



**SILVER X MINING CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the three months ended March 31, 2024**

This Interim Management's Discussion and Analysis ("Interim MD&A") supplements but does not form part of the unaudited condensed consolidated interim financial statements of Silver X Mining Corp. (the "Company" or "Silver X") for the three months ended March 31, 2024. The following information, prepared as of May 15, 2024, should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024 and the audited year ended December 31, 2023 and the related notes contained therein.

The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in US dollars unless otherwise indicated.

Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Use of Non-IFRS Financial Performance Metrics. In this MD&A, we use the following non-IFRS financial performance measures: "cash costs", "cash cost per silver equivalent ("AgEq") ounce", "all-in sustaining cost" or ("AISC"), "AISC per AgEq ounce", "earnings before interest, taxes, depreciation and amortization ("EBITDA")" and "adjusted EBITDA". For a detailed description of each non-IFRS financial performance measure used in this MD&A and a detailed reconciliation to the most directly comparable measures under IFRS, please refer to the "Non-IFRS Financial Performance Measures" section of this MD&A starting on page 12. The non-IFRS financial performance measures in this MD&A are intended to provide additional information to investors and do not have any standardized meaning under IFRS. These measures may therefore not be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

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## CORPORATE OVERVIEW

The Company is a silver developer and producer. The Company owns the 20,000-hectare Nueva Recuperada Silver District in Central Peru and produces silver, gold, lead and zinc from the Tangana mining unit. The Company's mission is to be a premier silver company delivering outstanding value to all stakeholders by consolidating and developing undervalued assets, creating value by adding resources and increasing production while aspiring to social and environmental excellence. The Company is listed on the TSX Venture Exchange (the "TSXV") under the symbol AGX, and trades on the U.S. Over The Counter Market (the "OTCQB") under the symbol AGXPF and the Frankfurt Stock Exchange under the symbol AGX.

## NUEVA RECUPERADA, PERU

### Overview

The Nueva Recuperada Project lies in the heart of Peru's premier silver-gold-lead-zinc belt. This large geological system encompasses hundreds of epithermal intermediate sulfidation veins containing medium to high-grade of silver rich polymetallic mineralization, in more than 500 km of outcrop veins. This large geological system encompasses hundreds of epithermal veins containing medium to high-grade of polymetallic mineralization, more than 500 km of veins outcrops. The 20,472-hectare project was assembled through acquisitions from major silver producers such as Compañía de Minas Buenaventura SAA ("BVN"), Pan American Silver Corporation, Barrick Gold Corporation and Peruvian Metals Corporation, among other companies. The project includes: (i) the Tangana mining unit ("Tangana"), a precious- and base-metal operation that is in the northern portion of the project comprised of 100-plus veins spanning an area of more than 6,500 hectares, and (ii) the Plata (formerly referred to as Esperanza) advanced Project, a grouping of historic silver-polymetallic veins, with significant exploration upside in the southern portion of the project comprised of 200-plus veins often with intense anatexis, spanning an area of more than 7,000 hectares. As at October 31, 2022 The Nueva Recuperada Project has an estimated 11,89 million tonnes of inferred resources at grades of 152.50 g/t Ag, 0.31 g/t Au, 1.72% Pb, 1.79% Zn and combined Measured and Indicated Mineral Resources of 3,61 million tonnes with grades of 70.82 g/t Ag, 1.47 g/t Au, 1.78% Pb and 1.27% Zn and includes a 720 tonnes per day ("tpd"), fully permitted, fully operational processing facility that started processing mineralization in 2019.

### Tangana Mining Unit – Silver, Gold, Lead & Zinc

Silver X started the development of the Tangana 1 and Tangana 2 veins in late 2021 and planned extraction over 600 tpd of high-grade mineralization from the Tangana 1 vein on multiple fronts, which is just one of dozens of veins in the Tangana mining unit.

Mine development is being prioritised, including development along the strike of Tangana 1 and Tangana 2, and a principal cross-cut being driven to the Cauca vein, which will provide multiple development fronts. The Tangana 1 vein is part of the extensive Tangana vein system, which hosts an estimated inferred resource of 11,569,584 tonnes grading 86.15 g/t Ag, 2.33% Pb and 2.18% Zn and combined Measured and Indicated Mineral Resources of 847,230 tonnes grading 75.88 g/t Ag, 3.01% Pb, and 2.42% Zn. Production infrastructure development at Tangana 1 is being optimized by the recently completed 4,000-metre infill drill program and continued development to access the mineralization.

Polymetallic vein resources at the Tangana mining unit are hosted in both igneous-volcanic and sedimentary rocks. The Tangana mine and its veins are in a large zone of andesitic volcanics and domes that hosts the majority of the Tangana mining unit's identified resources (1+ metre average width veins). The Tangana vein mineralization is of epithermal character grading into mesothermal at depth, of low to intermediate sulphidation mineralizing events. Native gold mineralization occasionally is encountered with the Tangana 1 vein mineralization. Upgrades to the Nueva Recuperada plant to enhance gold recoveries have been completed. Silver X plans to develop in the near term a number of supporting mine development to access other nearby high-grade structures in the Tangana mine area including the Cauca, Morlupo and Tangana 2 veins.

A gold and silver-rich corridor within the Tangana system has been identified crossing the various Tangana veins, as published in various news releases, copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Silver X intends to explore and develop that corridor over 2023 and 2024 to provide additional resources of higher-value mineralization.

The San Antonio vein in its southeastern half is primarily hosted in carbonate formations and is of moderate to thick widths (2 to 10 metres, at a 4-metre average width) of mineralized vein breccia with minor carbonate replacement. This mineralization has been mined since 2019. To the northwest, the San Antonio vein is hosted by andesitic volcanics and domes and has an average width on surface of 1.4 metres.

The Positivas vein system is an area of 2.5 kilometres long by 200 metres wide of several tensional veins in a dilutional wrench zone, comprising epithermal veins in volcanic and sedimentary rocks ranging from 0.3 to 3 metres wide and currently being developed by two small contactors, with the production being processed at the Company's mill.

The Tangana area encompasses several areas of well-known mineralization that the company intends to bring together as a high-growth mining unit. The company announced on February 14, 2023, a Preliminary Economic Assessment ("PEA") for the potential of expanding the Tangana mining unit.

The PEA proposes a potential plan for expanding production from this area. Highlights from the PEA include:

- Upgraded Mineral Resources to 3.61 million tonnes of Measured and Indicated ("M&I") Resources from 0.98 million tonnes in the 2022 January 1, 2022 Mineral Resource Estimate and 11.89 million tonnes of Inferred Resources from 14.94 million tonnes with a new resource block model, representing potential tripling of the Measure and Indicated Resources when compared to the current reported estimate.
- Life of Mine ("LOM") potential of 12 years at a capacity of 1,500 tonnes per day ("tpd") based on a resource inventory of 5.75Mt, of which 1.75Mt corresponds to Measured Resources, 0.49Mt corresponds to Indicated Resources and 3.51Mt corresponds to Inferred Resources.
- Average annual production of 4.2 million ounces ("Moz") of silver equivalent ("AgEq")<sup>1</sup> with circa 5Moz AgEq mined assuming the expansion of processing capacity including the mine expansion.
- Robust economics with an After-Tax NPV of \$175 million at 10% discount rate and After-Tax IRR of 39%.
- LOM Cash Costs of \$8.80/oz AgEq and LOM All-In Sustaining Costs ("AISC")<sup>2</sup> of \$16.2/0oz AgEq.
- Initial Capex of \$61 million, including 20% contingency, for the new processing facility, dry-stacked tailings and mine development.

