SILVER X MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2024 and 2023

This Management's Discussion and Analysis ("MD&A") supplements but does not form part of the consolidated financial statements of Silver X Mining Corp. (the "Company" or "Silver X") for the year ended December 31, 2024. The following information, prepared as of April 22, 2025 should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024, and 2023 and the related notes contained therein.

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

Additional information relevant to the Company's activities can be found on SEDAR at 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 10. 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.

CORPORATE OVERVIEW

The Company is a silver producer and developer. The Company owns the 20,472-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. The 20,472-hectare project was assembled through acquisitions from major silver producers such as Compañia de Minas Buenaventura SAA, Pan American Silver Corporation, Barrick Gold Corporation and Peruvian Metals Corporation, among other companies. The project includes: (i) the Tangana Mining Unit ("Tangana" or "TMU"), a precious- and base-metal operation located in the northern portion of the project, comprised of more than 100 veins spanning an area of more than 6,500 hectares, and (ii) the Plata Mining Area ("PMU"), an advanced Project formerly referred to as Esperanza. The PMU a grouping of historic silver-polymetallic veins, with significant exploration upside in the southern portion of the project, comprised of more than 200 veins often with intense anatomizing, spanning an area of more than 7,000 hectares; (iii) and the Red Silver Mining Unit, a high-grade silver target in exploration with some historic production. As at October 1, 2024, the Nueva Recuperada Project has an estimated 17.18 million tonnes of Inferred Resources at grades of 159.25 g/t Ag, 0.04 g/t Au, 2.05% Pb, 2.04% Zn and combined Measured and Indicated Mineral Resources of 4.26 million tonnes with grades of 102.02 g/t Ag, 0.57 g/t Au, 1.88% Pb and 2.22% Zn and includes a 720 tonnes per day ("TPD"), fully permitted, fully operational processing facility that began processing ore in 2019.

Tangana Mining Unit (TMU) – Silver, Gold, Lead & Zinc

Silver X started the development of the Tangana mining unit in late 2021 and is targeting an extraction rate of over 600 TPD of high-grade mineralization from multiple mining faces. There are, dozens of veins in this mining unit.

The Tangana vein system is extensive, hosting an estimated Measured and Indicated Resource of 2.87 million tonnes grading 69.98 g/t Ag, 0.84 g/t Au, 1.61% PB and 1.49% Zn, and an Inferred Resource of 2,862,074 tonnes grading 70.43 g/t Ag, 0.25 g/t Au, 1.42% Pb and 1.50% Zn and combined Measured and Indicated Mineral Resources of 2,868,535 tonnes grading 69.98 g/t Ag, 0.84 g/t Au, 1.61% Pb and 1.49% Zn.

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 is encountered throughout the Tangana vein mineralization. Upgrades to the Nueva Recuperada plant to enhance gold recoveries have been completed. During 2Q24, Silver X began mining operations at Morlupo and plans to recuperate the Blenda Rubia (BR) satellite mine. Both structures are hosting high-grade mineralization.

A gold and silver-rich corridor within the Tangana system has been identified crossing the various veins, as published in various news releases, copies of which are available on SEDAR at www.sedar.ca. Silver X intends to explore and develop that corridor in 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 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 expansion of the Tangana mining unit.

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

- Life of Mine ("LOM") potential of 12 years at a capacity of 1,500 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")[1] with circa 5Moz AgEq mined assuming the expansion of both processing capacity and the mine.
- 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")[2] 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 Mining Area (PMU) – Silver, Lead & Zinc

The Plata Mining Area (formerly Esperanza) was the last historical operation to close when the project was under Buenaventura's management and hosts an estimated 5,394,620 tonne Inferred Resource grading 149.92 g/t Ag, 1.98% Pb and 3.35% Zn, and a 950,970 tonne Indicated Resource grading 190.04 g/t Ag, 2.44% Pb and 4.24% 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.

Plata is the development priority for the Company as it contains high-grade polymetallic mineralization as demonstrated in the NI 43-101 Technical Report Resource Assessment issued on February 15, 2025

Red Silver – Silver Project

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 in 2025. Red Silver is a high-grade silver resource and will be subject to exploration activities in 2025-26.

[1] AgEq ounces were calculated based on all metals produced and mined using the estimated sales prices of each metal for each period.

[2] 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.

Environmental and Social Impact Assessment Update

Silver X has commenced 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 720 TPD and a new 8,000,000 m^3 capacity tailings storage facility with a goal to expand silver production at Nueva Recuperada to 6 Moz silver ("Ag") per year.

On May 23, 2024, the Company signed a 15-year social agreement with the Community of Carhuapata in Huancavelica in Peru. This new social contract enables Silver X access to the totality of the Plata Mining Area. This follows the 12-year agreement signed with the Community of Huachocolpa in November 2023 so that the totality of the Company's tenements is now covered by agreements with the local communities, an important part of the ESIA.

