Management's Discussion and Analysis
Year ended December 31, 2023

(Expressed in Canadian Dollars)

Introduction

This Management's Discussion and Analysis ("**MD&A**") of the results of operations and financial condition for AbraSilver Resource Corp. has been prepared in compliance with the requirements of section 2.2.1 of Form 51- 102F1, in accordance with National Instrument 51- 102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended December 31, 2023 ("**FY 2023**") and December 31, 2022 ("**FY 2022**") and the related notes. All dollar amounts included in this MD&A are expressed in Canadian Dollars unless otherwise noted.

The audited consolidated financial statements for FY 2023 and FY 2022, have been prepared using in accordance with IFRS Accounting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of AbraSilver Resource Corp.'s common shares (the "**Common Shares**"); or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors.

Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A was prepared as of April 26, 2024, and all information is current as of such date.

Management's Discussion and Analysis for AbraSilver is the responsibility of management, and the Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the MD&A.

This MD&A was reviewed and approved by the Company's Board of Directors on April 26, 2024.

The information contained in this management discussion and analysis may contain some forward-looking statements. Forward-looking information may include but is not limited to information with respect to our future financial and operating performance, future development activities and adequacy of financial resources.

1. OVERVIEW OF THE COMPANY

AbraSilver Resource Corp. ("**AbraSilver**" or the "**Company**") is a Canadian-based precious metals exploration company headquartered in Toronto, Canada. The Company was originally 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 changed its name to Angel Bioventures Inc. on August 28, 2013. Subsequently on March 23, 2017, the Company changed its name to AbraPlata Resource Corp. and on March 4, 2021 to AbraSilver Resource Corp. The Company's registered office is located at Suite 550, 220 Bay Street, Toronto, ON, M5J 2W4.

The Company's common shares are listed on TSX Venture Exchange ("**TSX-V**", or the "**Exchange**") under the symbol "**ABRA**", and on the OTCQX under the symbol **"ABBRF"**.

Further information about the Company and its operations is available on SEDAR+ at www. abrasilver.com and www.sedarplus.ca.

2. HIGHLIGHTS

The Company's key events and highlights from January 1, 2023 to the date of the MD&A, include the following:

- During FY 2023, the Company completed its 22,000-metre Phase III exploration campaign at the Diablillos project which resulted in the discovery of the new silver-rich JAC zone. Throughout the year, the Company announced multiple high-grade assay results from the JAC zone and other exploration targets on the Diablillos land package.
- On February 17, 2023 the Company granted an aggregate of 5,725,000 incentive stock options, exercisable at a price of $0.37 per share for a period of five years, to officers, directors, employees and consultants of the Company. The options vest in 25% instalments every 6 months, starting from the date of the grant.
- On August 9, 2023, the Company announced that it intersected a promising new silver zone at Diablillos, called the 'JAC North zone'. The newly discovered JAC North zone is located over 900 metres beyond the limit of the conceptual open pit that defines the current Mineral Resource estimate at Oculto and approximately 100 metres northwest of the high-grade JAC zone.
- On August 11, 2023, the Company and the Yaretas Project owners (the "**Vendors**") amended the US$ 200,000 cash amount to be paid to the vendors originally due in August 2023. As per the amendment, the Company paid US$ 100,000 on September 6, 2023 and the remaining US$ 100,000 is scheduled to be paid in August 2024.
- On August 28, 2023, the Company held its annual general and special meeting of Shareholders (the "Meeting"). In the Meeting, Robert Bruggeman, Hernan Zaballa, Sam Leung, Jens Mayer, Flora Wood, Nicholas Teasdale and Stephen Gatley were re-elected as Directors and Crowe MacKay LLP were re-appointed as auditors of the Company.
- 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.
- On November 1, 2023, the Company announced drill results from regional exploration at the Diablillos project. The initial drill results confirm the potential for additional near-surface mineralized zones located to the west and southwest of the main Oculto deposit and represent new exploration targets that will be pursued in an upcoming drill program. The Company also announced that it had recently completed detailed structural mapping and an expanded magnetic survey covering the new target areas to further assist with prioritizing targets for the Company's next exploration campaign.
- On November 27, 2023 the Company announced substantial increase to the Mineral Resource estimate ("MRE") on the Company's wholly-owned Diablillos property in Salta Province, Argentina ("Diablillos" or the "Project"). The MRE comprises an updated estimate for the Oculto deposit plus estimates for the JAC, Fantasma and Laderas deposits, all of which are located to the west/southwest of Oculto. All four deposits are located within the Diablillos land package.

