarthout was appointed President (in addition to his role as CEO) effective August 1, 2013.
- (5) Mr. Krause has served as CFO of the Company effective May 7, 2012 to present, but is not an employee of the Company. Mr. Krause previously served as CFO of the Company from June 5, 2003 to February 1, 2011.
- (6) The employment histories of Messrs. Antunez de Mayolo, Franco and Diaz are provided under the heading “NEO Compensation”, above.

Value Vested or Earned During the Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Named Executive Officers are as follows:

<i>NEO Name</i>	<i>Option-Based Awards - Value Vested During The Year (C\$)⁽¹⁾</i>	<i>Share-Based Awards - Value Vested During The Year (C\$)⁽²⁾</i>	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year (C\$)</i>
Andrew Swarthout ⁽³⁾ <i>President and CEO</i>	114,750	N/A	Nil
Steve Krause ⁽⁴⁾ <i>CFO</i>	11,475	N/A	Nil
Elsiario Antunez de Mayolo ⁽⁵⁾ <i>COO and General Manager of Peruvian Subsidiaries</i>	68,850	N/A	Nil
Andres Longhi Franco ⁽⁵⁾ <i>Vice President, Corporate Development of Bear Creek Mining SAC</i>	22,950	N/A	Nil
Alvaro Castro Diaz ⁽⁵⁾ <i>Vice President, Legal of Bear Creek Mining SAC</i>	22,950	N/A	Nil

- (1) This amount is the dollar value that would have been realized if the options had been exercised on the vesting date by calculating the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date. These stock options have not been exercised and actual gains, if any, on exercise will depend on the value of the Company’s stock price on the date of exercise.
- (2) There have been no grants to any person under the LTIP as of the date of this Information Circular. Accordingly, there are no entries in the column entitled “Share-Based Awards” with regard to DSUs or RSUs in relation to the NEOs.
- (3) Mr. Swarthout was appointed President (in addition to his role as CEO) effective August 1, 2013.
- (4) Mr. Krause has served as CFO of the Company effective May 7, 2012 to present, but is not an employee of the Company. Mr. Krause previously served as CFO of the Company from June 5, 2003 to February 1, 2011.
- (5) The employment histories of Messrs. Antunez de Mayolo, Franco and Diaz are provided under the heading “NEO Compensation”, above.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination and Change of Control Benefits

As of the date of this Information Circular, the Company has employment agreements (“**Agreements**”) with Messrs. Swarhout, Antunez de Mayolo, Franco and Diaz that include compensation in the form of salary, bonuses, and option share awards as well as the payment of benefits in the event of termination of employment or change of control of the Company. Mr. Krause is not an employee but is party to a consulting agreement with the Company, which agreement does not include termination or change of control benefits.

In the Agreements, “change of control” is defined as a direct or indirect acquisition, by a person or combination or persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, of such number of voting securities of the Company at the time held by such person or persons, exceeds 35% of the voting rights attached to all outstanding shares of the Company.

In the Agreements of Messrs. Swarhout and Antunez de Mayolo, an “event of termination” is defined as the occurrence of any of the following events, at any time after a change of control, without the consultant’s written consent, which event is not rectified by the Company within 30 days of occurrence:

- (i) a change by the Company (other than changes that are clearly and exclusively consistent with a promotion) in the employee’s position or duties, responsibilities (including, without limitation, the person(s) to whom the employee reports to and who reports to the employee), title or office in effect immediately prior to the change of control, which includes any removal of the employee from or failure to re-engage the employees in such position or office(s);
- (ii) any failure by the Company to maintain the employee’s fee, benefits or other form of remuneration or, if relevant, to increase the employee’s fee, benefits, or other form of remuneration in a manner consistent (both as to frequency and as to percentage increase) with increases granted generally to the Company’s other administrative personnel;
- (iii) the Company relocating the employee to any place other than the location at which the employee reported for work on a regular basis immediately prior to the change of control;
- (iv) the Company taking any action to deprive the employee of any material fringe benefits not mentioned above and enjoyed by the employee immediately prior to the change of control, or the Company failing to increase or improve such material fringe benefits on a basis consistent with increases or improvements granted to the Company’s other administrative personnel;
- (v) any material breach by the Company of any provision of the employee’s agreement;
- (vi) the good faith determination by the employee that, as a result of the change of control or any action or event thereafter, the employee’s status or responsibility in the Company has been diminished or the consultant is effectively being prevented from carrying out his duties and responsibilities as the existed immediately prior to the change of control; or
- (vii) failure by the Company to obtain, in a form satisfactory to the employee, an effective assumption of its obligations hereunder by any successor to the Company, including a successor to a material portion of its business.

If, as the result of a “change of control” of the Company, either Mr. Swarhout or Mr. Antunez de Mayolo experience an “event of termination” as described above, each is entitled to a severance payment of two

years' salary and is able to exercise any stock options previously granted concurrently with the completion of any take-over bid or within 30 days in the event of termination after a change of control which is not a take-over bid or similar transaction.

In the Agreements of Messrs. Franco and Diaz, an "event of termination" is defined as the occurrence of any of the following events, at any time after a change of control, without the consultant's written consent which event is not rectified by the Company within 30 days of occurrence:

- (i) a change by the Company or Subsidiary (other than changes that are clearly and exclusively consistent with a promotion) in position or duties, responsibilities, title or office in effect immediately prior to the Control Change, which includes any removal from, or any failure to re-employ the employee in such position or offices;
- (ii) any failure by the Company or Subsidiary to maintain the employee's salary, benefits, or other form of remuneration or, if relevant, to increase the employee's salary, benefits, or other form of remuneration in a manner consistent (both as to frequency and as to percentage increase) with increases granted generally to the Company or Subsidiary's other senior personnel in substantially similar positions;
- (iii) the Company or Subsidiary relocating the employee to any place other than the location at which he or she reported for work on a regular basis immediately prior to the Control Change;
- (iv) the good faith determination by the employee that, as a result of the Control Change or any action or event thereafter, his or her status or responsibility in the Company or Subsidiary has been diminished or the employee is effectively being prevented from carrying out his or her duties and responsibilities as they existed immediately prior to the Control Change; or
- (vii) failure by the Company to obtain, in a form satisfactory to the employee, an effective assumption of its obligations hereunder and of the Subsidiary's obligations under the Employment Agreement by any successor to the Company and the Subsidiary, including a successor to a material portion of their business.

If, as the result of a "change of control" of the Company, either Mr. Franco or Mr. Diaz experience an "event of termination" as described above, each is entitled to a severance payment of one years' salary and is able to exercise any stock options previously granted concurrently with the completion of any take-over bid or within 30 days in the event of termination after a change of control which is not a take-over bid or similar transaction.

At any time in circumstances where there is no cause for termination and no change of control, by the provision of written notice of termination from the Company, the Company is obligated to provide Mr. Swarthout with a severance payment equal to 12 month's salary, and any of Messrs. Antunez de Mayolo, Franco or Diaz with severance payments equal to 1.5 times their monthly salary for every year of service up to 8 years (or a maximum total of 12 month's salary).

Estimated Incremental Payment on Change of Control

The information below sets out the estimated incremental payments, payables and benefits due to certain of the NEO's assuming a triggering event on the last business day of the Company's most recently completed financial year. NEOs not mentioned immediately below are not entitled to such incremental payments on a change of control.

Under the terms of Andrew Swarthout's Agreement, the estimated incremental payment upon termination by the Company on a change of control of the Company to which he is entitled is approximately US\$620,000 (calculated as at the last business day of the Company's most recently completed financial

year) based upon an amount equal to 24 months' salary, plus any amounts owed in respect of accrued vacation, earned bonuses and the accelerated option value of his existing stock options.

Under the terms of Elsiario Antunez de Mayolo's Agreement, the estimated incremental payment upon termination by the Company on a change of control of the Company to which he is entitled is approximately US\$483,356 calculated as at the last business day of the Company's most recently completed financial year) based upon an amount equal to 24 months' salary, plus any amounts owed in respect of accrued vacation, earned bonuses and the accelerated option value of his existing stock options.