Vision for the Project and Expanded Processing Plant Capacity

The Company's vision is to expand the annual production capacity of the district beyond 6 million ounces of silver equivalent within the next few years. With a solid growing resource, there is an opportunity to establish two mining areas at similar levels of production from Plata and Tangana. With the new mineral resource updated, a further PEA is planned to be commissioned aiming to look at scenarios that combine the production capacity of the Plata and Tangana mining units.

The PEA will investigate both the possibility of building an additional new mill in addition to the existing processing plant as well as the expansion of the current processing facility which is centrally located and have the two mines feeding to the same location. Additionally, the Company has been undertaking ore sorting tests results from which suggest the potential that ore sorting could be incorporated as part of the process allowing increased throughput without the need to expand the current beneficiation plant substantially.

Gold Projects in Peru

The district of Nueva Recuperada is host to a number of gold opportunities as gold mineralization seems to appear on a strike along the Chonta fault. The two main gold projects are Carboncuyocc and Ccasahuasi. Carboncuyocc is an epithermal gold anomaly, adjacent to the Plata mining area, which could be host for a disseminated gold deposit.

Ccasahuasi is a gold-polymetallic project adjacent to Tangana with the potential to become a near-production gold target if initial findings are confirmed through drilling and development. Ccasahuasi is comprised of the Ichupata 14 and the Lily 19 claims. In 2021, the Company entered into an earn-in agreement with Barrick Gold Corp. ("Barrick") to acquire the Lily 19 claims.

Under the terms of the of the earn-in agreement, to acquire a 100% interest in the Lily 19 claims, 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.

The Company intends to perform drilling 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.

In June 2024, the Company decided not to renew the option on the Coriorcco and Las Antas project, after deciding to concentrate on more prospective exploration projects. The project was fully impaired at December 31, 2023.

SELECTED FINANCIAL INFORMATION

The following table provides information for the year ended December 31, 2024, and the comparative year of 2023.

	Notes		For the year ended December 31, 2024		For the year ended December 31, 2023
OPERATING REVENUES, NET		$	21,854,446	$	15,667,142
COST OF SALES					
Mining and processing		$	(18,005,469)	$	(16,159,012)
Amortization			(4,467,741)		(2,108,691)
			(22,473,210)		(18,267,703)
Operating loss		$	(618,764)	$	(2,600,561)
EXPLORATION EXPENDITURES	7	$	(224,302)	$	(262,245)
GENERAL AND ADMINISTRATIVE EXPENSES		$	(3,047,381)	$	(3,176,748)
Loss before other items			**(3,890,447)**		**(6,039,554)**
OTHER ITEMS					
Finance cost, net		$	(625,892)	$	(633,252)
Gain on lease written off			41,230		-
Impairment of exploration and evaluation assets			-		(4,415,637)
Gain on settlement of accounts payable balances			1,132,260		-
Foreign exchange loss			(69,373)		299,355
Net loss before tax			**(3,412,222)**		**(10,789,088)**
Deferred income tax expense		$	(1,039,000)	$	(1,642,000)
Net loss			**(4,451,222)**		**(12,431,088)**
Loss on translation of foreign operations			(315,511)		(597,332)
Net comprehensive loss		**$**	**(4,766,733)**	**$**	**(13,028,420)**
Loss per share, basic and diluted		**$**	(0.02)	$	(0.08)
Weighted average number of common shares outstanding			187,261,635		162,288,206

Reconciliation of Net (Loss) / Income to Adjusted EBITDA

		For the year ended December 31, 2024		For the year ended December 31, 2023
Net Loss	**$**	**(4,451,222)**	**$**	**(12,431,088)**
Deferred income tax expense (recovery)		1,039,000		1,642,000
Finance cost		625,892		633,252
Amortization		4,467,741		2,108,691
EBITDA	**$**	**1,681,411**	**$**	**(8,047,145)**
Foreign exchange gain		69,373		(299,355)
Gain on lease written off		(41,230)		-
Impairment of exploration and evaluation assets		-		4,415,637
Gain on settlement of accounts payable balances		(1,132,260)		-
Share-based payments		343,103		288,830
Adjusted EBITDA	**$**	**920,397**	**$**	**(3,642,033)**
Adjusted EBITDA per share	**$**	**0.005**	**$**	**(0.022)**

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.

Year ended December 31, 2024, vs.2023

For the year ended December 31, 2024, the Company recorded:

- Net loss before tax of $3.4M, compared to a net loss before tax of $10.8M in the year ended December 31, 2023.
- EBITDA positive of $1.7M, compared to an EBITDA negative of $8.0M in the year ended December 31, 2023.
- Adjusted EBITDA positive of $0.9M, compared to an Adjusted EBITDA negative of $3.6M in the year ended December 31, 2023.

