BEAR CREEK MINING CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS PERIOD ENDED JUNE 30, 2020

Introduction

The following Management's Discussion and Analysis ("MD&A") of Bear Creek Mining Corporation (the "Company" or "Bear Creek") was prepared on August 25, 2020 and should be read in conjunction with the interim condensed consolidated financial statements of the Company for the three and six months ended June 30, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements. All dollar amounts are expressed in United States dollars unless otherwise noted. Additional information relating to the Company, including the Company's Annual Information Form ("AIF"), is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Bear Creek's business is the acquisition, exploration, and development of precious and base metal properties. In Peru, the Company is advancing its 100%-owned Corani silver-lead-zinc project towards development, has a royalty interest in a development project, and has other early-stage exploration projects. Bear Creek has no revenues from its mineral properties.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. A description of significant business risks may be found in the Company's AIF for the year ended December 31, 2019.

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

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1) Current Highlights

Corporate Developments:

On June 3, 2020, the shareholders of the Company voted in favour of all items of business to be acted on at its Annual General Shareholder Meeting (“AGM”) held that day.

Due to COVID-19, on March 15, 2020, the President of Peru issued a national state of emergency decree that closed the country’s borders, limited transportation within the country, and required most people to work from home. The stay at home decree was lifted on June 30, 2020, while the state of emergency remains in place until September 7, 2020. The government of Peru has issued three economic reactivation decrees through July 2020 to return economic activity to over ninety percent of pre COVID-19 levels. Limited inter-province air travel resumed in July, but international flights remain banned. The President announced on August 12, that citizens will be required to stay at home on Sundays until further notice. The Company’s offices in Lima and Vancouver remain closed. Staff levels and travel to the Corani project are slowly returning to normal. Management can not predict the effect of the COVID-19 virus on the Company’s future business plans, financial position, cash flows, and results of operations.

Corani Silver-Lead-Zinc Project:

Due diligence activities initiated by the banks engaged by the Company to provide a Senior Secured Credit Facility (the SSCF”) to develop Corani are underway.

Civil works on the Antapata electrical substation have been completed. The remaining steel infrastructure erection and electrical equipment installation were re-started mid-July according to the government’s economic reactivation decrees. The Company expects to commission the electrical substation by the end of 2020.

Costs related to the Corani early works program, except work related to the Antapata substation and power distribution system, is charged to operations in the consolidated financial statements. Under the Company’s accounting policy technical feasibility and commercial viability are achieved upon establishment of proven and probable reserves and the approval by the Board of Directors to proceed with the development of a project. Development costs incurred for Corani subsequent to this approval will be capitalized.

For more details, see section 2.1

Maria Jose Project:

On December 3, 2019, the Company received a net smelter return royalty from Minera Castor S.A.C (“MICASAC”) in exchange for its 49% interest in the joint venture ownership of Maria Jose.

For more details, see section 3.

2) Development Projects

<u>2.1) Corani</u>

The 100%-owned Corani silver-lead-zinc project ("Corani") is located in the Andes Mountains approximately 160 kilometers southeast of Cusco, Peru, at an elevation of approximately 4,800 meters above sea level. The Corani Project currently consists of thirteen mineral concessions covering approximately 6,000 hectares.

A NI 43-101 Technical Report for Corani was filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com, and on our website www.bearcreekmining.com. The objectives of the 2019 Corani Technical Report were to reduce construction, development, and operating risks and to identify potential improvements to the project's expected economic performance.

Report Highlights from the 2019 NI 43-101 Technical report

	2019 Report*
After tax NPV_5	**$531 million**
After tax IRR	**22.9 %**
Initial Capital	**$579 million**
Capital Payback	**2.4 years**
Ore Processed per Day	**27,000 tonnes**
AISC per oz silver Life of Mine ("LOM"))	**$4.55**
Average annual silver production (LOM)	**9.6 million oz**

* The 2019 Report estimates are based on metal prices of $18.00 per ounce of silver, $0.95 per pound of lead and $1.10 per pound of zinc, that the Corani Project would be entirely financed by equity and developed on an Engineering Procurement Construction Management basis.