### **Plata (formerly Esperanza) – Silver, Lead & Zinc**

Plata (formerly Esperanza) was the last historical operation to close when the project was under BVN management and hosts an estimated 448,812 tonne inferred resource grading 220.81 g/ Ag, 2.55% Pb and 4.58% Zn. There is an abundance of mineralized veins in this mining unit and geological evidence for both intermediate and high-sulphidation alteration and mineralization. Historical drilling and recent surface mapping provide strong evidence for significant exploration upside.

### **Red Silver (formerly "Maria Luz")**

Red Silver hosts a reported 1,908,725 tonne inferred resource grading 496.10 g/T Ag, 0.21% Pb and 0.34% Zn. The Company conducted a bulk sampling programme in 2021 and plans to drill this silver-rich epithermal vein system towards the end of 2023 or early 2024.

### **Environmental and Social Impact Assessment Update**

Silver X began updating the Environmental and Social Impact Assessment ("ESIA") for its Nueva Recuperada Project needed to expand operations. Nueva Recuperada currently operates within the medium size mining regime (350 tpd to 5,000 tpd) and is seeking to expand its permitted capacity to 2,500 tpd, including the possibility of building a new processing facility at Tangana for a capacity of 1,500 tpd and the current processing plant of Nueva Recuperada being expanded to 1,000 tpd or 1,500 tpd from the current 720 tpd. The ESIA is a key component of a comprehensive environmental and social permitting process covering both wholly-owned Tangana and Plata silver-polymetallic mining units. The assessment also covers the associated mining infrastructure and existing tailings facility for a total study area of 4,900 hectares. Key components of the updated ESIA include a further expansion of production capacity at the Company's mineral processing plant to 2,500 tpd from the current upgraded

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<sup>1</sup> AgEq ounces were calculated based on all metals produced and mined using the estimated sales prices of each metal for each period.

<sup>2</sup> Cash costs and AISC are non-IFRS financial ratios. These are based on non-IFRS financial measures that do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers. Please refer to the "Non-IFRS Measures" section of this MD&A for further information.

720 tpd and a new 8,000,000 m<sup>3</sup> capacity tailings storage facility with a goal to expand silver production at Nueva Recuperada to 5 Moz silver ("Ag") per year.

### **Expanded Processing Plant Capacity**

On October 20, 2021, the Company secured the environmental permit required to increase production capacity at its Nueva Recuperada polymetallic processing plant to 720 tpd of feed. Installation of a new crushing circuit and flotation cells was commissioned in Q2 2022. This upgrade represented a 20% increase in processing capacity at Nueva Recuperada contributing to the potential of additional concentrate sales enhancing cashflow for the Company.

### **Commercial Production**

On January 19, 2023, the Company declared commercial production at the Company's Tangana mining unit. The declaration of commercial production comes after a commissioning period during 2022, which included the ramp up of mining and processing activities to stable metal throughput levels. All key mill upgrades and mine development works completed to date have contributed to steadily increasing production levels as the Tangana mining unit continues to develop.

### **Operational Upgrades**

The Company placed operations on hold between July 26, 2023 to September 19, 2023 to implement a strategic operational reset. During the brief pause, operational upgrades were completed that expect to enhance efficiency and profitability, including investment in equipment upgrades, workforce training, and safety measures. Due to this pause, during the three months ended September 30, 2023, production metrics decreased and cost per unit increased.

### **Strategic Restructuring of Royalty for Gross Proceeds of US\$2.42 Million**

On November 28, 2023, the Company entered into an agreement amending the terms of the original royalty agreement with Maverix Metals Inc., a subsidiary of Triple Flag Precious Metals Corp. ("**Triple Flag**"), to expand the royalty to cover the entire Tangana Mining Unit (the "**Mine**") in the Nueva Recuperada Mining District in Central Peru.

- Royalty Restructuring: The prior 3.0% NSR royalty, which covered only a portion of the Mine is replaced by a more comprehensive 3.0% NSR royalty that spans the entire Mine.
- Purchase Agreement: Triple Flag paid an aggregate consideration of US\$2,420,000 comprising of US\$1,670,000 of cash and an offset of amounts to be paid under the royalty agreement through the end of 2023. The US \$1,670,000 cash was received on November 28, 2023.
- Strategic Rights Secured: Triple Flag has been granted both a Right of First Refusal and a Right of First Offer over future royalty or stream-like financings.

## **CORIORCCO GOLD PROJECT, PERU**

### **Overview**

On October 8, 2020, Silver X entered into an option agreement with Titan Minerals Ltd. ("Coriorcco Option Agreement") to acquire 100% of the legal and beneficial right, title and interest in a 2,000-hectare concession known as the Coriorcco Property ("Coriorcco").

The Coriorcco gold project, located 80 km east of Peru's prominent Pan American highway in Lucana Province, Ayacucho region of southern Peru, is accessible by paved road to within 5 kilometres of the project and has potential for stand-alone development.

Coriorcco is one of several zones within the San Juan de Lucanas mining district with outcropping quartz vein-hosted gold and silver mineralization hosted by the strongly silicified and argillized volcanic Coriorcco Dome Structure as exposed through quaternary cover. The dome measures approximately 700 x 800 metres and hosts 17 epithermal quartz, quartz-carbonate and quartz-carbonate-adularia veins along with lesser veins. The most common vein orientations are northwest and east-northeast, typical of the Andean Trend and antithetic transform structures. Veins pinch and swell along-strike and with depth. Vein Three and Vein Six are the two most significant

structures and have been mapped at surface striking approximately east-northeast for 280 metres and 405 metres respectively and traced to depth in historical mine workings down to -60 metres below surface.

Under the Coriorcco Option Agreement, the Company will have the right to acquire a 100% interest in Coriorcco by making a payment of \$3,000,000 plus general sales tax and granting a production royalty to the underlying concession holder (the “Coriorcco Royalty”) (of 1% NSR) upon fulfilling the conditions precedent, some of which remain to be met, which include commencement of mining and production payments.

If the Company exercises its option to acquire the Coriorcco property, Silver X will grant to Titan Minerals a 1% net smelter royalty (the “NSR”) over the Coriorcco property.

The Coriorcco Royalty can be repurchased for \$1,000,000 (the “Buy-Back Right”) prior to the fifth anniversary of the Coriorcco Option Agreement. Every year following the fifth anniversary of the Coriorcco Option Agreement, the cost of the Buy-Back Right increases by 10%.

Additionally, as part of the amending agreement with the underlying owner of the project, dated October 6<sup>th</sup> 2020, the Company will pay \$190,000 (upon completion of registering the amended agreement with the Peruvian Public Registry, which had not occurred as at December 31, 2022) and will be required to pay up to \$850,000 (in cash or shares at the Company’s option) based on the size of the mineral resource (in the measured and indicated category) as established on the property in a technical report prepared in accordance with National Instrument 43-101 on the following conditions:

- \$350,000 if measured and indicated resources of 500,000 to 999,999 ounces of gold are established;
- \$450,000 if measured and indicated resources of 1,000,000 to 1,499,999 ounces of gold are established; or
- \$850,000 if measured and indicated resources in excess of 1,500,000 ounces of gold are established

The Company was required to commence small scale mining by April 2022 with the option to extend a further twelve months to April 2023 by incurring \$200,000 in exploration expenditures. The precedent condition to exercise the option in Las Antas property regarding the completion of the \$2,000,000 exploration expenditure has not been met as at December 31, 2023. As at December 31, 2023, the Company had concluded that the property is impaired resulting in an impairment loss of \$4,415,637.