The decrease in loss in the current year was primarily due to increased net operating revenues from the sale of mineral production of $21.9M compared to $15.7M in the prior year (increase of $6.2M), offset by increase of cost of sales of $22.5M compared to $18.3M in the prior year (increase of $4.2M). In the current year, the Company also gained $1.1M in settlement of accounts payable balances. In the comparative year, the Company incurred an impairment of $4.4M on its Coriorcco & Las Antas property in Peru.

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

	December 31, 2024 ($) (3 months)	**September 30, 2024 ($) (3 months)**	**June 30, 2024 ($) (3 months)**	**March 31, 2024 ($) (3 months)**	**December 31, 2023 ($) (3 months)**	**September 30, 2023 ($) (3 months)**	**June 30, 2023 ($) (3 months)**	**March 31, 2023 ($) (3 months)**
Operating revenues, net	5,844,806	4,988,118	6,242,209	4,779,313	4,347,995	2,089,879	4,653,328	4,575,940
Cost of Sales	(6,283,710)	(5,720,828)	(5,695,462)	(4,773,210)	(5,332,189)	(2,901,377)	(5,047,605)	(4,986,532)
Exploration Expense	(132,108)	(28,226)	(8,215)	(55,753)	(27,956)	(82,625)	(136,241)	(15,423)
General and administrative expenses[1]	(388,481)	(619,129)	(1,014,110)	(682,558)	(694,117)	(554,374)	(994,161)	(645,266)
Share-based payments	10,277	(241,224)	(50,465)	(61,691)	(136,233)	(8,060)	(30,312)	(114,225)
Other income (expenses)	53,407	(530,506)	361,715	(445,391)	(6,356,560)	(660,729)	310,378	315,377
Net loss	(895,809)	(2,151,795)	(164,328)	(1,239,290)	(8,199,060)	(2,117,286)	(1,244,613)	(870,129)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.00)	(0.05)	(0.01)	(0.01)	(0.01)
Total assets	53,795,324	53,966,477	54,549,332	52,757,376	51,861,083	59,706,059	60,696,744	58,352,190
Total liabilities	34,892,978	34,634,820	32,130,864	35,120,094	33,154,369	32,062,672	31,872,395	29,769,397
Shareholders' equity	18,902,346	19,331,657	22,418,468	17,637,282	18,706,714	27,643,387	28,824,349	28,582,793

	December 31, 2024 ($) (3 months)	**September 30, 2024 ($) (3 months)**	**June 30, 2024 ($) (3 months)**	**March 31, 2024 ($) (3 months)**	**December 31, 2023 ($) (3 months)**	**September 30, 2023 ($) (3 months)**	**June 30, 2023 ($) (3 months)**	**March 31, 2023 ($) (3 months)**
Net loss	**(895,809)**	**(2,151,795)**	**(164,328)**	**(1,239,290)**	**(8,199,060)**	**(2,117,286)**	**(1,244,613)**	**(870,129)**
Deferred income tax (recovery) expense	(42,207)	217,032	545,175	319,000	2,262,000	(230,000)	(183,000)	(207,000)
Finance cost	117,298	145,092	299,554	63,948	140,609	123,826	247,710	121,107
Amortization	534,998	1,515,658	1,262,699	1,154,386	602,744	478,461	599,942	427,544
EBITDA[2]	**(285,720)**	**(274,012)**	**1,943,099**	**298,044**	**(5,193,707)**	**(1,744,999)**	**(574,519)**	**(528,478)**
Foreign exchange (gain) loss	(87,268)	168,382	(74,184)	62,443	(461,705)	766,941	(375,107)	(229,484)
Gain on lease written off	(41,230)	-	-	-	-	-	-	-
Gain on settlement of accounts payable balances	-	-	(1,132,260)	-	-	-	-	-
Share-based payments	(10,277)	241,224	50,465	61,691	136,233	8,060	30,312	114,225
Impairment of exploration and evaluation assets	-	-	-	-	4,415,637	-	-	-
Adjusted EBITDA[2]	**(424,495)**	**135,594**	**787,120**	**422,178**	**(1,103,542)**	**(969,998)**	**(919,314)**	**(643,737)**
Adjusted EBITDA per share	**(0.00)**	**0.00**	**0.00**	**0.00**	**(0.01)**	**(0.01)**	**(0.01)**	**(0.00)**

[1] 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.

[2] 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 December 31, 2024, vs. three months ended December 31, 2023

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

- Net loss before tax of $0.9M, compared to a net loss before tax of $5.9M in the three months ended December 31, 2023.

- EBITDA negative of $0.3M, compared to an EBITDA negative of $5.2M in the three months ended December 31, 2023.

- Adjusted EBITDA negative of $0.4M, compared to an Adjusted EBITDA negative of $1.1M in the three months ended December 31, 2023.

The decrease in loss in the current year was primarily due to increase in net operating revenues from the sale of mineral production of $5.8M compared to $4.3M in the prior year (increase of $1.5M), offset by increase of cost of sales of $6.3M compared to $5.3M in the prior year (increase of $1.0M), resulting in a operating loss of $0.4M compared to a operating loss of $1.0M in the prior year. In 2023, the Company also incurred an impairment of $4.4M on its Coriorcco & Las Antas property in Peru.