Key Highlights of the updated MRE Compared to the MRE Announced November 3, 2022:

- A 36% increase in total contained silver in Measured & Indicated ("M&I") Mineral Resources to148 million ounces ("Moz") Ag (from 109 Moz Ag), primarily due to the recently discovered JAC deposit.
- Significant contained gold resource totaling 1.36 Moz Au in M&I, representing a 5% increase in contained Au.
- A 32% increase in average silver grades in M&I Mineral Resources to 87 g/t Ag (from 66 g/t Ag), due to higher silver grades at the JAC deposit and higher equivalent cut-off grades at Oculto.
- Maiden M&I MRE for the JAC deposit of 5.3 million tonnes at 202 g/t Ag and 0.13 g/t Au, containing 34 Moz silver and 22 k oz gold.
- The increased contained metal in the MRE comes despite the adoption of a Net Value per Block methodology and an increased equivalent average cut-off grade of 45g/t silver-equivalent ("AgEq") compared to the 35g/t AgEq used previously, and further demonstrates the robustness and high grade of the mineralization at Diablillos.

- On January 5, 2024, the Company announced that it had entered into a binding letter agreement with a subsidiary of Teck Cominco Limited with respect to an earn-in option and joint venture agreement on the La Coipita copper-gold project. The agreement provides that, subject to certain conditions, AbraSilver and Teck will enter into the Option Agreement to grant 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, and an equity placement in AbraSilver totaling US$3,000,000 (including an initial mandatory payment of US$500,000), and making up to US$6,300,000 in optional cash payments in respect of amounts payable to the underlying Project vendors.
- On January 10, 2024, the Company announced the filing on SEDAR+ of the NI 43-101 Technical Report for the updated MRE announced on November 27, 2023.
- On January 12, 2024, the Company announced the execution of the definitive option and joint venture agreement on the La Coipita project.
- On February 13, 2024, the Company announced that drilling had commenced at the La Coipita copper-gold porphyry project. The initial drill program is expected to consist of two drill rigs, drilling a planned total of four holes, over 2,600 metres, focusing on the La Coipita target, and is fully funded by a subsidiary of Teck Resources Limited.
- On March 25, 2024, the Company announced the results from its Preliminary Feasibility Study ("**PFS**" or the "**Study**") for its wholly-owned Diablillos project. The PFS project team was comprised of SGS Geological Services, with support from Knight Piesold Ltd., SGS Bateman, Bmining (Chile), and INSA (Argentina). Base case metal prices used for the PFS were $1,850 per gold ("Au") ounce ("oz") and $23.50 per silver ("Ag") oz.

Key highlights of the PFS Study (all dollar ($) figures are presented in US dollars unless otherwise stated):

- Attractive project economics – $494 million after-tax Net Present Value discounted at 5% per annum ("$NPV_{5\%}$"), at base-case metal prices, with an after-tax Internal Rate of Return ("**IRR**") of 25.6% and payback of 2.4 years. At spot prices on March 21, 2024 ($24.76/oz Ag & $2,128/oz Au), the PFS generates an after-tax $NPV_{5\%}$ of $661 million with an IRR of 30.3% and payback of 2.1 years
- Substantial silver and gold production – 13.3 Moz silver-equivalent ("AgEq") average annual production over a 13-year life-of-mine ("LOM"), comprised of 7.7 Moz Ag and 71 koz Au, or, with

average annual production of 17.9 Moz AgEq over the first five years of full mine production, comprised of 14.5 Moz Ag and 44 koz Au

- Low All-in Sustaining Cash Costs ("AISC")2 – Average AISC of $12.40/oz AgEq over LOM
- Low capital cost – Initial pre-production capital expenditure of $373 million and sustaining capital of $65 million
- Open pit mine with high grades – Conventional open pit mining and processing plant focused exclusively on oxide mineralization with average grades of 91 g/t Ag and 0.81 g/t Au (155 AgEq) over the LOM
- Maiden Proven & Probable ("P&P") Mineral Reserves – Based on the PFS, Diablillos is estimated to hold P&P Minerals Reserves containing 210 Moz of AgEq metal (42.3 Mt at 91 g/t Ag & 0.81 g/t Au)
- Potential for additional economic improvements – Several opportunities have been identified that may significantly enhance the economic returns as detailed later in this release:
- A preliminary internal study estimates that a significant amount of mineralized material below cut-off grade, which is treated as waste in the PFS, could be amenable to heap leaching or other low-cost processing technologies, with further study work expected to be completed by mid-2024.
- A Phase IV drill campaign is planned to further expand the Mineral Resource and Reserve estimates within the existing deposits and to define new adjacent mineralized zones through step-out drilling.

