BEAR CREEK MINING CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2024

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Introduction

The following Management's Discussion and Analysis ("MD&A") of Bear Creek Mining Corporation (the "Company" or "Bear Creek") was prepared as of November 25, 2024. This MD&A is intended to help the reader understand the significant factors that influence the Company's performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2024. These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). This MD&A should also be read in conjunction with the Company's audited consolidated financial statements and annual MD&A for the year ended December 31, 2023. The Cautionary Notes near the end of this document are an important part of this MD&A. All dollar amounts are expressed in United States dollars, unless otherwise noted. Additional information relating to the Company, which is not part of this MD&A, including the Company's Annual Information Form ("AIF") for the year ended December 31, 2023, is available on SEDAR+ at www.sedarplus.ca.

The functional currency of the Company and its subsidiaries is the United States dollar, referred to in this MD&A as "$" or "US$". Any amounts reported herein in Canadian dollars are referred to as "C$", in Peruvian soles as "S/" and Mexican pesos as M$.

Bear Creek is engaged in producing and selling gold and silver and exploring and developing precious and base metal properties. On April 21, 2022, the Company acquired a 100% interest in the Mercedes gold mine ("Mercedes") in the state of Sonora, Mexico. In Peru, the Company is advancing its 100%-owned Corani silver-lead-zinc project towards development and has other early-stage exploration projects.

The mining and exploration business involves a high degree of risk, and there can be no assurance that current mine production, exploration, and development projects will be profitable. A description of significant business risks may be found in the Company's AIF for the year ended December 31, 2023, filed on SEDAR+.

National Instrument 43-101 ("NI 43-101") Disclosure

Unless otherwise indicated, the technical and scientific information provided in this MD&A related to the Company's mineral projects is based on work programs and initiatives conducted under the supervision of, and has been reviewed and approved by, Donald Mc Iver, Fellow SEG and Fellow Aus IMM. Mr. Mc Iver is Vice President, Exploration and Geology of Bear Creek Mining Corporation and is a qualified person ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Q3 2024 Highlights

During Q3 2024 and to the date of this MD&A, the following events occurred:

- The Company produced 10,751 oz of gold and 76,939 oz of silver from the Mercedes mine in Q3 2024. Gold and silver production for the nine months ended September 30, 2024 were 32,283 oz and 161,872 oz, respectively;

- Mr. Donald Mc Iver was appointed to the position of Vice President, Exploration and Geology;
- The Company announced it was undertaking an assessment of potential development opportunities at its Corani property which could enhance life of mine silver production, improve already robust economic returns and meaningfully lower capital intensity prior to first production.

Operations

Mercedes Mine

The Mercedes mine ("Mercedes") is located in the state of Sonora, northwest Mexico, within the Cucurpe municipality (30 19'47" N latitude and 110 29'02" W longitude). The mine is located 250 km northeast of Hermosillo, Sonora's capital city, and 300 km south of Tucson, Arizona, United States. Mercedes consists of 69,284 hectares of concessions and the mine has been in continuous operation since 2011, with the exception of a COVID-19 related mandatory closure.

Mercedes is a fully mechanized, ramp-access underground mine with five active underground mining areas: Marianas, San Martin, Lupita, Diluvio, Rey de Oro main and Rey de Oro Alta ore bodies. Ore is hauled to and stockpiled on the surface near individual portals. Ore from the five mining areas is subsequently hauled to a common stockpile area near the jaw crusher.

The ore processing at the Mercedes mine consists of conventional milling and processing to recover gold and silver. Ore is crushed in three stages and fed to a mill. Milled ore undergoes agitated leaching, counter-current decantation, Merrill-Crowe precipitation, and smelting. A gravity concentration circuit is also present but is generally not used. Recoveries during the nine-months period averaged 95% for gold and 42% for silver. Tailings undergo cyanide detoxification before deposition or being used as backfill in the mine.

Operation Highlights

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	**Year to date September 30, 2024**	Year to date September 30, 2023
Ore tonnes mined - kt	104	124	303	379
Tonnes milled – kt	103	126	308	386
Average gold grade mined – g/t	3.36	2.79	3.51	2.82
Average gold grade milled – g/t	3.40	2.40	3.45	2.58
Average silver grade mined - g/t	43.77	32.18	39.88	31.63
Average silver grade milled - g/t	47.01	27.82	38.75	29.78
Recovery rate gold - %	96%	94%	95%	95%
Recovery rate silver - %	49%	31%	42%	31%
Production:				
Gold oz	**10,751**	9,155	**32,283**	30,404
Silver oz	**76,939**	33,686	**161,872**	113,755

The Mercedes mine had one lost time incident (“LTI”) and no reportable environmental incidents during the three and nine months ended September 30, 2024. A second LTI reported in the Company’s MD&A for the three and six months ended June 30, 2024 was recategorized as a ‘restricted duty’ incident to more properly reflect the nature of the event.

Mercedes' production in Q3 2024 is comprised of material from four main deposits: San Martín, Marianas, Diluvio and Lupita. A total of 103,889 tonnes of ore was mined during the quarter, in line with expectations (Q3 2023: 123,505 tonnes ore mined). For the nine months ended September 30, 2024 a total of 303,348 tonnes of ore were mined (nine months of 2023: 378,615 tonnes ore mined). The reduced ore throughput, as compared with previous periods is primarily a result of the reduction in dilution and the decision made earlier this year to pivot away from the vertical ramp in Marianas. The average gold grade mined during the quarter increased to 3.36 g/t compared with the prior period (Q3 2023: 2.79 g/t), and the average silver grade mined also increased to 43.77 g/t (Q3 2023: 32.18g/t). The gold grade mined during the nine months ended September 30, 2024 of 3.51 g/t was significantly better than the average grade for the comparable period of 2023 (nine months of 2023: 2.82 g/t). The silver grade mined during the nine months ended September 30, 2024 improved as well, at 39.88 g/t mined compared with the prior period (nine months of 2023: 31.63 g/t). During the quarter, the mine continued to refine the mining and blasting methods used in San Martin to reduce dilution and optimize production while reducing processing costs. San Martin has been the largest contributor of production from Mercedes during the nine months ended September 30, 2024 and will be transitioning to pillar recovery through the end of 2024.

As reported previously, the Marianas deposit had begun developing a new lateral ramp in substantially more stable rock, with three infill drill stations – this was completed at the end of September 2024. During the quarter, production from the Marianas deposit commenced. Portal access to the Rey de Oro Alta deposit was also initiated during the quarter. Both the Marianas and Rey de Oro Alta are expected to begin contributing ore in the later part of 2024 and be significant contributors in 2025. During the three months ended September 30, 2024, the plant processed 102,535 tonnes of ore (Q3 2023: 126,208 tonnes) with an average gold grade milled of 3.40 g/t (Q3 2023: 2.40 g/t) and silver grade milled of 47.01 g/t (Q3 2023: 27.82 g/t). Gold recovery of 96% in the quarter increased as compared with Q3 2023 of 94%. The silver recovery of 49% also increased as compared with 31% in Q3 2023. As a result, 10,751 ounces of gold (Q3 2023: 9,155 ounces) and 76,939 ounces of silver were produced in the quarter (Q3 2023: 33,686 ounces). Silver recovery has shown a marked improvement due to change in the mineralogy and larger liberation size, primarily in San Martin.

During the nine months ended September 30, 2024, the plant processed 307,541 tonnes of ore (nine months of 2023: 385,830 tonnes) with an average gold grade of 3.45 g/t (nine months of 2023: 2.58 g/t) and average silver grade of 38.8 g/t (nine months of 2023: 29.8 g/t). Gold recovery of 95% is comparable with recoveries during the nine months of 2023, whereas silver recoveries of 42.2% increased substantially from 31% achieved during the comparable period of 2023. As a result, 32,283 oz of gold and 161,872 ounces of silver were produced during the nine-month period of 2024 (2023: 30,404 oz of gold and 113,755 oz of silver).

Management continues to focus on first principles both in operations and contractor management and controls. First principles in mining include ground control management plans for all mines with prescribed fortification, proper ventilation raises, first, in San Martin, which witnessed an increase in ore extraction rates. The management team is finalizing ventilation designs for the Marianas deposit, where the results similar to those of San Martin are anticipated. Cost control initiatives, including contracts that help to replace aged machinery with equipment that is right sized for the extraction and exploitation of the Marianas ore body, are continuing in an effort to further optimize and improve Mercedes' production results. During the quarter, a new haulage contract, that consolidated both surface and underground operations with one contractor, has been executed. The management team finalized the review and selected one primary mining contractor during the reporting quarter. The mining contractor will be supplying equipment suitable for narrow vein mining both in Marianas and Rey de Oro Alta deposits starting in Q4 of 2024 and through 2025.