Social and Environmental

The Company maintains excellent working relationships with local communities and entered into a Life of Mine Investment Agreement ("LOM Agreement") in June 2013 with the District of Carabaya, which includes five communities, and relevant ancillary organizations. The LOM Agreement specifies investment commitments over the project life, including the pre-production period. Under the agreement annual payments totaling 4 million Soles per year (approximately $1.2 million) are to be made into a trust to fund community projects. The first installment was made in 2013. Subsequent installments were contingent upon certain permits being received. All of the permits were received by June 2018 and as a result, annual payments of 4 million Soles will be made throughout the term of the agreement. All future obligations were recorded as a liability in June 2018. Cessation or interruptions of operations will cause pro-rata decreases in the annual payments. Each of the five communities (Corani (Aconsaya), Chacaconiza, Quelcaya, Isivilla, and Aymaña) agreed to the formation of committees to consider and approve investment projects such as schools, medical facilities, and infrastructure for the benefit of the communities.

During September 2018, the Company started construction of the Antapata electrical substation near the town of Macusani, the nearest sizable town to the Corani Project, located on the Interoceanic Highway approximately 30 kilometers directly east of Corani (approximately 64 kilometers by road). The transformer was delivered to the substation site on August 7, 2019, and civil works were completed in December 2019. Local municipalities will require some residential electrical infrastructure upgrades before connecting to the electrical substation. As a result, the Company expects local municipal infrastructure work to take place through the third quarter of 2020, with commissioning of the electrical substation likely to occur by the end of 2020. This substation will be used to direct electricity to a future power line that will supply the Corani Project and to provide a consistent power supply to the residents of Carabaya and Macusani, who experience regular power brownouts.

The Company has focused its Covid-19 community support efforts on: health; education; and family income generation. The communities have five fully equipped and certified ambulances, two of which were purchased by the Community Trust the Company contributes to and advises. The Trust also assisted with the purchase and logistics of acquiring medical equipment and supplies to outfit local clinics. Aid was provided in tracing through cameras, infrared thermometers, and personal protection equipment. Rapid tests were delivered to the municipality along with training on test implementation and treatment upon positive results. The Company helped ease quarantine effects by delivering food and supplies to the elderly and children and by promoting the use of locally made face masks, cleanliness, handwashing and social distancing. A ten-bed isolation unit was developed with five mini oxygen production units that generate 97% pure oxygen without requiring tanks. For prevention, the Company also set up health monitoring booths to measure temperature, oxygen, and other vital signs.

The Company assisted Corani's municipalities to obtain home learning certifications while funding 30 professionals to teach students through virtual classrooms. Satellite and fiber optic cable infrastructure was set up to ensure internet access. Trucks were leased to deliver school supplies (mostly printed at our camp) to each home, and the Company is working with am radio stations to broadcast classes. The Company's sponsored technology innovation center manufactured radio receivers for community member use.

The Company continues to assist in the construction of ichu (a native grass) cellulose and fiberglass-based domes as winter refuges. Community members are building domes for use and resale. Ichu cellulose-based face masks the Company helped engineer and manufacture are being requested by hospitals and the regional government. The Company is assisting in creating a community-owned company to enable the formal commercialization of these products. Locally produced alpaca clothing with silver nanometers is also gaining recognition and international demand as a result of the pandemic.

Outlook

The Company is in the process of arranging a senior secured credit facility and assessing other financing alternatives to fund the development of the Corani Project. In July, the Company renewed work on the Antapata electrical substation and will continue engineering work and pre-construction initiatives. The Company has implemented measures to mitigate the risk of COVID-19 infection. The overall effect and duration of which remains unknown as at the date of this MD&A. As a result, the Company cannot predict the impact this virus would have on its business plans.

Corani Expenditures

During the six months ended June 30, 2020, the Company incurred expenses of $4.22 million on the Corani Project. Included in this total are: detailed engineering costs of $0.46 million; camp supplies and logistics of $0.76 million; community contribution activities totaling $0.77 million; salaries and consulting of $2.14 million; and other costs of $0.09 million.

