BEAR CREEK MINING CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

Introduction

The following Management's Discussion and Analysis ("MD&A") of Bear Creek Mining Corporation (the "Company" or "Bear Creek") was prepared on November 19, 2021, and should be read in conjunction with the interim condensed consolidated financial statements of the Company for the three and nine months ended September 30, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements. All dollar amounts are expressed in United States dollars unless otherwise noted. Additional information relating to the Company, including the Company's Annual Information Form ("AIF"), is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

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

The business of mining and exploration involves a high degree of risk, and there can be no assurance that current exploration and development programs will result in profitable mining operations. A description of significant business risks may be found in the Company's AIF for the year ended December 31, 2020.

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

Contents

1) Current Highlights

Corporate Developments:

COVID-19 infections and related deaths in Peru have declined and are approaching levels not seen since the pandemic's start. The Government of Peru announced it would start vaccinating citizens in the twelve to the nineteen-year-old range during the first week of November 2021. The state of emergency was extended to November 30, 2021. Curfews that vary by region remain in place, but durations were reduced in recent months. In Lima, workers have returned to the office on a reduced schedule. Staff levels at the Corani Property began 20-day rotations, down from 28-day rotations during the COVID-19 pandemic. The Company’s Vancouver office remains closed. Management cannot predict the effect of the COVID-19 virus on the Company’s future business plans, financial position, cash flows, and results of operations.

Corani Silver-Lead-Zinc Project:

Technical, environmental, and social due diligence activities by potential sources of subordinated debt to augment a Senior Secured Credit Facility (“SSCF”) to develop Corani continued throughout the third quarter. Consultant site visits remain subject to pandemic protocols.

Pre-construction initiatives (“early works”) which started during Q3 2018, continue. Detailed engineering work to finalize the plant design and CAPEX estimate is underway. Project execution plan optimization and procurement activities are in progress.

The construction of the Antapata substation is complete and pre-operative studies, regulatory compliance, and permitting began during the third quarter of 2021. The permitting process should conclude by the end of July 2022 after the electricity regulator audit. Construction of the transmission line connecting the substation to the town of Isivilla began in December 2020. To date, seven towers have been mounted. In October 2021, the Company received the archeological permit and regional monitoring approval to build the remaining ten towers. Construction of the ten additional towers will begin in November 2021.

Costs related to the Corani early works program, except work on the Antapata substation and power distribution system, are charged to operations in the consolidated financial statements. Under the Company’s accounting policy, technical feasibility and commercial viability are achieved upon establishing proven and probable reserves and upon the board of directors' approval to proceed with the development of a project. Development costs incurred for Corani after such approval will be capitalized

For more details, see section 2.1

2) Development Projects

2.1) 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 twelve mineral concessions forming a contiguous ground block covering approximately 6,000 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 the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on our website www.bearcreekmining.com.

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*
After tax Net Present Value[5]	$531 million
After tax Internal Rate of Return	22.90%
Initial Capital	$579 million
Capital Payback	2.4 years
Ore Processed per Day	27,000 tonnes
All-in-Sustaining-Capital ("ASIC") per oz silver Life of Mine ("LOM"))	$4.55
Average annual silver production (LOM)	9.6 million oz

* 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. AISC per oz of silver is on a by-product basis.

Social and Environmental

The Company maintains 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 make annual payments of 4 million Peruvian Soles ("Soles"), approximately $1 million per year, to a trust to fund community projects. The first installment was paid in 2013. Subsequent installments were contingent upon certain permits being received. All permits were received by June 2018, and as a result, annual payments of 4 million Soles will be made throughout the term of the agreement. 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. These future obligations were recorded as a liability in June 2018. Cessation or interruptions of operations will cause pro-rata decreases in the annual payments.