The focus on mine development continued with 2,025 meters of development occurring during the third quarter and 7,374 meters completed during the nine months of 2024 (compared with 1,791 and 4,188 meters developed during third quarter and nine months ended to September 30, 2023 respectively).

The Company is also advancing the development of the Rey de Oro, Gap and Barrancas deposits. Delineation drilling and the appointment of a development contractor are underway. The Rey de Oro deposit started contributing to production during the quarter, whereas Barrancas and Gap deposits are expected to begin to contribute to production of ore in the fourth quarter of 2024 and 2025.

Tailings Storage Facility 3 ("TSF3") planning continues as the Company waits for permit approval, which has experienced delays as a result of implementation of Mexico's new mining law announced in 2023. The land use change permit was issued in Q1 2024, and the application was filed with the Environmental Authority. Due to significant delays encountered in the permitting process, contingency plans for underground deposition are being developed, including consideration of utilizing old, sterilized mining areas as additional storage. Concurrently the mine is using a third-party engineering firm to develop a dry stack tailings option and is in the initial stages of design for a dry stack tailings permit application in Q1 2025.

Operating Costs

	Three Months Ended September 30, 2024 (000'$)	Three Months Ended September 30, 2023 (000'$)	**Nine Months Ended September 30, 2024 (000'$)**	Nine Months Ended September 30, 2023 (000'$)
Labour	**4,942**	4,418	**14,802**	12,321
Operating Materials	**2,995**	3,672	**10,043**	12,625
Maintenance Materials	**746**	1,466	**2,496**	4,198
Power	**1,394**	1,780	**4,434**	5,017
Operating Contractors	**6,280**	5,825	**18,731**	15,069
General Expenses	**1,088**	1,200	**3,337**	2,824
Stockpile / FG / WIP Adjustments	**(128)**	(78)	**(262)**	(87)
Other Items	**247**	259	**605**	612
Total Cost	**17,564**	18,542	**54,186**	52,579
Less: Costs Capitalized as Mine Development Expenditures	**(2,572)**	(3,560)	**(8,061)**	(7,915)
Total Operating Costs Net of Capitalized Items [1]	**14,992**	14,982	**46,125**	44,664

1) Total Operating Costs, net of Capitalized Items, is a Non-GAAP measure and is reconciled to production costs on page 24.

During the third quarter of 2024, labour costs increased by 12% ($0.5 million) as compared to Q3 2023, primarily as a result of the employee profit sharing accrual during the reporting quarter (no profit sharing was accrued in 2023). Year to date labour costs have also been negatively impacted by the new Union Agreement negotiations, and severance payments due to restructuring of the Mercedes mine workforce which is scheduled to be complete in Q4, 2024.

Operating and maintenance material costs in Q3 2024 decreased by $0.71 million and $2.6 million during the three and nine months ended September 30, 2024 respectively, compared to the three and nine months ended September 30, 2023. The decrease in costs for the three and nine months is primarily attributed to the ongoing transition in mining methods and contractors.

Energy consumption for the three and nine months of 2024 decreased by 22% ($0.4 million) and 12% ($0.6 million), respectively, due to less tonnes processed through the plant. Contractor costs for the three and nine months of 2024 increased by 8% ($0.5 million) and 24% ($3.7 million), respectively, due to the engagement of additional mining contractor services focused on accelerating mine development and reducing dilution.

The following table reconciles the mining cost to the Total Operating Costs, Net of Capitalized Items, for the three and nine months ended September 30, 2024.

	Three Months Ended September 30, 2024 (000'$)	Three Months Ended September 30, 2023 (000'$)	**Nine months Ended September 30, 2024 (000'$)**	Nine Months Ended September 30, 2023 (000'$)
Mining Cost	**9,638**	8,967	**29,454**	28,049
Severance	**-**	(77)	**-**	(33)
Plant	**2,681**	3,537	**8,647**	9,641
G&A	**1,974**	1,867	**5,773**	4,873
Overhead	**623**	562	**2,007**	1,728
Refining Charge	**204**	203	**505**	493
MIC Adjustment	**22**	(112)	**(111)**	(123)
Stockpile Adjustment	**(150)**	35	**(150)**	36
Total Operating Costs, Net of Capitalized Items (1)	**14,992**	14,982	**46,125**	44,664

1) Total Operating Costs, net of Capitalized Items, is a Non-GAAP measure and is reconciled to production costs on page 24.

Exploration

The Company continued with a Mineral Resource delineation infill drilling program with a particular focus on Marianas, but also in the Diluvio West and Barrancas deposits. Results from this drilling were required to increase confidence in the Mineral Resource extensions and reduce risk during Reserve conversion and the subsequent mine planning stages.

The mine exploration drilling program continued during Q3 2024 finalizing the Diluvio North West and Lagunas West surface drilling programs. Underground Mineral Resource delineation and/or conversion drilling was completed in Marianas, Barrancas and Diluvio. Exploration drilling expenditures in Q3 2024 were $0.47 million, whilst mineral resource delineation and/or conversion drilling expenditures were $1.34 million during the quarter.

Outlook

Preparation of upgraded geological and Mineral Resource block models is in progress for all Mercedes deposits. These are being prepared for a 2024 update on the Mineral Resource estimate and subsequent Reserve conversion, applying upgraded modifying factors and at increased gold & silver prices for use in mine planning, production scheduling and ultimately, determination of mining costs to be incorporated into a new 2025 economic model. The study is being conducted by industry-recognized external consultants and is expected to be completed during Q4 2024 in time for incorporation into the 2025 budget. The continued focus on development as well as delineation and exploration drilling will support the plans for short and medium-term production planning as well as the 2025 budgeting process.

The Company has commenced an exploration program to identify, explore and delineate new precious metal prospects, with the goal of discovering potentially economic Mineral Resource extensions proximal to Mercedes' current operations. A follow-on phase of work over the remainder of the 69,284 ha of Bear Creek concessions, will focus on upgrading the Company's existing geological understanding of the controls on mineralization, with a view to discovering new key mineralized systems on the Company property. This holistic program will integrate results from machine learning tools, aeromagnetic survey data, ground-based geochemistry and geological observations with concomitant interpretations. Additionally, specialized geological consultants have helped to unravel the complex structural environment of precious metal deposition at Mercedes and this expanded understanding will help to guide ongoing exploration efforts. Several new prospective mineralized structures have already been identified including a displaced, sub-parallel structure to the primary Mercedes-Marianas vein-system.

The Company continues to evaluate the potential impacts of the decree reforming various provisions of Mexico's mining law (the "Decree"), which was published in the Official Gazette and became law on May 9, 2023. Full details are expected once the components of the regulation are enacted. On September 16, 2023 Bear Creek filed an application with the District Court in the state of Sonora, Mexico for a stay (an "Amparo") against the new mining law in respect of the Mercedes mine. The Company received an initial ruling in its favor and is protected from application of the new Mexican mining law while the Mexican government's appeal of the initial ruling by the District Court proceeds through the Collegiate Court (as per normal course). Subsequent to the end of the quarter, the Company received the final favorable ruling on its Amparo filing.

Sandstorm Restructuring Agreement

On January 22, 2024, the Company closed the Restructuring Agreement with Sandstorm Gold and subsidiaries ("Sandstorm") for streams and debt amendments which came into effect on January 1, 2024. The total consideration issued to Sandstorm for the Restructuring Agreement was estimated to be $20.3 million, that, as at January 22, 2024, comprised of:

- Common shares issued (28,767,399 common shares) with a fair value of $4.1 million.
- A 1.0 % net smelter returns royalty on the Company's Corani Project with a fair value of $12.0 million.
- The Company increased the principal amount of the Sandstorm Promissory Note by $4.2 million as an additional consideration.

The Company evaluated the terms of the Restructuring Agreement and determined that it represented a substantial modification to the existing stream and debt agreements and has accounted for the Restructuring Agreement as an extinguishment of the existing agreements and the issuance of new stream and debt agreements. The Company estimated fair values of the contractual stream obligations, the convertible notes including the embedded derivatives, the additional share consideration and of the Corani NSR. The Company recognized a loss on the debt restructuring of $8.3 million as at January 22, 2024, comprised of the following:

Component	Book Value at extinguishment	Revised Fair Value	(Gain) / Loss on restructuring
Debt component of amended Convertible Debenture and Promissory Note	$34.1 million	$41.0 million	$6.9 million
Conversion option embedded derivative	$0.1 million	$0.6 million	$0.5 million
Restructured Gold Stream	$21.7 million (previously deferred revenue)	$17.3 million	($4.4 million)
Restructured Silver Stream	$12.7 million	$1.9 million	($10.8 million)
Corani 1% NSR Royalty[1]	$Nil	$12.0 million	$12.0 million
Common shares issued	$Nil	$4.1 million	$4.1 million
Total (Gain) / Loss on debt restructuring			**$8.3 million**

The Company and Sandstorm have also signed the Cross Default Agreement, providing that, if any event of default occurs under any of the Transaction Documents, any or all outstanding obligations become immediately due and payable, all security agreements, charges, pledges, or guarantees shall become immediately enforceable and enforcements proceedings must commence. The "Transaction Documents" defined as, collectively, the Sandstorm Stream Agreement, the Sandstorm Convertible Debenture, the Nomad Stream Agreement, and the Sandstorm Promissory Note.