## **LAS ANTAS GOLD PROJECT, PERU**

### **Overview**

On October 8, 2020, Silver X entered into an option agreement to acquire up to 85% of the legal and beneficial right, title, and interest in a 1,400-hectare concession known as the Las Antas Property (“Las Antas”), adjacent to the Coriorcco project, upon fulfilling the precedent conditions of which the completion of the \$2,000,000 expenditure in exploration remains to be met.

The Las Antas Gold Project, which hosts significant exploration potential for stand alone, bulk tonnage, disseminated style gold mineralization, expands Silver X position in a broader district that contains multiple high-grade gold-silver veins. Located within the prolific epithermal gold belt of Southern Peru, Las Antas is an important step towards development of a substantial land position in the region, generating multiple options.

Las Antas is hosted by the Calipuy volcanic layered stratigraphy in Southern Peru with andesitic flows, ignimbrites, tuffs, volcanic breccias and agglomerate units. The volcanic stratigraphy has been intruded by several andesitic to dacitic stocks, which comprise favourable units for mineralization and at surface are associated with a pervasive hydrothermal alteration system in halos of intense silicification, showing vuggy silica, alunite and illite.

Las Antas is located within the Oligocene-Pliocene gold-silver Belt of Southern Peru, which contains various precious metal deposits including the Ares Mine (1.2M oz gold (“Au”) & 15M oz Ag) and the Antapite Mine (600K oz Au).

Specific to the Las Antas Project area are two prioritized targets areas:

- Yuracmarca Target, 1.5 × 2.2 kilometres of area with propylitization, argilization and silicification.
- Cerro Amarillo Target, 3.5 × 2.3 kilometres of area with intense silicification, in parts vuggy silica, altered breccias, alunite and illite, argilization and propylitization.

## LILY 19 CLAIMS, PERU

Silver X entered into an earn-in agreement with Barrick Gold Corp. (“Barrick”) dated November 29, 2021, to acquire the Lily 19 claims. Together with the Company’s claim Ichupata 14, the Lily 19 claims conform the Ccasahuasi prospect.

Under the terms of the of the earn-in agreement, to acquire a 100% interest in the project Silver X must:

- Complete at least 3,000 metres of diamond drilling in the concession
- Map and sample the surface of the concession
- Maintain the claims in good standing
- Make a one-time payment of USD\$25,000 (paid)

The above must be achieved within four (4) years of the date of signing, or two (2) years from receiving a drilling permit for the property. Furthermore, Barrick will retain a 2% NSR, of which 1% can be bought back for USD\$2,000,000.

In the coming months the Company is planning a short exploratory drill program to expand known mineralization at depth and to test additional zones of mineralization, together with a surface sampling campaign that will step out from the west to test the precious metal potential on the advanced argillic altered subvolcanic rocks.

## SELECTED FINANCIAL INFORMATION

The following table provides information for the three months ended March 31, 2024, and the comparative period of 2023.

	For the three months ended March 31, 2024		For the three months ended March 31, 2023	
<b>OPERATING REVENUES</b>	\$	4,779,313	\$	4,575,940
<b>COST OF SALES</b>				
Mining and processing	\$	(3,618,824)	\$	(4,558,988)
Amortization		(1,154,386)		(427,544)
		(4,773,210)		(4,986,532)
<b>Operating income (loss)</b>	\$	6,103	\$	(410,592)
<b>EXPLORATION EXPENDITURES</b>	\$	(55,753)	\$	(15,423)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	\$	(744,249)	\$	(759,491)
<b>Income (loss) before other items</b>		<b>(793,899)</b>		<b>(1,185,506)</b>
<b>OTHER ITEMS</b>				
Finance cost	\$	(63,948)	\$	(121,107)
Foreign exchange gain (loss)		(62,443)		229,484
<b>Net loss before tax</b>		<b>(920,290)</b>		<b>(1,077,129)</b>
Deferred income tax recovery (expense)	\$	319,000	\$	207,000
<b>Loss for the period</b>		<b>(601,290)</b>		<b>(870,129)</b>
Loss on translation of foreign operations		108,167		(83,201)
<b>Loss and comprehensive loss for the period</b>	\$	<b>(493,123)</b>	\$	<b>(953,330)</b>
<b>Loss per share, basic and diluted</b>	\$	(0.00)	\$	(0.01)
<b>Weighted average number of common shares outstanding</b>		166,580,777		157,020,860

Reconciliation of Net (Loss) / Income to Adjusted EBITDA

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
<b>Net Loss</b>	<b>\$ (601,290)</b>	<b>\$ (870,129)</b>
Deferred income tax recovery	(319,000)	(207,000)
Finance cost	63,948	121,107
Amortization	1,154,386	427,544
<b>EBITDA</b>	<b>\$ 298,044</b>	<b>\$ (528,478)</b>
Foreign exchange (gain) loss	62,443	(229,484)
Share-based payments	61,691	114,225
<b>Adjusted EBITDA</b>	<b>\$ 422,178</b>	<b>\$ (643,737)</b>
<b>Adjusted EBITDA per share</b>	<b>\$ 0.003</b>	<b>\$ (0.004)</b>

*EBITDA and Adjusted EBITDA are non-GAAP performance measures with no standard definition under IFRS. Please see the section "Non-IFRS Performance Measures" for details.*

**Three months ended March 31, 2024 vs. 2023**

For the three months ended March 31, 2024, the Company recorded:

- Net loss before tax of \$0.9M, compared to a net loss before tax of \$1.1M in the three months ended March 31, 2023.
- EBITDA income of \$0.3M, compared to an EBITDA loss of \$0.5M in the three months ended March 31, 2023.
- Adjusted EBITDA income of \$0.4M, compared to an Adjusted EBITDA loss of \$0.6M in the three months ended March 31, 2023.

The increase in income in the current period was primarily due to increased operating revenues from the sale of mineral production of \$4.8M compared to \$4.6M in the prior period (increase of \$0.2M), and a decrease of cost of sales of \$4.8M compared to \$5.0M in the prior period (decrease of \$0.2M).