Under the terms of Andres Franco's Agreement, the estimated incremental payment upon termination by the Company on a change of control of the Company to which he is entitled is approximately US\$149,467 calculated as at the last business day of the Company's most recently completed financial year) based upon an amount equal to 12 months' salary, plus any amounts owed in respect of accrued vacation, earned bonuses and the accelerated option value of his existing stock options.

Under the terms of Alvaro Diaz's Agreement, the estimated incremental payment upon termination by the Company on a change of control of the Company to which he is entitled is approximately US\$148,533 calculated as at the last business day of the Company's most recently completed financial year) based upon an amount equal to 12 months' salary, plus any amounts owed in respect of accrued vacation, earned bonuses and the accelerated option value of his existing stock options.

Director Compensation

As at the end of the most recently completed financial year, other than as noted below, the Company had no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as a consultant or expert.

Under the Company's Directors' compensation plan, the Directors who are also Company employees do not receive fees for Board service. Currently, Mr. Swarthout, who also serves as the Company's President and Chief Executive Officer, is the only Director who is also an employee. The compensation for the non-employee Directors includes the following: (i) a US\$20,000 annual cash retainer, (ii) a US\$1,000 cash fee for each Board or committee meeting that the Director attends, if required, in person or by telephone, (iii) an additional US\$50,000 annual cash retainer for the Chairman of the Board and (iv) an additional US\$5,000 annual cash retainer for the Chairman of the Audit Committee. The Lead Director (see further discussion under "Corporate Governance Disclosure – Lead Director") does not receive any additional fees for his service in that role. Payments to the Directors are made bi-annually. Additionally, the Board may consider discretionary grants of stock options to non-employee Directors that range from approximately 25% up to 80% of the size of stock option grants made to the CEO. The Company also reimburses Directors for all reasonable out-of-pocket costs incurred by them in connection with their services to the Company. There have been no significant changes to the compensation structure of Directors since January 2011, with the exception of the potential to offer RSUs and DSUs pursuant to the LTIP.

The following table sets forth all amounts of compensation provided to Directors who are not Named Executive Officers for the Company's most recently completed financial year.

<i>Director Name</i>	<i>Fees Earned</i> (US\$)	<i>Share-Based Awards</i> (US\$) ⁽¹⁾	<i>Option Based Awards</i> (US\$) ⁽²⁾	<i>Non-equity Incentive Plan Compensation</i> (US\$)	<i>Pension Value</i> (US\$)	<i>All Other Compensation</i> (US\$)	<i>Total</i> (US\$)
Catherine McLeod-Seltzer ⁽³⁾	76,000	Nil	137,515	Nil	Nil	Nil	213,515
David De Witt	30,000	Nil	73,341	Nil	Nil	Nil	103,341
Kevin Morano	29,000	Nil	137,515	Nil	Nil	Nil	166,515
Nolan Watson	36,000	Nil	73,341	Nil	Nil	Nil	109,341
Frank R. Tweddle	32,000	Nil	73341	Nil	Nil	Nil	105,341
Miguel Grau ⁽⁴⁾	13,000	Nil	Nil	Nil	Nil	Nil	13,000

- (1) There have been no grants to any person under the LTIP as of the date of this Information Circular. Accordingly, there are no entries in the column entitled "Share-Based Awards" with regard to DSUs or RSUs in relation to any Director.
- (2) The Company used the Black-Scholes-Merton model as the methodology to calculate the grant date fair value, and relied on the following the key assumptions and estimates for each calculation: expected dividend yield of 0%, expected stock price volatility of 79%, risk free interest rate of 0.57% and expected life of options of 4.1 years. The Company chose this methodology as it is the standard for exploration companies in Canada and has been consistently applied by the Company for valuing option based award by the Company since 2003.
- (3) Ms. McLeod-Seltzer is not an executive or employee of Bear Creek and does not undertake, nor is she compensated for, any consulting services in respect of the Company.
- (4) Mr. Grau did not stand for re-election at the Company's annual general meeting held on June 2, 2016, and ceased to be a director of the Company on that date. Although not a current or proposed Director of the Company, he remains a director of two of the Company's subsidiaries, Corani Mining Ltd. and Bear Creek (BVI) Ltd.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders. A description of the material terms of the Company's stock option plan is provided below under the heading "Approval of Rolling Stock Option Plan."

The Company has the ability to grant DSUs and RSUs to Directors pursuant to the LTIP. As of the date of this Information Circular, however, no DSUs or RSUs have been granted to any Director (or any other person) pursuant to the LTIP.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for each of the Directors who is not a Named Executive Officer:

Director Name	Option-Based Awards				Share-Based Awards ⁽¹⁾		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (C\$)	Option Expiration Date ⁽²⁾	Value of Unexercised In-The-Money Options ⁽³⁾ (C\$)	Number of Shares Or Units Of Shares That Have Not Vested (#)	Market or Payout Value Of Share-Based Awards That Have Not Vested (C\$)	Market or Payout Value Of Vested Share-Based Awards Not Paid Out or Distributed (C\$)
Catherine McLeod-Seltzer	300,000	3.73	January 23, 2017	N/A	N/A	N/A	N/A
	300,000	3.25	February 6, 2018	N/A	N/A	N/A	N/A
	150,000	2.05	February 21, 2019	45,000	N/A	N/A	N/A
	135,000	1.41	February 23, 2020	126,900	N/A	N/A	N/A
	120,000	2.48	June 17, 2021	N/A	N/A	N/A	N/A
David De Witt	150,000	3.73	January 23, 2017	N/A	N/A	N/A	N/A
	150,000	3.25	February 6, 2018	N/A	N/A	N/A	N/A
	80,000	2.05	February 21, 2019	24,000	N/A	N/A	N/A
	72,000	1.41	February 23, 2020	67,680	N/A	N/A	N/A
	64,000	2.48	June 17, 2021	N/A	N/A	N/A	N/A
Kevin Morano	300,000	3.73	January 23, 2017	N/A	N/A	N/A	N/A
	300,000	3.25	February 6, 2018	N/A	N/A	N/A	N/A
	150,000	2.05	February 21, 2019	45,000	N/A	N/A	N/A
	135,000	1.41	February 23, 2020	126,900	N/A	N/A	N/A
	120,000	2.48	June 17, 2021	N/A	N/A	N/A	N/A
Nolan Watson	150,000	3.73	January 23, 2017	N/A	N/A	N/A	N/A
	150,000	3.25	February 6, 2018	N/A	N/A	N/A	N/A
	80,000	2.05	February 21, 2019	24,000	N/A	N/A	N/A
	72,000	1.41	February 23, 2020	67,680	N/A	N/A	N/A
	64,000	2.48	June 17, 2021	N/A	N/A	N/A	N/A
Frank R. Tweddle	150,000	3.73	January 23, 2017	N/A	N/A	N/A	N/A
	150,000	3.25	February 6, 2018	NA	N/A	N/A	N/A
	80,000	2.05	February 21, 2019	24,000	N/A	N/A	N/A
	72,000	1.41	February 23, 2020	67,680	N/A	N/A	N/A
	64,000	2.48	June 17, 2021	N/A	N/A	N/A	N/A
Miguel Grau ⁽⁴⁾	150,000	3.73	January 23, 2017	N/A	N/A	N/A	N/A
	150,000	3.25	February 6, 2018	N/A	N/A	N/A	N/A
	80,000	2.05	February 21, 2019	24,000	N/A	N/A	N/A
	72,000	1.41	February 23, 2020	67,680	N/A	N/A	N/A

- (1) There have been no grants to any person under the LTIP as of the date of this Information Circular. Accordingly, there are no entries in the column entitled "Share-Based Awards" with regard to DSUs or RSUs in relation to any Director.
- (2) The stock options awarded vest 25% immediately upon the grant date, with an additional 25% to vest every six (6) months thereafter, with a five-year term.
- (3) This amount is calculated based on the difference between the market value of the securities underlying the options at on December 31, 2016, which was C\$2.35 and the exercise or base price of the option. These stock options have not been exercised and actual gains, if any, on exercise will depend on the value of the Company's stock price on the date of exercise.
- (4) Mr. Grau did not stand for re-election at the Company's annual general meeting held on June 2, 2016, and ceased to be a director of the Company on that date. He remains a director of two of the Company's subsidiaries, Corani Mining Ltd. and Bear Creek (BVI) Ltd.