NSR royalty for Corani

The fair value of the NSR royalty for Corani was determined using comparable market transactions, and the mineral resource estimate for Corani was prepared by third-party qualified persons.

The fair value of the NSR royalty was estimated at $12.0 million. Management has accounted for the consideration given as a reduction to the carrying value of the Corani mineral interest.

Stream Arrangements

Sandstorm Gold Stream and Restructured Gold Stream

On April 21, 2022, Sandstorm Gold Ltd. ("Sandstorm") provided the Company with $37.5 million. In exchange, the Company agreed to sell to Sandstorm 600 ounces of refined gold per month for 42 months (a total of 25,200 ounces) at a price equal to 7.5% of the London Bullion Market Association's PM fix for the day before the delivery date. On May 11, 2023, Sandstorm provided the Company with an additional $5 million in exchange for 600 ounces per month for an additional seven months (600 ounces per month for 49 months, totaling 29,400 ounces). After 29,400 ounces have been delivered, the Company will sell to Sandstorm 4.4% of gold produced by Mercedes at a price equal to 25% of the London Bullion Market Association's ("LBMA") PM fix for the day before the delivery date.

On January 22, 2024, pursuant to the Sandstorm Restructuring Agreement and effective January 1, 2024, the Company reduced its refined gold delivery obligation to Sandstorm from 600 ounces per month to 275 ounces per month, until the last delivery under this agreement is made in April 2028. The Company now receives cash payment equal to 25% (previously 7.5%) of the London Bullion Market Association's PM fix for the day before the delivery date. Prior to the extinguishment of this historical agreement, the gold stream was accounted for as deferred revenue. As of January 22, 2024, the revised gold stream is accounted for at fair value through profit and loss and remeasured each reporting period.

The following inputs were used to determine the fair value of the Restructured Sandstorm Gold Stream as at September 30, 2024 and January 22, 2024. To estimate the value of the Gold Stream, the Company used a discounted cash flow model using the reserves at the Mercedes Mine and an allocated portion of indicated and inferred resources. The following key assumptions were applied:

	September 30, 2024	**January 22, 2024**
Estimated life of Mercedes mine	8 years	8 years
Forward gold price range	\$2,275 – \$2,964	\$1,952 – \$2,393
Discount rate	9.9% - 13.3%	11.7%

The Restructured Gold Stream continuity is as follows:

	Total (000'\$)
Balance – January 1, 2023	-
Balance – December 31, 2023	-
Reclassification from Deferred Revenue	21,709
Gain on Restructuring Agreement	(4,359)
Balance – January 22, 2024	**17,350**
Gold stream deliveries	(4,245)
Debt issue costs	(28)
Change in fair value	7,299
Balance – September 30, 2024	**20,376**
Less: current portion	(7,795)
Non-Current Portion	12,581

During the nine months period ended September 30, 2024, the Company delivered 2,475 ounces (September 30, 2023 – nil) of refined gold to Sandstorm under the Restructured Gold Stream and recognized total sales revenue of \$5.7 million (September 30, 2023 – \$nil), including the 25% cash sales.

Nomad Silver Stream and Restructured Silver Stream

On April 21, 2022, as part of the Mercedes acquisition, the Company assumed a silver stream (the "Nomad Silver Stream") requiring deliveries of 75,000 ounces of silver per quarter until 1.2 million ounces are delivered. After that, the arrangement required the Company to deliver 100% of its silver production until 3.75 million ounces are delivered, after which 30% of Mercedes' silver production was deliverable to Nomad. The Company was paid 20% of the LBMA's silver fix for the day before delivery.

The Nomad Silver Stream was determined to be a financial liability recorded at fair value through profit or loss. The value repaid on the liability is variable based on 80% of the silver price (LBMA's silver fix for the day prior to the delivery date) applied to ounces delivered under the contract. As at December 31, 2023, the balance of the Nomad Silver Stream was $12.7 million.

On January 22, 2024, the Company restructured the Nomad Silver Stream and effective January 1, 2024, the Restructured Silver Stream deliveries were fully suspended until April 2028. After April 2028, the Company is expected to resume deliveries under this stream arrangement and will receive cash payments of 25% (previously 20%) of the silver price applied to 100% of its production with no minimum delivery requirements. The Restructured Silver Stream continues to be a financial liability recorded at fair value through profit or loss.

The following inputs were used to determine the fair value of the Restructured Silver Stream as at September 30, 2024, and January 22, 2024. The Company used a discounted cash flow model using the reserves at the Mercedes Mine and an allocated portion of indicated and inferred resources to value the Restructured Silver Stream. The following key assumptions were applied:

	September 30, 2024	**January 22, 2024**
Estimated life of Mercedes mine	8 years	8 years
Forward silver price range	$29.21 - $34.76	$22.56 - $24.00
Discount rate	9.9% – 13.3%	11.7%

For the nine months period ended September 30, 2024, the Company, in accordance with the Restructuring Agreement made no deliveries (September 30, 2023 – 211,426 ounces) of silver as part of this stream and recorded revenue of $nil (September 30, 2023 - $4.9 million).

The Company's Restructured Silver Stream continuity is as follows:

	Total (000'$)
Balance – January 1, 2023	**15,592**
Silver stream delivery	(5,485)
Change in fair value	2,556
Balance – December 31, 2023	**12,663**
Gain on Restructuring Agreement	(10,819)
Balance – January 22, 2024	**1,844**
Debt issue costs	(4)
Change in fair value	601
Balance – September 30, 2024	**2,441**
Less: current portion	-
Non-Current Portion	2,441

Development Projects

Corani Silver-Lead-Zinc Project

The 100%-owned Corani silver-lead-zinc project ("Corani") is located in the Andes Mountains, approximately 160 kilometers southeast of Cusco, Peru, at roughly 4800 meters above sea level. The Corani Project consists of thirteen mineral concessions forming a contiguous block covering approximately 5,480 hectares.

On November 5, 2019, the Company announced a summary of the results of work leading to a NI 43-101 compliant feasibility study (the "2019 Report"). The 2019 Report is available on and on the Company's website and on SEDAR+.

The 2019 Corani Technical Report's objectives were to reduce construction, development, and operating risks and identify potential improvements to the expected economic performance.

2019 NI 43-101 Technical Report Highlights

	2019 Report[(1) (2)]
After tax NPV5	$531 million
After tax IRR	22.90%
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

[(1)] *The 2019 Report economic 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 and that the Corani Project would be entirely financed by equity and developed on an Engineering, Procurement and Construction Management ("EPCM") basis.*
[(2)] *The 2019 Report does not include the effects of the Net Smelter Returns Royalty Agreement between Sandstorm and the Company. Under the Restructuring Agreement, the Company agreed to pay Sandstorm a 1.0% net smelter returns royalty on and over the Corani project which has been valued at $12.0 million.*

2024 Activities

During the quarter ended September 2024, the Company progressed with an initiative to assess potential development opportunities at Corani which could enhance life of mine silver production, improve already robust economic returns and meaningfully lower capital intensity prior to first production. The assessment covers the silver resource and recoverability potential of near-surface silver-rich oxidized material (the "Oxides") that occurs within the East, Main and Minas deposits at Corani. Under a revised development plan, the Oxides would be mined as a first phase of production for the proposed Corani open pit mine, followed by the development and extraction of silver-lead-zinc sulphide resources as outlined in the most recent Technical Report (as defined in National Instrument 43-101) for Corani (the "2019 Corani Report" or the "Sulfide Plan"). The combined development plan will be summarized in a new preliminary economic assessment ("PEA") which Bear Creek expects to announce the results of prior to the end of 2024.

Social and Environmental

The main activities at the Corani Project site centered around the maintenance and monitoring environment of the camp and the future areas of our mining operations and to comply with the requirements of the Environmental Social Impact Assessment (ESIA).

The Company maintains and continues excellent working relationships with local communities. An important element of this relationship is a Life of Mine Investment Agreement ("LOM Agreement") with the Corani District Municipality, five surrounding communities, and relevant ancillary organizations. Under the agreement, the Company will pay S/4 million annually, approximately $1 million per year, to a trust to fund community projects. The first installment was paid in 2013. All permits were received by September 2018. As a result, annual payments of S/4 million will be made throughout the term of the agreement or as further described in the next paragraph. To date, the Company has paid S/28 million ($8.2 million) under the terms of the LOM Agreement.

