ABRASILVER RESOURCE CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2024

(Expressed in Canadian Dollars)

(UNAUDITED)

ABRASILVER RESOURCE CORP.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at		**March 31, 2024 (Unaudited)**		**December 31, 2023 (Audited)**
Assets				
Current assets				
Cash and cash equivalents	$	5,694,289	$	2,797,365
Term deposits (*)		-		2,000,000
Receivables (note 5)		1,127,479		443,217
Prepaid expenses		31,757		50,179
Total current assets		6,853,525		5,290,761
Mineral property interests (note 5)		24,238,171		24,378,362
Total Assets	$	31,091,696	$	29,669,123
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities (note 9)	$	2,393,508	$	789,103
Total current liabilities		2,393,508		789,103
Non-Current liabilities				
Consideration payable (note 7)		7,871,390		7,420,066
Total Liabilities		10,264,898		8,209,169
Shareholders' Equity				
Share capital (note 8)		93,548,110		93,204,742
Reserves (notes 8(b), (c) and (d))		7,119,868		7,113,232
Accumulated other comprehensive income		1,046,600		574,203
Accumulated deficit		(80,887,780)		(79,432,223)
Total shareholders' equity		20,826,798		21,459,954
Total Liabilities and Equity	$	31,091,696	$	29,669,123

(*) The term deposit consists of a guaranteed investment certificates that matured in January 2024.

Nature of operations and going concern (note 1)
Commitments (note 12)
Subsequent events (note 13)

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Approved by the Board of Directors:

Director: *(s) " Flora Wood"*

Director: *(s) "Robert Bruggeman"*

ABRASILVER RESOURCE CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

Three months ended March 31,	**2024**	**2023**
Administrative expenses		
Consulting fees (note 9)	$ 183,593	$ 169,153
Insurance	31,914	28,982
Investor relations	42,105	69,833
Depreciation, office and administration	253,851	520,588
Professional fees (note 9)	299,046	127,365
Salaries, benefits and director fees (note 9)	189,049	171,688
Share-based payments (notes 8 and 9)	199,504	410,484
Transfer agent and filing fees	40,620	94,792
Total administrative expenses	1,239,682	1,592,885
Evaluation and exploration expenses (note 6)	1,075,113	7,785,529
Other (income) expenses		
Gain on sale of marketable securities (note 10)	(706,634)	(3,285,957)
Teck management fees and other income (note 5(b))	(407,947)	-
Interest income	(159,795)	(97,404)
Accretion of consideration payable and lease liabilities (note 7)	268,320	231,638
Foreign exchange loss (gain)	146,818	(13,389)
Total other income	(859,238)	(3,165,112)
Net loss for the period	1,455,557	6,213,302
Other comprehensive (income) loss:		
Foreign currency translation adjustment	(472,397)	10,695
Total comprehensive loss for the period	$ 983,160	$ 6,223,997
Basic and diluted loss per share	$ 0.01	$ 0.06
Weighted average number of shares outstanding - basic and diluted	113,461,518	105,243,721

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

ABRASILVER RESOURCE CORP.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital		Shares to be	Share-based	Warrant	Accumulated	Accumulated	
	Number	Amount	issued	payment reserve	reserve	Ohter comprehensive ncome (loss)	Deficit	Total
Balance, December 31, 2022	104,944,127	$ 83,534,280	$ -	$ 4,615,716	$ 2,658,199	$ 1,430,237	$ (60,638,789)	$ 31,599,643
Shares issued and to be issued from exercise of warrants	819,100	832,902	97,500	-	(96,876)	-	-	833,526
Shares issued for settlement of RSU	76,667	143,750	-	(143,750)	-	-	-	-
Shares issued from exercise of stock options	250,375	317,376	-	(111,521)	-	-	-	205,855
Share-based payments	-	-	-	410,484	-	-	-	410,484
Foreign currency translation adjustment	-	-	-	-	-	(10,695)	-	(10,695)
Net loss for the period	-	-	-	-	-	-	(6,213,302)	(6,213,302)
Balance, March 31, 2023	106,090,269	$ 84,828,308	$ 97,500	$ 4,770,929	$ 2,561,323	$ 1,419,542	$ (66,852,091)	$ 26,825,511
Balance, December 31, 2023	113,264,741	$ 93,204,742	$ -	$ 5,233,849	$ 1,879,383	$ 574,203	$ (79,432,223)	$ 21,459,954
Shares issued from exercise of warrants	210,000	124,596	-	-	(19,596)	-	-	105,000
Shares issued for settlement of RSU	76,667	143,750	-	(143,750)	-	-	-	-
Shares issued from exercise of stock options	140,000	75,022	-	(29,522)	-	-	-	45,500
Share-based payments	-	-	-	199,504	-	-	-	199,504
Foreign currency translation adjustment	-	-	-	-	-	472,397	-	472,397
Net loss for the period	-	-	-	-	-	-	(1,455,557)	(1,455,557)
Balance, March 31, 2024	113,691,408	$ 93,548,110	$ -	$ 5,260,081	$ 1,859,787	$ 1,046,600	$ (80,887,780)	$ 20,826,798