During September 2018, the Company started construction of the Antapata electrical substation near the town of Macusani, the nearest sizable town to the Corani Project, located on the Interoceanic Highway approximately 30 kilometers directly east of Corani (about 64 kilometers by road). Substation work was essentially complete when work stopped during February 2021 due to a government-mandated shutdown caused by the pandemic. Electromechanical assembly began in March 2021 and is complete. The Antapata substation will direct electricity to a power line that will supply the Corani Project and provide a consistent power supply to local communities. Current community consumption is estimated at 2MW with an additional 3MW of demand expected within the next fifteen years. The substation will initially transform 138kV to 22.9kV for an initial capacity of 6 MW upgradable to 8 MW.

Engineering work on the transmission line to connect the substation to the town of Isivilla started in December 2020. Construction of tower footings began in the first quarter of 2021, and seven of seventeen towers were mounted by September 30. The Company expects the high-tension line to be completed by July 2022 after inspections, permitting, and testing and ready to link into the local electrical grid. Peru's government approved a 16 million Soles (approximately $4 million) budget to upgrade the local residential electrical grid in Corani. The infrastructure contract was awarded, and engineering work began during the third quarter of 2021, with construction expected twelve months thereafter. The government tender process for the upgrade of the local grid in the province of Carabaya is underway, and is expected to be awarded before year end, with completion of construction expected in 2023.

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

Outlook

The Company continues working with financial institutions to arrange a senior secured credit facility and assess other financing alternatives to fund the Corani Project development.

The Company expects to conclude engineering work to improve the plant design, capital cost estimate, and optimize the project execution plan and procurement activities by the end of 2021. Detailed engineering to prepare "Issued for tender" earthworks and heavy civil works documentation will be completed by year-end. The Company has contacted tailings filter equipment vendors and is updating the filtration 3D model, and performing tailings hauling versus conveying tradeoff studies. Hydrological and geochemical models and a detailed mine plan are being updated to determine the base case waste dump design.

The Company will begin upgrading roads from the Interoceanic Highway through the communities of Tantamaco, Huiquisa, and Corani and eventually to the Corani mine site upon completion of Macusani municipal road work currently underway. Road upgrades will increase security and accessibility for residents, reduce road hazards and provide a route for the transport of heavy construction equipment to the Corani site.

The Company has built additional camp infrastructure required to meet increased quarantine and social distancing measures necessary to meet government and Bear Creek COVID-19 health and safety protocols. The Company increased health monitoring stations and is providing medical assistance and health training during individual household visits. The overall effect and duration of the Covid virus remains unknown as at the date of this MD&A. As a result, the Company cannot predict the impact this virus could have on its business plans.

Corani Expenditures

During the nine months ended September 30, 2021, the Company incurred expenses of $11.0 million on the Corani Project. Included in this total are community contribution activities totaling $0.8 million; detailed engineering costs of $4.5 million; salaries and consulting of $3.6 million; camp supplies and logistics of $1.7 million; and other costs of $0.4 million.

	Nine months ended Sep 30, 2021 (000's) $	**Nine months ended Sep 30, 2020 (000's) $**
Assaying and sampling	**1**	**-**
Community contributions	**835**	**1,141**
Detailed engineering	**4,527**	**554**
Environmental	**175**	**100**
Geophysics	**107**	**-**
Maintenance costs	**32**	**32**
Salaries and consulting	**3,580**	**3,241**
Camp, supplies, and logistics	**1,659**	**1,111**
Travel	**41**	**32**
Total	**10,957**	**6,211**

3) Exploration Projects

Over the past several years, the Company reduced its exploration activities to preserve cash and focus on the Corani Project. The Company maintains a core exploration staff to manage its joint venture exploration projects. The Company has budgeted $0.5 million for these programs and related land holding costs in 2021.

3.1) Maria Jose Prospect

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

On December 3, 2019, the Company signed a royalty agreement with Minera Castor S.A.C ("MICASAC") to replace the joint venture agreement signed by the Company and MICASAC on March 25, 2015. The net smelter return ("NSR") royalty percentage ranges from 0% to 9%, depending on the number of gold ounces produced and the price of gold. For example, a royalty of 1% would be earned for annual production of at least 30,000 ounces with an average price of gold of at least $1,400 per ounce and a 9% royalty earned for 90,000 ounces of gold produced at an average price of $1,400 per ounce or higher.