These future obligations were recorded as a liability in June 2018 for a total amount of $11.2 million. As of September 30, 2024, the liability has a remaining balance of $9.9 million. Cessation or interruptions of operations will cause pro-rata decreases in the applicable annual payments. The annual payment amount is subject to review at the end of the fifth year of production and may change depending on factors that cannot be foreseen at this time.

The Company constructed the "Antapata" substation in the area called Pacaje. The Antapata substation will direct electricity to a power line that will supply the Corani Project and provide a reliable power supply connection point to local communities. For 2024 there was a commitment to complete the construction works, connect to the transmission line, and bring the substation into operation, at an additional investment of approximately $2.5 million dollars. After various efforts and dialogues with state entities, the following agreements were concluded:

- The Peruvian government will carry out the connection work at their cost. The investment by the state is to allow for the substation to become operational and provide additional energy to the area and solve the energy crisis of the province of Carabaya and the urgent needs of the population.
- The Company will continue with support in relation to detailed engineering and coordination support.

The Macusani municipality is developing an alternative access road from the Interoceanic highway to the project at its own cost. The Company continues to assist the municipality with technical and other support and will upgrade the road once the municipal scope of work is completed.

Outlook

The Company continues to investigate financing alternatives to fund the development of Corani. In the meantime, the Company contributes to maintaining roads from the Interoceanic Highway through Tantamaco, Huiquisa, and Corani communities. Continuing support is provided to the authorities to complete the transmission lines, connection and commissioning of the Antapata substation to allow for provision of needed power to the local communities.

Corani Expenditures

During the three and nine months ended September 30, 2024, the Company incurred expenses of $1.8 million and $5.1 million on the Corani Project. The details of the expenses incurred are as follows:

Corani Engineering and Evaluation Costs:	**Three Months Ended September 30**		**Nine Months Ended September 30**	
	2024 (000'$)	2023 (000'$)	**2024 (000'$)**	2023 (000'$)
Community contributions	**350**	268	**991**	925
Drilling, sampling	**59**	390	**59**	581
Detailed engineering	**148**	19	**273**	64
Environmental	**68**	122	**190**	235
Salaries and consulting	**733**	798	**2,221**	2,403
Camp, supplies, and logistics	**433**	411	**1,308**	1,154
Travel & Other	**18**	22	**109**	114
Recovery of costs	**-**	-	**(95)**	(95)
Total Costs	**1,809**	2,030	**5,056**	5,381

[(1)] *Prior year information has been reclassified to conform to current year presentation*

IGV

IGV is a Peruvian value added tax amounting to 18% of expenditures for goods or services. Bear Creek Mining S.A.C., the entity that will operate the Corani project, has a contract (the "IGV Contract") with the Ministry of Energy and Mines Peru. Under the terms of the IGV Contract, the Company can recover, on an expedited basis, IGV associated with Corani capital investments described in its approved ESIA and the 2017 Corani Technical Report. From the Corani project acquisition date to September 30, 2024, the Company has recovered a total of S/12 million of Corani related IGV, equivalent to approximately $3.3 million.

IGV expense of $0.34 million represents the IGV paid during the quarter ended September 30, 2024. IGV is denominated in Peruvian Soles. Net of recoveries, the cumulative amount of IGV paid by the Company as of September 30, 2024, is $15.9 million (S/59 million). Of this amount, $4.1 million is attributable to Bear Creek Mining S.A.C., of which $0.1 million is available for expedited recovery as at September 30, 2024. The remaining balance is available for recovery once Corani is in production. IGV credits can be carried forward indefinitely and can be applied to reduce future income taxes or future IGV.

Exploration Projects

The Company reduced its exploration activities in Peru to preserve cash and focus on Mercedes. The Company maintains a core exploration staff to manage its existing projects.

Results of Operations

Three months ended September 30, 2024, as compared to the three months ended September 30, 2023

For the three months ended September 30, 2024, the Company recorded a net loss of $7.0 million compared to a net loss of $9.8 million for the three months ended September 30, 2023, a decrease in loss of $2.8 million. The Company's net loss per share for the three months ended September 30, 2024, was $0.03 compared to $0.06 for the same period in 2023.

	Three Months Ended September 30		
	2024 (000'$)	2023 (000'$)	**Difference (000'$)**
Revenue	29,684	18,805	10,879
Production costs	(16,549)	(14,347)	(2,202)
Depletion amortization and depreciation	(7,188)	(11,217)	4,029
Gross profit (loss)	**5,947**	(6,759)	**12,706**
Operating Expenses			
Corani engineering and evaluation costs	(1,809)	(2,030)	221
Share-based compensation	(170)	(213)	43
Wages and management salaries (1)	(456)	(380)	(76)
Exploration and evaluation costs	(1,898)	(1,131)	(767)
Professional and advisory fees	(441)	(246)	(195)
General administrative expenses	(784)	(893)	109
Profit (Loss) before other items	**389**	(11,652)	**12,041**
Foreign exchange gain (loss)	238	1,292	(1,054)
Interest and accretion expense	(1,750)	(1,424)	(326)
Gain (loss) on valuation of embedded derivative	(1,236)	1,326	(2,562)
Gain (loss) on valuation of warrant liability	(343)	-	(343)
Change in fair value of stream arrangements	(3,434)	553	(3,987)
Other income (expense)	(135)	(115)	(20)
Loss and comprehensive loss before tax	**(6,271)**	(10,020)	**3,749**
Income tax recovery (expense)	(679)	238	(917)
Loss and comprehensive loss	**(6,950)**	(9,782)	**2,832**
Loss per share	**($0.03)**	($0.06)	

(1) *Prior year information has been reclassified to conform to current year presentation*

During the three months ended September 30, 2024, the Company had revenues of $29.7 million compared to $18.8 million for the same period in 2023. During the three months ended September 30, 2024, the Company sold a total of 11,066 gold ounces at an average price of $2,469/oz (2023 – 9,815 gold ounces at an average price of $1,916/oz).

Production cost of sales was $16.5 million in Q3 2024 compared to $14.3 million in Q3 2023. As discussed earlier in this MD&A, increased contractors and labor costs related to restructuring the workforce and transitioning to narrow vein mining techniques, are the primary reasons for the higher production costs in Q3 2024 as compared to the same period in 2023. The gross profit from Mercedes' operations was $6.0 million during the three months ended September 30, 2024 compared to a gross loss from operations of $6.8 million for the same period in 2023.

During the three months ended September 30, 2024, spending on the Corani property was $1.8 million, a slight decrease from $2.0 million incurred during the three months ended September 30, 2023, primarily due to decreased consulting costs. All other Corani related costs were comparable.

During the three months ended September 30, 2024, exploration costs which including expenses incurred to maintain the Company's Peruvian property interests as well as exploration costs incurred at Mercedes was $1.9 million, an increase from $1.1 million incurred during the three months ended September 30, 2023, due to increased exploration drilling at Mercedes. General and administration costs in Q3 2024 of $0.8 million were slightly lower when compared to $0.9 million in Q3 2023. Professional costs increased slightly in Q3 2024 by $0.2 million when compared to Q3 2023. The Company's other operating costs were comparable.

During the three months ended September 30, 2024, the Company had a foreign exchange gain of $0.2 million, compared to a gain of $1.3 million during the three months ended September 30, 2023. The foreign exchange gain recognized by the Company is primarily a function of the depreciation of the Mexican Peso denominated payables compared to the US dollar in Q3 2024. Interest and accretion expense increased by $0.3 million during Q3 2024 compared to Q3 2023, due to additional draws from the Sandstorm Promissory Note during the quarter despite the decreased interest rate resulting from the Sandstorm Restructuring Agreement.

The Company measures the embedded derivative liability portion of its convertible debentures and notes payable at each period end and estimates a loss of $1.2 million for the three months ended September 30, 2024 (Q3 2023 – gain of $1.3 million) presented as a change in fair value of the derivatives embedded into the Equinox Note and Sandstorm Loans. The major factor impacting this loss was the change in share price of the Company during the quarter.

The Company fair values the warrant liability associated with financing in Q4 2023 and recorded a loss of $0.3 million (Q3 2023 – nil) due primarily to the fluctuations in the Company's share price.

As a part of the Sandstorm Restructuring Agreement on January 22, 2024, the Company derecognized deferred revenue associated with the Sandstorm Gold Purchase Agreement and recognized a gold and silver stream liability by estimating the fair value of these obligations in accordance with their amended terms. The change in fair value of the Company's stream arrangements for the three months ended September 30, 2024 – a loss of $3.4 million (as compared with $0.6 million gain in Q3 2023) is primarily due to increases in metals prices, remaining deliveries and discount rates utilized.

During the three months ended September 30, 2024, the Company recorded income tax expense of $0.7 million (Q3 2023 – recovery of $0.2 million). The change to an expense is driven by Mercedes being in a gross profit, as a result of higher gold prices.