3) Exploration Projects

The Company reduced its exploration activities over the past several years to preserve cash and to focus on the Corani Project. The Company maintains a core exploration staff. The Company has budgeted $0.5 million for exploration staff and landholding costs in 2020.

3.1) Maria Jose Prospect

Maria Jose is located in the Department of Ancash, 140 kms NNW of Lima. The project is comprised of Cretaceous to Paleocene diorites and granitoids of the Coastal Batholith hosting a system of east-west to northeast trending, 45° to steeply north dipping, mesothermal quartz veins and shear zones containing gold and silver.

On December 3, 2019 the Company signed an agreement to exchange a net smelter return ("NSR") royalty in the Maria Jose Project for its 49% interest under a previous joint venture agreement. The NSR ranges from 0% to 9% depending on the amount of gold ounces produced and the price of gold. A royalty of 1% would be earned for annual production of at least 30,000 ounces with average price of gold of at least $1,400 per ounce, and 9% royalty would be earned for annual production of more than 60,000 ounces of gold at an average price of $2,000 or more per ounce.

The project owner completed 581 meters of exploration tunneling and crosscuts before work stopped on March 15 due to the government mandated lockdown. Activities reinitiated in June with 304 meters of development added through July.

3.2) Tassa Prospect

Tassa is an exploration project located in the district of Ubinas, within the Sanchez Cerro Province in the Moquegua region. The project consists of 1,200 hectares within three concessions.

On February 24, 2020 the Company optioned the Tassa property to Teck Peru S.A. ("Teck"). Under the agreement, Teck may earn a 51% interest in the property by incurring $3 million in expenditures. Upon which the Company's participation would be a 49% interest in a joint venture company ("JV") that would own the rights to the Tassa concessions. By incurring an additional $6 million in expenditures, Teck could increase its ownership of the JV to 70%. Before the formation of JV, the Company may elect to surrender its deemed 49% interest for a 2.5% NSR royalty that would reduce to a 1.5% NSR in exchange for a cash payment to Bear Creek of $1.25 million.

3.3) Generative Exploration

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

IGV

IGV is a value-added tax payable at the rate of 18% of all goods or services purchased in Peru.

Bear Creek Mining S.A.C. has a contract (the "IGV Contract") with the Ministry of Energy and Mines Peru ("MEM") . Under the terms of the IGV Contract the Company may recover, on an expedited basis, the IGV taxes associated with its Corani capital investments as described in the approved ESIA and the 2017 Corani Technical Report. The Company recovered S/ 2.8 million of Corani related IGV, equivalent to approximately $0.9 million during 2018. The Company has not filed any recovery claims in 2020.

The IGV expense of $0.30 million represents IGV paid during the six months ended June 30, 2020. Since the Company is in the exploration stage, and there is no assurance that future revenues will be generated in Peru, IGV has been expensed as incurred. IGV is denominated in Peruvian Soles. Net of recoveries the cumulative amount of IGV paid by the Company as of June 30, 2020 is $15.01 million (52.78 million Soles). Of this amount, $3.2 million is attributable to Bear Creek Mining S.A.C. of which $1.7 million is available for expedited recovery. The balance is available for recovery once the project is in production. IGV amounts paid and not recovered can be carried forward indefinitely and may be applied to reduce future income taxes or future IGV.

4) Results of Operations

Six months ended June 30, 2020, as compared to the six months ended June 30, 2019

For the six months ended June 30, 2020 the Company incurred a net loss of $5.86 million as compared to a net loss of $9.52 million for the six months ended June 30, 2019, a decrease of $3.66 million. The Company's loss per share for the six months ended June 30, 2020 was $0.05, as compared to a loss per share of $0.09 for the comparable period in 2019.