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

ABRASILVER RESOURCE CORP.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

Three Months Ended March 31,	**2024**	**2023**
Operating Activities		
Net loss for the period	$ (1,455,557)	$ (6,213,302)
Items not affecting cash:		
Accretion of consideration payable and lease liabilities	268,320	231,638
Foreign exchange (gain) loss	146,818	(5,246)
Share-based payments	199,504	410,484
Gain on sale of marketable securities	(706,634)	(3,285,957)
Depreciation	-	4,285
Changes in non-cash operating working capital:		
Receivables	(684,262)	(8,919)
Accounts payable and accrued liabilities	1,604,405	53,056
Prepaid expenses	18,422	(114,380)
Cash (used in) operating activities	(608,984)	(8,928,341)
Investing Activities		
Additions to mineral interests	(695,096)	(553,653)
Option payments received	1,429,114	-
Disposal from sale of marketable securities	3,080,996	7,922,477
Proceeds from redemption of term deposits	2,000,000	-
Purchase of marketable securities	(2,374,005)	(4,636,520)
Cash provided by investing activities	3,441,009	2,732,304
Financing Activities		
Proceeds from exercise of warrants	105,000	833,526
Proceeds from exercise of stock options	45,500	205,855
Repayment of lease liabilities	-	(4,869)
Cash provided by financing activities	150,500	1,034,512
Foreign exchange effect on cash and cash equivalents	(85,601)	7,616
Change in cash and cash equivalents during the period	2,896,924	(5,153,909)
Cash and cash equivalents, beginning of the period	2,797,365	13,823,197
Cash and cash equivalents, end of the period	$ 5,694,289	$ 8,669,288
Cash and cash equivalents are comprised of:		
Cash	$ 3,176,823	$ 2,634,640
Cash equivalents	2,517,466	6,034,648
	$ 5,694,289	$ 8,669,288
Non-cash investing and financing activities		
Shares issued for settlement of RSU	$ 143,750	$ 143,750

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

1. Nature of operations and going concern

AbraSilver Resource Corp. (formerly AbraPlata Resource Corp.) (the "Company" or "AbraSilver") was incorporated on August 31, 1993 under the Alberta Business Corporations Act. On September 30, 2015, the Company's incorporation jurisdiction was moved to British Columbia. The Company's registered office is located at Suite 550, 220 Bay Street, Toronto, Ontario, M5J 2W4.

As at March 31, 2024, the Company had a working capital of $4,460,017 (December 31, 2023 – $4,501,658), has never had profitable operations, and had an accumulated deficit at March 31, 2024 of $80,887,780 and expects to continue to incur losses in the development of its business. These factors create material uncertainties that may casts significant doubt on the Company's ability to continue as a going concern without securing additional future sources of financing. These unaudited condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments, if any, that may be required to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and discharge its liabilities as a going concern in the normal course of operations. Management plans to secure necessary financing, as and when needed, through a combination of the issue of new equity or debt instruments and the entering of joint venture or option arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

On March 4, 2021, the Company changed its name from "AbraPlata Resource Corp." to "AbraSilver Resource Corp.". The common shares of the Company began trading under the Company's new name on TSX Venture Exchange on March 9, 2021.

On May 17, 2024, the Company announced that it would implement the consolidation of its common shares in the capital of the Company on the basis of five (5) pre-consolidation shares for every one (1) post consolidation share. The consolidation took effect at market open on May 22, 2024. Accordingly, the number of shares, warrants, stock options and RSUs and the exercise prices in these unaudited condensed interim consolidated financial statements have been restated to reflect the share consolidation.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

2. Basis of preparation

Statement of compliance

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these unaudited condensed interim consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements for the year ended December 31, 2023 other than as discussed below.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 29, 2024.

2. Basis of preparation (continued)

Future accounting standards and pronouncements

Certain new accounting standards and interpretations have been published that are either applicable in the current period or not mandatory for the current period.

New accounting policies adopted

Option payments received

Proceeds received from option payments are credited to the carrying value of the mineral property interest, with any excess recorded as other income.

Amendments to IAS 1

The Company has assessed Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current, and determined it does not have a material impact on the Company in the current reporting period.

Future accounting standards

In addition, Amendment to IAS 21: Lack of Exchangeability has been published by IASB to specify how to assess whether a currency is exchangeable or not and how to determine the exchange rate when it is not, which is effective as of January 1, 2025. IFRS 18 Presentation and Disclosure in Financial Statements was issued by the IASB in April 2024, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027. The Company is still assessing the impact of the implementation of these amendments. No standards have been early adopted in the current period.

3. Financial instruments

(a) Fair value estimation

The fair value of financial instruments is determined by valuation methods depending on hierarchy levels as defined below:

1. Level 1 of the fair value hierarchy includes unadjusted quoted prices in active markets for identical assets or liabilities;
2. Level 2 of the hierarchy includes inputs that are observable for the asset or liability, either directly or indirectly; and
3. Level 3 includes inputs for the asset or liability that are not based on observable market data.