The decrease in comprehensive loss of $2.8 million in Q3 2024 compared to Q3 2023 was primarily due to the $6.9 million increased loss on the valuation of embedded derivatives, stream arrangements and warrant liability and $1.1 million of decrease in foreign exchange gain offset by the higher profit of $12.0 million.

Nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023

For the nine months ended September 30, 2024, the Company recorded a net loss of $35.5 million compared to a net loss of $29.0 million for the nine months ended September 30, 2023, an increase in loss of $6.4 million. The Company's net loss per share for the nine months ended September 30, 2024, was $0.16, compared to a net loss per share of $0.18 for the comparable period in 2023.

	Nine Months Ended September 30		
	2024 (000'$)	2023 (000'$)	**Difference (000'$)**
Revenue	79,354	62,976	16,378
Production costs	(49,164)	(43,335)	(5,829)
Depletion amortization and depreciation	(23,528)	(30,986)	7,458
Gross profit (loss)	**6,662**	(11,345)	**18,007**
Operating Expenses			
Corani engineering and evaluation costs	(5,056)	(5,381)	325
Share-based compensation	(321)	(713)	392
Wages and management salaries[(1)]	(1,740)	(1,021)	(719)
Exploration and evaluation costs	(4,215)	(2,280)	(1,935)
Professional and advisory fees	(1,016)	(702)	(314)
General administrative expenses	(2,602)	(2,550)	(52)
Loss before other items	**(8,288)**	(23,992)	**15,704**
Foreign exchange gain (loss)	2,238	(1,824)	4,062
Interest and accretion expense	(5,457)	(6,105)	648
Gain (loss) on valuation of embedded derivative	(4,708)	3,318	(8,026)
Gain (loss) on valuation of warrant liability	(1,909)	-	(1,909)
Change in fair value of stream arrangements	(7,900)	(2,015)	(5,885)
Loss on debt restructuring	(8,289)	-	(8,289)
Other income (expense)	(44)	(195)	151
Loss and comprehensive loss before tax	**(34,357)**	(30,813)	**(3,544)**
Income tax recovery (expense)	(1,120)	1,771	(2,891)
Loss and comprehensive loss	**(35,477)**	(29,042)	**(6,435)**
Loss per share	**($0.16)**	($0.18)	

[(1)] *Prior year information has been reclassified to conform to current year presentation*

During the nine months ended September 30, 2024, the Company had revenues of $79.4 million compared to $63.0 million in the comparative period for 2023. The Company sold a total of 32,900 gold ounces at an average price of $2,266/oz during the nine months ended September 30, 2024 (2023 – 32,909 gold ounces at an average price of $1,914/oz).

Production cost of sales was $49.2 million in 2024 compared to $43.3 million in 2023, primarily due to the increase in mining contractors' and labour costs. The gross profit from Mercedes' operations was $6.7 million during the nine months ended September 30, 2024, compared to a gross loss from operations of $11.3 million in 2023.

During the nine months ended September 30, 2024, spending on the Corani property was $5.1 million, which is a decrease of $0.3 million as compared with $5.4 million incurred during the same period of 2023.

Exploration costs, including maintaining the Company's Peruvian property interests and further exploration at Mercedes, was $4.2 million (2023 - $2.3 million) due to increased exploration activities at Mercedes. Wages and management salaries increased by $0.7 million for the nine-month period ended September 30, 2024, as compared with 2023, due to the compensation paid to the outgoing CFO and hiring of some key managerial roles, including COO and VP Exploration. Professional fees increased slightly in 2024 by $0.3 million when compared to Q3 2023 due to tax and legal compliance-related costs associated with general corporate matters. The Company's other operating costs were comparable.

During the nine months ended September 30, 2024, the Company had a foreign exchange gain of $2.2 million, compared to a loss of $1.8 million during the nine months ended September 30, 2023. The foreign exchange gain recognized by the Company is primarily a function of the depreciation of the Mexican Peso denominated payables compared to the US dollar in 2024, as well as the FX impact on the asset retirement obligation. Interest and accretion expense decreased by $0.6 million during the nine months of 2024 compared to 2023, due to the decreased interest rate resulting from the Sandstorm Restructuring Agreement.

The Company measures the embedded derivative liability portion of its convertible debentures and notes payable at each period end and estimates a loss of $4.7 million for the nine months ended September 30, 2024 (2023 – gain of $3.3 million) presented as a change in fair value of the derivatives embedded into the Equinox Note and Sandstorm Loans. The major factor impacting this loss was the change in the Company's share price during the quarter.

The Company fair values the warrant liability associated with financing in Q4 2023 and recorded a loss of $1.9 million (2023 – $nil) due primarily to the fluctuations in the Company's share price.

As a part of the debt restructuring, the Company derecognized deferred revenue associated with Sandstorm Gold Purchase Agreement on January 22, 2024, and determined fair value of the Restructured Sandstorm Gold Stream. Fair value of the Restructured Silver Stream has also been determined as at January 22, 2024. The change in fair value of the Company's stream arrangements for the nine months of 2024 resulted in a loss of $7.9 million (as compared with $2.0 million loss in 2023), primarily, due to the change in metals prices, remaining deliveries and discount rates utilized.

As at September 30, 2024, the Company recorded a $8.3 million loss on the Restructuring Agreement (2023 - $nil).

During the nine months ended September 30, 2024, the Company recorded income tax expense of $1.1 million (2023 – recovery of $1.8 million). The change to an expense is driven by Mercedes being in a gross profit, as a result of higher gold prices.

The increase in comprehensive loss of $6.4 million for the nine months of 2024 as compared to 2023 was primarily caused by the $8.3 million loss on the Restructuring Agreement, change in fair value of embedded derivatives of $8 million, $1.9 million loss on valuation of warrant liability and $5.9 million increase of loss on the valuation of the stream arrangements offset by higher gross profit of $18.0 million.

Summary of Quarterly Results

The following table sets out selected quarterly financial information of the Company and is derived from the interim condensed consolidated financial statements.

	Revenues ($ millions)	Loss (income) for the period ($ millions)	Basic and fully diluted loss (income) per share
Q3 2024	$29.7	$7.0	$0.03
Q2 2024	$22.1	$11.2	$0.05
Q1 2024	$27.5	$17.3	$0.08
Q4 2023	$26.2	$9.9	$0.04
Q3 2023	$18.8	$9.8	$0.06
Q3 2023	$19.9	$7.6	$0.05
Q1 2023	$24.3	$11.6	$0.08
Q4 2022	$24.4	$11.0	$0.07

Quarterly results will fluctuate as operating results and metal prices change from period to period. Additional impacts that cause fluctuations in the Company's quarterly results include derivative liabilities, level of expenditures on exploration projects, and foreign exchange gains or losses related to the Canadian Dollars, Mexican Pesos or Peruvian Sol cash balances as well as one-time charges related to restructuring efforts.

Liquidity and Capital Resources

Liquidity Update

During the nine months ended September 30, 2024, the Company closed the Restructuring Agreement with Sandstorm with a continued focus on improving liquidity.

At September 30, 2024, cash of $7.7 million consisted of C$0.1 million (September 30, 2023 - C$0.05 million), S/4.1 million ($1.1 million), M$1.9 million (September 30, 2023 - M$1.2 million) with the remaining balance in US dollars. The Company's major exploration and development expenditures for 2024 are expected to be denominated in US dollars. The Company's Mercedes operation expenditures are approximately 40% in US dollars and 60% in Mexican pesos. During the nine months ended September 30, 2024, the Company had cash inflows from operating activities of $12.6 million compared to a cash inflow of $2.0 million in 2023.

Total cash spent on investing activities during the nine months of 2024 amounted to $8.2 million (2023 - $12.2 million) related primarily to the payments for mine development at Mercedes partially offset by the restricted cash refund of $1.7 million.

Total cash used in financing activities amounted to $0.6 million, primarily related to drawdown from Interim Credit of $3 million offset by the interest paid of $3.4 million and lease payments of $0.3 million during the nine months ended September 30, 2024.

Cash as at September 30, 2024 was $7.7 million compared to $1.7 million at December 31, 2023.