Change in total assets and liabilities

At December 31, 2024, the Company's total assets were $53.8M compared to $51.9M as at December 31, 2023. Significant changes in assets include increase in cash of $0.3M, increase in trade and receivables of $1.5M, decrease in inventory of $0.1M, increase in development property of $0.6M and increase in property & equipment of $0.1M. Significant changes in liabilities include decrease in accounts payable and accrued liabilities of $0.4M, increase in debentures of $1.5M, decrease in long term payables of $0.4M and increase in deferred income tax liability of $1.0M.

OPERATING HIGHLIGHTS

The following are operating metrics for the years ended December 31, 2024, and 2023**.**

		For the three months ended		For the year ended	
	Unit	**December 31, 2024**	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Ore mined	*tonnes*	39,312	29,900	160,778	109,800
Ore processed	*tonnes*	41,548	34,300	170,676	125,679
Average head grades					
Silver	*g/t*	80.16	92.10	75.05	68.10
Gold	*g/t*	0.41	1.04	0.61	1.03
Zinc	*%*	2.29	1.84	2.09	1.55
Lead	*%*	1.88	1.71	1.79	1.51
Average AgEq head grades	*g/t*	242	314	251	271.45
Average AgEq head grades	*oz/t*	7.77	10.10	8.08	8.73
Average recoveries					
Silver	*%*	91%	89%	87%	88%
Gold	*%*	43%	70%	58%	69%
Zinc	*%*	86%	85%	84%	82%
Lead	*%*	87%	87%	88%	87%
Metal processed					
Silver	*oz*	107,088	99,171	411,862	273,301
Gold	*oz*	546	1,114	3,321	4,153
Zinc	*lbs*	2,101,283	1,356,324	7,857,603	4,603,298
Lead	*lbs*	1,718,983	1,260,263	6,754,095	4,450,454
AgEq processed [1,2]	*oz*	322,658	354,207	1,379,629	1,144,755
Metal produced					
Silver	*oz*	97,230	88,367	359,711	241,819
Gold	*oz*	235	799	1,917	2,924
Zinc	*lbs*	1,805,039	1,155,609	6,619,218	3,786,913
Lead	*lbs*	1,501,190	1,096,166	5,931,907	3,788,382
AgEq produced [1,2]	*oz*	261,189	292,380	1,100,899	918,654
Metal sold					
Silver	*oz*	102,095	83,268	366,671	243,498
Gold	*oz*	217	750	1,779	3,021
Zinc	*lbs*	1,896,123	1,026,037	6,517,884	3,704,715
Lead	*lbs*	1,561,808	1,044,681	5,868,677	3,819,358
AgEq sold [1,2]	*oz*	249,530	240,950	1,006,250	850,106
Average realized price [2,3]					
Silver	*$/oz*	30.94	23.14	28.29	23.32
Gold	*$/oz*	2,635	1,937	2,221	1,932
Zinc	*$/lbs*	1.35	1.13	1.25	1.20
Lead	*$/lbs*	0.91	1.00	0.94	0.98
Cash cost per AgEq ounce produced [2]	*$/oz*	25.3	18.2	19.8	19.9
AISC per AgEq ounce produced [2]	*$/oz*	29.7	23.5	24.3	26.7

Foot notes

[1] 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 year. Revenues from concentrate sales does not consider metallurgical recoveries in the calculations as the metal recoveries are built into the sales amounts.

[2] 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.

[3] 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 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 December 31, 2024		For the three months ended December 31, 2023		For the year ended December 31, 2024		For the year ended months ended December 31, 2023
Tonnage		41,548		34,300		170,676		125,679
Operating revenue (gross)	$	6,919,956	$	5,068,565	$	25,557,267	$	18,206,000
Operating revenue (net)		5,844,806		4,347,995		21,854,446		15,667,142
Cost of sales	**$**	**6,283,710**	**$**	**5,332,189**	**$**	**22,473,210**	**$**	**18,267,703**
Changes in concentrate inventory		(204,131)		(121,578)		142,045		(379,905)
Royalties		(144,889)		(136,591)		(566,403)		(208,648)
Transportation and other selling costs		(132,985)		(72,757)		(459,266)		(264,279)
Amortization (1)		(534,998)		(602,744)		(4,467,741)		(2,108,691)
Total cash production costs	**$**	**5,266,708**	**$**	**4,398,519**	**$**	**17,121,845**	**$**	**15,306,180**
Royalties		144,889		136,591		566,403		208,648
Transportation and other selling costs		132,985		72,757		459,266		264,279
Treatment and refining charges and penalties		1,075,150		720,570		3,702,821		2,538,858
Total cash costs (A)	**$**	**6,619,731**	**$**	**5,328,437**	**$**	**21,850,335**	**$**	**18,317,965**
General and administrative		294,118		570,464		1,357,207		1,841,347
Operating lease payments		19,500		80,871		78,000		318,484
Accretion and Amortization of Reclamation Cost		20,601		20,601		82,404		82,404
Sustaining Capital Expenditure		811,559		876,241		3,376,580		4,004,265
Sustaining costs (B)	**$**	**1,145,778**	**$**	**1,548,177**	**$**	**4,894,191**	**$**	**6,246,501**
All-In-Sustaining costs (A+B)	**$**	**7,765,509**	**$**	**6,876,614**	**$**	**26,744,526**	**$**	**24,564,466**

(1) Year ended December 31, 2023 excludes $ 320K of evaluation costs related to the Revenues-Virginius Mine M&A project in Ouray County, Colorado.