During the six months ended June 30, 2020, spending on the Corani property was $4.22 million, and other exploration costs amounted to $0.60 million, compared to $6.25 million and $1.28 million respectively for the six months ended June 30, 2019. The Company's overall exploration activities decreased primarily due to the COVID-19 measures and the Company entering into the option and the NSR agreements described above. The overall decrease of $2.02 million in exploration and evaluation costs can be attributable to a decrease of $1.47 million in detailed engineering costs, a decrease of $0.28 million in drilling costs, a decrease of $0.15 million in camp, supplies & logistics costs, and a decrease of $0.12 million in other engineering related costs. There was also a decrease of $1.20 million in share-based compensation expense due to the difference in the fair value of the instruments granted during the two periods. In 2019 there were 1.9 million incentive stock options granted with a term of 10 years. During 2020, the Company granted 1 million Restricted Stock Units ("RSUs"), which vest equally over a three year period. The total stock based compensation expense during the six months ended June 30, 2020 was $0.39 million compared to $1.58 million for the same period in 2019. The stock options granted last year were valued higher because they had a longer term.

All other operating costs incurred by the Company were comparable during the two periods.

During the six months ended June 30, 2020, the Company had a foreign exchange gain of $0.41 million compared to a loss of $0.14 million during the six months ended June 30, 2019 due to the relative depreciation of the Peruvian Sol during 2020, which reduced the dollar value of the future obligation under theLOM Agreement. Also, during 2020, the Company's interest income amounted to $0.16 million compared to $0.47 million due to lower interest rates on short term investments in the current period when compared to the corresponding period of 2019.

Three months ended June 30, 2020 as compared to the three months ended June 30, 2019

For the three months ended June 30, 2020 the Company had a loss of $2.36 million compared to a loss of $5.45 million for the three months ended June 30, 2019. The Company's loss per share for Q2 2020 was $0.02 compared to a loss per share of $0.05 for Q2 2019.

During the three months ended June 30, 2020, spending on the Corani property and other exploration costs was $1.97 million and $0.26 million (2019 - $3.98 million and $0.66 million, respectively). The Company's exploration costs were lower primarily due to the COVID-19 measures and the Company entering into the option and NSR agreements noted above. The overall decrease of $2.00 million in exploration and evaluation costs can be attributable to a decrease of $1.65 million in detailed engineering costs, a decrease of $0.08 million in drilling costs, a decrease of $0.14 million in community contributions, and a decrease of $0.13 million in other engineering related costs. The Company's share-based compensation was also lower during the three months ended June 30, 2020, due to the difference in the estimated fair values of the instruments granted during the two periods described above. The Company's other operating costs were comparable during the two periods.

During the three months ended June 30, 2020, the Company had a foreign exchange gain of $0.75 million, compared to loss of $0.22 million during the three months ended June 30, 2019, primarily due to the appreciation of the Canadian dollar, relative to the US dollar, during Q2 2020. The Company's interest income declined to $0.02 million compared to $0.22 million during the three months ended June 30, 2019 due to the recent reduction in interest rates.

Summary of Quarterly Results

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

Period	Revenues	Loss for the period (in millions)	Basic and fully diluted loss per share
2nd Quarter 2020	**Nil**	**$2.4**	**$0.02**
1st Quarter 2020	**Nil**	**$3.5**	**$0.03**
4th Quarter 2019	**Nil**	**$4.7**	**$0.05**
3rd Quarter 2019	**Nil**	**$3.5**	**$0.03**
2nd Quarter 2019	**Nil**	**$5.4**	**$0.05**
1st Quarter 2019	**Nil**	**$4.1**	**$0.04**
4th Quarter 2018	**Nil**	**$2.2**	**$0.02**
3rd Quarter 2018	**Nil**	**$2.6**	**$0.03**

The principal recurring factors that cause fluctuations in the Company's quarterly results include the timing of vesting and valuations attributable to the vesting of stock option grants, expenditure levels on exploration projects and foreign exchange gains or losses related to Canadian dollar or Peruvian sole cash balances.

The decrease in loss of $1.1 million in the 2nd Quarter 2020 as compared to the 1st Quarter 2020 was due to foreign exchange gain of $1.1 million during Q2 2020 as a result of the movement of the Canadian dollar and the Peruvian Sol compared to the US dollar during the period. There was a slight reduction in the exploration activity of the Company due to the continued COVID-19 measures; however, the Company incurred additional costs due to its efforts to finance the development of the Corani Project offsetting the reduced exploration activity.