The following table summarizes the contractual maturities of the Company's financial liabilities and operating and capital commitments at September 30, 2024:

Expenses in (000'$)	**2024**	**2025**	**2026**	**2027**	**2028 and Beyond**	**Total**
Accounts payable and accrued liabilities	$26,584	-	-	-	$629	$27,213
Provision-Environmental costs	-	-	3,995	3,357	15,067	22,419
Community projects	1,077	1,077	1,077	1,077	12,924	17,232
Other liabilities	57	33	33	708	-	831
Office space leases	15	7	-	-	-	22
Vehicle rentals	89	-	-	-	-	89
Equinox Short Term Loan	1,491	-	-	-	-	1,491
Streaming Arrangements	1,949	7,795	7,795	7,795	2,598	27,932
Note Payable – Principal	-	-	-	-	21,667	21,667
Note Payable – Interest	379	1,517	1,517	1,517	1,108	6,038
Equinox Note - Principal	-	-	-	-	26,632	26,632
Equinox Note – Interest	466	1,864	1,864	1,864	1,721	7,779
Debenture – Principal	-	-	-	-	22,500	22,500
Debenture – Interest	394	1,575	1,575	1,575	1,074	6,193
Total as at September 30, 2024	**$32,501**	**$13,868**	**$17,856**	**$17,893**	**$105,920**	**$188,038**

Issued Shares and Share Purchase Options

The Company has established a share purchase option plan (the "Stock Option Plan") and a long-term incentive plan ("LTIP"). Under the Stock Option Plan, which is a "10% rolling plan", the Board of Directors may, from time to time, grant options to directors, officers, employees, or consultants. Options granted must be exercised no later than ten years from the date of grant or such lesser period as determined by the Board. Under the Stock Option Plan, the exercise price of an option cannot be lower than the closing price on the TSX-V on the trading date preceding the grant date, less the maximum discount permitted under TSX policies applicable to share purchase options. The Board also sets vesting terms for each grant. The Stock Option Plan provides that the aggregate number of shares reserved for issuance under the plan (including shares issuable upon the exercise of existing options and restricted or deferred share units ("RSUs" and "DSUs", respectively) issuable under the Company's Long Term Incentive Plan) shall not exceed 10% of the total number of issued and outstanding common shares of the Company on a non-diluted basis, as constituted on the grant date of such options. Under the LTIP the Board may, from time to time, award RSUs or DSUs to directors, officers, employees, and in the case of RSUs, consultants. Under the LTIP, which is a "fixed plan", the maximum number of shares the Company is entitled to issue from treasury for payments regarding awards of DSUs and RSUs is an aggregate of 5,000,000 shares. The Stock Option Plan and the LTIP may not cumulatively exceed 10% of the total number of shares issued and outstanding.

On the date of this MD&A, the following stock options, RSUs and DSUs are available to be granted:

	November 25, 2024
Issued and outstanding shares	**227,725,785**
Limit under Stock Option Plan and LTIP (10% of issued and outstanding shares)	**22,772,579**
Less stock options under grant and outstanding	**10,062,500**
Less RSU's granted	**2,622,500**
Less DSU's granted	**1,000,000**
Shares reserved under the stock option and LTIP grants	**9,087,579**

RSU & DSU limit under LTIP	**5,000,000**
Less RSUs granted	**2,622,500**
Less DSUs granted	**1,000,000**
RSUs & DSUs available to be granted	**1,377,500**

Subsequent to the quarter-end, on November 4 and November 11, 2024, 800,000 options and 133,333 options for the employees who left the Company have been cancelled.

Non GAAP Measures

Cash Cost and All-in-Sustaining Cost ("AISC") for Mercedes

This MD&A includes disclosure of certain financial measures or ratios, as such terms are used in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure, including Cash Cost, All-In Sustaining Cost ("AISC") and Adjusted Earnings. These Non-GAAP financial measures are not standardized financial measures under IFRS Accounting Standards ("IFRS") and might not be comparable to similar measures presented by other companies. The Company believes that these measures and ratios provide investors with an improved ability to evaluate the prospects of the Company as they provide additional information related to operating performance and are widely used in the mining industry.

The Company has adopted the practice of calculating a performance measure consisting of the net cost of producing an ounce of gold after deducting revenues gained from silver by-product production.

Gold Cash Cost and AISC are calculated net of credits for realized silver revenues and are calculated per ounce of gold sold. The Company adds the governmental royalty of 0.5% for special mining law, third-party net smelter royalties and adjustments for finished goods related to the increase or decrease in remaining inventory to the cost of production. Other adjustments may be made as required.

	Three Months Ended September 30		Nine Months Ended September 30	
	2024 (000'$)	2023 (000'$)	2024 (000'$)	2023 (000'$)
Production costs[1]	**14,992**	14,982	**46,125**	44,663
Royalty expense	1,026	625	2,739	2,144
Inventory adjustment	557	(313)	319	631
Gold purchased	-	867	-	1130
By-product silver credits	(2,358)	(619)	(4,798)	(2,482)
Direct Cash Cost	**14,217**	15,542	**44,385**	46,086
Reclamation and remediation	321	347	1,165	739
Sustaining capital expenditures [2]	2,470	4,874	8,455	10,362
Exploration and evaluation expense	1,766	868	3,748	1,656
AISC	**18,774**	21,631	**57,753**	58,844
Gold ounces sold	**11,066**	9,482	**32,900**	31,623
Cash Cost US$ per Au oz sold	**1,285**	1,639	**1,349**	1,457
AISC US$ per Au oz sold	**1,697**	2,281	**1,755**	1,861

1) *Certain of the prior periods' figures have been reclassified to conform to the current periods' presentation.*
2) *Sustaining capital expenditures consist primarily of underground mine development, building, and other equipment related expenditures.*

To better understand Cash Cost and AISC measures as calculated by the Company, the following table provides the reconciliation of these measures to the applicable cost items, as reported in the interim consolidated financial statements for the respective period.

	Three Months Ended September 30		Nine Months Ended September 30	
	2024 (000'$)	2023 (000'$)	2024 (000'$)	2023 (000'$)
Cost of Goods Sold	**16,549**	14,347	**49,164**	43,334
NSR Adjustment[1]	-	-	-	-
Overhead Adjustment	623	562	2,007	1,728
Inventory Adjustment	3	2,019	(171)	4273
By-product silver credits	(2,358)	(619)	(4,798)	(2,482)
Other Adjustments	(600)	(767)	(1,817)	(767)
Direct Cash Cost[2]	**14,217**	15,542	**44,385**	46,086

(1) *Certain NSRs were presented as administrative expense in the prior year.*
(2) *Certain of the prior periods' figures have been reclassified to conform to the current periods' presentation.*

Total Operating Costs, Net of Capitalized Items

The Total Operating Costs, Net of Capitalized Items is a financial measure that does not have any prescribed meaning by IFRS and therefore, may not be comparable to similar measures presented by other companies. The Company has adopted the practice of calculating these costs to measure its operational performance.

The following table provides the reconciliation of this measure to the applicable cost items, as reported in the consolidated financial statements for the respective period.

	Three Months Ended September 30		**Nine months ended September 30**	
	2024 (000'$)	2023 (000'$)	2024 (000'$)	2023 (000'$)
Total Operating Costs, net of Capitalized Items	**14,992**	**14,982**	**46,125**	**44,663**
Finished goods adjustment	557	39	319	983
Royalties - Extraordinary mining tax	146	90	392	313
Overhead adjustment	(623)	(562)	(2,007)	(1,728)
Inventory adjustment	(3)	(1,152)	171	(3,143)
Net smelter return royalty	880	535	2,347	1,831
Obsolete inventory	600	415	1,817	415
Production Costs (Cost of Goods Sold)	**16,549**	14,347	**49,164**	43,335

Adjusted Earnings and Adjusted Earnings per Share

Adjusted Earnings and Adjusted Earnings per Share are a Non-GAAP financial measures that are not standardized IFRS and might not be comparable to similar measures presented by other companies. Adjusted Earnings excludes deferred taxes, unrealized foreign exchange, changes in fair values of financial instruments, impairments and reversals due to net realizable values, restructuring and severance, and other items which are significant but not reflective of the underlying operational performance of the Company. We believe these measures are useful to market participants because they are important indicators of the strength of our operations and the performance of our core business.

	Three Months Ended September 30		**Nine months ended September 30**	
	2024 (000'$)	2023 (000'$)	2024 (000'$)	2023 (000'$)
Net Income (Loss) for the period	(6,950)	(9,782)	(35,477)	(29,042)
Unrealized foreign exchange gain (loss)	238	1,292	2,238	(1,824)
Change in FV of embedded derivative	(1,236)	1,326	(4,708)	3,318
Change in fair value of stream arrangements	(3,434)	553	(7,900)	(2,015)
Gain (loss) on valuation of warrant liability	(343)	-	(1,909)	-
Loss on restructuring agreement	-	-	(8,289)	-
Adjusted Earnings	**(2,175)**	(12,953)	**(14,909)**	(28,521)
Millions of shares outstanding	227.7	167.5	225.3	159.0
Adjusted Earnings per Share	**($0.01)**	($0.08)	**($0.07)**	($0.18)

Related Party Transactions

Compensation of Key Management Personnel

The remuneration of the directors, the Chief Executive Officer, the Chief Operating Officer and Chief Financial Officer (collectively, the key management personnel) was as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024 (000'$)	2023 (000'$)	**2024 (000'$)**	2023 (000'$)
Salaries and directors' fees [1]	**550**	521	**1,844**	1,477
Share-based compensation	**154**	197	**419**	652
	704	718	**2,263**	2,129

[1] *In recognition of the Company's focus on cash preservation, certain Directors entitled to compensation under the Directors' Compensation Plan waived their retainer and per meeting fees for the entirety of the financial year ended December 31, 2023*.