	March 31, 2024 (\$) (3 months)	December 31, 2023 (\$) (3 months)	September 30, 2023 (\$) (3 months)	June 30, 2023 (\$) (3 months)	Mar 31, 2023 (\$) (3 months)	Dec 31, 2022 (\$) (3 months)	Sept 30, 2022 (\$) (3 months)	June 30, 2022 (\$) (3 months)
						<i>Restated</i> <sup>2</sup>		
Operating revenues	4,779,313	4,347,995	2,089,879	4,653,328	4,575,940	3,882,866	5,497,311	3,184,470
Cost of Sales	(4,773,210)	(5,332,189)	(2,901,377)	(5,047,605)	(4,986,532)	(4,067,377)	(3,499,658)	(2,836,420)
Exploration (expense) recovery	(55,753)	(27,956)	(82,625)	(136,241)	(15,423)	(21,801)	(23,917)	(140,516)
General and administrative expenses <sup>1</sup>	(682,558)	(694,117)	(554,374)	(994,161)	(645,266)	(868,702)	(820,511)	(1,077,236)
Share-based payments	(61,691)	(136,233)	(8,060)	(30,312)	(114,225)	163,093	(507,448)	(56,355)
Other income (expenses)	192,609	(6,356,560)	(660,729)	310,378	315,377	(14,957,037)	(460,236)	(199,533)
Net gain (loss)	(601,290)	(8,199,060)	(2,117,286)	(1,244,613)	(870,129)	(15,868,958)	185,541	(1,125,590)
Basic and diluted income (loss) per share	(0.00)	(0.05)	(0.01)	(0.01)	(0.01)	(0.04)	0.00	(0.01)
Total assets	52,757,376	51,861,083	59,706,059	60,696,744	58,352,190	55,971,247	64,988,855	66,058,013
Total liabilities	34,482,094	33,154,369	32,062,672	31,872,395	29,769,397	26,568,598	24,891,932	26,026,159
Shareholders' equity	18,275,282	18,706,714	27,643,387	28,824,349	28,582,793	29,402,649	40,096,923	40,031,854

### Quarterly Reconciliation of Net (Loss) / Income to Adjusted EBITDA

	March 31, 2024 (\$) (3 months)	December 31, 2023 (\$) (3 months)	September 30, 2023 (\$) (3 months)	June 30, 2023 (\$) (3 months)	Mar 31, 2023 (\$) (3 months)	Dec 31, 2022 (\$) (3 months)	Sept 30, 2022 (\$) (3 months)	June 30, 2022 (\$) (3 months)
						<i>Restated</i> <sup>2</sup>		
<b>Net income (loss)</b>	<b>(601,290)</b>	<b>(8,199,060)</b>	<b>(2,117,286)</b>	<b>(1,244,613)</b>	<b>(870,129)</b>	<b>(15,868,958)</b>	<b>185,541</b>	<b>(1,125,590)</b>
Deferred income tax (recovery) expense	(319,000)	2,262,000	(230,000)	(183,000)	(207,000)	2,237,000	359,000	(131,000)
Finance cost	63,948	140,609	123,826	253,152	121,107	434,318	152,407	292,434
Amortization	1,154,386	602,744	478,461	599,942	427,544	524,201	215,656	212,315
<b>EBITDA<sup>3</sup></b>	<b>298,044</b>	<b>(5,193,707)</b>	<b>(1,744,999)</b>	<b>(574,519)</b>	<b>(528,478)</b>	<b>(12,673,439)</b>	<b>912,604</b>	<b>(751,841)</b>
Foreign exchange (gain) loss	62,443	(461,705)	766,941	(375,107)	(229,484)	245,042	(51,286)	39,059
Share-based payments	61,691	136,233	8,060	30,312	114,225	(163,093)	507,448	56,355
Impairment of goodwill						9,084,732		
Impairment of exploration and evaluation assets	-	4,415,637	-	-	-	1,090,003	-	-
Loss on conversion of convertible debenture						2,062,122		
<b>Adjusted EBITDA<sup>3</sup></b>	<b>422,178</b>	<b>(1,103,542)</b>	<b>(969,998)</b>	<b>(919,314)</b>	<b>(643,737)</b>	<b>(354,633)</b>	<b>1,368,766</b>	<b>(656,427)</b>
<b>Adjusted EBITDA per share</b>	<b>0.00</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.00)</b>	<b>(0.02)</b>	<b>0.01</b>	<b>(0.01)</b>

<sup>1</sup> The General and Administrative expenses include consulting fees, directors' fees, investor relations, office and administration, professional fees, salary and benefits, transfer agent and regulatory fees.

<sup>2</sup> During the preparation of the 2023 year end consolidated financial statements, the Company identified an error in the purchase price calculation of the business combination of Mines & Metals Trading (Peru) PLC to acquire the Nueva Recuperada project in the 2021 fiscal period. The Company identified that Goodwill of \$9,084,732 should have been recognized with the corresponding adjustment of \$10,423,287 to Development Property and \$1,338,555 to deferred tax liabilities. In accordance with IAS 36, the Company completed its annual impairment test of goodwill as of December 31, 2022 and determined goodwill was impaired and recorded an impairment of \$9,912,292. The error also resulted in an adjustment to depreciation and amortization of the development property of \$120,070 in fiscal 2022. Please see Note 20 in the financial statements for details

<sup>3</sup> EBITDA and Adjusted EBITDA are non-GAAP performance measures with no standard definition under IFRS. Please see the section "Non-IFRS Performance Measures" for details.

### Change in total assets and liabilities

At March 31, 2024, the Company's total assets were \$52.8M compared to \$51.9M as at December 31, 2023. Significant changes in assets include a decrease in cash of \$0.2M, increase in trade and receivables of \$1.2M, decrease in inventory of \$0.1M, increase in development property of \$0.1M, and decrease in property & equipment of \$0.1M. Significant changes in liabilities include increase in accounts payable and accrued liabilities of \$1.9M and decrease in deferred income tax liability of \$0.3M.

## OPERATING HIGHLIGHTS

The following are operating metrics for the three months period ended March 31, 2024, and 2023.

	Unit	For the three months ended	
		March 31, 2024	March 31, 2023
Ore mined	tonnes	35,751	33,756
Ore processed	tonnes	37,903	40,438
<u>Average head grades</u>			
Silver	g/t	78.84	50.70
Gold	g/t	0.72	0.99
Zinc	%	2.27	1.69
Lead	%	2.08	1.43
Average AgEq head grades	g/t	299	268
Average AgEq head grades	oz/t	9.60	8.60
<u>Average recoveries</u>			
Silver	%	89%	88%
Gold	%	62%	64%
Zinc	%	85%	83%
Lead	%	89%	87%
<u>Metal processed</u>			
Silver	oz	96,072	64,462
Gold	oz	881	1,258
Zinc	lbs	1,895,984	1,479,938
Lead	lbs	1,736,862	1,243,548
AgEq processed <sup>1 2</sup>	oz	363,795	358,467
<u>Metal produced</u>			
Silver	oz	86,056	56,170
Gold	oz	557	839
Zinc	lbs	1,615,787	1,219,702
Lead	lbs	1,552,789	1,085,184
AgEq produced <sup>1 2</sup>	oz	298,047	282,489
<u>Metal sold</u>			
Silver	oz	86,828	57,096
Gold	oz	529	908
Zinc	lbs	1,506,591	1,172,715
Lead	lbs	1,488,956	1,106,537
AgEq sold <sup>1 2</sup>	oz	264,772	254,741
<u>Average realized price <sup>2 3</sup></u>			
Silver	\$/oz	23.48	22.60
Gold	\$/oz	2,082	1,889
Zinc	\$/lbs	1.11	1.42
Lead	\$/lbs	0.94	0.97
Cash cost per AgEq ounce produced <sup>2</sup>	\$/oz	15.4	18.5
AISC per AgEq ounce produced <sup>2</sup>	\$/oz	21.4	26.6

### Foot notes

<sup>1</sup> AgEq ounces were calculated based on all metals processed, produced and sold using the average sales prices of each metal for each

month during the period. Revenues from concentrate sales does not consider metallurgical recoveries in the calculations as the metal recoveries are built into the sales amounts.

<sup>2</sup> Average realized price is a non-IFRS financial measure, and production cost per tonne processed, cash cost per AgEq ounce processed, produced, sold and AISC per AgEq ounce produced are non-IFRS ratios with no standardized meaning under IFRS, and therefore may not be comparable to similar measures presented by other issuers. For further information, including detailed reconciliations to the most directly comparable IFRS measures, see "Non-IFRS Performance Measures" in this MD&A.