The Company's marketable securities are valued using level 1 fair value hierarchy. At March 31, 2024 and December 31, 2023, the carrying value was $nil. The carrying values of other financial instruments maturing in the short term approximates their fair values.

(Expressed in Canadian Dollars)

3. Financial instruments (continued)

(b) Financial risks

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The Company manages risks to minimize potential losses. The main objective of the Company's risk management process is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk with respect to its cash and cash equivalents, receivables and term deposits. The Company's maximum exposure to credit risk is their carrying amounts disclosed in the unaudited condensed interim consolidated statement of financial position. Credit risk associated with cash and cash equivalents and term deposits are minimized by placing these instruments with major Canadian financial institutions with strong investment-grade ratings as determined by a primary ratings agency. Credit risk associated with receivables is minimal as the majority of the balance was collected subsequent to March 31, 2024.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

At March 31, 2024, the Company had a cash and cash equivalents balance of $5,694,289 to settle current liabilities of $2,393,508.

The Company intends to finance future requirements from share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

The Company has the following contractual cash flow requirements as at March 31, 2024:

	Years ended December 31, 2024	2025
Consideration payable (US$7,000,000)	$ -	$ 9,485,000
Accounts payable and accrued liabilities	2,393,508	-
Total commitments	$ 2,393,508	$ 9,485,000

(Expressed in Canadian Dollars)

3. Financial instruments (continued)

(b) Financial risks (continued)

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market factors. Market risk comprises three types of risk: price risk, interest rate risk and currency risk.

Price risk
Price risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. The Company is not exposed to price risks.

Interest rate risk
Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that the cash and cash equivalents and term deposits, if any, maintained at financial institutions is subject to a floating rate of interest. The interest rate risk on cash and cash equivalents and term deposits is not considered significant.

Currency risk
Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company is exposed to currency risk through financial assets and liabilities denominated in currencies other than the Canadian dollar, the Company's presentation currency. The Company's financial instruments denominated in currencies that are not the Canadian dollar as at March 31, 2024 are as follows:

Cost	Argentine peso	Chilean peso	US$	C$ equivalent
Cash	653,632,914	187,831,160	1,046,180	2,706,744
Accounts payable and accrued liabilities	1,014,441,131	686,460	328,607	2,054,426
Consideration payable	-	-	5,809,144	7,871,390

The Company's sensitivity analysis suggests that a 10% depreciation or appreciation of the foreign currencies against the Canadian dollar would have resulted in an approximate $722,000 decrease or increase in the Company's total comprehensive income or loss.

As at March 31, 2024, US dollar amounts have been translated at a rate of C$1.355 per US dollar; Argentine peso amounts have been translated at C$0.00158 per Argentine peso and Chilean peso amounts have been translated at C$0.00138 per Chilean peso.

4. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development and exploration of its mineral properties and to maintain a flexible capital structure, which optimizes the costs of capital to an acceptable risk. The Company considers its capital including shareholders' equity.

The Company depends on external financing to fund its activities and there can be no guarantee that external financing will be available at terms acceptable to the Company. Additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional financing at terms that are acceptable to the Company will be available. The capital structure of the Company currently consists of common shares. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt, new shares or warrants. The Company is not subject to externally restricted capital requirements.

Management reviews its capital management approach on a regular basis. There were no changes in the Company's approach to capital management.

5. Mineral property interests

Through the Company's wholly-owned subsidiaries, the Company controls exploration projects in Argentina classified by the Company into the Diablillos Project, La Coipita Project and in Chile classified into the Arcas project. All acquisition costs and option payments related to these exploration projects are capitalized as mineral interests and are incurred in US dollars and translated to Canadian dollars, the presentation currency for the Company.

(a) Diablillos project

(1) On November 1, 2016, the Company closed a share purchase agreement dated August 23, 2016, as amended and restated on March 21, 2017, and further amended on September 11, 2019, with SSR Mining Inc. ("SSRM") and Fitzcarraldo Ventures Inc. (the "Diablillos SPA") pursuant to which Huayra acquired from SSRM all of the issued and outstanding shares of Pacific Rim Mining Corporation Argentina S.A., ABP Global Inc. (BVI) and ABP Diablillos Inc. (BVI) (together, the "SSRM subsidiaries"). Through the acquisition of the SSRM subsidiaries, the Company acquired certain exploration projects in Salta and Chubut Provinces, Argentina (the "Diablillos Project" and the "Aguas Perdidas Project").