The $0.1 million increase in the key management personnel's compensation for the nine months ended September 30, 2024, is related to the compensation paid to the outgoing Chief Financial Officer. Key management personnel were not paid post-employment benefits or other long-term benefits.

At September 30, 2024, $0.1 million (December 31, 2023 - $nil) was due for Directors' fees.

During the three and nine-month period ended September 30, 2024, the Company paid a related party, the spouse of an officer, $nil and $0.1 million (September 30, 2023 - $0.1 and $0.1 million) for internal contract/procurement review services. As at September 30, 2024, there were no amounts owed to the related party (December 31, 2023 - $nil).

Sandstorm Gold Ltd.

Sandstorm Gold Ltd. ("Sandstorm") is deemed a related party of the Company and owns 19.98% of the Company's issued and outstanding common shares at September 30, 2024. On August 15, 2022, Sandstorm completed the acquisition of Nomad Royalty Company Ltd. On January 22, 2024, the Company closed the Restructuring Agreement with Sandstorm. Total consideration issued to Sandstorm for debt restructuring is estimated to be $20.8 million, comprised of:

- Common shares issued (28,767,399 common shares) with a fair value of $4.1 million.
- A 1.0 % net smelter returns royalty on the Company's Corani Project with a fair value of $12.0 million.
- The Company increased the principal amount of the Sandstorm Promissory Note by $4.2 million as additional consideration.

Equinox Gold

Equinox Gold is a related party of the Company and currently owns 11.15% of the Company's issued and outstanding common shares. The Company has entered into the Equinox Note and Short Term Loan with Equinox Gold.

Accounting Policies

The preparation of the interim condensed consolidated financial statements in accordance with IAS 34 and requires management to make use of accounting estimates. The estimates and associated assumptions are based on historical experience and other factors believed to be reasonable under the circumstances and result in judgments about the carrying value of assets and liabilities. Actual results could differ from these estimates.

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, except for the valuation of the Restructuring Agreement with Sandstorm. In determining the effects of the Restructuring Agreement, significant estimation was involved in determining the fair value of the amended stream and debt agreements, as well as the consideration given with respect to the 1% Corani NSR royalty. The significant assumptions are summarized in the Sandstorm Restructuring Agreement section of this MD&A as well as in the notes to the Interim Condensed Consolidated Financial Statements for the third quarter of 2024.

<u>Amendments to IAS 1 – Presentation of Financial Statements</u>

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled Non-current liabilities with covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The Company adopted these amendments effective January 1, 2024, applied them retrospectively as required by the transitional provisions of the amendments and included restated consolidated statements of financial position for the comparative periods ended December 31, 2023 and as at January 1, 2023.

Amendments to IAS 1 resulted in a reclassification of equity-settleable convertible notes and warrant liabilities from non-current liabilities to current liabilities as at December 31, 2023 and January 1, 2023. The convertible notes are convertible at the option of the holders upon satisfaction of certain conditions that are beyond the control of the Company. If such conditions are satisfied, the convertible notes would be convertible at the option of the holders and upon conversion, the convertible notes may be settled, at the Company's election, in common shares of the Company, cash or a combination thereof. As a result, the Company does not have the right to defer settlement of the convertible notes for more than 12 months after the end of the reporting periods. Similarly, the Company has share purchase warrants outstanding in which each share purchase warrant is exercisable at the option of the holders into one common share of the Company, and therefore the Company also does not have the right to defer settlement of the warrant liability for more than 12 months after the end of the reporting periods.

Material Accounting Estimates and Judgments

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Significant areas where judgment and estimates are applied include application of accounting policies, the recoverability of resource properties, uncertain tax positions, mineral resources and reserves, value added taxes, convertible debentures including the Note and the

Amended Convertible Debenture, warranty obligation and notes payable including the Sandstorm Promissory Note, streaming arrangements, asset retirement obligations and valuation of certain other obligations. Actual results could differ from these estimates.

Financial Instrument Risks and Risk Management

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial assets and liabilities are initially measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of fair value hierarchy are as follows:

> Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
>
> Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
>
> Level 3: inputs for the asset or liability that are not based on observable market data (or supported by little or Ino market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

The following tables present the Company's financial assets and liabilities by level within the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying Value		Fair Value			
As at September 30, 2024		**Amortized Cost**	**FVTPL**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets							
Cash (i)	$	7,654	-	-	-	-	-
Short-term investments		42	-	-	-	-	-
Receivables (i)		6,179	-	-	-	-	-
	$	**13,875**	**-**	**-**	**-**	**-**	**-**

		Carrying Value			Fair Value		
As at September 30, 2024		**Amortized Cost**	**FVTPL**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities							
Accounts payable and accrued liabilities (i)	$	27,213	-	-	-	-	-
Short term loan		1,491	-	-	-	-	-
Note payable – debt portion		21,419	-	-	-	-	-
Note payable – embedded derivative		-	809	-	-	809	809
Convertible debenture and notes – debt portion		47,025	-	-	-	-	-
Convertible debenture and notes – embedded derivative (ii) (iii)		-	6,306	-	5,326	980	6,306
Warrant liability (iv)		-	3,847	-	3,847	-	3,847
Stream arrangements (v)		-	22,818	-	-	22,818	22,818
	$	**97,148**	**33,780**	**-**	**9,173**	**24,607**	**33,780**

		Carrying Value			Fair Value		
As at December 31, 2023		**Amortized Cost**	**FVTPL**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets							
Cash (i)	$	6,903	-	-	-	-	-
Short-term investments		21	-	-	-	-	-
Receivables (i)		7,413	-	-	-	-	-
Restricted cash (i)		1,653	-	-	-	-	-
	$	**15,990**	**-**	**-**	**-**	**-**	**-**

		Carrying Value			Fair Value		
As at December 31, 2023		**Amortized Cost**	**FVTPL**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities							
Accounts payable and accrued liabilities (i)	$	28,995	-	-	-	-	-
Deferred revenue		21,709					
Short term loan		1,354	-	-	-	-	-
Note payable – debt portion		14,324	-	-	-	-	-
Note payable – embedded derivative		-	-	-	-	-	-
Convertible debenture and notes – debt portion		43,539	-	-	-	-	-
Convertible debenture and notes – embedded derivative (ii) (iii)		-	1,904	-	1,852	52	1,904
Warrant liability (iv)		-	1,937	-	1,937	-	1,937
Stream arrangements (v)		-	12,663	-	-	12,663	12,663
	$	**109,921**	**16,504**	**-**	**3,789**	**12,715**	**16,504**

		Carrying Value		Fair Value			
As at January 1, 2023		**Amortized Cost**	**FVTPL**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets							
Cash (i)	$	3,484	-	-	-	-	-
Short-term investments		21	-	-	-	-	-
Receivables (i)		5,736	-	-	-	-	-
Restricted cash (i)		1,304	-	-	-	-	-
	$	**10,545**	**-**	**-**	**-**	**-**	**-**

		Carrying Value		Fair Value			
As at January 1, 2023		**Amortized Cost**	**FVTPL**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities							
Accounts payable and accrued liabilities (i)	$	32,442	-	-	-	-	-
Deferred revenue		29,686					
Note payable – debt portion		4,503	-	-	-	-	-
Note payable – embedded derivative		-	190	-	190	-	190
Convertible debenture and notes – debt portion		43,539	-	-	-	-	-
Convertible debenture and notes – embedded derivative (ii) (iii)		-	1,904	-	1,852	52	1,904
Stream arrangements (v)		-	20,558	-	-	20,558	20,558
	$	**110,170**	**22,652**	**-**	**2,042**	**20,610**	**22,652**

(i) The carrying values of cash and cash equivalents, receivables and other and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(ii) The fair value of the Equinox note embedded derivative is measured using inputs that include level 2 inputs. The fair value is estimated using the Black-Scholes option pricing model. Key inputs used include contractual terms of the Equinox note, and market-derived inputs including the Company's share price and share price volatility.

(iii) The fair value of the Sandstorm convertible debenture embedded derivative is measured using inputs that include level 3 inputs. The fair value of the Company's stream arrangement is estimated based on the net present value of the expected future cash flows discounted using a market interest rate that reflects the risks associated with the liability. Key inputs include contractual terms, forecasted production at Mercedes, future gold and silver prices, and discount rate associated with the liability.

(iv) The fair value of the warrant liability is measured using inputs that include level 2 inputs. The fair value of the warrants is estimated using the Black-Scholes option pricing model. Key inputs used include contractual terms and market-derived inputs including the Company's share price and share price volatility.