<sup>3</sup> Realized price corresponds to the average prices for each metal on the following month after delivery, used to calculate the final value of the concentrate delivered in a given month before any deductions.

## **NON-IFRS PERFORMANCE MEASURES**

We have included certain non-IFRS financial measures and ratios in this Interim MD&A, as discussed below. We believe that these measures, in addition to measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures and ratios are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These financial measures and ratios do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

### **EBITDA and Adjusted EBITDA**

"EBITDA" is comprised as income (loss) less interest, income tax and depreciation and amortization. Management believes that EBITDA is a useful indicator for investors, and is used by management, in evaluating the operating performance of the Company. See "Reconciliation of Net (Loss) / Income to Adjusted EBITDA" for a quantitative reconciliation of EBITDA to the most directly comparable financial measure.

"Adjusted EBITDA" is comprised as income (loss) less interest, income tax, depreciation, amortization, share-based compensation, and foreign exchange gain (loss). Management believes that Adjusted EBITDA is a useful indicator for investors, and is used by management, in evaluating the operating performance of the Company. See "Reconciliation of Net (Loss) / Income to Adjusted EBITDA" for a quantitative reconciliation of Adjusted EBITDA to the most directly comparable financial measure.

### **Cash Costs and All-In Sustaining Cost ("AISC")**

The Company uses cash costs, cash costs per AgEq ounce produced, AISC, and AISC per AgEq ounce produced to manage and evaluate its operating performance in addition to IFRS measure because Company believes that conventional measures of performance prepared in accordance with IFRS do not fully illustrate the ability of its operations to generate cash flows. The Company understands that certain investors use these measures to determine the Company's ability to generate earnings and cash flows for use in investing and other activities. Management and certain investors also use this information to evaluate the Company's performance relative to peers who present this measure on a similar basis.

Cash costs is calculated by starting with cost of sales, and then adding treatment and refining charges, and changes in depreciation and amortization. Total cash production costs include cost of sales, changes in ore and concentrate inventories, changes in depreciation and amortization, less transportation and other selling costs and royalties. Cash costs per AgEq ounce is calculated by dividing cash costs by the AgEq ounces produced.

AISC and AISC per AgEq ounce produced are calculated based on guidance published by the World Gold Council (and used as a standard of the Silver Institute). The Company presents AISC on the basis of AgEq ounces produced. AISC is calculated by taking the cash costs and adding sustaining costs. Sustaining costs are defined as capital expenditures and other expenditures that are necessary to maintain current production. Management has exercised judgment in making this determination.

The following table reconciles cash costs, cash costs per AgEq ounce produced, AISC, and AISC per AgEq ounce produced to cost of sales, the most directly comparable IFRS measure:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
<b>Cost of sales</b>	<b>\$ 4,773,210</b>	<b>4,986,532</b>
Changes in concentrate inventory	118,560	(132,927)
Royalties	(131,492)	137,358
Transportation and other selling costs	(70,343)	(79,610)
Amortization	(1,154,386)	(427,544)
<b>Total cash production costs</b>	<b>\$ 3,535,549</b>	<b>\$ 4,483,809</b>
Royalties	131,492	(137,358)
Transportation and other selling costs	70,343	79,610
Treatment and refining charges and penalties	840,987	809,521
<b>Total cash costs (A)</b>	<b>\$ 4,578,371</b>	<b>\$ 5,235,582</b>
General and administrative (incl. share based compensation)	744,249	759,491
Operating lease payments	80,871	-
Accretion and Amortization of Reclamation Cost	20,601	20,601
<u>Sustaining Capital Expenditure:</u>		
<i>Development</i>	636,264	1,478,326
<i>Purchase of PP&amp;E</i>	306,317	24,226
<b>Sustaining costs (B)</b>	<b>\$ 1,788,302</b>	<b>\$ 2,282,644</b>
<b>All-In-Sustaining costs (A+B)</b>	<b>\$ 6,366,673</b>	<b>\$ 7,518,226</b>

The following table shows the calculation of the cash costs and AISC per AgEq ounces produced:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
<b>AgEq ounces produced</b>	<b>298,047</b>	<b>282,489</b>
<b>Totals:</b>		
Cash costs	\$ 4,578,371	\$ 5,235,582
Sustaining costs	1,788,302	2,282,644
<b>All-In-Sustaining costs</b>	<b>\$ 6,366,673</b>	<b>\$ 7,518,226</b>
<b>Per AgEq ounces produced:</b>		
Cash costs	\$ 15.36	\$ 18.53
Sustaining costs	6.00	8.08
<b>All-In-Sustaining costs</b>	<b>\$ 21.36</b>	<b>\$ 26.61</b>

### Average Realized Price

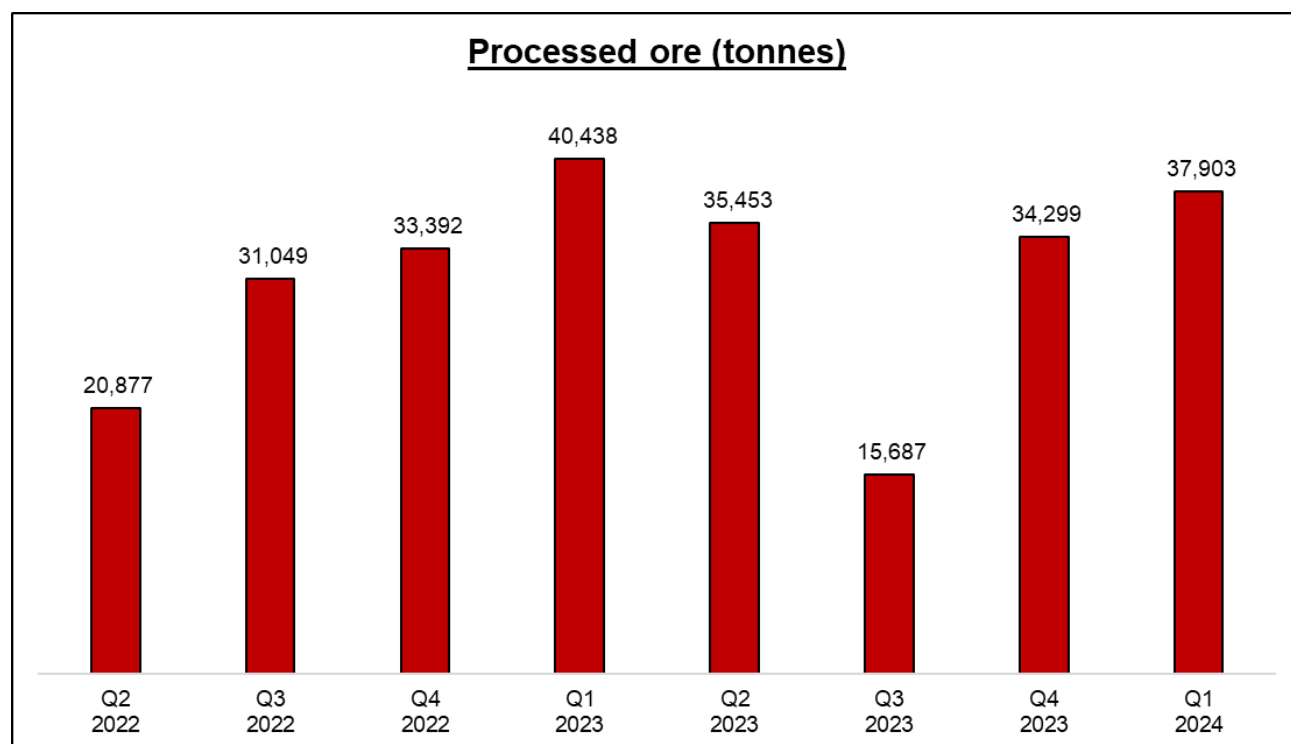
Average realized price is a non-IFRS financial measure. The Company uses "average realized price per ounce of silver", "average realized price per ounce of gold", "average realized price per ounce of zinc" and "average realized price per ounce of lead" because it understands that in addition to conventional measures prepared in accordance with IFRS, certain investors and analysts use this information to evaluate the Company's performance as compared with average market prices of metals for the period.