Cash consideration payable to SSRM consists of the following:

1. US$300,000 on closing; this amount to be increased by an amount equal to the US dollar equivalent of the amount of Argentine pesos deposited in entity purchased by the Company (paid);
2. US$300,000 on or before February 15, 2017 (as amended) (paid);
3. US$500,000 on 180th day after closing (paid);
4. US$50,000 on or before January 12, 2018 (as amended) (paid);
5. $ 200,000 to be paid at the closing date of the Arrangement with Aethon (paid);
6. US$5,000,000 to be paid on the earlier of (paid):
   - o the date on which a Diablillos Feasibility Study in respect of all or any part of the Diablillos Concessions has been obtained;
   - o July 31, 2023; and
   - o 90 days after demand by SSRM for payment if (a) AbraSilver's market capitalization exceeds $100,000,000 for 20 consecutive trading days (on the primary stock exchange on which such entity's shares are traded) or (b) after November 1, 2020, the spot price of silver (based on the London Bullion Market Association (LBMA) Silver Price as published by the LBMA on its website (or should that quotation cease, another similar quotation acceptable to the parties acting reasonably) (the "Benchmark") exceeds $25 per ounce for 20 consecutive trading days on the Benchmark;

5. Mineral property interests (continued)

(a) Diablillos project (continued)

(1) (continued)

7. US$7,000,000 to be paid on the earlier of (note 7):
   - o the date on which Commercial Production occurs in respect of all or any part of the Diablillos Concessions (not reached yet); and
   - o July 31, 2025.

On September 2, 2020 AbraSilver's market capitalization exceeded $100,000,000 for twenty (20) consecutive trading days on the TSX-V for the period from and after August 6, 2020 to and including September 2, 2020. On the same day SSRM requested the US$ 5,000,000 to be paid within 90 days. During the year ended December 31, 2020, the Company paid $6,533,500 (US$5,000,000) as an addition to the Diablillos project.

Equity consideration consists of 2,258,922 Class B common shares of the Company which automatically converted into a number of Huayra Class A Shares that, upon the completion of the RTO, resulted in SSRM holding common shares of the Company representing 19.9% of the Company's then outstanding common shares. The Diablillos SPA provided SSRM an anti-dilution right to maintain 19.9% equity interest in the capital of the Company until the Company completes a qualified financing of a minimum of US$5,000,000. During the year ended December 31, 2018 the Company completed a qualified financing and is no longer obligated to maintain SSRM's free carried equity interest. As consideration for SSRM's agreement to amend the Share Purchase Agreement, in 2019 the Company issued an additional 4.83 million common shares of the Company plus payment of $200,000.

The royalty consideration payable to SSRM consists of a 1% net smelter returns royalty. SSRM is entitled to receive advance royalty payments totaling of US$250,000 on November 1, 2017 (paid).

These advance royalty payments will be deducted and set off against the first US$250,000 of net smelter returns royalty payments otherwise payable in respect of the Diablillos Project. As security for the above obligations the Company has pledged to SSRM all the shares the Company acquired in the two entities which hold interest to the Diablillos Project and the Aguas Perdidas Project.

The US$7,000,000 balance will be paid on earlier of the date on which commercial production occurs in respect of all or any part of the Diablillos Project and July 31, 2025. The unpaid cash consideration under the Diablillos SPA is secured against a mortgage, pledge and assignment agreement in favour of EMX. If the Company fails to pay the unpaid cash consideration under the Diablillos SPA, when due, EMX (the assignee of SSRM's rights under the Diablillos SPA) will be permitted to enforce against the Company's assets related to the Diablillos Project.

5. Mineral property interests (continued)

(a) Diablillos project (continued)

(2) On August 30, 2017 the Company signed a share purchase agreement, which was amended September 6, 2019, to acquire all of the issued and outstanding shares of Minera Cerro Bayo S.A. ("Cerro Bayo"), a privately held Argentine company. Cerro Bayo owns certain mineral rights that, as a result of a long-standing border dispute between two neighboring provinces in northwestern Argentina, overlap and potentially conflict with the Company's mineral rights to its Diablillos Ag-Au project. The acquisition of the potentially conflicting mineral rights through the acquisition of Cerro Bayo means that the Company will retain its title to the Diablillos Ag-Au project regardless of the ultimate outcome of the provincial border dispute.

Cash and equity consideration payable under the agreement is as follows:
1. US$225,000 upon closing (paid);
2. US$175,000 on or before February 28, 2018 (paid);
3. US$15,000 upon signing of the September 6, 2019, amendment (paid);
4. US$350,000 and 300,000 common shares on or before November 30, 2019 (paid and issued);
5. US$65,000 on or before April 30, 2020 (paid);
6. US$65,000 and 200,000 common shares on or before October 31, 2020 (paid and issued);
7. US$65,000 on or before April 30, 2021(paid);
8. US$65,000 on or before October 31, 2021 (paid);
9. US$65,000 on or before April 30, 2022 (paid);
10. US$65,000 on or before October 31, 2022 (paid);
11. US$1,000,000 on or before July 31, 2023 (paid);
12. US$1,170,000 on or before July 31, 2025.

The unpaid cash consideration is secured against a stock pledge and trust agreement in favor of the seller of the equity interest of Cerro Bayo. Any unpaid cash consideration will become a liability of the Company only if the Company does not terminate the Diablillos SPA when the payments are due. As such, the amounts not due as of December 31, 2023 and March 31, 2024 have not been recognized as a liability. The Company has disclosed the unpaid cash consideration as commitments in note 12.

(b) La Coipita Project

On January 31, 2020, AbraSilver entered into an option agreement, through its wholly owned subsidiary, AbraPlata Argentina SA, to acquire a 100% interest in the La Coipita project ("La Coipita") located in San Juan province, Argentina by paying a total of US$4,265,000 in staged payments over 60 months (US$1,265,000 paid to March 31, 2024) to the optionors ("Project Owners").