(v) The fair value of the stream arrangements is measured using inputs that include level 3 inputs. The fair value of the Company's stream arrangement is estimated based on the net present value of the expected future cash flows discounted using a market interest rate that reflects the risks associated with the liability. Key inputs include contractual terms, forecasted production at Mercedes, future gold and silver prices, and discount rate associated with the liability.

Financial Instrument Risks and Risk Management

The Company has exposure to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk from its use of financial instruments.

This disclosure presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Risk management is the responsibility of management and is carried out under the oversight of and policies approved by the Board of Directors. Material risks are monitored and are regularly discussed with the Audit Committee and the Board of Directors.

i. Currency risk

The Company is exposed to financial risk due to changes in foreign exchange rates. The Company operates in Peru, Mexico, and Canada, and a portion of its expenses are incurred in Canadian dollars, Mexican pesos, and Peruvian Soles. The functional currency of the Company and its subsidiaries is determined to be US dollar. A significant change in the exchange rates between the US dollar relative to the Canadian dollar, Mexican peso to the US dollar, and the Peruvian Sol to the US dollar could affect the Company's operations, financial position, and cash flows. The Company has not hedged its exposure to currency fluctuations.

At September 30, 2024, the Company was exposed to currency risk through the following assets and liabilities denominated in Canadian dollars, Mexican pesos, and Peruvian Soles.

	September 30, 2024		
	Canadian Dollars (000'$)	Peruvian Soles (000'$)	Mexican Pesos (000'$)
Cash	78	4,105	1,871
Receivables	-	568	124,488
Accounts payable, accrued liabilities and other	(204)	(2,607)	(239,334)
Provision for environmental rehabilitation	-	-	(292,359)
Community project obligation	-	(39,617)	-
Net exposure	**(126)**	**(37,551)**	**(405,334)**

Based on the above net exposures at September 30, 2024, and assuming that all other variables remain constant, a 10% depreciation of the US dollar against the Canadian dollar would result in an increase of approximately $0.1 million (C$0.1 million) in the Company's loss for the period. A 10% depreciation of the US dollar against the Peruvian Sol would result in an increase of approximately $1.0 million (S/3.8 million) in the Company's loss for the period. A 10% depreciation of the US dollar against the Mexican Peso would result in an increase of approximately $2.1 million (MXN$ 40.5 million) in the Company's loss for the period. Conversely, a 10% appreciation of the US dollar relative to the Canadian dollar, Soles, or Mexican Pesos would have the opposite effect.

ii. Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of the cash, short-term investments, and receivables.

The Company's cash is held in major Canadian chartered banks and accredited Mexican and Peruvian financial institutions with strong credit ratings. Short-term investments (including those presented as cash) consist of financial instruments issued by Canadian or Peruvian banks. These investments mature at various dates over the next twelve months.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company tries to ensure sufficient funds to meet its short-term business requirements by considering anticipated revenues and cash expenditures for its operating activities. The Company will pursue equity or debt financing as required to meet its long-term commitments. There is no assurance that such financing will be available or that it will be available on favorable terms.

As at September 30, 2024, the Company's financial liabilities consist of accounts payable, accrued liabilities and the current portion of community projects and other liability, principal and interest payment of convertible debentures, streaming arrangements, lease obligations and note payable totaling $34.8 million, which are expected to be paid over the next twelve months, and the long-term portion of such liabilities of $153.2 million, which are expected to be paid over the next five years. With the current liquidity position, material uncertainty remains in relation to the ability of the Company to achieve the operating results and necessary cash flow generation from the Mercedes mine in order to avoid seeking additional financing, which may give rise to significant doubt about the Company's ability to continue as a going concern.

The Company monitors its cash requirements and the economic conditions closely and may further take steps to improve liquidity via financing or some other methods. The Company has taken various steps to improve liquidity by closing the recent equity financings, issuing the Note, and closed the Sandstorm Restructuring Agreement on January 22, 2024. Management also continues to focus on on-going continuous improvement opportunities at the Mercedes mine.

iv. Interest rate risk

Interest rate risk is the risk that a financial instrument's fair value or future cash flows will fluctuate because of changes in market interest rates. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase. At September 30, 2024, the Company had minimal funds invested in interest earning savings accounts.

The Company previously had debt obligations with SOFR as a benchmark. The variability of the SOFR can have material impact on the results of the Company. During the three and nine-month ended September 30, 2024, no existing debt obligation used SOFR as a benchmark.

v. Price risk

The fair value of the Mercedes streaming arrangements is dependent on the gold and silver prices and the discount rate. Volatility in the gold and silver prices and the discount rate affects the valuation of the streaming arrangements, which in turn affects revenue, earnings, and cash flows.

The price of the Company's common shares and the Company's financial results may be significantly adversely affected by a decline in the price of gold and silver (collectively, the "Metals"). The price of the Metals fluctuates widely, especially in recent years, and is affected by numerous factors beyond the Company's control, including but not limited to, the sale or purchase of the Metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold and silver producing countries throughout the world. As at September 30, 2024, a 10% increase in the price of gold and silver would have resulted in an increase to the stream arrangements liability of approximately $2.5 million. In addition, a 1% increase in the discount rate would have resulted in a decrease to the stream arrangement liability of approximately $1.1 million.

vi. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises Nine types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include the convertible debenture.

The Company measures the embedded derivative liability portion of the debt instruments at fair value at each reporting date, recognizing changes in the fair value in the statements of comprehensive income. This requirement to "mark to fair value" the derivative features could significantly affect the results in the statement of comprehensive income. If the Company's share price had been 20% higher than it was on September 30, 2024 the fair value of the embedded derivative liability of the Company's debt instruments and warrant liability would have increased by $4.3 million, which would have resulted in the Company recording a combined loss on the fair valuation of the embedded derivative and warrant liability of $10.9 million instead of a loss of $6.6 million.

Management of capital

The Company's capital management objectives are intended to safeguard the Company's ability to support the Company's development and exploration of its mineral properties and support any expansion plans. The Company's working capital deficiency as at September 30, 2024 was $93.2 million (December 31, 2023, restated under IAS 1 as $89.7 million). Material uncertainty remains in relation to the Company generating necessary cash flow from operations or raising financing in the form of debt or equity, which may give rise to significant doubt about the Company's ability to continue as a going concern.

The Company's capital consists of items included in its shareholders' equity. The Company manages the capital structure and adjusts 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 a planning and budgeting process to help determine the immediately available funds to meet its objectives. The Company may issue new shares, seek debt, or enter into metal purchase agreements to ensure sufficient working capital to meet its short-term business requirements.

There were no changes in approach to capital management during the nine months ended September 30, 2024.

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 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 and timing 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. The future performance of Mercedes will depend upon whether the Company is able to realize current estimates, predictions, expectations or beliefs about future events including, without limitation: the estimated amount of Mineral Reserves and Mineral Resources; the anticipated merits of the Mercedes Mine; projected exploration budgets; anticipated future replacement of Mineral Reserves and Mineral Resources; cost estimates used in the 2022 Mercedes Report are reasonably accurate; and that there are no material adverse changes in the price of gold and silver and other metals or general economic and political conditions.

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 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 and permits on acceptable terms and a timely basis. 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, Peruvian Sol and Mexican Peso relative to other currencies; increases in the estimated capital and operating costs or unanticipated costs; difficulties attracting the necessary work force; increases in financing costs or adverse changes to the terms of available financing, if any; tax rates or royalties being greater than assumed; changes in development or mining plans due to changes in logistical, technical or other factors, changes in project parameters as plans continue to be refined; risks relating to receipt of regulatory approvals; the effects of competition in the markets in which the Company operates; operational and infrastructure risks; and the additional risks described in the Company's Annual Information Form for the year ended December 31, 2023, in the 2019 Report in respect of the Corani project dated December 17, 2019, and in the 2022 Mercedes Report dated April 22, 2022 as filed on SEDAR+. The foregoing list of factors that may affect future results is not exhaustive.

Investors and others should carefully consider the foregoing factors and other uncertainties and potential events when relying on forward-looking statements. 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.

Cautionary Note to US Investors

The Company prepares its disclosure in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Terms relating to mineral resources and mineral reserves in this document are defined in accordance with NI 43-101 under the guidelines set out in the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards for Mineral Resources and Mineral Reserves 2014. Information contained in this document and the documents incorporated by reference herein containing descriptions of the Company's mineral properties, including estimates of mineral resources and mineral reserves, may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder. For additional information please see the Cautionary Note to United States Investors on the Company's Annual Information Form for the year ended December 31, 2023, available SEDAR+.

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 consolidated financial statements for the nine months ended September 30, 2024 and this accompanying MD&A.

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.sedarplus.ca.

Approval

The Board of Directors of Bear Creek has approved the disclosure contained in this MD&A.

Additional Information not part of the MD&A

Additional information relating to Bear Creek is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.bearcreekmining.com.