MICASAC advised the Company that it carried out 1,250 meters of development tunneling during the first nine months of 2021.

3.2) Tassa Silver-Gold Prospect

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

On February 24, 2020, the Company optioned the Tassa property to Teck Peru S.A. ("Teck"). Under the agreement, Teck may earn a 51% interest in the property by incurring $3 million in expenditures. The Company would hold a 49% interest in a joint venture company ("JV") that would own the Tassa concessions' rights. By incurring an additional $6 million in expenditures, Teck may increase its ownership of the JV to 70%. Prior to the formation of the JV, the Company may elect to surrender its 49% interest for a 2.5% NSR royalty that would reduce to a 1.5% NSR in exchange for a cash payment to Bear Creek of $1.25 million. Teck is engaging local communities and expects to begin the exploration drilling permitting process by year-end.

3.3) Generative Exploration

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

IGV

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 ("MEM"). IGV is a value added tax amounting to 18% of expenditures for goods or services. Under the terms of the IGV Contract, the Company can recover, on an expedited basis, IGV associated with its Corani capital investments described in the approved ESIA and the 2017 Corani Technical Report. The Company recovered 4.05 million Soles of Corani related IGV, equivalent to approximately $1.19 million through 2020. The Company has not filed any recovery claims in 2021.

The IGV expense of $1.42 million represents IGV paid during the nine months ended September 30, 2021. Since there is no assurance that future revenues will be generated in Peru, IGV has been expensed as incurred. IGV is denominated in Peruvian Soles. Net of recoveries, the cumulative amount of IGV paid by the Company as of September 30, 2021, is $14.31 million (59.15 million Soles). Of this amount, $3.93 million is attributable to Bear Creek Mining S.A.C., of which $2.65 million is available for expedited recovery. The balance is available for recovery once Corani is in production. IGV credits can be carried forward indefinitely and applied to reduce future income taxes or future IGV.

4) Results of Operations

Nine months ended September 30, 2021, as compared to the nine months ended September 30, 2020

For the nine months ended September 30, 2021, the Company incurred a net loss of $15.48 million compared to a net loss of $8.68 million for the nine months ended September 30, 2020, an increase of $6.8 million. The Company's loss per share for the nine months ended September 30, 2021, was $0.13, compared to a loss per share of $0.08 for the comparable period in 2020.

Operating Expenses (Nine Months Ended)	**2021 (000's) $**	2020 (000's) $	Difference (000's) $
Corani engineering and evaluation costs	**10,957**	6,211	4,746
Other exploration and evaluation costs	**1,813**	898	915
Share-based compensation	**2,238**	824	1,414
Wages and management salaries	**729**	664	65
Professional and advisory fees	**729**	952	(223)
General and administrative expenses	**258**	156	102
Shareholder information and filing fees	**229**	220	9
Travel	**24**	16	8
Loss before other items	**16,977**	9,941	7,036
Other items			
Foreign exchange gain	**(1,516)**	(1,082)	(434)
Finance income	**23**	(178)	201
Loss and Comprehensive Loss for the Period	**15,484**	8,681	6,803

During the nine months ended September 30, 2021, spending on the Corani property was $10.96 million, and other exploration costs amounted to $1.81 million, compared to $6.21 million and $0.90 million, respectively, for the nine months ended September 30, 2020. The Company's overall activities increased compared to subdued activity during 2020 due to COVID pandemic lockdowns. The overall increase of $5.66 million in exploration and evaluation costs is be attributable to an increase of $3.97 million in detailed engineering costs, an increase of $0.34 million in salaries and consulting fees, an increase of $0.55 million in camp, supplies & logistics costs, an increase of $0.08 million in environmental costs, an increase on $0.11 million in geophysics costs, a decrease of $0.31 million in community contribution costs and an increase in other exploration costs of $0.92 million. The $3.97 million increase in detailed engineering costs was driven by value engineering, filtered tailings design, earthworks infrastructure design, and hydrological balance initiatives, all scheduled for completion by year-end 2021.