On October 23, 2023, the Company and the La Coipita Project owners (the "optionors") amended the US$1,000,000 cash amount to be paid to the optionors in January 2024 and the US$2,500,000 cash amount to be paid in January 2025. As per the amendment the Company paid US$ 500,000 on January 31, 2024, will pay US$1,000,000 in January 2025 and the remaining US$ 2,000,000 will be paid in January 2026.

Cash consideration payable per the letter agreement were as follows:

1. US$35,000 upon celebration of the letter agreement (paid);
2. US$30,000 in February 2020 (paid);
3. US$100,000 in January 2021 (paid);
4. US$200,000 in January 2022 (paid);
5. US$400,000 in January 2023 (paid);
6. US $500,000 in January 2024 (paid);
7. US$1,000,000 in January 2025; and
8. US$2,000,000 in January 2026.

5. Mineral property interests (continued)

(b) La Coipita Project (continued)

In the event the project is placed into commercial production, the Project Owners shall be entitled to collect 1.1% of the net smelter return ("NSR"), which AbraSilver may purchase for US$3,000,000 during the 60 months after the first staged payment was made, or for US$5,000,000 thereafter until start-up of construction of the project.

On February 5, 2020, AbraPlata Argentina SA entered into a binding letter agreement with Altius Resources Inc. to sell its right to acquire the 1.1% NSR from the Project Owners. In consideration, Altius will invest in AbraPlata by way of subscription for common shares or share units in its next equity financing a minimum sum of $125,000 (received).

On August 9, 2021, AbraSilver entered into an option agreement, through its wholly owned subsidiary, AbraPlata Argentina SA, to acquire a 100% interest in the Yaretas project ("Yaretas") located in San Juan province, Argentina by paying a total of US$3,025,000 in staged payments over 60 months (US$225,000 paid to March 31, 2024) to the optionors ("Yeretas Project Owners").

On August 11, 2023, the Company and the Yaretas Project owners amended the US$ 200,000 cash amount to be paid to the owners in August 2023. As per the amendment the Company paid US$ 100,000 on August 31, 2023 and the remaining US$ 100,000 will be paid in August 2024.

Cash consideration payable per the letter agreement are as follows:

1. US$50,000 upon celebration of the letter agreement (paid);
2. US$75,000 in August 2022 (paid);
3. US$100,000 in August 2023 (paid);
4. US$500,000 in August 2024;
5. US$800,000 in August 2025; and
6. US$1,500,000 in August 2026.

In the event the project is placed into commercial production, the Yeretas Project Owners shall be entitled to collect 1.1% of NSR, which AbraSilver may purchase for US$5,000,000 at any time.

<u>Agreement with Teck Resources Limited ("Teck")</u>

On January 22, 2024 the Company announced that it has executed a definitive option and joint venture agreement (the "Agreement") with a subsidiary of Teck, to explore and develop the La Coipita copper-gold project in San Juan, Argentina.

The Agreement grants Teck an option to acquire an 80% interest in La Coipita by funding cumulative exploration expenditures of US$20,000,000 over a five-year period, making staged cash payments to AbraSilver, and an equity placement in AbraSilver totaling US$3,095,545 (including an initial mandatory payment of US$559,545), and making up to US$6,300,000 in optional cash payments in respect of amounts payable to the underlying Project vendors. Following an initial transition period during which AbraSilver will support field operations, Teck is expected to act as operator for the duration of the Option.

(Expressed in Canadian Dollars)

5. Mineral property interests (continued)

(b) La Coipita Project (continued)

Agreement with Teck Resources Limited (continued)

Cash consideration receivable per the Agreement are as follows:

1. US$559,545 cash payment upon closing of the agreement (optional payment - received);
2. US$1,000,000 cash payment or at Teck's election, subscription for US$1,000,000 of common shares of AbraSilver ("ABRA Shares") on or before January 31, 2025, to be priced at the greater of (a) a 25% premium to the preceding 20-day volume weighted average price of ABRA shares, or (b) $1.75 per ABRA Share (optional payment or subscription); and
3. US$1,500,000 cash payment on or before January 31, 2028 (optional payment).

Additional Optional cash payments in respect of amounts for expenditures required to settle payments to the Project optionors:

1. US$500,000 Initial payment (mandatory payment - received);
2. US$500,000 on or before July 31, 2024 (optional payment);
3. US$1,000,000 on or before January 15, 2025 (optional payment);
4. US$800,000 on or before July 31, 2025 (optional payment);
5. US$1,500,000 on or before July 31, 2026 (optional payment); and
6. US$2,000,000 on or before January 15, 2026 (optional payment).

The $1,429,114 (US$1,059,545) received from Teck during the three months ended March 31, 2024 was applied against the mineral property interest of La Coipita.