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

		For the three months ended December 31, 2024		For the three months ended December 31, 2023		For the year ended December 31, 2024		For the year ended December 31, 2023
AgEq ounces produced		**261,189**		**292,380**		**1,100,899**		**918,654**
Totals:								
Cash costs	$	6,619,731	$	5,328,437	$	21,850,335	$	18,317,965
Sustaining costs		1,145,778		1,548,177		4,894,191		6,246,501
All-In-Sustaining costs	**$**	**7,765,509**	**$**	**6,876,614**	**$**	**26,744,526**	**$**	**24,564,466**
Per AgEq ounces produced:								
Cash costs	$	25.3	$	18.2	$	19.8	$	19.9
Sustaining costs		4.4		5.3		4.4		6.8
All-In-Sustaining costs	**$**	**29.7**	**$**	**23.5**	**$**	**24.3**	**$**	**26.7**

To improve the accuracy and presentation of AISC calculations, Silver X refined the composition of General & Administrative Expense in sustaining cost, excluding discretionary costs for business development, investor relations and share-based compensation. For comparative purposes the prior year were also recalculated based on the revised methodology, resulting in AISC of $29.7 for the three months period ending December 31, 2024, compared to $23.5 for the same period in 2023 (26.4% increase) and $24.3 for the year ending December 31, 2024, compared to $26.7 for the same year in 2023 (9.1% decrease).

Average Realized Price

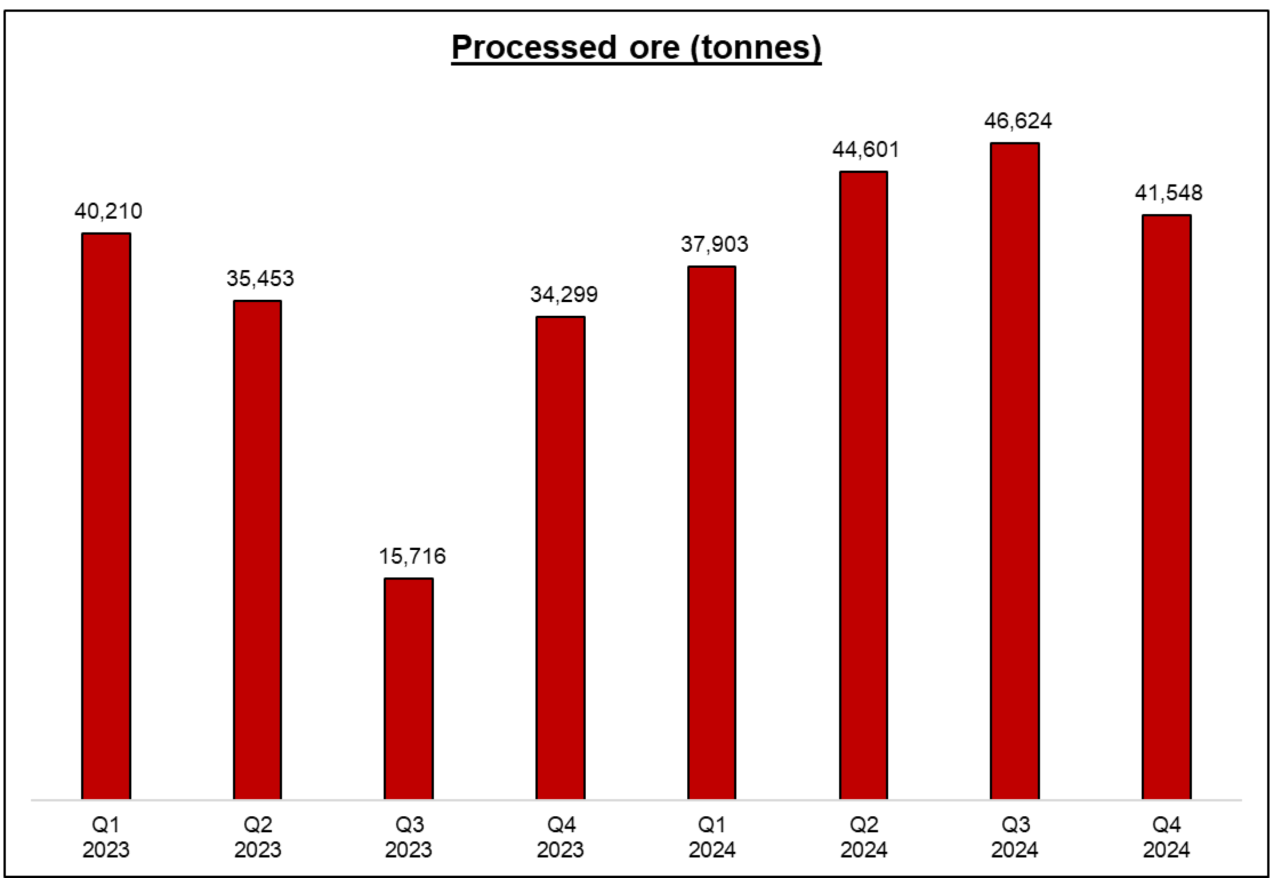
Average realized price is a non-IFRS financial measure**.** The Company uses "average realized price per ounce of silver", "average realized price per ounce of gold", "average realized price per ounce of zinc" and "average realized price per ounce of lead" because it understands that in addition to conventional 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 year.