The decrease in loss of $1.2 million in the 1st Quarter 2020 as compared to the 4th Quarter 2019 was due to the reduction in Corani engineering and evaluation cost as the Company adjusted activities due to COVID-19.

The increase in loss of $1.2 million in the 4th Quarter 2019 as compared to the 3rd Quarter 2019 is mostly attributable to increases of $0.8 million in Corani engineering and evaluation costs as well as $0.5 million impact of foreign exchange movement due to the weakness of the US dollar compared to Peruvian Sol during the Quarter causing an increase in the Peruvian Sol denominated community projects obligation.

The increased loss of $0.9 million in the 3rd Quarter 2019 compared to the 2nd Quarter 2019 is mostly attributable to increases of $0.7 million in Corani engineering and evaluation costs and an increase of $0.3 million in share-based compensation expense.

The increased loss of $1.4 million in the 2nd Quarter 2019 compared to the 1st Quarter 2019 is mostly attributable to an increase of $1.7 million in Corani property expenditures, and an increase of $0.3 million in foreign exchange loss, partially offset by a $0.7 million decrease in share based compensation.

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

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

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

5) Liquidity and Capital Resources

Of the $26.82 million in cash and cash equivalents and short term investments, as of June 30, 2020, approximately $12.0 million (CDN$16.41 million) was denominated in Canadian dollars, $0.12 million (Soles 0.41 million) was denominated in Soles, with the remaining balance in US dollars. The Company's primary exploration and development expenditures for 2020 are expected to be denominated in US dollars. The Company invests cash in Canadian government-backed paper, Canadian chartered bank corporate paper with short-term maturities, Peruvian bank time deposits, or Peruvian chartered bank commercial paper with short-term maturities. During the six months ended June 30, 2020, the Company had a $5.2 million cash outflow from operating activities compared to a cash outflow of $7.3 million in the comparative period in 2019. The overall decrease of $2.1 million in cash outflow from operating activities can be attributable to a decrease of $1.47 million in detailed engineering costs, a decrease of $0.28 million in drilling costs, a decrease of $0.15 million in camp, supplies & logistics related costs, and a decrease of $0.20 million in other engineering and evaluation related costs.

As of June 30, 2020, the Company's net working capital (current assets less current liabilities) was $25.2 million compared to net working capital of $19.8 million as of December 31, 2019. Cash and cash equivalents and short term investments at June 30, totaled $26.8 million compared to $22.1 million as of December 31, 2019. During the six months ended June 30, 2020, the Company raised $11.6 million from issuing 7.9 million common shares, net of issuance costs, and a further $0.95 million from the exercise of stock options. Total cash spent on investing activities amounted to $1.9 million, primarily related to the payments of community project obligation and expenditures on the Antapata substation.

During the period subsequent to June 30, 2020, the Company received approximately $0.4 million from the exercise of stock options.

Not included in cash and cash equivalents as of June 30, 2020 is $0.63 million. It is considered to be restricted and serves as a partial guarantee of a Certificate of Deposit in the amount of $2.5 million for future mine closure obligations.

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

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

The following table summarizes the contractual maturities of the Company's financial liabilities, and operating and capital commitments at June 30, 2020:

(000's)	2020	2021	2022	2023	2024 and Beyond	Total
Accounts payable and accrued liabilities	**$ 1,067**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,067**
Provisions	**-**	**-**	**-**	**-**	**200**	**200**
Community Projects	**-**	**1,136**	**1,136**	**1,136**	**18,170**	**21,578**
Financing arrangement costs	**420**	**-**	**-**	**-**	**-**	**420**
Other liabilities	**65**	**40**	**40**	**40**	**1,066**	**1,251**
Office space leases	**187**	**329**	**94**	**-**	**-**	**610**
Vehicle rentals	**202**	**-**	**-**	**-**	**-**	**202**
	$ 1,941	**$ 1,505**	**$ 1,270**	**$ 1,176**	**$ 19,436**	**$ 25,328**

As at August 25, 2020, the Company had 112,401,814 common shares and 1,000,000 restricted stock units outstanding. The Company also had 6,550,000 share purchase options outstanding with a weighted average exercise price of CDN$2.12.