Agreement with Teck Discovery Argentina S.A.S.
On February 1,2024, Teck Discovery Argentina S.A.S. ("**Teck Discovery**") accepted an offer of Technical Service Agreement from AbraPlata Argentina S.A. to perform some management services in support of Teck Discovery exploration activities on the La Coipita project. During the three months ended March 31, 2024, the Company accrued $407,947 receivables from Teck Discovery as Teck management fees and other income in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

	Diablillos Argentina	**La Coipita Project**	**Total**
December 31, 2022	$22,003,803	$ 897,907	$22,901,710
Additions, cash	1,341,100	706,146	2,047,246
Foreign exchange translation	(535,129)	(35,465)	(570,594)
December 31, 2023	22,809,774	1,568,588	24,378,362
Additions, cash	-	695,096	695,096
Options payment received from Teck	-	(1,429,114)	(1,429,114)
Foreign exchange translation	558,776	35,051	593,827
March 31, 2024	$23,368,550	$ 869,621	$24,238,171

(Expressed in Canadian Dollars)

6. Evaluation and exploration expenses

Three months ended March 31,		**2024**		**2023**
Diablillos				
Camp costs	$	201,666	$	458,893
Drilling		13,259		3,953,878
Legal and regulatory fee		24,145		21,283
Engineering		24,734		135,995
Geology and lab		353,311		690,089
Personnel costs		324,413		478,900
Permitting		41		-
Travel and transport		52,824		118,001
Administration		76,525		24,816
	$	1,070,918	$	5,881,855
La Coipita				
Professional and access fees	$	3,329	$	717,244
Drilling		-		457,687
Camp costs		-		578,056
Travel and administration		866		142,923
Geology		-		3,249
	$	4,195	$	1,899,159
Arcas project				
Legal and regulatory fee	$	-	$	4,515
	$	-	$	4,515
Total evaluation and exploration expenses	**$**	**1,075,113**	**$**	**7,785,529**

(Expressed in Canadian Dollars)

7. Consideration payable

	As at March 31, 2024	As at December 31, 2023
Opening balance	$ 7,420,066	$ 6,607,366
Accretion	268,320	987,777
Foreign exchange	183,004	(175,077)
Ending balance	$ 7,871,390	$ 7,420,066

The consideration payable represents the remaining payment in the amount of US$7,000,000 as per the Diablillos SPA, which is to be paid on the earlier of the date on which commercial production occurs in respect of all or any part of the Diablillos Concessions and July 31, 2025. The payment obligation is discounted and accreted at a discount rate of 15% per annum, with an estimated payment date of July 31, 2025, see note 5 (a).

8. Share capital

a) Authorized

Authorized: Unlimited common shares without par value. Unlimited first preferred shares without par value. Unlimited second preferred shares without par value.

b) Stock options

The Company adopted a share compensation plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company pursuant options granted. The total number of Common Shares issuable under the Plan pursuant to the settlement of RSU that may be awarded shall not exceed 1,000,000 Common Shares. The options can be granted for a maximum of ten years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

On July 13, 2022, the board of directors of the Company approved certain administrative amendments to the share compensation plan, including: (i) clarifying the circumstances which the expiry time for options and RSUs may be extended during a black-out period; (ii) placing limits on when RSUs may vest; (iii) modifying the certain amendments to the share compensation plan that would require shareholder approval; (iv) adding certain defined terms to the share compensation plan to conform to the policies of the TSX-V; (v) specifying that decisions relating to certain adjustments and vesting acceleration shall require the prior approval of the TSX-V; (vi) specifying certain instances where a TSX-V imposed hold period will be applied to awards; and (vii) allowing for the issuance of “incentive stock options”. On July 18, 2023, the Board approved a further amendment to the Share Compensation Plan in order to allow for the exercise of Options on a net basis whereby the option holders will be entitled to receive that number of common shares that is the equal to the quotient obtained by dividing: (i) the product of the number of options being exercised multiplied by the difference between the market price of the common shares and the exercise price of the subject options; by (ii) the market price of the common shares.

On February 17, 2023, the Company granted 1,145,000 options to Directors, Officers and Consultants. The exercise price is $1.85 and the options will expire on February 17, 2028. The options will vest as follow: 25% six months from the date grant and 25% every six months thereafter. The fair value of the stock options was determined to be $1,431,033 using the Black-Scholes option pricing model with the following assumptions: 5 years expected life; share price at the grant date of $1.58; 113% volatility; risk free interest rate of 3.45%; and a dividend yield of 0%.

(Expressed in Canadian Dollars)

8. Share capital (continued)

b) Stock options (continued)

On March 28, 2024 the Company granted an aggregate of 1,136,000 options to directors, officers, employees, advisors and consultants of the Company. The options issued entitle the holder to acquire the same number of common shares of the Company and will be exercisable at a price of $1.78 per common share for a period of five years from the date of grant. The options vest in 25% instalments every 6 months, starting from the date of the grant, and were granted under and are subject to the terms and conditions of the Company's Stock Option Plan. The fair value of the stock options was determined to be $1,557,379 using the Black-Scholes option pricing model with the following assumptions: 5 years expected life; share price at the grant date of $1.80; 103% volatility; risk free interest rate of 3.51%; and a dividend yield of 0%.

Expected volatility was estimated based on the historical prices of the Company's stock.