Value Vested or Earned During the Year

The value vested or earned during the most recently completed financial year of awards granted to Directors who are not Named Executive Officers are as follows:

<i>Director Name</i>	<i>Option-Based Awards - Value Vested During The Year (C\$)⁽¹⁾</i>	<i>Share-Based Awards - Value Vested During The Year (C\$)⁽²⁾</i>	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year (C\$)</i>
Catherine McLeod-Seltzer	68,850	N/A	Nil
David De Witt	36,720	N/A	Nil
Kevin Morano	68,850	N/A	Nil
Nolan Watson	36,720	N/A	Nil
Frank R. Tweddle	36,720	N/A	Nil
Miguel Grau ⁽³⁾	36,720	N/A	Nil

- (1) This amount is the dollar value that would have been realized if the options had been exercised on the vesting date by calculating the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date. These stock options have not been exercised and actual gains, if any, on exercise will depend on the value of the Company's stock price on the date of exercise.
- (2) There have been no grants to any person under the LTIP as of the date of this Information Circular. Accordingly, there are no entries in the column entitled "Share-Based Awards" with regard to DSUs or RSUs in relation to any Director.
- (3) Mr. Grau did not stand for re-election at the Company's annual general meeting held on June 2, 2016, and ceased to be a director of the Company on that date. Although not a current or proposed Director of the Company, he remains a director of two of the Company's subsidiaries, Corani Mining Ltd. and Bear Creek (BVI) Ltd.

**SECURITIES AUTHORIZED FOR ISSUANCE
UNDER EQUITY COMPENSATION PLANS**

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights (b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))⁽¹⁾ (c)</i>
Stock Option Plan ⁽²⁾⁽⁴⁾	7,353,850	C\$2.76	2,954,656
LTIP ⁽³⁾⁽⁴⁾	Nil	N/A	
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	7,353,850	C\$2.76	2,954,656

- (1) Represents the number of shares available for future issuance under outstanding stock options, RSUs and DSUs as at December 31, 2016.
- (2) Represents the number of shares to be issued upon exercise of outstanding stock options as at December 31, 2016.

- (3) Represents the number of shares to be issued upon exercise of RSUs and DSUs as at December 31, 2016, which was nil because there have been no grants to any person under the LTIP as of the date of this Information Circular.
- (4) Securities granted pursuant to the Stock Option Plan may not exceed 10% of the Company's issued and outstanding shares. Securities granted pursuant to the LTIP may not exceed the lesser of 5,000,000 units or 10% of the Company's issued and outstanding Common Shares less the number of securities issued pursuant to the Stock Option Plan.

INDEBTEDNESS TO COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS AND SENIOR OFFICERS

As of the date of this Information Circular, there is no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or any of its subsidiaries which is owing, to the Company or any of its subsidiaries, or owing to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, either pursuant to a purchase of securities of the Company or otherwise.

No individual who is, or at any time, during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a Director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of Directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as defined in NI 51-102) of the Company, any proposed Director of the Company or any associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the Directors or executive officers of the Company. Please see the footnotes to the Summary Compensation Table and the "Termination and Change of Control Benefits" section above for a summary of the management contracts of the Company.

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making.

As part of its ongoing commitment to corporate governance, the Board established a Nominating and Corporate Governance Committee in April 2013 pursuant to corporate governance guidelines under National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”). Additionally, in 2013, the Board reviewed and assessed, with the assistance of the Nominating and Corporate Governance Committee, the Company's various corporate governance policies and guidelines, including the Board's mandate, charters of the relevant committees, and various terms of reference, and approved certain amendments and replacements of such documents as appropriate. The corporate governance disclosure in this Information Circular, including the various charters and Board mandate, is current as of the date of this Information Circular.

NP 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices, which such disclosure is set out below.

Independence of Members of Board

As at the date of this Information Circular, the Company's Board consists of six Directors, all of whom are standing for re-election at the Meeting. A majority of the Directors of the Company are independent as of the date of this Information Circular. David De Witt (Lead Director), Kevin Morano, Frank Twedde and Nolan Watson are independent based upon the tests for independence set forth in National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”). Andrew Swarthout is not considered independent as he is the President and Chief Executive Officer of the Company. Catherine McLeod-Seltzer is not an Executive Chairman and does not participate in the day to day management or operation of the Company. However, as the Chairman, she contributes to the Company's management from time to time by advising and assisting the President and Chief Executive Officer, Mr. Swarthout, and is therefore not considered independent. If all six Directors standing for re-election at the Meeting are re-elected, the Company's Board will continue to consist of a majority of independent Directors.

Lead Director

Since Catherine McLeod-Seltzer, Chairman of the Board, is not considered independent as described above, the Board re-appointed Mr. De Witt, an independent member of the Board, as the Lead Director in 2016, to provide an additional level of independent oversight over management. The Lead Director functions as an independent representative and effective leader of the Board in order to carry out the specific functions of the Chairman. The responsibilities of the Lead Director include presiding over Board meetings, assuming principal responsibility for the Board's operation and functioning independent of management and ensuring that Board functions are effectively carried out. The Lead Director facilitates the functioning of the Board independently of management, serves as an independent leadership contact for Directors and assists in maintaining and enhancing the quality of the Company's corporate governance. The Lead Director also performs such other functions and responsibilities as requested by the Chairman of the Board or the Board of Directors from time to time. The Lead Director may call meetings of the non-management Directors.

Management Supervision by Board

The President and Chief Executive Officer and Chief Financial Officer report upon the operations of the Company on an annual basis directly to the independent Directors of the Board. The independent Directors hold meetings without the presence of non-independent Directors as necessary when matters arise that require their independent approval. Although there are not regularly scheduled meetings of the independent Directors, to facilitate open and candid discussion among the independent directors, the Board encourages the independent Directors to meet at any time they consider necessary without any members of management, including the non-independent Directors, being present. The Company's auditors, legal counsel and certain employees may also be invited to attend.

The Audit Committee is composed entirely of independent Directors, and meets with the Company's auditors without management in attendance.

The Board's Chair, Ms. McLeod-Seltzer, is not an independent Director. The independent Directors exercise their responsibilities for independent oversight of management through their majority control of the Board.

Participation of Directors in Other Reporting Issuers

The participation of the Directors as directors in other reporting issuers is described in the table attached as Schedule "A" to this Information Circular.

As noted in Schedule "A", certain of the Directors serve together on the board of other public companies. The Board has reviewed the various current directorships of the Directors and determined that none of the interlocking board relationships could, in the view of the Board of Directors, be reasonably expected to interfere with the independent judgment or ability to act in the best interests of the Corporation. Any such interlocking board relationships will continue to be considered by the Board on a case-by-case basis having regard to the specific circumstances.

Participation of Directors in Board Meetings

The Board meets at least once every quarter to review, among other things, the performance of the Company relative to its corporate goals, plans and performance in prior years. The Board also holds a meeting each year to review and assess the Company's financial budget and business plan for the ensuing year and its overall strategic objectives. This process establishes, among other things, benchmarks against which the Board may assess the performance of management. Additional meetings of the Board are called from time to time to deal with special matters as circumstances require. In the year ended December 31, 2016, seven Board meetings and seven committee meetings were held (four Audit Committee meetings; two Compensation Committee meetings, and one Nominating and Corporate Governance Committee meeting). The attendance record of each Director at each of the meetings of the Board and committees held since beginning of the most recently completed financial year, at which their attendance was required, is as follows:

<i>Director</i>	<i>Board Meetings Attended</i>	<i>Audit Committee Meetings Attended</i>	<i>Compensation Committee Meetings Attended</i>	<i>Nominating and Corporate Governance Committee Meetings Attended</i>	<i>Total Number of Meetings Attended⁽¹⁾</i>	<i>Attendance Record</i>
<i>Non-Independent</i>						
Andrew Swarthout President, CEO and Director	7 of 7 100%	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾	7 of 7	100%
Catherine McLeod-Seltzer Chairman and Director	7 of 7 100%	n/a	n/a	n/a	7 of 7	100%
Miguel Grau⁽³⁾ Director	3 of 3 100%	n/a	n/a	n/a	3 of 3	100%
<i>Independent</i>						
David De Witt Director	6 of 7 100%	3 of 4 100%	1 of 2 100%	1 of 1 100%	11 of 14	79%
Kevin Morano Director	7 of 7 100%	n/a ⁽²⁾	2 of 2 100%	1 of 1 100%	10 of 10	100%
Nolan Watson Director	7 of 7 100%	4 of 4 100%	n/a	1 of 1 100%	11 of 11	100%
Frank R. Tweddle Director	7 of 7 100%	4 of 4 100%	1 of 2 100%	1 of 1 100%	13 of 14	93%

- (1) No meetings were held by the Transaction Response Committee or the Finance Committee in 2016.
- (2) Mr. Swarthout and Mr. Morano attended, as guests, all committee meetings in addition to the committees of which they are members. In total, Mr. Swarthout and Mr. Morano each attended all or portions of 14 of 14 committee and Board meetings.
- (3) Mr. Grau did not stand for re-election at the Company's annual general meeting held on June 2, 2016, and ceased to be a director of the Company on that date. He attended 100% of the board meetings held between January 1 and June 2, 2016.

Board Mandate

The Board has adopted a Board Mandate, the text of which is attached as Schedule "B" to this Information Circular.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan; reviewing and approving the annual corporate budget and forecast; reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources.

The Board relies on management for periodic reports, and to provide the support and information necessary to enable the Board to fulfill its obligations effectively. Major matters are to be analysed in reports prepared by management and submitted to the Board for its approval. All material transactions must be reviewed and approved by the Board prior to implementation. Any responsibility that is not delegated to senior management or a Board committee remains with the full Board. One of the Board's responsibilities is to review and, if thought fit, to approve opportunities as presented by management and to provide guidance to management. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

The Board also meets to plan for the future growth of the Company; identify risks of the Company's business, thus ensuring the implementation of appropriate systems to manage these risks; monitor senior management; and ensure timely disclosure of material transactions. Frequency of Board meetings as well as the nature of agenda items changes depending upon the state of the Company's affairs and in light of opportunities or risks that the Company faces. When necessary and appropriate, issues may be approved and adopted by the Board by way of written resolutions in accordance with applicable corporate law.

Position Descriptions

The Board has adopted written position descriptions in the forms of terms of reference for each of the Chair of the Board (and Lead Director). The Company has also adopted general terms of reference for the committees, including the roles of the respective chairs, as well as terms of reference for the Directors. Stand-alone terms of reference have not been adopted for the individual chairs of each of its committees, as the Board is of the view that the terms of reference for the committees and charters of each the respective committees are sufficiently specific that no separate descriptions are necessary.

The Board has also adopted terms of reference for the President and Chief Executive Officer. In addition, his annual performance objectives, which are reviewed and approved by the Board, further delineate his role and responsibilities and further define the responsibilities of management.

Orientation and Continuing Education

While the Company does not have a formal orientation and training program, new Board members are provided with:

1. information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, technical reports, constating documents and the Company's internal financial information;
3. access to management, auditors and technical consultants;
4. access to legal counsel to the Company in the event of any questions or matters relating to the Board member's corporate and securities law responsibilities; and
5. further information and education as deemed appropriate and desirable by the Board on a case-by-case basis.

The orientation and education process is overseen by the Nominating and Corporate Governance Committee. To help ensure that Directors maintain the skill and knowledge necessary to meet their obligations as Directors, Board members are encouraged to: communicate with management, legal counsel and, where applicable, auditors and technical consultants of the Company; keep themselves current with industry trends and developments and changes in legislation with management's assistance; and attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

The Board views good corporate governance and ethical conduct as an integral component to the success of the Company and crucial to meet the Company's responsibilities to its shareholders and other stakeholders.

The Board has adopted a Code of Business Conduct and Ethics (the “Code”), which is posted on the Company’s website at www.bearcreekmining.com and filed under the Company's profile at www.sedar.com. The purpose of the Code is to promote integrity, deter wrongdoing and assist all Company personnel in making decisions regarding the affairs of the Company and its subsidiaries. The Code outlines the basic principles that guide the affairs of the Company and Company personnel are encouraged to consult with management, the President and CEO or the Chair of the Audit Committee for direction regarding specific issues, conflicts or potential conflicts.

It is ultimately the responsibility of Company and its subsidiaries and their directors, officers, employees, and consultants to be aware of their obligations under, and to comply with, the Code, and it is the Board’s responsibility to monitor compliance with the Code. The Board of Directors has delegated this responsibility to the Chair of the Audit Committee with regard to reporting, and the Nominating and Corporate Governance Committee which will, among other things, review the Code periodically. To date, no waivers of the Code have been granted nor has there been any material change report filed that pertains to any conduct of a Director or executive officer of the Company that constitutes a departure from the Code.

Additionally, the Board, through its meetings with management and other informal discussions with management, encourages a culture of ethical business conduct and believes the Company's high caliber management team promotes a culture of ethical business conduct throughout the Company's operations and is expected to monitor the activities of the Company’s employees, consultants and agents in that regard.

It is a requirement of applicable corporate law that Directors and senior officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and, in the case of Directors, abstain from discussions and voting in respect to same if the interest is material. These requirements are also contained in the Company's Articles, which are made available to the Directors and senior officers of the Company as part of the Company's orientation and continuing education process.

Whistleblower Policy

The Company has adopted a written Whistleblower Policy for the Company’s officers, Directors and employees to ensure that a confidential and anonymous process exists whereby persons can report any accounting concerns, violations of law and general violations relating to the Company and its subsidiaries. The Whistleblower Policy is administered by the Audit Committee.

Nomination of Directors

The Nominating and Corporate Governance Committee consists of Nolan Watson, David De Witt, Kevin Morano and Frank Tweddle, each of whom is an independent Director. The Nominating and Corporate Governance Committee, under the supervision of the Board, is primarily responsible for: establishing a process for identifying, recruiting, appointing, and providing ongoing development for Directors; monitoring and assessing the functioning of the Board, committees of the Board, and the individual members of the Board; and ensuring the Board, Directors and management adopt and observe good corporate governance practices. The Nominating and Corporate Governance Committee charter is posted on the Company’s website at www.bearcreekmining.com.

The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors to ensure that the Board of Directors is composed of individuals who will best serve the interests of the Company and assist management in reaching the Company's strategic

goals. Members of the Board and representatives of the mineral exploration industry are also consulted for possible candidates.

Compensation

The Compensation Committee, under the supervision of the Board, has overall responsibility for: ensuring levels of executive compensation that are competitive and motivating in order to attract, hire, hold and inspire the Company's President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and other executive officers and certain key employees and non-executive officers; and for recommending compensation for directors.

This Committee meets at least once annually. Currently, the members are Kevin Morano, David De Witt and Frank Tweddle, all of whom are independent Directors. All members of the Compensation Committee currently hold, or have held positions in Compensation Committees with other public companies. Additional disclosure with respect to skills and experience in relation to executive compensation of the members of the Compensation Committee are outlined under the section "Particulars of Matters to Be Acted Upon - Election of Directors" below.

To determine compensation payable, the Compensation Committee reviews compensation paid for Directors and officers, including the CEO's, of companies of similar size and stage of development in the mineral exploration industry and determines appropriate compensation packages that reflect the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Company. Further details regarding the Company's compensation policies are discussed in the "Compensation Discussion and Analysis" section of this Information Circular.

The Board has adopted a written charter that sets forth the responsibilities, powers and operations of the Compensation Committee, which is posted on the Company's website at www.bearcreekmining.com.

No compensation consultant or advisor has, at any time since the beginning of the Company's most recently completed financial year, been retained to assist in determining compensation for any of the Company's Directors and officers. Further details regarding the Company's compensation policies are discussed in the Compensation Discussion and Analysis section of this Information Circular.