6) Related Party Transactions

Compensation of Key Management Personnel

The remuneration of the directors, president and chief executive officer, chief financial officer, chief operating officer and the vice president of project development (collectively the "key management personnel") for the three and six months ended June 30, 2020 and 2019 were as follows:

	Three Months Ended June 30				Six Months Ended June 30			
		2020 (000's)		2019 (000's)		**2020 (000's)**		2019 (000's)
Salaries	**$**	**413**	$	394	**$**	**797**	$	782
Share-based compensation		**172**		454		**380**		1,550
	$	**585**	$	848	**$**	**1,177**	$	2,332

7) Key Accounting Estimates and Judgments

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

In preparing the interim condensed consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements for the year ended December 31, 2019.

Financial Instruments

The Company's financial instruments as at June 30, 2020 consist of cash and cash equivalents, short-term investments, restricted cash, accounts payable and accrued liabilities, community projects obligation and other liabilities. The fair value of these instruments approximates their carrying value. There were no off-balance sheet financial instruments.

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

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

Management of Capital

The Company's capital management objectives are to safeguard the Company's ability to support the Company's development and exploration of its mineral properties and support the acquisition of additional mineral projects.

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

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

There were no changes to the Company's approach to capital management during the quarter ended June 30, 2020.

8) Forward-Looking Information

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

All forward-looking statements are based on the Company's or its consultants' current beliefs as well as various assumptions made by and information currently available to them. These assumptions include, without limitation: (i) the presence of and continuity of metals at projects at modeled grades; (ii) the capacities of various machinery and equipment; (iii) the availability of personnel, machinery and equipment at estimated prices; (iv) exchange rates; (v) metals and minerals sales prices; (vi) appropriate discount rates; (vii) tax rates and royalty rates applicable to the proposed mining operation; (viii) the availability of financing and expected terms; (ix) financing structure and costs; (x) anticipated mining losses and dilution; (xi) metals recovery rates, (xii) reasonable contingency requirements; and (xiii) receipt of regulatory approvals on acceptable terms. Although management considers these assumptions and estimates to be reasonable based on available information, they may prove to be incorrect. Many forward-looking statements are made assuming the correctness of other forward looking statements, such as estimates of net present value and internal rate of return, which are based on most of the other forward-looking statements and assumptions herein. Cost information is prepared using current estimates, but the time for incurring costs will be in the future and it is assumed costs will remain stable over the relevant period.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates assumptions and intentions expressed in such forward-looking statements. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur, but specifically include, without limitation, risks related to exploration and development programs and their timing and success; risks relating to variations in the mineral content within the material identified as mineral reserves and mineral resources from that predicted; variations in rates of recovery and extraction; developments in world metals and minerals markets; risks relating to fluctuations in the Canadian dollar and Peruvian Sol relative to other currencies; increases in the estimated capital and operating costs or unanticipated costs; difficulties attracting the necessary work force; increases in financing costs or adverse changes to the terms of available financing, if any; tax rates or government imposed royalties being greater than assumed; changes in development or mining plans due to changes in logistical, technical or other factors, changes in project parameters as plans continue to be refined; risks relating to receipt of regulatory approvals; the effects of competition in the markets in which the Company operates; operational and infrastructure risks; and the additional risks described in the Company's Annual Information Form for the year ended December 31, 2019 and in the feasibility study technical report for the Corani project dated December 17, 2019 as filed on the SEDAR website (available at www.sedar.com). The foregoing list of factors that may affect future results is not exhaustive.

When relying on the forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on behalf of the Company, except as required by law.

9) Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer’s Annual and Interim Filings) (“NI 52-109”), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the interim condensed consolidated financial statements for the quarter ended June 30, 2020 and this accompanying MD&A (together, the “Interim Filings”).

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

Approval

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

Additional Information

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