During the three months ended March 31, 2024, the Company recorded $179,298 (three months ended March 31, 2023 - $310,248) in share-based expense related to the stock options.

The movement in the Company's share options for the periods ended March 31, 2024 and 2023 are as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2022	4,869,000	$ 0.95
Exercised	(250,375)	0.80
Granted	1,145,000	1.85
Expired	(10,000)	1.00
Balance, March 31, 2023	5,753,625	$ 1.15
Balance, December 31, 2023	4,751,875	$ 1.20
Exercised	(140,000)	0.33
Granted	1,136,000	1.78
Balance, March 31, 2024	5,747,875	$ 1.40

The weighted average trading price of the Company's shares on the dates of the exercises of stock options was $1.40 for the three months ended March 31, 2024 (three months ended March 31, 2023 - $1.40).

(Expressed in Canadian Dollars)

8. Share capital (continued)

b) Stock options (continued)

Stock options outstanding as at March 31, 2024:

Expiry date	Options outstanding	Exercise price ($)	Remaining contractual life (years)	Options exercisable
June 24, 2024	120,375	0.68	0.23	120,375
January 8, 2025	1,785,000	0.325	0.78	1,785,000
January 25, 2026	631,500	1.95	1.82	631,500
October 22, 2026	150,000	2.65	2.56	150,000
February 11, 2027	740,000	1.88	2.87	740,000
May 2, 2025	40,000	2.25	1.09	40,000
February 17, 2028	1,145,000	1.85	3.88	572,500
March 28, 2029	1,136,000	1.78	4.99	-
	5,747,875	1.37	2.65	4,039,375

c) Warrants

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2022	11,814,764	$ 1.35
Exercised	(819,100)	0.90
Balance, March 31, 2023	10,995,664	$ 1.40
Balance, December 31, 2023	4,032,115	$ 1.95
Exercised	(210,000)	0.50
Balance, March 31, 2024	3,822,115	$ 2.00

Warrants outstanding as at March 31, 2024:

Expiry date	Warrants outstanding	Exercise price ($)	Remaining contractual life (years)
April 8, 2024	734,000	0.50	0.02
April 18, 2024	80,000	0.50	0.05
June 6, 2024	305,415	1.85	0.18
December 6, 2024	2,702,700	2.50	0.68
	3,822,115	2.00	0.50

(Expressed in Canadian Dollars)

8. Share capital (continued)

(d) RSU

RSU movements are as follows:

Balance, December 31, 2022	551,001
Vested and settled	(76,667)
Balance, March 31, 2023	474,334

Balance, December 31, 2023	153,334
Vested and settled	(76,667)
Balance, March 31, 2024	76,667

During the three months ended March 31, 2024, the Company issued 76,667 shares (three months ended March 31, 2023 - 76,667 shares for 76,667 RSUs) in settlement upon vesting of 76,667 RSUs.

For the three months ended March 31, 2024, the Company recorded $20,206 (three months ended March 31, 2023 - $100,236) as a stock-based compensation expense relating to the RSUs.

9. Related party transactions

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company. Amounts paid and accrued to directors, former director, officers and companies in which directors and officers are shareholders or partners are as follows:

Three months ended March 31,	2024	2023
Salaries, benefits and director fees	$ 161,500	$ 153,571
Consulting fees	4,900	5,000
Professional fees	81,030	44,212
Share-based payments	116,689	219,085
	$ 364,119	$ 421,868

As at March 31, 2024, $151,525 (December 31, 2023 – $144,195) was payable to directors, officers and companies in which directors and officers are shareholders or partners of the Company. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

10. Use of marketable securities

From time to time, the Company may acquire and transfer marketable securities to facilitate intragroup funding transfers between the Canadian parent and its Argentine operating subsidiaries. The Company does not acquire marketable securities or engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large and well established companies, with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations are unavoidable. As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments, between acquisition and disposition, are recognized through profit or loss. The subsequent disposition of these marketable securities in exchange for Argentine pesos gave rise to a gain as the amount received in Argentine peso exceeds the amount of Argentine peso the Company would have received from a direct foreign currency exchange. As a result of having utilized this mechanism for intragroup funding for the three months ended March 31, 2024, the Company realized a gain of $706,634 (three months ended March 31, 2023 - $3,285,957) from the favorable foreign currency impact.

11. Segmented information

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Company's CEO. During the three months ended March 31, 2024, the Company has four (three months ended March 31, 2023 – four) operating segments.

The Company's reportable segments are based on the geographic region for the Company's operations and include Argentina and Chile. The gains on sale of marketable securities are allocated to Argentina, as they are the result of funding provided to the Company’s Argentine subsidiaries.

