

Atacama Copper Corporation
(formerly 1246773 BC Ltd.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2021

INTRODUCTION

This management discussion and analysis ("MD&A") of financial condition and results of operations focuses upon the activities, results of operations, liquidity and capital resources of Atacama Copper Corporation (formerly 1246773 BC Ltd.), (the "**Company**") for the nine months ended September 30, 2021. In order to better understand this MD&A, it should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the nine months ended September 30, 2021 and the audited financial statements of the Company and related notes for the year ended December 31, 2020.

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.atacamacopper.ca.

The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") and filed with appropriate regulatory authorities in Canada. Except as otherwise disclosed, all dollar figures included therein and, in this MD&A, is quoted in Canadian dollars, unless otherwise stated.

Gino Zandonai, is a qualified person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and approved for inclusion the scientific and technical disclosure in this MD&A. Mr. Zandonai is the CEO of the Company.

This MD&A is current to November 17, 2021.

FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation, statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of the Common Shares (as defined herein) price and volume and other reports and filings with the applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time via the Company's website along with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

OVERVIEW

Atacama Copper Corporation (formerly 1246773 B.C. Ltd.) ("the Company") was incorporated under the Business Corporations Act of British Columbia on April 8, 2020. The Company's head office is located at 550-800 West Pender Street, Vancouver, BC, V6C 2V6. The common shares of the Company began trading on the TSX Venture Exchange ("TSXV") on September 7th, 2021 under the symbol "ACOP".

Atacama Copper Corporation
(formerly 1246773 BC Ltd.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2021

The principal business of the Company is to identify, explore and evaluate mineral properties in Chile. The Company holds 76 mining concessions through its ownership of the El Cofre and Placeton projects in Chile held through its subsidiaries Aconcagua Minerals SpA ("Aconcagua") and Cobalt Chile SpA ("Cobalt Chile"). The success of the Company will be dependent on obtaining the necessary financing to evaluate these projects and the results that come from that evaluation.

HIGHLIGHTS & RECENT DEVELOPMENTS

ACQUISITIONS (the "Acquisitions")

Aconcagua Acquisition – The Placeton Project

In March 2021, the Company issued 1,784,955 common shares in exchange for 50% of the issued and outstanding shares of Aconcagua. The Company issued 6,291,225 common shares in exchange for the assignment of \$62,263 (CLP \$35,900,000) in amounts due to related parties in Aconcagua. The Company, through its wholly owned Chilean branch, Agencia en Chile, made a capital contribution into Aconcagua in for the same amount. Subsequently, Aconcagua repurchased all remaining shares not held by the Company and as a result, the Company now owns 100% of the outstanding shares of Aconcagua.

The aggregate purchase consideration for the Aconcagua acquisition consists of the Company issuing 8,076,180 common shares and assuming a liability of \$2,431. The common shares issued were valued at \$0.50 per share, which was the same value per share ascribed in the private placement that occurred subsequent to year end, as described in Note 10 of the condensed consolidated interim financial statements for the six months ended June 30, 2021.

Cobalt Chile Acquisition – The El Cofre Project

The Company issued 8,923,820 common shares in exchange for 100% of the issued and outstanding shares of Cobalt Chile. The common shares issued were valued at \$0.50 per share, which was the same value per share ascribed in the private placement that occurred, as described in Note 10 of the September 30, 2021 condensed consolidated interim financial statements.

The purchase price allocation of Aconcagua and Cobalt Chile was as follows:

	Aconcagua		Cobalt Chile		Total
Shares issued	4,038,090		4,461,910		8,500,000
Amount owing	2,431		-		2,431
Total consideration	\$ 4,040,521	\$	4,461,910	\$	8,502,431
Cash	\$ 1,660	\$	873	\$	2,533
Accounts payable and accrued liabilities	(85,919)		(88,357)		(174,276)
Due to related parties	(31,176)		(47,607)		(78,783)
Exploration and evaluation assets	4,155,956		4,597,001		8,752,957
Net realizable asset	\$ 4,040,521	\$	4,461,910	\$	8,502,431

In May 2021, the Company completed a non-brokered private placement (the "Private Placement") of 8,223,156 subscription receipts (the "Subscription Receipts") at a price of \$0.50 per Subscription Receipt for gross proceeds of \$4,111,578. Each Subscription Receipt entitles the holder thereof to receive, subject to adjustment in certain circumstances, one common share of the Company in accordance with the terms and conditions of the Subscription Receipts.