During the nine months ended September 30, 2021, the Company recognized $0.64M in Share Based Compensation ("SBC") expense as a result of vesting of the granted options and Restricted Share Units ("RSU") compared to $0.82M over the comparable period in 2020. The decrease of $0.18M in SBC is due to the difference in the fair value of the instruments granted during the two period. The Company also recognized $1.59M in SBC for the nine months ended September 30, 2021, as part of the issuance and vesting of one million Deferred Share Units ("DSU") compared to $Nil over the comparable period in 2020. Overall, there was an increase of $1.41 million in share-based compensation expense. All other operating costs incurred by the Company were comparable during the two periods.

Three months ended September 30, 2021, as compared to the three months ended September 30, 2020

For the three months ended September 30, 2021, the Company incurred a net loss of $3.53 million compared to a net loss of $2.82 million for the three months ended September 30, 2020, an increase of $0.71 million. The Company's loss per share for the three months ended September 30, 2021, was $0.03, compared to a loss per share of $0.03 for the comparable period in 2020.

During the three months ended September 30, 2021, spending on the Corani property was $3.06 million, which was an increase of $1.07 million from the $1.99 million incurred during the three months ended September 30, 2020, primarily due to an increase of $0.8 million in detailed engineering costs, an increase of $0.18 million in supplies, an increase of $0.05 million in salary and consulting costs, an increase of $0.11 million in geophysics costs, an increase of $0.03 million in environmental costs, a decrease of $0.06 million in community contribution costs, and a decrease of $0.04 million in maintenance and other costs.

Exploration costs incurred on other projects, including the maintenance of the Company's Peruvian entities, amounted to $0.43 million (2020 - $0.30 million). There was also a decrease of $0.28 million in share-based compensation expense due to the difference in the fair value of the instruments granted during the two periods. The professional and advisory fees also decreased by $0.28 million due to lower project financing related costs. The Company's other operating costs were comparable during the two periods.

During the three months ended September 30, 2021, the Company had a foreign exchange gain of $0.68 million, compared to a gain of $0.68 million during the three months ended September 30, 2020. The foreign exchange gain or loss recognized by the Company is primarily a function of the Company's community project obligation of 4 million Soles per year over the next 20 years.

Summary of Quarterly Results

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

Period	Revenues	Loss for the period (in millions)	Basic and fully diluted loss per share
3rd Quarter 2021	Nil	$3.5	$0.03
2nd Quarter 2021	Nil	$7.8	$0.06
1st Quarter 2021	Nil	$4.1	$0.03
4th Quarter 2020	Nil	$3.8	$0.03
3rd Quarter 2020	Nil	$2.8	$0.03
2nd Quarter 2020	Nil	$2.4	$0.02
1st Quarter 2019	Nil	$3.5	$0.03
4th Quarter 2019	Nil	$4.7	$0.05

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

The decrease in loss of $4.3 million in the 3rd Quarter 2021 compared to the 2nd Quarter 2021 was primarily due to reduced detailed engineering spending on the Corani property and other exploration costs, and reduced share-based compensation expense recorded during the 3rd Quarter 2021 when compared with 2nd Quarter 2021 as a result of the issuance & vesting of additional DSU's during the 2nd Quarter 2021.

The increase in loss of $3.7 million in the 2nd Quarter 2021 compared to the 1st Quarter 2021 was primarily due to an increase in spending on the Corani property and the issuance and vesting of Deferred Share Units.

The increase in loss of $0.3 million in the 1st Quarter 2021 compared to the 4th Quarter 2020 was primarily due to an increase in spending on the Corani property partially offset by a lower foreign exchange gain during the quarter.

The increase in loss of $1.0 million in the 4th Quarter 2020 compared to the 3rd Quarter 2020 was primarily due to an increase in spending of $0.7 million on the Corani property.