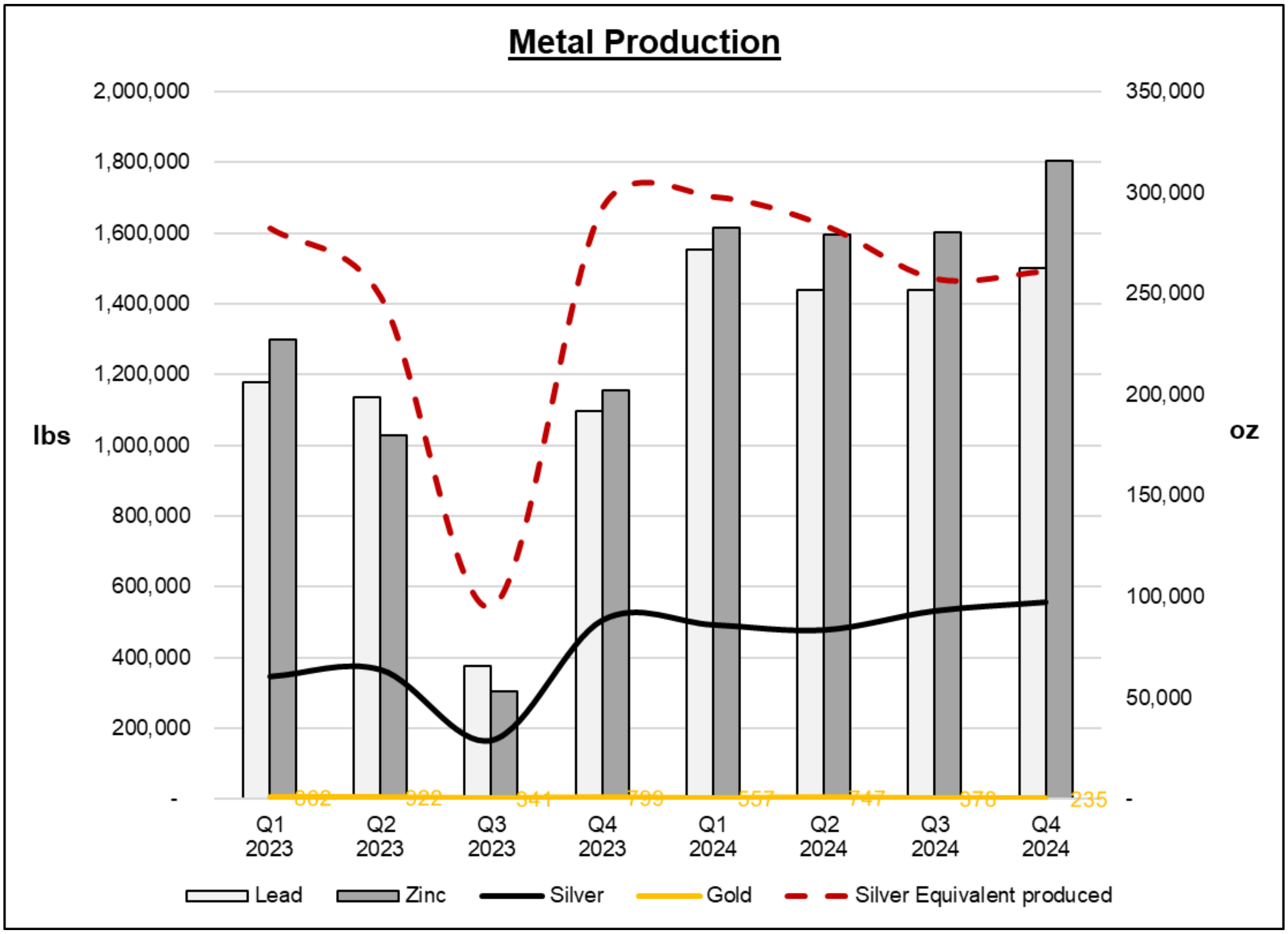
Average realized metal prices represent the sale price of the metal. Average realized price corresponds to the average prices for each metal on the following month after delivery, used to calculate the final value of the concentrate delivered in a given month before any deductions.