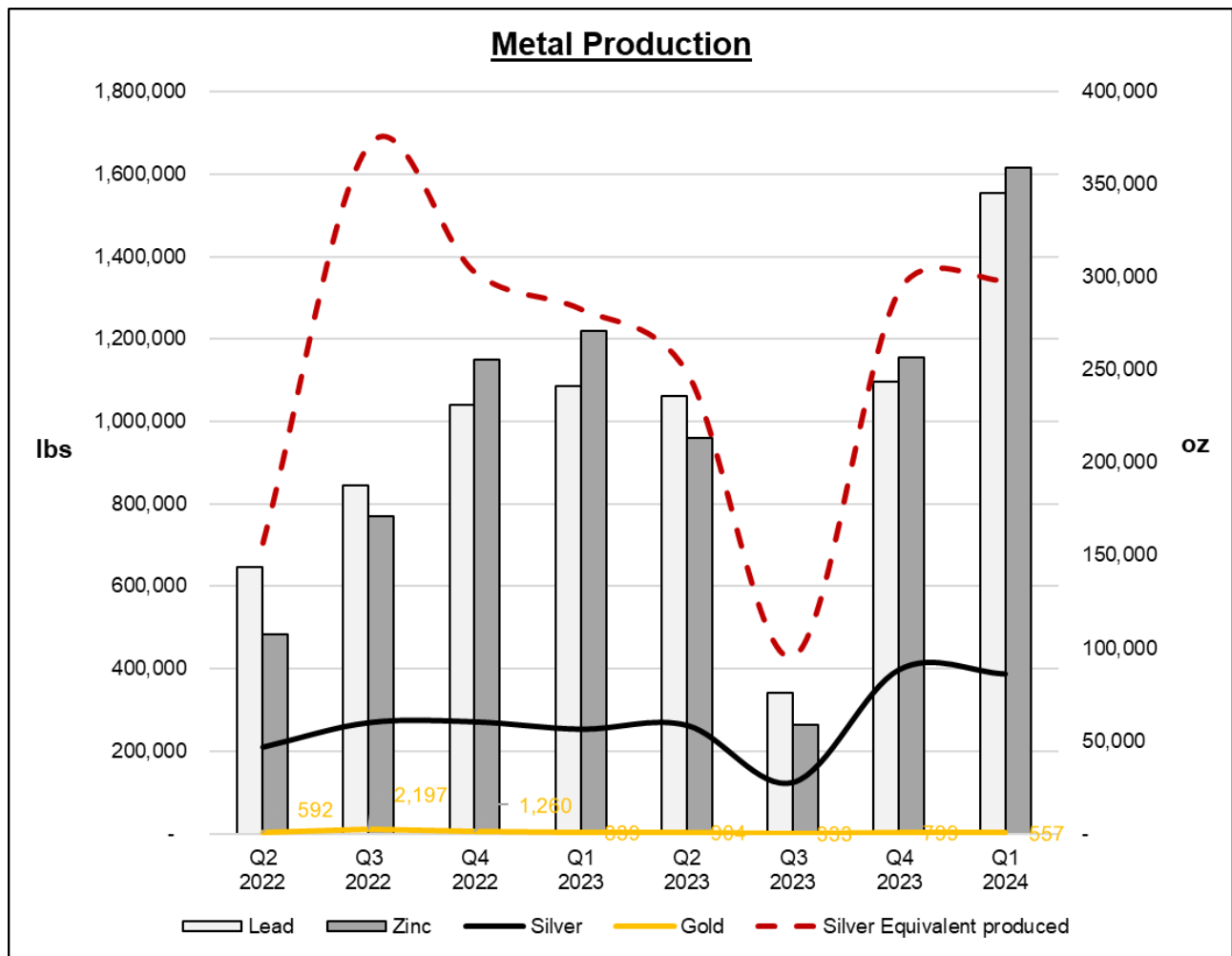
Average realized metal prices represent the sale price of the metal. Average realized price corresponds to the average prices for each metal on the following month after delivery, used to calculate the final value of the concentrate delivered in a given month before any deductions.

		For the three months ended March 31, 2024	For the three months ended March 31, 2023
<b>Silver</b>			
Gross revenue	\$	2,038,686	1,290,126
Metal sold	oz	86,828	57,096
Average realized price	\$/oz	23.5	22.6
<b>Gold</b>			
Gross revenue	\$	1,102,181	1,714,956
Metal sold	oz	529	908
Average realized price	\$/oz	2,082	1,889
<b>Zinc</b>			
Gross revenue	\$	1,674,249	1,660,967
Metal sold	lbs	1,506,591	1,172,715
Average realized price	\$/lbs	1.11	1.42
<b>Lead</b>			
Gross revenue	\$	1,400,762	1,074,692
Metal sold	lbs	1,488,956	1,106,537
Average realized price	\$/lbs	0.94	0.97

### Production Cost Per Tonne Processed

Production cost per tonne processed is a non-IFRS measure and is calculated as the total production costs divided by the tonnes processed. A reconciliation between production cost per tonne (excluding amortization and changes in inventories) and the cost of sales is provided below. Changes in inventories are excluded from the calculation of Production Cost per Tonne Processed. Changes in inventories reflect the net cost of concentrate inventory (i) sold during the current period but produced in a previous period or (ii) produced but not sold in the current period. The Company uses Production Cost Per Tonne Processed to evaluate its operating performance in addition to IFRS measure because Company believes that conventional measures of performance prepared in accordance with IFRS do not fully illustrate the ability of its operations to generate cash flows. Management and certain investors also use this information to evaluate the Company's performance relative to peers who present this measure on a similar basis.





	For the three months ended March 31, 2024		For the three months ended March 31, 2023	
<b>Cost of Sales</b>	\$	4,773,210	\$	4,986,532
<u>Adjustments - increase/(decrease):</u>				
Amortization		(1,154,386)		(427,544)
Changes in inventories		118,560		(132,927)
<b>Production cash costs (excluding inventory adjustments)</b>	<b>\$</b>	<b>3,737,384</b>	<b>\$</b>	<b>4,426,061</b>
Tonnes processed		37,903		40,438
<b>Production cash cost per tonne processed</b>	<b>\$/t</b>	<b>99</b>	<b>\$/t</b>	<b>109</b>

## LIQUIDITY AND CAPITAL RESOURCES

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Net cash provided by (used in) operating activities	1,114,105	1,743,202
Net cash provided by financing activities	(256,159)	(19,481)
Net cash used in investing activities	(942,581)	(1,763,187)
Net change	(189,485)	(233,583)
<b>Cash, end of period</b>	<b>\$ 295,417</b>	<b>\$ 790,396</b>

Cash provided by operating activities for three months period ended March 31, 2024, was \$1.1M compared to \$1.7M cash provided by operating activities for the three months ended March 31, 2023. The cash inflow in the current period was due to increased production at the Company's mining operations.