The increase in loss of $0.4 million in the 3rd Quarter 2020 compared to the 2nd Quarter 2020 was due to higher share-based compensation and a lower foreign exchange gain.

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

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

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

5) Liquidity and Capital Resources

At September 30, 2021, the $29.2 million in cash and cash equivalents and short-term investments consisted of CDN$ 0.48 million ($0.37 million), Soles 0.43 million ($0.10 million), with the remaining balance in US dollars. The Company's major exploration and development expenditures for 2021 are expected to be denominated in US dollars. The Company invests cash in Canadian government-backed paper, Canadian chartered bank corporate paper with short-term maturities, Peruvian bank time deposits, or Peruvian chartered bank commercial paper with short-term maturities. During the nine months ended September 30, 2021, the Company had a cash outflow from operating activities of $13.8 million compared to a cash outflow of $7.8 million in the comparative period in 2020.

Total cash spent on investing activities amounted to $2.4 million, primarily related to the payments of community project obligation and expenditures on the Antapata substation.

As of September 30, 2021, the Company's net working capital (current assets less current liabilities) was $27.6 million compared to net working capital of $18.7 million as of December 31, 2020. Cash and cash equivalents and short-term investments at September 30, 2021, totaled $29.2 million compared to $20.6 million as of December 31, 2020. Not included in cash and cash equivalents as of September 30, 2021, is $0.97 million; this amount is considered restricted and serves as a partial guarantee for $3.86 million for future mine closure obligations. The Company believes its current cash balances are sufficient to fund its planned exploration, development, and corporate overhead activities for at least the next twelve months.

The Company has used approximately $12.92 million of the net proceeds received of $36.8 million from the February 2020 and January 2021 prospectus offering of common shares as set out in the table below.

Corani Property	2020 Prospectus USD $	2021 Prospectus USD $	Total 2020 and 2021 Prospectus' USD $	Total Incurred to date USD $
Advancement of 138kV/22.9kV power line	2,000,000	2,000,000	4,000,000	1,479,811
Antapata Substation	1,100,000	-	1,100,000	1,810,750
Develop project access roads	2,500,000	2,000,000	4,500,000	-
Advance detail Engineering for Earthworks and Process Plant	6,000,000	3,500,000	9,500,000	8,884,106
Capital Equipment	-	8,700,000	8,700,000	-
Recruiting and Staffing	-	2,000,000	2,000,000	-
Pioneer Camp Construction	-	4,000,000	4,000,000	-
General Expenses	-	1,000,000	1,000,000	747,773
Community Obligation Retirement	-	2,000,000	2,000,000	-
Total Corani Property	**$ 11,600,000**	**$ 25,200,000**	**$ 36,800,000**	**$ 12,922,440**

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

The following table summarizes the contractual maturities of the Company's financial liabilities and operating and capital commitments as of September 30, 2021:

(000's)	2021	2022	2023	2024	2025 and Beyond	Total
Accounts payable and accrued liabilities	$ 972	$ -	$ -	$ -	$ -	$ 972
Provisions	-	-	-	-	200	200
Community Projects	-	967	967	967	15,473	18,374
Other liabilities	29	31	31	31	797	919
Office space leases	73	75	-	-	-	148
Vehicle rentals	87	-	-	-	-	87
	$ 1,161	$ 1,073	$ 998	$ 998	$ 16,470	$ 20,700

Accounts payable and accrued liabilities increased by $4 thousand since December 31, 2020, mainly due to detailed engineering contractor and substation-related payables.

Issued Shares and Share Purchase Options

The Company's Long Term Incentive Plan (LTIP) 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 issuable under the Company's LTIP) 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. Pursuant to the LTIP, the Board of Directors may, from time to time, award restricted share units ("(RSUs") or deferred share units ("DSUs") to directors, officers, employees, and in the case of RSUs, consultants. Under the LTIP, the maximum number of shares the Company is entitled to issue from treasury for payments in respect of awards of DSUs and RSUs is an aggregate of 5,000,000 shares. The number of shares issuable under the Stock Option Plan, together with the LTIP, may not cumulatively exceed 10% of the total number of shares issued and outstanding.

