

# BEAR CREEK MINING CORPORATION

(THE "COMPANY")

## COMPENSATION COMMITTEE CHARTER

### GENERAL

The Compensation Committee (the "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 Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, President and other executive officers (collectively, the "**Management**") and certain key employees and non-executive officers below the vice-president level (collectively, the "**Non-Management Officers**") and for recommending compensation for directors.

The term "compensation" shall include salary, bonus, stock options, severance arrangements and other compensatory rights or benefits, direct or indirect, as applicable.

### COMPOSITION

The Committee shall be comprised of a minimum of three (3) members, all of whom shall be "independent" directors as defined in section 1.4 of National Instrument 52-110.

### RESPONSIBILITIES, DUTIES AND POWERS

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

The Committee shall:

- (a) review from time to time as required and recommend to the Board for approval the compensation for directors who serve on the Board or its committees, considering all relevant matters including the goals of the Company, the effectiveness of the Board, each committee, and each director in achieving its or their respective mandate, time commitment of directors, compensation provided by comparative companies, and levels of responsibility;
- (b) review from time to time as required, approve as necessary and report to the Board the indemnification policies, and director and officer insurance policy(ies), if any, of the Company;
- (c) review from time to time as required, approve and report to the Board the performance targets and corporate goals relevant to Management compensation, and evaluate the performance of Management based on such goals;
- (d) review from time to time as required, approve and report to the Board the proposed appointment of any person to Management, other than the CEO, CFO or COO, which such proposed appointments the Committee shall review and recommend to the Board for approval;
- (e) review from time to time as requested by the CEO, the proposed appointment of any person to a Non-Management Officer position, which such appointments will be made by the CEO after consideration of the Committee's advice if so requested;
- (f) review from time to time as required, approve and report to the Board the compensation for Management, considering all relevant matters including the goals of the Company and the effectiveness of Management in achieving those goals, the skill, qualifications and level of

responsibility of Management, and compensation provided by comparative companies. With regard to the CEO, however, the Committee shall review the CEO's compensation as outlined in this section, and make a recommendation to the Board for approval;

- (g) consider the implications of risk associated with the Company's compensation policies and practices. If necessary, the Committee shall recommend corrective action in relation to any compensation policies and practices that could encourage executive officers to take inappropriate or excessive risks. The Committee shall report to the Board at least annually with regard to the Committee's consideration of such risks.
- (h) determine, approve, and review as necessary from time to time the compensation of Non-Management Officers, considering all relevant matters including the goals of the Company and the effectiveness of such Non-Management Officers in achieving those goals, the skill, qualifications and level of responsibility of the Non-Management Officers, and compensation provided by comparative companies, provided that such approval and determination shall be subject to any applicable Board policies;
- (i) administer the Company's stock option plan, employee benefit plans and other compensatory plans adopted by the Company and review and approve benefits to be granted under such plans to Management, and Non-Management Officers as applicable, in accordance with any guidelines established by the Board. With regard to the CEO, however, the Committee shall review any benefits to be granted under such plans to the CEO, and make a recommendation to the Board for approval;
- (j) with the assistance of Management, monitor trends in compensation of directors and management, review, approve as necessary and report to the Board the Company's compensation policies and plans;
- (k) review, approve and report to the Board all of the Company's executive compensation disclosure, including compensation philosophy, before it is publicly disclosed; and
- (l) review and recommend to the Board for approval all disclosure regarding the Company's stock option plans, employee benefit plans and other compensatory plans adopted by the Company that are submitted for shareholder approval.

The Committee shall have authority to engage outside consultants to review the Company's compensation program as appropriate or otherwise as is necessary to permit the Committee to carry out its duties (subject to any annual spend limitations specified in the Terms of Reference for Committees).

The Committee shall review and approve all reports of the Compensation Committee in preparing the annual information circular, annual information form or other filings required in accordance with relevant securities laws as applicable.

The Committee may conduct a portion of any meeting without the presence of any Management and Non-Management Officers as the Committee deems necessary.

*(this Charter continues on the following page)*

The Committee shall also have such other powers and duties as are delegated to it by the Board from time to time. Notwithstanding that the Committee has the power to approve certain matters, it may elect to recommend to the Board for approval any such matters as the Committee deems necessary. The Committee shall conduct an annual assessment of its performance and report the results of such assessment to the Board.

**EFFECTIVE DATE**

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