Other Board Committees

Committees of the Board are an integral part of the Company's governance structure. There are five standing committees (Audit; Compensation; Nominating and Corporate Governance; Transaction Response; and Financing), established to devote the necessary expertise and resources to particular areas, and to enhance the quality of discussion and decision making at Board meetings. Additional Special Committees may be struck from time to time to address specific issues and/or opportunities. The committees facilitate effective Board decision making by providing recommendations to the Board on matters within their respective responsibilities. The Board believes that the committees assist in the effective functioning of the Board and that the composition of the committees should ensure that the views of the independent Directors are effectively represented.

The particulars regarding the Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee are described elsewhere in this Information Circular, and the function of the other two standing committees, the Transaction Response Committee and the Financing Committee, are as follows:

The Transaction Response Committee consists of Kevin Morano, David De Witt and Nolan Watson, each of whom is an independent Director. The primary function of the Transaction Response Committee is to be in a position to efficiently consider and make recommendations to the full Board in respect of any potential future transaction involving a business combination, acquisition or sale initiated by a third party in respect

of the Company or its business and assets. The Transaction Response Committee is responsible for reviewing all aspects of any such transaction and making recommendations to the full Board with respect thereto, and was established as a separate committee of the Board in order to ensure that all relevant facts, issues and associated transactions are reviewed and approved by Directors who are not subject to any conflict of interest and, as such, can consider transactions with the best interests of the Company and its shareholders exclusively in mind. A separate Special Committee may be struck by the Board to assess transactions in which one or more members of the Transaction Response Committee have a real or perceived vested interest in a proposed transaction, in which case the Special Committee assumes the role of the Transaction Response Committee.

The Financing Committee consists of Catherine McLeod-Seltzer, Andrew Swarthout, Nolan Watson and Kevin Morano, of which Mr. Watson and Mr. Morano are independent Directors. The primary function of the Financing Committee is to negotiate the terms of any financing, including size, type of securities to be offered, pricing, timing, lead underwriter(s) and other significant terms such as indemnity obligations, lock-up obligations and rights to future financings and to make recommendations to the full Board concerning any financing and the formal documentation related to such financing.

The Board has determined that, at this stage of the Company's development, it is not necessary for the Board to have additional standing committees other than the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, the Transaction Response Committee, and the Financing Committee.

Assessments

The Board along with the Nominating and Corporate Governance Committee annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, its committees, and the Directors to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its Directors and receives reports from each committee respecting its own effectiveness. As part of the assessments, the Board or an individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

Formal assessments are not regularly conducted; however, the Board satisfies itself that the Board, its committees, and the individual Directors are performing effectively through frequent discussions among management and individual Board members. There are also discussions among the independent Directors with resulting comments provided to the entire Board.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The following is the text of the Audit Committee's Charter:

General

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities regarding the integrity of the Company's accounting and financial reporting processes and provision of financial information to the shareholders and others, the systems of internal controls and disclosure controls, the internal and external audit processes, the policies with regard to ethics and business practices, and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company's external auditor, senior management and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditor.

Composition

The Audit Committee shall be composed of a minimum of three directors. The members shall be appointed annually by the Board, typically at the first meeting of the Board following the annual shareholder's meeting. Unless a Chair is appointed by the full Board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

All members of the Audit Committee shall meet the independence, financial literacy and experience requirements under applicable laws, rules and regulations binding on the Company from time to time, including without limitation the applicable rules of any stock exchanges upon which the Company's securities are listed and any requirements for independence and financial literacy under applicable securities laws.

Procedural Matters

The Audit Committee shall be governed by the Terms of Reference for Committees adopted by the Board, save as modified by the procedural requirements and powers provided in this Charter. The Audit Committee:

- (a) Shall meet at least four times per year, either by telephone conference or in person. Any member of the Audit Committee may call such a meeting.
- (b) May invite the Company's external auditor, the CFO, and such other persons as deemed appropriate by the Audit Committee to attend meetings of the Audit Committee. As part of its job to foster open communication, the Audit Committee shall meet at least annually with the CFO and the external auditor in separate sessions.
- (c) Shall report material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Audit Committee may deem appropriate, at the next Board meeting.
- (d) Shall review the performance of the Audit Committee on an annual basis and report the results of such review to the Board.
- (e) Shall review and assess this Charter for the Audit Committee at least annually and submit any proposed revisions to the Board for approval.
- (f) Has the power to conduct or authorize investigations into any matter within the scope of its responsibilities. The Audit Committee has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties, and the right to set and pay the compensation for any such counsel or advisors engaged by the Audit Committee.
- (g) Has the right to communicate directly with the CFO and other members of management who have responsibility for the audit process (“**internal audit management**”) and the external auditor.

Responsibilities

Subject to the powers and duties of the Board, the Board hereby delegates to the Audit Committee the following powers and duties to be performed by the Audit Committee on behalf of and for the Board.

Financial Reporting, Accounting and Financial Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee shall:

- (a) Review and recommend to the Board for approval the Company's financial statements, Management's Discussion and Analysis, Annual Information Form (if any), future-oriented financial information or pro-forma information, and other financial disclosure in continuous disclosure documents, including any annual and interim profit or loss press releases and any certification, report, opinion or review rendered by the external auditor, before the Company publicly discloses such information. (See also "*Interim Financial Statements*" below.)
- (b) Ensure that it is satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (other than public disclosure referred to in subsection (a) immediately above) and periodically assess the adequacy of those procedures as necessary.
- (c) Review material financial risks with management, the plan that management has implemented to monitor and deal with such risks, and the success of management in following the plan.
- (d) Consult annually and otherwise as required with the Company's President and CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.
- (e) Review process as necessary with regard to certifications, and obtain certifications by the President and CEO and CFO attesting to disclosure controls and procedures and internal control over financial reporting as required or advisable.
- (f) Review management's response to significant written reports and recommendations issued by the external auditor and the extent to which such recommendations have been implemented by management. Review such responses with external auditor as necessary.
- (g) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.
- (h) Review with management proposed regulatory changes and their impact on the Company.
- (i) Review with management and approve public disclosure of the Audit Committee Charter, including in the Company's Information Circular and on the Company's website.

External Auditor

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditor, subject to the overall approval of the Board. For this purpose, the Audit Committee may consult with management, but the external auditor shall report directly to the Audit Committee. The Audit Committee has the right to communicate directly with the internal and external auditors. The specific responsibilities of the Audit Committee with regard to the external auditor are to:

- (a) Recommend to the Board annually:
 - (i) the external auditor to be nominated (whether the current external auditor or a suitable alternative) for the purpose of preparing or issuing an auditor's report or performing other audit, review, or attest services for the Company; and
 - (ii) the compensation of the external auditor.
- (b) Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.

- (c) Resolve disagreements, if any, between management and the external auditor regarding financial reporting. To resolve such disagreements, the Audit Committee shall query management and the external auditor and take other steps as necessary. The Audit Committee shall provide the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable.
- (d) Take reasonable steps to confirm the independence of the external auditor, including but not limited to pre-approving any non-audit related services provided by the external auditor to the Company or the Company's subsidiaries, if any, with a view to ensuring independence of the auditor. If necessary, recommend to the Board to take appropriate corrective action to ensure the independence of the external auditor.
- (e) Review and pre-approve all audit and audit-related services and the fees related thereto, provided by the Company's external auditor.
- (f) Review and pre-approve all non-audit services to be performed by the Company's external auditor, in accordance with any applicable regulatory and securities law requirements and the requirements of any stock exchange upon which the Company's shares are listed with respect to approval of non-audit related services performed by the external auditor. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of the Audit Committee if it first adopts specific policies and procedures respecting same in accordance applicable securities laws and provided that any such pre-approval decisions are presented to the full Audit Committee for approval at its next meeting.
- (g) Obtain from the external auditor confirmation that the external auditor is a 'participating audit' firm for the purpose of National Instrument 52-108 *Auditor Oversight* and are in compliance with governing regulations.
- (h) Review and evaluate the performance of the external auditor, including without limitation the external auditor's internal quality-control procedures.
- (i) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's present and former external auditor.