On August 23, 2021, the Company completed its amalgamation agreement ("Amalgamation") with 2330281 Alberta Ltd, a wholly owned subsidiary of 1246773 BC Ltd. ("773"). Pursuant to the Amalgamation, 773 issued 20,000,000

Atacama Copper Corporation
(formerly 1246773 BC Ltd.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2021

common shares to acquire 100% of the issued and outstanding shares of the Company. As a result, the shareholders of the Company obtained control of 773, effecting an arm's length reverse take-over per the policies of the TSXV. The Company changed its name to Atacama Copper Corporation upon the completion of the Amalgamation.

On September 7, 2021, the Company's shares commenced trading on the TSX Venture Exchange the symbol ACOP.

Work during the quarter, since closing of the acquisition, consisted of recruitment of personal and establishment of logistics for the planned exploration program at the Placeton project.

On September 20, 2021, the Company commenced exploration at the Placeton project. The program will build on the existing exploration knowledge of the project and focus on developing drill targets over the four-known mineralisation areas previously identified across Placeton, being made up of the Placeton, North, Central and South targets and the Caballo Muerto target.

OUTLOOK

The Company's strategy is to advance the development of the Placeton and El Cofre projects while opportunistically looking to expand its operating footprint through the acquisition of other high-value copper exploration, development and production assets in Chile. With respect to the current projects, upcoming plans include:

As described earlier in this MD&A, on September 20, 2021, the Company announced the commencement of field exploration at the Placeton Project. The near-term work program will consist of a detailed geological mapping and surface geochemistry program across approximately 30km² of the total 72.5km² land package that makes up Placeton. The study will provide detailed surface geological and structural mapping to the better target the subsequent geophysics program. In parallel, a low altitude magnetometry drone survey will be conducted using a GeoMagDrone unmanned aerial vehicle over 40km² covering Placeton. The survey will assist in the identification of magnetic susceptible materials; subsurface lithology; identification of potential structural controls; as well as the potential identification of deep and blind intrusives as a possible source of primary mineralisation. These survey's will be followed up by on-ground resistivity and Induced Polarisation geophysics survey across +20 lines, totalling approximately 60-70km. These surveys are designed to identify the presence of mineralised bodies with metallic sulphides up to a depth of 600m below surface. A drill program consisting of approximately 2,000m of diamond drilling across the identified targets is planned for Q1 2022.

MINERAL PROPERTIES

Aconcagua holds the rights to the Placeton Project which consists of the Placeton, Caballo Muerto and Los Naranjos projects. Altogether, the Placeton Project is comprised of thirty-nine exploitation tenements. The Aconcagua mineral claims are subject to a 2.0% Net Smelter Royalty ("Placeton NSR") as described in Note 10 of the condensed consolidated interim financial statements for the nine months ended September 30, 2021.

Cobalt Chile holds the rights to the El Cofre Project, which represents 100% interest in thirty-seven exploration claims. The Cobalt Chile mineral claims are subject to a 2.0% Net Smelter Royalty ("El Cofre NSR") as described in Note 10 of the condensed consolidated interim financial statements for the nine months ended September 30, 2021.

	Aconcagua		Cobalt Chile		Total
Balance, December 31, 2020	\$	-	\$	-	\$ -
Additions:					
Acquisition costs (Note 3)		4,155,956		4,597,001	8,752,957
Balance, September 30, 2021	\$	4,155,956	\$	4,597,001	\$ 8,752,957

Atacama Copper Corporation
(formerly 1246773 BC Ltd.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2021

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table summarizes selected financial data reported by the Company for the year ended December 31, 2020. The information set forth should be read in conjunction with the consolidated audited financial statements, prepared in accordance with IFRS and the related notes thereon.

		From Date of Incorporation on December 23, 2020 to December 31, 2020
Revenues	\$	Nil
Net income (loss)	\$	(1,199)
Earnings (loss) per Common Share	\$	(0.001)
Total assets	\$	2,001
Total liabilities	\$	1,199

DISCUSSION OF FINANCIAL AND OPERATING RESULTS

For the nine months ended September 30, 2021

During this period, the Company reported a net loss of \$3,714,109. The primary contributors to the loss were exploration and evaluation expenses (\$99,079), listing expenses (\$3,492,785), and professional fees (\$79,219).

For the three months ended September 30, 2021

During this period, the Company reported a net loss of \$3,616,112. The primary contributors to the loss were exploration and evaluation expenses (\$98,643) and listing expense (\$3,460,328).

SUMMARY OF QUARTERLY RESULTS

As the Company was incorporated on December 23, 2020, the Company did not report quarterly financial information for any interim period prior to December 31, 2021. As such, the quarterly financial information below is presented from March 31, 2021 onwards.