Cash used in financing activities during the three months ended March 31, 2024, was \$0.3M primarily due to net repayments of debenture of \$0.2M.

Cash used in investing activities three months period ended March 31, 2024 was \$0.9M compared to \$1.8M cash used during the three months ended March 31, 2023, as the Company continued to invest in the development of the Tangana mining unit.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral property and pursue growth opportunities. The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties.

The property in which the Company currently has an interest is in the exploration, development and production stage; as such, the Company is dependent on external financing to fund its activities. In order to pay for limited property care and maintenance and general administrative costs, the Company will spend its existing capital resources. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company monitors its cash, investments, common shares, and stock options as capital. There have been no changes to the Company's approach to capital management during the period ended March 31, 2024. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

The Company actively monitors its trade payables and engages in discussions with third-party service and goods providers to explore repayment options for balances that are, or may become, overdue. This allows the Company to effectively allocate its available capital resources and maintain the continuity of its operations.

The Company does not expect its current capital resources to be sufficient to cover its capital expenditure and corporate general and administrative expenditure through the next 12 months and as such, will need to obtain additional capital resources. Actual funding requirements may vary from those previously planned due to a number of factors, including the progress of the Company's business activities and economic condition.

## RELATED-PARTY TRANSACTIONS

The Company's related-party transactions during the three months ended March 31, 2024, consist of directors, officers and the following companies with common directors:

Related party	Nature of transactions
Mysterybelle Ltd (Director)	Director fees
Altitude Exploraciones (Director, Officer)	Exploration and evaluation expenses
Vihren Management LTD. (Officer)	Compensation expense
Odin Investment SAC	Compensation expense
Catapult Consulting Corp (Officer)	Compensation expense and professional fees
Serebro Corp. (Director, Officer)	Compensation expense

As at March 31, 2024, the Company had \$438,313 outstanding in accounts payables and accrued liabilities (December 31, 2023 – \$438,313) and \$85,837 outstanding in supplier advances associated with related parties.

### Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company, and include certain directors and officers. Key management compensation, including amounts discussed above, is comprised of:

	Three months ended March 31, 2024		Three months ended March 31, 2023	
Compensation expense	\$	168,136	\$	183,914
Directors' fees		24,679		35,027
Share based payment		45,888		60,845
	\$	<b>238,703</b>	\$	<b>279,786</b>

## SHAREHOLDERS' EQUITY

The authorized capital stock consists of an unlimited number of common shares without par value. As at March 31, 2024, and the date of this report, the company had the following:

	Stock options	Share purchase warrants	RSUs	Common shares
<b>As at March 31, 2024</b>	8,825,000	15,478,814	225,000	166,580,777
Private placement	-	13,888,888	-	27,777,776
Shares for debt	-	-	-	6,000,000
<b>As at date of report</b>	8,825,000	29,367,702	225,000	200,358,553

*During the year ended December 31, 2023*

- On February 3, 2023, 22,500 common shares were issued in relation to the exercise of warrants with an exercise price of C\$0.33 for total proceeds of \$5,534.
- On March 23, 2023, 75,000 common shares were issued in relation to the exercise of options with an exercise price of C\$0.25 for total proceeds of \$13,715.
- On April 3, 2023, 21,500 common shares were issued in relation to the exercise of warrants with an exercise price of C\$0.33 for total proceeds of \$5,243.
- On April 5, 2023, 280,000 common shares were issued in relation to the exercise of warrants with an exercise price of C\$0.33 for total proceeds of \$68,663.
- On April 10, 2023, 187,500 common shares were issued in relation to the exercise of options with an



exercise price of C\$0.25 for total proceeds of \$34,779.

- f) On April 11, 2023, 120,000 common shares were issued in relation to the exercise of warrants with an exercise price of C\$0.33 for total proceeds of \$29,275.
- g) On April 21, 2023, 25,000 common shares were issued in relation to the exercise of warrants with an exercise price of C\$0.33 for total proceeds of \$6,094.
- h) On June 5, 2023, the Company closed the first tranche of its non-brokered private placement offering with the placement of 4,210,050 units (the “Units”) at a price of C\$0.30 per Unit for gross proceeds of \$952,859. Each Unit consists of one common share and one Share purchase warrant entitling the holder to purchase one share of the Company at a price of C\$0.45 per share for a period of 24 months from the date of closing of the Private Placement. Under the first tranche of the Private Placement, the Company paid fees to eligible finders consisting of: (i) \$35,716 in cash; (ii) 78,003 finder warrants (the “Finder Warrants”) exercisable into one Common Share at a price of C\$0.30, and (iii) 79,800 Finder Warrant exercisable into one Common Share at a price of C\$0.45. Finder Warrants are exercisable until June 2, 2025.
- i) On June 28, 2023, the Company closed the second tranche of its non-brokered private placement offering with the placement of 3,006,700 units (the “Units”) at a price of C\$0.30 per Unit for gross proceeds of \$680,505. Each Unit consists of one common share and one Share purchase warrant entitling the holder to purchase one share of the Company at a price of C\$0.45 per share for a period of 24 months from the date of closing of the Private Placement. Under the second tranche of the Private Placement, the Company paid fees to eligible finders consisting of: (i) \$8,226 in cash and (ii) 21,780 finder warrants (the “Finder Warrants”) exercisable into one Common Share at a price of \$0.45, and (iii) 14,562 Finder Warrants exercisable into one Common Share at a price of \$0.30. Finder Warrants are exercisable until June 28, 2025.
- j) On July 7, 2023, the Company closed the third tranche of its non-brokered private placement offering with the placement of 1,384,000 units (the “Units”) at a price of C\$0.30 per Unit for gross proceeds of \$313,240. Each Unit consists of one common share and one Share purchase warrant entitling the holder to purchase one share of the Company at a price of C\$0.45 per share for a period of 24 months from the date of closing of the Private Placement. Under the third tranche of the Private Placement, the Company paid fees to eligible finders consisting of: (i) \$900 and (ii) 3,000 finder warrants (the “Finder Warrants”) exercisable into one Common Share at a price of C\$0.45. Finder Warrants are exercisable until July 7, 2025.
- k) On August 9, 2023, 250,000 common shares were issued in relation to the vesting of RSUs.

As at March 31, 2024 options entitling the holders to acquire common shares are as follows:

Expiry date	Number of options	Number of vested options	Weighted average remaining life in years	Weighted average exercise price
June 24, 2025	150,000	150,000	1.23	C\$ 0.27
November 2, 2025	125,000	125,000	1.59	C\$ 0.70
June 21, 2026	3,900,000	3,900,000	2.22	C\$ 0.60
August 23, 2026	1,025,000	1,025,000	2.40	C\$ 0.60
August 9, 2027	1,225,000	1,225,000	3.36	C\$ 0.25
November 4, 2027	350,000	350,000	3.60	C\$ 0.23
November 30, 2026	250,000	125,000	4.67	C\$ 0.27
November 30, 2028	1,800,000	900,000	2.67	C\$ 0.27
	<b>8,825,000</b>	<b>7,800,000</b>	<b>2.94</b>	<b>C\$ 0.46</b>

As at March 31, 2024, warrants entitling the holders to acquire common shares are as follows:

Expiry date	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
October 20, 2024	4,548,157	0.56	C\$0.33
October 28, 2024	2,132,762	0.58	C\$0.33
June 5, 2025	4,289,850	1.18	C\$0.45
June 5, 2025	78,003	1.18	C\$0.30
June 28, 2025	3,028,480	1.24	C\$0.45
June 28, 2025	14,562	1.24	C\$0.30
July 7, 2025	1,387,000	1.27	C\$0.45
	<b>15,478,814</b>	<b>0.93</b>	<b>C\$0.40</b>

As at March 31, 2024, the Company had 225,000 RSU's outstanding.