Audit and Financial Reporting Process

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial position and risks of the organization and are prepared in accordance with the applicable generally accepted accounting principles. To accomplish this, the Audit Committee shall:

- (a) Review at least annually the Company's internal system of audit and financial controls, internal audit procedures and results of such audits,
- (b) Prior to the annual audit by the external auditor, consider the scope and general extent of the external auditor's review, including its engagement letter. Review with management the external auditor's audit plan and intended template for financial statements.
- (c) Ensure the external auditor has full, unrestricted access to required information and has the cooperation of management.
- (d) Review with the external auditor, in advance of the audit, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles.
- (e) Review with the external auditor and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, or significant judgments made by management

that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements. Review the appropriateness and disclosure of any off-balance sheet matters. Review disclosure of any related-party transactions.

- (f) Receive and review with the external auditor, the external auditor's audit report and the audited financial statements. Make recommendations to the Board respecting approval of the audited financial statements.
- (g) Review annually the integrity of the Company's internal and external financial reporting and accounting principles, including the clarity, completeness and accuracy of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the external auditor. The Audit Committee shall direct management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review.
- (h) Meet at least annually with the external auditor, independent of management, consider external auditor's judgments about the quality and appropriateness of the Company's accounting principles and practices, and report to the Board on such meetings.

Interim Financial Statements

The Board shall generally approve the Company's annual and interim financial statements. Notwithstanding the foregoing, the Board may from time to time delegate to the Audit Committee the power to approve the Company's interim financial statements.

The Audit Committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditor.
- (b) Review the interim financial statements with the external auditor if the external auditor conducts a review of the interim financial statements.
- (c) Conduct all such reviews and discussions with the external auditor and management as the Audit Committee deems appropriate.
- (d) Review and, if such authority has been delegated to the Audit Committee by the Board, approve the interim financial statements.
- (e) If authority to approve the interim financial statements has not been delegated to the Audit Committee, make appropriate recommendation to the Board respecting approval of the interim financial statements.

Ethics

The Audit Committee has primary responsibility for overseeing the application of, and compliance with, the Company's Code of Business Conduct and Ethics (the "Code"). The Audit Committee shall review at least annually:

- (a) the Code,
- (b) management's approach to business ethics and corporate conduct; and
- (c) programs used by management to monitor compliance with the Code.

Complaints and Concerns

The Audit Committee shall ensure that the Company has adequate procedures in place for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and confidential and anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters (collectively, “complaints”).

Subject to applicable law, complaints, including those under the Company's Whistleblower Policy, may be made anonymously and, if not made anonymously, the identity of the person submitting such complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the Audit Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Audit Committee for a period of at least three years or otherwise pursuant to the Company's records retention policy, if any.

Reporting

The Audit Committee shall report to the Board of Directors at its regularly scheduled meetings.

Composition of the Audit Committee and Relevant Education and Experience

The following are the members of the Audit Committee:

Nolan Watson	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Frank Tweddle	Independent ⁽¹⁾	Financially literate ⁽¹⁾
David De Witt	Independent ⁽¹⁾	Financially literate ⁽¹⁾

(1) As defined by NI 52-110.

Messrs. Watson, Tweddle, and De Witt are all financially literate in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Mr. Watson has been the President and Chief Executive Officer of Sandstorm Gold Ltd. since September 2008 and was its Chairman from January 2013 to March 2016. He is additionally Chairman and a director of Royalty North Partners Ltd. (since June 2016). Mr. Watson was previously the Chairman, President and Chief Executive Officer of Sandstorm Metals & Energy Ltd., a predecessor company of Sandstorm Gold Ltd., a director of TrueGold Mining Inc., and was the Chief Financial Officer of Silver Wheaton Corp. in which role he assisted in raising over \$1 billion in debt and equity to fund Silver Wheaton's growth. Mr. Watson is a Chartered Financial Analyst, a Chartered Accountant (Valedictorian of the Institute of Chartered Accountants of British Columbia), and holds a Bachelor of Commerce degree (with honours) from the University of British Columbia. Mr. Watson has been recognized as one of the Top 40 Under 40 in Vancouver by *Business in Vancouver* magazine and one of the Top 40 under 40 in Canada by the *Globe & Mail*.

Mr. Tweddle has been principal of Andes Mining Research S.A.C. since May 2004. Mr. Tweddle is the former Deputy CEO of Mitsui del Peru S.A in charge of trading and new business development in the areas of natural resources, energy and infrastructure in Peru. He previously held executive positions with Southern Peru Copper Corporation where he managed commercial conditions and price risk for metals and concentrates and with Standard Bank Plc where he originated transactions in structured project and trade

finance. Since 2008, Mr. Tweddle has served as an independent board member of privately owned Tecnofil S.A., the largest fabricator and exporter of copper products in Peru.

Mr. De Witt is the Chairman of Pathway Capital Ltd., a Vancouver-based private venture capital company he co-founded in October 2004. He is currently a director, and Chairman of the audit committee, of Sandstorm Gold Ltd. and was formerly Chairman of the audit committee at Sandstorm Metals & Energy Ltd., a predecessor company of Sandstorm Gold Ltd., and a director, and VP of Corporate Development for, Peru Copper Ltd. He has been the director of a number of public companies involved in the natural resource field and has accumulated significant executive and audit committee experience. Mr. De Witt graduated from the University of British Columbia with a Bachelor of Commerce degree in 1975 and a Bachelor of Law degree in 1978 and practiced corporate, securities and mining law until his retirement from the practice of law in January 1997.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above in the Audit Committee's Charter under the heading "External Auditor".

External Auditor Service Fees (By Category)

PricewaterhouseCoopers LLP has served as the independent auditors for the Company since August 1, 2006 and acted as the Company's independent auditors for the financial year ended December 31, 2016. The chart below sets forth the total amount billed to the Company by the Company's auditors for services performed in the last two financial years and breaks down these amounts by category of service (for audit fees, audit-related fees, tax fees and all other fees):

<i>Financial Year Ended</i>	<i>Audit Fees</i> ⁽¹⁾	<i>Audit-Related Fees</i> ⁽²⁾	<i>Tax Fees</i> ⁽³⁾	<i>All Other Fees</i> ⁽⁴⁾
December 31, 2016	\$76,500	\$78,225	\$7,000	\$1,100
December 31, 2015	\$87,000	\$44,100	\$9,000	\$1,000

- (1) "Audit Fees" are the aggregate fees charged by the Company's auditors for the audit of the Company's consolidated annual financial statements, reviews of interim financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.
- (2) "Audit-Related Fees" are fees charged by the Company's auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees." For the fiscal year ended December 31, 2016, Audit-Related Fees include fees paid to the Company's auditors in respect of a Short Form Prospectus financing that closed on July 26, 2016.
- (3) "Tax Fees" are fees charged by the Company's auditors for tax compliance, tax advice and tax planning.
- (4) "All Other Fees" are fees charged by the Company's auditors for products and services other than as set out under the heading "Audit Fees", "Audit-Related Fees" and "Tax Fees" Exemption in 6.1 of NI 52-110.

The Company is relying upon the exemption in section 6.1 of NI 52-110 for the requirements of Part 5 (Reporting Obligations) of NI 52-110.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed. Shareholder approval will be sought to fix the number of Directors of the Company at six.

The Board of Directors has a Compensation Committee, Audit Committee, Nominating and Corporate Governance Committee, Transaction Response Committee and a Financing Committee. The current members of these committees are indicated in the table below. See also “Corporate Governance Disclosure”.