	September 30, 2021		June 30, 2021		March 31, 2021
Revenues	\$ Nil	\$	Nil	\$	Nil
Gain (loss) for the period	\$ (3,616,112)	\$	(89,240)	\$	(8,757)
Gain (loss) per share	\$ (0.14)	\$	(0.00)	\$	(0.00)
Weighted average outstanding shares	25,936,738		20,000,000		6,022,222

LIQUIDITY AND CAPITAL RESOURCES

During the nine months ended September 30, 2021, the Company did not generate positive cash flow from its

Atacama Copper Corporation
(formerly 1246773 BC Ltd.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2021

operations. Therefore, in order to remedy its working capital obligations and continue its operational and general corporate activities, the Company may have to raise additional funds through the issuance of its common shares.

For the nine months ended September 30, 2021

During April 2021, the Company was able to raise additional funds through a private placement. Therefore, upon successful completion of its listing on the Exchange, the Company now has sufficient working capital to meet its short-term operating plans and its general corporate expenses.

As at September 30, 2021, the Company had positive working capital of \$3,059,365. During the nine months ended September 30, 2021, the Company's cash flow was as follows:

- Cash flow used in operating activities totaled \$632,543.
- Cash flow generated from investing activities totaled \$30,627 upon completing the Acquisition and the Amalgamation.
- Cash flow generated from financing activities totaled \$3,950,629 upon completing the private placement financing.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2021, key management compensation totaled \$33,333 for senior management of the Company.

During the nine months ended September 30, 2021, other related party transactions included:

Related party	Relationship	Nature of transaction	Amount
FT Management Ltd.	Company controlled by CFO	General administrative expenses	\$ 8,500
FT Management Ltd.	Company controlled by CFO	Listing expense	12,000
McLeod Law LLP	Former director is a partner of the firm	Listing expense	86,646
McLeod Law LLP	Former director is a partner of the firm	Share issuance costs	46,363
			\$ 153,509

During the period ended December 31, 2020, the Company incurred \$1,199 in legal fees with McLeod Law LLP, a law firm at which a former director of the Company is a partner.

As at September 30, 2021, the Company had the following balances owed to related parties.

Related party	Nature of transaction	Amount
Gino Zandonai	Exploration and evaluation and general administration expenses	\$ 70,700
Martyn Buttenshaw	General administration expenses	2,888
		\$ 73,588

The related party amounts owing are non-interest bearing, unsecured, and have no terms of repayment, but is payable on demand.

Atacama Copper Corporation
(formerly 1246773 BC Ltd.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2021

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below with further details of the assumptions contained in the relevant note.

The critical estimates and judgments applied in the preparation of the unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2021 are consistent with those applied and disclosed in Note 3 to the Company's audited financial statements for the for the period from incorporation on December 23, 2020 to December 31, 2020.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

As at September 30, 2021, there are no new standards that have not yet been adopted that will materially impact the presentation of the consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payable and accrued liabilities and amounts due to related parties approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short terms to maturity. The Company's cash is measured at fair value, under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Atacama Copper Corporation
(formerly 1246773 BC Ltd.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2021

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 exposure to credit risk is equal to the carrying value of the financial assets. The Company considers that cash is exposed to credit risk. Management believes that the credit risk related to its cash is negligible.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

COMMITMENTS

Placeton NSR Agreement

On December 17, 2020, Aconcagua agreed to settle an amount due to Durus Copper SPA ("Durus") through the payment of a two-percent (2%) Net Smelter Royalty over all minerals produced from the 39 exploitation tenements held by Aconcagua at the time of the settlement.

Durus will receive an amount of money equivalent to 2% of the total net smelter returns generated by the eventual commercial exploitation of Aconcagua's tenements, the processing of the minerals extracted therefrom and the sale of the products obtained from the Aconcagua's tenements.

No value was attributed to the Placeton NSR as production on the properties cannot reasonably be determined. The NSR is still waiting on registration at the Vallenar Mining Register.

El Cofre NSR Agreement

During the year ended December 31, 2020 the Company granted a former shareholder of Cobalt Chile, who is now a shareholder of the Company, a two-percent (2%) NSR over all minerals produced from the thirty-seven mineral exploration concessions held by Cobalt Chile, at the time of the settlement.

The former shareholder of Cobalt Chile will receive an amount of money equivalent to 2% of the total net smelter returns generated by the eventual commercial exploitation of Cobalt Chile's tenements, the processing of the minerals extracted therefrom, and the sale of the products obtained from the Cobalt Chile's tenements.

No value was attributed to the El Cofre NSR as production on the properties cannot reasonably be determined.

Atacama Copper Corporation
(formerly 1246773 BC Ltd.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2021

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of Common Shares without par value. As at the date of this MD&A, the following Common Shares, options, and share purchase warrants were outstanding:

	Number of shares	Exercise Price	Expiry Date
Issued and outstanding common shares	34,373,156		
Warrants	7,000,000	\$ 0.60	September 7, 2026
Finders' warrants	209,024	\$ 0.80	May 10, 2023
Fully diluted	41,582,180		