## SUBSEQUENT EVENTS

On April 4, 2024, the Company closed the first tranche of a non-brokered private placement offering (the "Private Placement") with the placement of 6,156,199 units (the "Units") at a price of C\$0.18 per Unit for a gross proceeds of C\$1,108,116. On April 12, 2024, the Company closed the second and final tranche of the Private Placement with the placement of 21,621,577 units at a price of C\$0.18 per Unit for gross proceeds of C\$3,891,884. In total, the Company placed 27,777,776 units for aggregate gross proceeds of C\$5,000,000.

Each Unit consists of one common share (a "Share") and one half of one Share purchase warrant (a "Warrant") with each whole Warrant entitling the holder to purchase one Share of the Company at a price of C\$0.30 per Share for a period of 36 months from the date of closing of the Private Placement (the "Closing Date").

The Company paid fees to eligible finders consisting of (i) C\$75,783 in cash and (ii) 335,945 finder's warrants (the "Finder's Warrants") exercisable into one Share at a price of C\$0.30, and (iii) 78,301 Finder's Warrants exercisable into one Share at a price of C\$0.18. The Finder's Warrants are exercisable for a period of 36 months from the Closing Date.

On April 12, 2024, the Company settled US\$2,181,458 of indebtedness through the issuance of 6,000,000 common shares, the equivalent of an issue price of C\$0.499 per share.

## RISKS AND UNCERTAINTIES

### *Foreign Currency Risk*

The Company operates mainly in Canada and Peru and is therefore exposed to financial risk related to the fluctuation of foreign exchange rates. The Company funds cash calls to its subsidiary companies outside of Canada in Canadian or US dollars, and a portion of its expenditures are incurred in local currencies. The risk is that a significant change in the exchange rate of the Canadian dollar relative to the US dollar and the Peruvian sol could have an adverse effect on the Company's results of operations, financial position, or cash flows. The Company has not hedged its exposure to currency fluctuations. The Company is exposed to currency risk through assets and liabilities denominated in these foreign currencies. A 10% change in the exchange rate of these foreign currencies to the Canadian dollar would increase or decrease approximately \$0.1 million to the net loss or income from operations.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

### *Interest Rate Risk*

Interest rate risk consists of two components:

- To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

As at March 31, 2024, an 1% change in market interest rates would result in no material change in value of the assets or liabilities of the Company.

### *Mineral Property Exploration and Mining Risks*

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company's properties only have mineral resources and have yet to declare any compliant mineral reserves. The main operating risks include: securing adequate funding to maintain and advance exploration properties; defining mineral resources and mineral reserves, ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Inferred Mineral Resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category.

### *Title to Mineral Property Risks*

The Company does not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties.

### *Commodity Price Risk*

The Company is exposed to commodity price risk. Declines in the market price of silver and gold, base metals and other minerals may adversely affect cashflow from The Company's operation and The Company's ability to raise capital in order to fund its ongoing exploration and development or the value it may obtain on disposal of an asset. Commodity price declines could also reduce the amount the Company would receive on the disposal of its mineral properties to a third party. Refinery and treatment terms may also adversely impact the company.

### *Financing and Share Price Fluctuation Risks*

The Company is dependent on outlining mineral resources and developing access to them so that they can be processed on a sustainable, profitable basis. Further exploration and development of the Company's project may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its project which could result in the loss of its property.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly affecting those parts of a company considered to be at exploration stage, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues or the value of the Company's investments and corresponding effect on the Company's financial position.

### *Political, Regulatory and Currency Risks*

The Company operates in Peru. Changing political aspects may affect the regulatory environment in which the Company operates. A significant portion of the Company's expenditures are incurred in US dollars. At this time there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the US dollar could have an adverse impact on the amount of development and exploration conducted.

South America which has specific risks that may adversely affect the Company's business and results of operations which are different from and, in many cases, greater than comparable risks associated with similar operations within North America. The political and economic environment in Peru has been unstable in the past, and the country has been subject to strikes and general civil unrest. There can be no assurance that the political or economic environment in Peru will be stable in the future. Risks associated with political or economic instability include, but are not limited to, terrorism, hostage taking, military repression, high rates of inflation, currency fluctuations and controls, crime, corruption uncertainty of the rule of law and legal systems, misuse of legal systems, labour unrest, risks of war or civil unrest, illegal mining and possible political or economic instability which may result in the impairment or loss of mineral concessions or other mineral rights. Mineral exploration and mining activities may be affected in varying degrees by political instability and government regulations relating to the mining industry.

#### *Insured and Uninsured Risks*

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

#### *Environmental and Social Risks*

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Changing social expectations could add new layers of risk to the viability of exploitation, exploration and development properties as recently experienced. Through mutually beneficial Community agreements the Company mitigates potential unrest and disputes risks with the communities where it operates.

#### *Competition*

The Company competes with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

#### *Conflict of Interest*

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these

conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

## **FORWARD LOOKING STATEMENTS**

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "will", "may", "should", "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements which, by their very nature, are not guarantees of the Company's future operational or financial performance.

Forward-looking statements are not historical facts and include, but are not limited to:

- a) Estimates and their underlying assumptions;
- b) Statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model, future operations, the impact of regulatory initiatives on the Company's operations and market opportunities;
- c) General industry and macroeconomic growth rates;
- d) Uncertainty on success of corporate development initiatives;
- e) Expectations related to possible joint or strategic ventures; and
- f) Statements regarding future performance.

Although forward-looking statements and information contained in this MD&A are based on the beliefs of management which we consider to be reasonable, as well as assumptions made by information currently available by management, there is no assurance that the forward-looking statements or information will prove to be accurate.

Forward-looking statements used in this MD&A are subject to various known and unknown risks, uncertainties and other factors, most of which are difficult to predict and generally beyond the control of the Company. These risks, uncertainties and other factors may include but are not limited to unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, failure to obtain licenses that are expected to be issued (or issued in a timely manner), impact resulting from lack of community support, impact resulting from lack of governmental and regulatory support and other factors. This list is not exhaustive and these and other factors should be considered carefully.

Readers are cautioned not to place undue reliance on these forward-looking statements which pertain only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as required by securities law.

## **QUALIFIED PERSON**

The scientific and technical information presented in this MD&A above has been reviewed, approved and verified by Mr. A. David Heyl, B.Sc., C.P.G, who is a qualified person as defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*. Mr. A. David Heyl is a consultant for Silver X.

Information on data verification performed on the mineral properties mentioned in this MD&A that are considered to be material mineral properties to the Company are contained in the current technical reports for those properties, all available under the Company's profile at [www.sedar.com](http://www.sedar.com).