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<i>Name and Jurisdiction of Residence</i>	<i>Principal occupation or employment and, if not a previously elected Director, principal occupation or employment during the past 5 years</i>	<i>Present position(s) with the Company</i>	<i>Previous service as a Director</i>	<i>Number of Common Shares beneficially owned, or controlled or directed, directly or indirectly⁽¹⁾</i>
Andrew T. Swarthout ⁽²⁾ Arizona, USA	President and CEO and Director, Bear Creek Mining Corporation.	President and CEO and a Director	April 22, 2003	1,344,592
Catherine McLeod-Seltzer ⁽²⁾ British Columbia, Canada	Chairman and Director of Bear Creek Mining Corporation.	Chairman and a Director	September 30, 1999	1,216,562
David De Witt ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ British Columbia, Canada	Chairman and Director of Pathway Capital Ltd., a private venture capital company.	Lead Director	April 22, 2003	450,650 ⁽⁷⁾
Kevin Morano ⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾ Florida, USA	Principal, KEM Capital LLC, a private investment and advisory firm.	Director	April 22, 2003	1,231,262 ⁽⁸⁾
Nolan Watson ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ British Columbia, Canada	President and CEO of Sandstorm Gold Ltd.	Director	August 19, 2009	50,000
Frank R. Tweddle ⁽³⁾⁽⁴⁾⁽⁵⁾ Lima, Peru	Principal of Andes Mining Research S.A.C..	Director	December 6, 2010	132,000

- (1) The information as to Common Shares of the Company beneficially owned or over which a Director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective Directors individually. Unless otherwise indicated, such shares are held directly.
- (2) Member of the Financing Committee
- (3) Member of the Compensation Committee.
- (4) Member of the Audit Committee.
- (5) Member of the Nominating and Corporate Governance Committee.
- (6) Member of the Transaction Response Committee.
- (7) Of these shares, 50,000 shares are held indirectly in the name of 674662 B.C. Ltd., a private company controlled by Mr. De Witt.

- (8) All of Mr. Morano's shares are held indirectly, through KEM Capital LLC, a private investment and advisory firm controlled by Mr. Morano.

To the knowledge of the Company, no proposed Director is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to an Order (as defined below) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

“**Order**” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation and, in each case, that was in effect for a period of more than 30 consecutive days.

To the knowledge of the Company, with the exception of Kevin Morano as disclosed below, no proposed Director:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director; or
- (c) has been subject to:
 - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

Kevin Morano was a director of Apex Silver Mines Limited, which on January 12, 2009 filed for bankruptcy protection and emerged from bankruptcy as Golden Minerals Company on March 24, 2009.

In April 2006, United States Securities and Exchange Commission (“**SEC**”) filed a complaint against Lumenis Ltd. (“**Lumenis**”), one of its former officers and Mr. Morano, the former Chief Financial Officer of Lumenis, alleging violations of federal securities laws of the United States in connection with the accounting for certain Lumenis sales transactions included in its 2002 and 2003 financial statements (the “**Complaint**”). Without admitting or denying the allegations in the Complaint, Mr. Morano consented to the entry, in September 2008, of a final consent judgment that, among other things, enjoined Mr. Morano from violating various provisions of the federal securities laws, ordered Mr. Morano to pay a US\$55,000 civil penalty, and included an SEC administrative order suspending Mr. Morano from appearing or practicing before the SEC as an accountant. In February 2015, the SEC issued an order reinstating Mr. Morano to appear and practice before the SEC as an accountant responsible for the preparation and review of financial statements.

Appointment of Auditor

PricewaterhouseCoopers LLP has served as the independent auditors for the Company since August 1, 2006.

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of PricewaterhouseCoopers LLP as auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

Re-Approval of Rolling Stock Option Plan

Under the policies of the Exchange, a “rolling” stock option plan must be re-approved on a yearly basis by shareholders. Accordingly, the Shareholders will be asked to pass an ordinary resolution approving the Company's rolling stock option plan (the “**Plan**”), which was approved by the Directors on March 19, 2008. The details of the Plan are set forth below. Management recommends, and the persons named in the enclosed form of proxy intend to vote in favour of, the re-approval of the Plan.

At the annual general meeting held on May 22, 2008, the Company's shareholders approved the Plan, pursuant to which the maximum number of Common Shares that may be reserved for issuance under outstanding stock options will be 10% of the Company's issued and outstanding Common Shares as constituted on the date of any grant of options under the Plan (the “**SOP Limit**”). At the Company's most recent annual general on June 2, 2016, shareholders re-approved the Plan as required under the policies of the Exchange. The Company's LTIP was also approved by disinterested shareholders (defined as Insiders, including directors and senior officers of the Company, to whom units may be granted under the LTIP, and their associates) at the Company's annual general meeting on June 2, 2016.

Under the rules of the Exchange, the SOP Limit is impacted by the LTIP. While the maximum number of Common Shares the Company is entitled to issue from treasury under the LTIP for payments in respect of awards of DSUs and for payments in respect of awards of RSUs is an aggregate of 5,000,000 Common Shares, the Plan is affected by the LTIP inasmuch as the SOP Limit of the Plan, together with the LTIP, may not result in:

- (i) the number of Common Shares reserved for issuance exceeding 10% of the outstanding issue;
- (ii) the number of Common Shares reserved for issuance to Insiders exceeding 10% of the outstanding issue;
- (iii) the issuance to insiders, within a one year period, of a number of Common Shares exceeding 10% of the outstanding issue; or
- (iv) the issuance to any one insider and such insider's associates, within a one year period, of a number of Common Shares exceeding 5% of the outstanding issue.

Upon disinterested shareholder approval of the LTIP at the Company's 2016 annual general meeting, the Plan was amended such that the SOP Limit (being 10% of the total number of issued and outstanding Common Shares) is effectively reduced by a number equal to the LTIP Limit (being an aggregate of 5,000,000 Common Shares), assuming the LTIP Limit is met and, in any event, reduced by a number equal to the actual number of Common Shares reserved for issuance under outstanding awards of DSUs and RSUs granted under the LTIP. As noted above, however, there have been no grants to date pursuant to the LTIP and as such, there are currently no Common Shares reserved for issuance under outstanding awards of DSUs and RSUs granted under the LTIP.

The purpose of the Plan is to allow the Company to grant options to Directors, officers, employees and consultants, as additional compensation and as an opportunity to participate in the success of the Company.

Additionally, the Plan is designed to attract and retain high-caliber management and employees in a highly competitive market for competent technical personnel in the natural resources sector. The granting of such options is intended to align the interests of such persons with that of the shareholders of the Company.

Under the Plan, options are exercisable over periods of up to 10 years as determined by the Board of Directors and are required to have an exercise price no less than the closing market price of the Company's shares on the trading day immediately preceding the day on which the Company announces the grant of options (or, if the grant is not announced, the closing market price prevailing on the day that the option is granted), less the applicable discount, if any, permitted by the policies of the Exchange and approved by the Board of Directors. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to Directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The maximum number of Common Shares which may be issued pursuant to options previously granted and those granted under the Plan will be 10% of the issued and outstanding Common Shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed (without shareholder approval) 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion, subject to the Exchange's minimum vesting requirements, if any.

The Plan provides that if a change of control (as defined in the Plan) occurs, or if the Company is subject to a take-over bid, all shares subject to stock options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. The Board may also accelerate the expiry date of outstanding stock options in connection with a take-over bid.

The Plan contains adjustment provisions with respect to outstanding options in cases of share reorganizations, special distributions and other corporation reorganizations including an arrangement or other transaction under which the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company or securities of another company.

The Plan provides that, on the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Company.

The Plan contains a provision that, if pursuant to the operation of an adjustment provision of the Plan an optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the optionee's options under the Plan (the "**Subject Options**"), the New Options shall expire on the earlier of: (i) the expiry date of the Subject Options; (ii) if the optionee does not become an eligible person in respect of the New Company, the date that the Subject Options expire pursuant to the applicable provisions of the Plan relating to expiration of options in cases of death, disability or termination of employment discussed in the preceding paragraph above (the "**Termination Provisions**"); (iii) if the optionee becomes an eligible person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to the Termination Provisions; and (iv) the date that is two (2) years after the optionee ceases to be an eligible person in respect of the New Company or such shorter period as determined by the Board.

The Plan also contains a black-out provision. In accordance with good corporate governance practices and as recommended by National Policy 51-201 - *Disclosure Standards*, the Company imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board of Directors.

In order to ensure that holders of outstanding stock options are not prejudiced by the imposition of such black-out periods, any outstanding stock options with an expiry date occurring during a management imposed black-out period or within five days thereafter will be automatically extended to a date that is 10 trading days following the end of the black-out period.

A copy of the Plan is available on request from the Company.