As at September 30, 2021, the following stock options, RSUs and DSUs were under grant and available for issuance:

	Sep 30, 2021
Issued and outstanding shares	**124,273,132**
Limit under option plan and LTIP (10% of issued and outstanding shares)	**12,427,313**
Less options under grant	**5,620,500**
Less RSU's under grant	**1,000,000**
Less DSU's under grant	**1,000,000**
Shares available for issuance under the option and LTIP	**4,806,813**

	Sep 30, 2021
RSU & DSU limit under LTIP	**5,000,000**
Less RSUs under grant	**1,000,000**
Less DSUs under grant	**1,000,000**
RSU & DSU available for issuance	**3,000,000**

There are 616,667 RSU's outstanding out of the 1,000,000 RSU's granted. There are 1,000,000 DSU's issued and outstanding. The Company can issue up to 4,806,813 in options, RSU's and DSU's, of which a maximum of 3,000,000 shares can be issued as RSU's and DSU's. If the Company opts to issue more than 1,806,813 shares in options, the excess will decrease the amount available for additional RSU and DSU grants by the same amount.

6) Related Party Transactions

Compensation of Key Management Personnel

The remuneration of the directors, president and chief executive officer, chief financial officer, chief operating officer (collectively, the key management personnel) for the three and nine months ended September 30, 2021, and 2020 were as follows:

	Note	Three Months Ended Sep 30				Nine months Ended Sep 30			
			2021 (000's)		2020 (000's)		**2021 (000's)**		2020 (000's)
Salaries and directors' fees	(i)	**$**	**454**	$	407	**$**	**1,316**	$	1,203
Share-based compensation			**145**		422		**2,069**		802
		$	**599**	$	829	**$**	**3,385**	$	2,005

(i) Amounts due to key management personnel are unsecured, non-interest bearing, and due on demand. As at September 30, 2021, $70,586 (December 31, 2020 - $nil) represent accrued director fees payable in December, 2021.

7) Key Accounting Estimates and Judgments

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

In preparing the interim condensed consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those disclosed within and applied in the preparation of the annual audited consolidated financial statements for the year ended December 31, 2020.

Financial Instruments

As at September 30, 2021, the Company's financial instruments include cash and cash equivalents, short-term investments, restricted cash, accounts payable and accrued liabilities, community projects obligation, and other liabilities. The fair value of these instruments approximates their carrying value. There were no off-balance sheet financial instruments.

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

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

Management of Capital

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

The capital of the Company consists of items included in shareholders' equity. The Company manages its capital structure in response to 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 funds required to ensure sufficient liquidity to meet its objectives. The Company may issue new shares or incur debt to ensure enough working capital is available to meet its short-term business requirements.

There were no changes to the Company's approach to capital management during the period ended September 30, 2021.

8) Forward-Looking Information

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

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

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections, and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions, and intentions expressed in such forward-looking statements. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur, but specifically include, without limitation, risks related to exploration and development programs and their timing and success; risks relating to variations in the mineral content within the material identified as mineral reserves and mineral resources from that predicted; variations in rates of recovery and extraction; developments in world metals and minerals markets; risks relating to fluctuations in the Canadian dollar and Peruvian Sol relative to other currencies; increases in the estimated capital and operating costs or unanticipated costs; difficulties attracting the necessary work force; increases in financing costs or adverse changes to the terms of available financing, if any; tax rates or 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, 2020 and in the feasibility study technical report for the Corani project dated September 13, 2017 as filed on the SEDAR website (available at www.sedar.com). The foregoing list of factors that may affect future results is not exhaustive.

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

9) Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the interim condensed consolidated financial statements for the quarter ended September 30, 2021. and this accompanying MD&A (together, the "Interim Filings").

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

Approval

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

Additional Information

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