		For the three months ended December 31, 2024	For the three months ended December 31, 2023	For the year ended December 31, 2024	For the year ended December 31, 2023
Silver					
Gross revenue	*$*	3,158,821	1,926,815	10,373,134	5,678,728
Metal sold	*oz*	102,095	83,268	366,671	243,498
Average realized price	*$/oz*	30.9	23.1	28.3	23.3
Gold					
Gross revenue	*$*	571,052	1,452,449	3,950,346	5,837,757
Metal sold	*oz*	217	750	1,779	3,021
Average realized price	*$/oz*	2,635	1,937	2,221	1,932
Zinc					
Gross revenue	*$*	2,566,843	1,159,501	8,147,355	4,440,702
Metal sold	*lbs*	1,896,123	1,026,037	6,517,884	3,704,715
Average realized price	*$/lbs*	1.35	1.13	1.25	1.20
Lead					
Gross revenue	*$*	1,424,397	1,040,363	5,521,191	3,740,874
Metal sold	*lbs*	1,561,808	1,044,681	5,868,677	3,819,358
Average realized price	*$/lbs*	0.91	1.00	0.94	0.98

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 year but produced in a previous year or (ii) produced but not sold in the current year. 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 December 31, 2024		For the three months ended December 31, 2023		For the year ended December 31, 2024		For the year ended December 31, 2023
Cost of Sales	**$**	**6,283,710**	**$**	**5,332,189**	**$**	**22,473,210**	**$**	**18,267,703**
Adjustments - increase/(decrease):								
Amortization		(534,998)		(602,744)		(4,467,741)		(2,108,691)
Changes in inventories		(204,131)		(121,578)		142,045		(379,905)
Production cash costs (excluding inventory adjustments)	**$**	**5,544,581**	**$**	**4,607,867**	**$**	**18,147,514**	**$**	**15,779,107**
Tonnes processed		41,548		34,300		170,676		125,679
Production cash cost per tonne processed	**$/t**	**133**	**$/t**	**134**	**$/t**	**106**	**$/t**	**126**

LIQUIDITY AND CAPITAL RESOURCES

		For the year ended December 31, 2024		For the year ended December 31, 2023
Net cash provided by operating activities		700,690		1,296,981
Net cash provided by financing activities		4,881,352		1,353,403
Net cash used in investing activities		(5,637,356)		(2,928,394)
Net change		299,527		(539,077)
Cash, end of year	**$**	**784,429**	**$**	**484,902**

Cash provided by operating activities for year ended December 31, 2024, was $0.7M compared to $1.3M for the year ended December 31, 2023. The decrease in cash inflow in the current year was primarily due working capital changes in the year and partially offset by the reduction in operating loss from increased production at the Company's mining operations.

Cash provided by financing activities during the year ended December 31, 2024, was $4.9M compared to $1.4M cash used during the year ended December 31, 2023, primarily due to the private placement offerings during the year of $3.5M compared to the non-brokered private placement offerings in the 2023 $1.9M.

Cash used in investing activities during the year ended December 31, 2024, was higher at $5.6M compared to $2.9M cash used during the year ended December 31, 2023, as the Company continued to invest in the development of the Tangana mining unit. The Company invested $3.5M in mineral property and $2.1M in the purchase of property, plant and equipment during the year ended December 31, 2024.

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 year ended December 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 year ended December 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. (Former Officer)	Compensation expense
Freddy Mayor (Former Officer)	Compensation expense
Catapult Consulting Corp (Former Officer)	Compensation expense and professional fees
Serebro Corp. (Director, Officer)	Compensation expense
Darryl Cardey (Director)	Director fees
David Gleit (Officer)	Compensation expense

As at December 31, 2024, the Company had $40,470 outstanding in accounts payables and accrued liabilities (December 31, 2023 – $461,384) and $93,499 outstanding in supplier advances associated with related parties (December 31, 2023 - $98,586).

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:

		For the year ended December 31, 2024		For the year ended December 31, 2023
Compensation expense	$	684,778	$	683,860
Consulting fees		67,893		154,546
Directors' fees		101,082		130,590
Share based payment		329,224		288,830
	$	**1,182,977**	**$**	**1,257,826**

SHAREHOLDERS' EQUITY

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

	Stock options	Share purchase warrants	RSUs	Common shares
As at December 31, 2024	5,925,000	23,003,124	-	201,887,009
Options granted	700,000	-	-	-
RSU granted	-	-	450,000	-
Bonus warrants	-	1,500,000	-	-
Private Placement	-	21,817,529	-	20,588,235
As at date of report	6,625,000	46,320,653	450,000	222,475,244

During the year ended December 31, 2024

a) On December 2, 2024, 175,000 common shares were issued in relation to the vesting of RSUs.

b) On October 24 2024, 25,000 common shares were issued in relation to the exercise of options with an exercise price of C$0.25 for total proceeds of $4,491.

c) On October 30 2024, 66,500 common shares were issued in relation to the exercise of warrants with an exercise price of C$0.30 for total proceeds of $14,336.

d) On August 5, 2024, Sebastian Wahl resigned as Vice President, Corporate Development of the Company. On September 23, 2024, Mr. Wahl resigned as a director of the Company.