Text of Ordinary Resolution to Approve the Plan

The Shareholders at the Meeting will be asked to pass an ordinary resolution re-approving the Plan. All shareholders present at the Meeting, whether in person or by proxy, will be entitled to vote on the following resolution:

“BE IT RESOLVED THAT the Company's Stock Option Plan dated March 19, 2008, be and is hereby ratified, confirmed and approved with such additional provisions and amendments of a clerical or non-material nature, provided that such are not inconsistent with the Policies of the TSX Venture Exchange, as the directors of the Company may deem necessary or advisable.”

Management of the Company believes the re-approval of the Plan as described above is in the best interests of the Company and recommends that shareholders vote in favour of the ordinary resolution re-approving the Plan.

In order to be passed, a majority of the votes cast at the Meeting or in person or by proxy must be voted in favour of the resolution. Unless such authority is withheld, the persons named in the enclosed proxy intend to vote for the re-approval of the Plan.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.bearcreekmining.com. Shareholders may contact the Company at (604) 685-6269 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year, which are filed on SEDAR and on the Company's website.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 19th day of April 2017.

APPROVED BY THE BOARD OF DIRECTORS

s/ “Andrew Swarthout”

Andrew Swarthout, President and Chief Executive Officer

**Schedule “A” to the Information Circular
of Bear Creek Mining Corporation**

**PARTICIPATION OF THE COMPANY’S DIRECTORS
IN OTHER REPORTING ISSUERS**

<i>Name of Director</i>	<i>Name of Public Company</i>
Andrew Swarthout	Sandstorm Gold Ltd. ⁽¹⁾
Catherine McLeod-Seltzer	Grenville Strategic Royalty Corp. Kinross Gold Corporation Major Drilling Group International Inc.
David De Witt	Sandstorm Gold Ltd.
Kevin Morano	Golden Minerals Company
Frank R. Tweddle	None
Nolan Watson	Sandstorm Gold Ltd. ⁽¹⁾ Royalty North Partners Ltd.
Miguel Grau ⁽²⁾	None

⁽¹⁾ Mr. Swarthout is a director of Sandstorm Gold Ltd. (of which company Mr. Watson is the President and Chief Executive Officer) but not a member of its compensation committee; Mr. Watson is a Director of Bear Creek but is not a member of Bear Creek’s compensation committee.

⁽²⁾ Mr. Grau did not stand for re-election at the Company’s annual general meeting held on June 2, 2016, and ceased to be a director of the Company on that date. Although not a current or proposed Director of the Company, he remains a director of two of the Company’s subsidiaries, Corani Mining Ltd. and Bear Creek (BVI) Ltd

**Schedule “B” to the Information Circular
of Bear Creek Mining Corporation**

MANDATE OF THE BOARD OF DIRECTORS

GENERAL

This Mandate identifies the specific responsibilities of the Board of Directors of the Company. The Board is responsible for the stewardship of the Company and oversees the management of the business and affairs of the Company to maximize long term financial strength and shareholder value. The Board also sets and oversees policies and standards including the corporate governance principles and guidelines set forth in this Mandate, which promote the integrity of the Company and its officers and employees and protect the interests of shareholders. The Board may discharge certain of its responsibilities by delegating certain duties to committees of the Board and management. The specific duties delegated to each such committee are outlined in the respective charters for those committees.

RESPONSIBILITIES

Leadership and Integrity

To promote leadership and integrity throughout the Company, the Board, with the assistance of the Compensation Committee and Nominating and Corporate Governance Committee as appropriate, selects senior management, directors, officers and advisors who the Board believes will conduct themselves with utmost integrity and will comply with the Board’s directions and policies. The Board, with the assistance of the Nominating & Corporate Governance Committee, determines the number of directors, nominates a majority of directors who are independent of management and who have appropriate skills and experience in order to create an effective Board, and selects a director who is independent of management to serve as chair of the Board, or in the absence of such an independent chair, an independent lead director.

On at least an annual basis, through the appropriate committees, the Board reviews the ongoing performance of management, directors and officers and committees of the Board. In addition, each of the independent members of the committees meet from time to time as necessary, and the independent members of the Board meet at least annually separately from other members of the Board and management, in order to help ensure that the interests of the Company and its shareholders can be considered independently of any contribution from non-independent members of the Board and management.

Strategic Planning

The Board annually, in consultation with management, prepares and approves the strategic plan for the Company and the process for implementing the strategic plan. The Board provides direction to the Chief Executive Officer (“CEO”) and other senior management to ensure the strategic plan set by the Board is followed. The Board receives reports of management on a regular basis throughout the year on the current and proposed operations of the Company, and reviews the opportunities of the Company and assesses risks to which the Company is exposed so that the plan can be adjusted where required. At each Board meeting, recent developments that may impact the Company’s strategic plan are reviewed and revisions to the plan and operations are made as required. The Board reviews the human and corporate resources required to achieve the goals of the strategic plan

and approves the Company's annual capital and operating budgets, any equity or debt financing, material contracts and any material acquisitions and divestitures. All such reports may be orally presented to the Board or may be in written form if so required by the Board.

Dealing with Risks

The Board, on at least an annual basis and in participation with management, reviews and identifies what it perceives to be the principal risks to the Company and reviews management's plans for monitoring and managing such risks. The Board has instructed management to assist the Board in identifying risks and to promptly alert the Board when a risk has materialized and to implement and monitor appropriate procedures and systems in accordance with normal industry practice and applicable laws. The Board also reviews the systems in place for managing the risks, including insurance coverage, to determine the adequacy of such risk management systems. The Board may from time to time appoint committees or advisors to assist in assessing different risks.

Succession Planning and Performance Reviews

The Board, through the Nominating and Corporate Governance Committee, annually identifies the key individuals, including senior management, of the Company and, in consultation with management when appropriate, determines how best to replace such key individuals should the need arise. The Board's policy is to select individuals who have the required expertise and therefore would require a minimum of training in order to assume their role with the Company. The CEO is assigned the responsibility of ensuring any new person is informed of the Company's policies and practices and would be instructed to arrange additional training if required.

The CEO has primary responsibility for supervising, reviewing and reporting to the Board, through the Compensation Committee, on the performance of other senior management. The Board also reviews on an annual basis the performance of the CEO against the performance criteria established from time to time.

Communication Policies

The Disclosure, Confidentiality and Insider Trading Policy governs communication with shareholders and others and reflects the Company's commitment to timely, effective and accurate corporate disclosure in accordance with all applicable laws and with a view to enhancing the Company's relationship with its shareholders and receiving feedback from its stakeholders.

Internal Control and Management Information Systems

The effectiveness of the Board and the success of the Company are tied to the effectiveness and integrity of the Company's internal control and management information systems. To maintain the effectiveness and integrity of the Company's financial controls, the Board, through the Audit Committee and the oversight of the Company's auditors, oversees the implementation and monitoring of internal control and management information systems, takes an active role in overseeing the operations of the Company and assesses information provided by management.

Corporate Governance Principles and Guidelines

The Board has appointed a Nominating & Corporate Governance Committee which is composed entirely of independent directors and which, among other things, has overall responsibility for developing the Company's approach to corporate governance. In particular, the Committee is

responsible for reviewing legal requirements and trends regarding corporate governance, reviewing the Company's corporate governance policies, practice and compliance, and monitoring and assessing the functioning of the Board and committees of the Board. The Board has adopted the Company's Code of Business Conduct and Ethics which sets forth guiding principles for the operations of the Company. The Board is responsible for monitoring the Code of Business Conduct and Ethics. Waivers from the Code of Business Conduct and Ethics for the benefit of the directors or executive officers of the Company may be granted only by the Board.

Expectations and Responsibilities of Directors

The Board has adopted terms of reference for directors which sets forth the expectations and responsibilities of directors. The terms of reference prescribe, among other things, the requirements that directors demonstrate integrity and high ethical standards in the performance of their duties, observe their fiduciary duty to the Company, avoid conflict by reporting to the Board potential or actual conflict situations and advise the Chair of all directorships or other positions held in public and non-public companies, regularly attend and prepare for Board and committee meetings, and otherwise comply with all policies and guidelines established for the Company.

Effective date

Approved and adopted by the Board on April 22, 2013.