The segmental report is as follows:

As at March 31, 2024	US	Argentina	Chile	Canada	Total
Current assets	$ 16,168	$ 2,014,382	$ 351,655	$ 4,471,320	$ 6,853,525
Mineral property interests	-	24,238,171	-	-	24,238,171
Total assets	$ 16,168	$ 26,252,553	$ 351,655	$ 4,471,320	$ 31,091,696
Total liabilities	$ -	$ 1,603,039	$ 948	$ 8,660,911	$ 10,264,898

As at December 31, 2023	US	Argentina	Chile	Canada	Total
Current assets	$ 35,627	$ 54,373	$ 393,301	$ 4,807,460	$ 5,290,761
Mineral property interests	-	24,378,362	-	-	24,378,362
Total assets	$ 35,627	$ 24,432,735	$ 393,301	$ 4,807,460	$ 29,669,123
Total liabilities	$ -	$ 81,609	$ 1,024	$ 8,126,536	$ 8,209,169

Three months ended March 31, 2024	US	Argentina	Chile	Canada	Total
Gain on sale of marketable securities	$ -	$ 706,634	$ -	$ -	$ 706,634
Net (loss) income	$ (87,651)	$ 159,649	$ (18,554)	$ (1,509,001)	$ (1,455,557)

(Expressed in Canadian Dollars)

11. Segmented information (continued)

Three months ended March 31, 2023

	US	Argentina	Chile	Canada	Total
Gain on sale of marketable securities	$ -	$ 3,285,957	$ -	$ -	$ 3,285,957
Net (loss) income	$ (185,983)	$ (4,548,811)	$ 1,906	$ (1,480,414)	$ (6,213,302)

12. Commitments

As at March 31, 2024, the Company has mineral interest commitments at its Diablillos and La Coipita projects in the form of option payments, although as at the current date the Company had the commitments shown in the table below, some of these commitments could be reduced, deferred or eliminated pending the outcome of the strategic review. The Company also has operating expenses in Buenos Aires, Santiago de Chile and Toronto.

The Company has the following commitments:

	Years ended December 31, 2024	2025	2026
Diablillos	$ -	$ 1,585,350	$ -
La Coipita	677,500	2,439,000	4,742,500
Total mineral interest commitments	677,500	4,024,350	4,742,500
Total commitments	$ 677,500	$ 4,024,350	$ 4,742,500

13. Subsequent events

- Subsequent to March 31, 2024, the Company issued 909,613 common shares, as a result of 909,613 warrants exercised at a weighted average exercise price of $0.76 for net proceeds of $691,886. The exercise of 175,614 of these warrants resulted in the issuance of one common share and a half warrant for a total of 87,807 additional warrants granted. The warrants granted are exercisable at $2.50 and will expire on December 6, 2024.

- Subsequent to March 31, 2024, the Company issued 515,375 shares after 515,375 options were exercised at a weighted average exercise price of $0.41 for net proceeds of $210,230.

- On April 8, 2024, 20,000 warrants expired unexercised.

- On April 18, 2024, 60,000 warrants expired unexercised.

- On April 26, 2024, the Company completed a private placement with the issuance of 10,000,000 common shares of the Company at a price of $2.00 per share for aggregate proceeds of $20 million as per the subscription agreements with Kinross Gold Corporation (“Kinross”) (NYSE: KGC, TSX: K) and an affiliate of Central Puerto SA (“Central Puerto”) (NYSE: CEPU).

  The Company will use the proceeds of the private placement for exploration and development of the Company’s flagship Diablillos project in Salta Province, Argentina (“Diablillos” or the “Project”) and for working capital and general corporate purposes.

13. Subsequent events (continued)

The highlights of the subscription agreements are:

- Each of Kinross and Central Puerto have entered into a subscription agreement with AbraSilver pursuant to which they will each invest $10 million, resulting in aggregate gross proceeds of $20 million to the Company. The Company will issue an aggregate of 10,000,000 Common Shares at a subscription price of $2.00 per Common Share, representing approximately a 3% premium to the closing price of the Common Shares on April 19, 2024.
- Upon closing of the Private Placement, Kinross and Central Puerto will each own approximately 4.0% of the outstanding Common Shares on an undiluted basis.
- Following completion of the Private Placement, the Company plans to consolidate its Common Shares, on the basis of one (1) post-consolidation Common Share for every five (5) pre-consolidation Common Shares.
- Upon closing of the Private Placement, AbraSilver will enter into an Investor Rights Agreement with each of Kinross and Central Puerto that includes, among other things, standard anti-dilution and equity participation rights and the formation of a Technical Advisory Committee and a Strategic & Operational Committee.
- Pursuant to the terms of the Investor Rights Agreement with Kinross, AbraSilver and Kinross will form a regional partnership to jointly explore for and acquire new projects in Argentina focused on silver, gold, and copper.

All Common Shares issued in connection with the closing of the private placement are subject to a four-month-and one-day statutory hold period in accordance with applicable securities laws.

- On April 26, 2024, the Company paid $900,000 in finders fees in connection with the private placement completed that day.

- On May 17, 2024, AbraSilver announced the completion of the Company's proposed consolidation of its common shares (the "Shares") on the basis of one (1) post-Consolidation Common Share for every five (5) pre-Consolidation Common Shares (the "Share Consolidation"). The Share Consolidation reduced the number of Common Shares issued and outstanding from approximately 625 million Common Shares to approximately 125 million Common Shares as of May 22, 2024. Accordingly, the number of shares, warrants, stock options and RSUs and the exercise prices in these unaudited condensed interim consolidated financial statements have been restated to reflect the share consolidation.