   On August 20, 2024, the Company issued 1,261,956 common shares of the Company at a price of C$0.23 per share to Mr. Wahl resulting in a total issuance value of $213,355. In addition, the Company also paid C$32,500 as part of its full and final settlement with Mr. Wahl. The Company incurred share issuance costs amounting to $1,802.

e) 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 gross proceeds of $808,750 (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 $2,840,462 (C$3,891,884). In total, the Company placed 27,777,776 units for aggregate proceeds of $3,562,255, net of $86,956 share issuance cost.

   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) $51,605 (C$70,111) in cash and (ii) 382,843 finder's warrants (the "Finder's Warrants) exercisable into one Share at a price of C$0.30. The Finder's Warrants are exercisable for a period of 36 months from the Closing Date.

f) On April 12, 2024, the Company settled $2,181,458 of accounts payable balance through the issuance of 6,000,000 common shares valued at the current market price of C$0.24 per share. The settlement of accounts payable balance resulted in a gain of $1,132,260. The Company incurred $11,018 of share issuance costs on the settlement.

During the year ended December 31, 2023

a) 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.

b) 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.

c) 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.

d) 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.

e) 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 December 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	0.48	C$ 0.27
November 2, 2025	125,000	125,000	0.84	C$ 0.70
June 21, 2026	2,000,000	2,000,000	1.47	C$ 0.60
August 23, 2026	850,000	850,000	1.64	C$ 0.60
August 9, 2027	800,000	800,000	2.61	C$ 0.25
November 4, 2027	350,000	350,000	2.84	C$ 0.23
November 30, 2026	250,000	250,000	1.92	C$ 0.27
November 30, 2028	1,400,000	1,400,000	3.92	C$ 0.27
	5,925,000	**5,925,000**	**2.29**	**C$ 0.43**

As at December 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
June 5, 2025	4,289,850	0.43	C$0.45
June 5, 2025	78,003	0.43	C$0.30
June 28, 2025	3,028,480	0.49	C$0.45
June 28, 2025	14,562	0.49	C$0.30
July 7, 2025	1,387,000	0.52	C$0.45
April 4, 2027	3,121,154	2.26	C$0.30
April 12, 2027	11,084,075	2.28	C$0.30
	23,003,124	**1.58**	**C$0.36**

As at December 31, 2024, the Company does not have any outstanding RSU.

SUBSEQUENT EVENTS

On February 19, 2025, the Company, in relation to the loan facility agreement, issue a loan bonus of 1,500,000 common share purchase warrants to an affiliate of Trafigura, Urion Holdings (Malta) Limited. The Warrants are subject to a hold period, under Canadian securities laws, expiring four months and one day from the date of issuance, exercisable for an equivalent of common shares for a period of 25 months at a 25% premium to the 20-day VWAP of Silver X's shares on the TSX.V as of the day before announcing the signing date.

On March 13, 2025, the Company closed its private placement offering with the placement of 20,588,235 units (the "Units") at a price of C$0.17 per Unit for gross proceeds of $2,429,037 (C$3,500,000). 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$0.25 per share for a period of 36 months from the date of closing of the Private Placement. The Company paid its broker a commission of $145,034 (C$208,980), and other legal fees and disbursements of $56,989 (C$82,116). Furthermore, the Company issued 1,229,294 broker warrants (the "Broker Warrants"). Each Broker Warrant shall be exercisable for one Common Share at a price of C$0.17 per Common Share at any time on or before March 13, 2028.

On March 31, 2025, the Company granted 450,000 restricted share units with a term of 1 year and 700,000 stock options to directors and officers of the Company, in accordance with the Company's omnibus incentive plan dated August 9, 2024. Each stock option will have an exercise price of C$0.17 and will have a term of 5 years. The grant of the stock options and restricted share units is subject to TSX Venture Exchange approval.

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. As at December 31, 2024, a 10% appreciation of the Canadian Dollar relative to the US Dollars would have increased net financial liability by approximately $32,000 (December 31, 2023 - $28,000). A 10% appreciation of the US Dollar relative to the Canadian Dollar would have had the equal but opposite effect. A 10% appreciation of the US Dollar relative to the Peruvian SOL would have decreased net financial liability by approximately $625,000 (December 31, 2023 - $1,432,000) and a 10% appreciation of the Peruvian SOL would have had an equal but opposite effect. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk.

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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 December 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.