- On March 28, 2024, the Company announced that it has granted an aggregate of 5,680,000 stock options to directors, officers, employees, advisors and consultants of the Company. The options are exercisable at a price of $0.355 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.
- During FY 2023 the Company paid US$1,000,000 for the Diablillos project according to the payment schedule (note 8(a)(2)) in the December 31, 2023 audited consolidated financial statements.
- During FY 2023 the Company issued 33,772,772 shares after 33,372,772 warrants were exercised at a weighted average exercise price of $0.208 for net proceeds of $7,011,904.
- During FY 2023 the Company issued 6,055,625 shares after 6,055,625 options were exercised at a weighted average exercise price of $0.145 for net proceeds of $879,395.
- During FY 2023 255,000 vested options expired unexercised.
- During FY 2023 5,140,473 warrants expired unexercised.

3. EXPLORATION AND EVALUATION

Diablillos Project

The Diablillos project was acquired by the Company from SSR Mining Inc. in 2016 and covers an area of approximately 79km^2 in the Salta Province of northwestern Argentina. Diablillos hosts epithermal precious metal mineralization in multiple mineral occurrences. The main deposit is known as Oculto and this silver-gold deposit is surrounded by various satellite occurrences including the newly-discovered silver-rich JAC Zone (the "**JAC Zone**"), located southwest of the Oculto deposit. To the west of Oculto, lie the JAC North, Fantasma and Alpaca targets. South of Oculto is the South Target, and north of Oculto lies the Cerro Viejo – Cerro Blanco copper-gold mineralized zone and its related Northern Arc of gold-rich occurrences.

The Diablillos project lies within the border zone between the Province of Salta and the Province of Catamarca. For many years, the definitive border line between Salta and Catamarca has been in dispute and the Diablillos project falls within territory claimed by both provinces. In 1984, the government of Salta granted mineral rights to the Diablillos project to one of the Company's predecessors-in-title. In the early 2000s, the government of Catamarca granted overlapping mineral rights in the same area to a third party, thereby creating the potential for conflicting titles pending the resolution of the border dispute, a matter falling within the jurisdiction of the federal government under the Constitution of Argentina. Additional details respecting the provincial border dispute and the potentially conflicting titles to the Diablillos project can be found in the Company's Filing Statement dated March 1, 2017, a copy of which is filed under the Company's profile on SEDAR+ (www.sedarplus.ca)

The Company reached an agreement with the shareholders of Minera Cerro Bayo SA ("**Cerro Bayo**"), the owner of the conflicting mineral rights granted by the government of Catamarca, to acquire a 100% equity interest in Cerro Bayo, thereby indirectly acquiring ownership and control of the conflicting mineral interests. As consideration, the Company will pay US$3,325,000 in cash and issue 500,000 common shares of the Company to the shareholders of Cerro Bayo in instalments over an eight-year period. As at the date of this MD&A, US$2,155,000 has been paid and 500,000 shares have been issued.

Oculto Updated Mineral Resource and Reserve Estimates

Mineral Reserve Estimate – As of March 07, 2024

On March 25, 2024, the Company announced the results of a PFS on the Diablillos project, which resulted in the estimation of Mineral Reserves. The Mineral Reserves, which were estimated using a silver price of $22.50/oz and a gold price of $1,750/oz, are shown in the Table below.

Mineral Reserve (all domains)	Tonnage (000 t)	Au (g/t)	Ag (g/t)	AgEq (g/t)	Contained Ag (koz)	Contained Au (koz)	Contained AgEq (koz)
Proven	12,364	0.86	177.7	246	46,796	341	97,839
Probable	29,930	0.80	79.7	143	76,684	766	136,267
Total Proven and Probable	**42,294**	**0.81**	**90.8**	**154**	**123,480**	**1,107**	**234,106**

Notes for Mineral Reserve Estimate:

1. Mineral reserves have an effective date of March 07, 2024.
2. The Qualified Person for the Mineral Reserve Estimate is Mr. Miguel Fuentealba, P.Eng.
3. The mineral reserves were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Definition Standards for Mineral Resources and Reserves, as prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
4. The mineral reserves were based on a pit design which in turn aligned with an ultimate pit shell selected from a WhittleTM pit optimization exercise. Key inputs for that process are:
    - Metal prices of U$S 1,750/oz Au; U$S 22.50/oz Ag
    - Variable Mining cost by bench and material type. Average costs are U$S 1.94/t for all lithologies except for "cover" Cover mining cost of U$U 1.73/t, respectively.
    - Processing costs for all zone, U$S 22.97/t.
    - Infrastructure and G&A cost of U$S 3.32/t.
    - Pit average slope angles varying from 37° to 60°
    - The average recovery is estimated to be 82.6% for silver and 86.5% for gold.
5. The Mineral Reserve Estimate has been categorized in accordance with the CIM Definition Standards (CIM, 2014).
6. A Net Value per block ("NVB") cut-off was used to constrain the Mineral Reserve with the reserve pitshell. The NVB was based on "Benefits = Revenue-Cost" being positive, where, Revenue = [(Au Selling Price (US$/oz) - Au Selling Cost (US$/oz)) x (Au grade (g/t)/31.1035)) x Au Recovery (%)] + [(Ag Selling Price (US$/oz) - Ag Selling Cost (US$/oz)) x (Ag grade (g/t)/31.1035)) x Ag

Recovery (%)] and Cost = Mining Cost (US$/t) + Process Cost (US$/t) + Transport Cost (US$/t) + G&A Cost (US$/t) + [Royalty Cost (%) x Revenue]. The NVB method resulted in an average equivalent cut-off grade of approximately 46g/t AgEq.

7. In-situ bulk density was read from the block model, assigned previously to each model domain during the process of mineral resource estimation, according to samples averages of each lithology domain, separated by alteration zones and subset by oxidation.
8. All tonnages reported are dry metric tonnes and ounces of contained gold are troy ounces.
9. Mining recovery and dilution factors have not been applied to the Mineral Resource estimates.

On November 27, 2023, the Company announced an updated, conceptual open pit constrained, Mineral Resource estimate ("MRE") for the Diablillos project. The MRE comprises an updated estimate for the Oculto deposit plus estimates for the JAC, Fantasma and Laderas deposits, all of which are located to the west/southwest of Oculto. All four deposits are located at Diablillos. The MRE is the result of approximately 133,000 metres of drilling in 630 drill holes (historical and current). This includes the latest Phase III drill campaign, conducted in 2022/23, which totaled 24,077 metres. The cut-off grade was calculated using a Net Block Value calculation equivalent to an average cut-off grade of approximately 45g/t AgEq. A full Technical Report dated January 10, 2024, in respect of the new MRE was prepared and filed on SEDAR+ in accordance with NI 43-101. Accordingly, the new MRE supersedes and replaces all prior PEAs or other forward-looking economic information on the Diablillos project. The Diablillos Mineral Resource estimate is summarized in the Table below:

Diablillos Mineral Resource Estimate – As of November 22, 2023

Deposit	Zone	Category	Tonnes (000 t)	Ag (g/t)	Au (g/t)	AgEq (g/t)	Contained Ag (k oz Ag)	Contained Au (k oz Au)	Contained AgEq (k oz AgEq)
Oculto	Oxides	Measured	12,170	101	0.95	178	39,519	372	69,523
		Indicated	34,654	64	0.85	133	71,306	947	147,748
		Measured & Indicated	***46,824***	***74***	***0.88***	***145***	***110,825***	***1,319***	***217,271***
		Inferred	3,146	21	0.68	76	2,124	69	7,677
JAC	Oxides	Measured	1,870	210	0.17	224	12,627	10	13,452
		Indicated	3,416	198	0.12	208	21,744	13	22,808
		Measured & Indicated	***5,286***	***202***	***0.13***	***212***	***34,371***	***23***	***36,260***
		Inferred	77	77	-	77	190	-	190
Fantasma	Oxides	Measured	-	-	-	-	-	-	-
		Indicated	683	105	-	105	2,306	-	2,306
		Measured & Indicated	***683***	***105***	***-***	***105***	***2,306***	***-***	***2,306***
		Inferred	10	76	-	76	24	-	24
Laderas	Oxides	Measured	-	-	-	-	-	-	-
		Indicated	464	16	0.91	89	239	14	1,334
		Measured & Indicated	***464***	***16***	***0.91***	***89***	***239***	***14***	***1,334***
		Inferred	55	43	0.57	89	76	1	157
Total	Oxides	Measured	14,040	116	0.85	184	52,146	382	82,975
		Indicated	39,217	76	0.77	138	95,594	974	174,196
		Measured & Indicated	***53,257***	***87***	***0.79***	***151***	***147,740***	***1,356***	***257,171***
		Inferred	3,288	23	0.66	76	2,415	70	8,049

(In Canadian Dollars unless otherwise stated)

Notes for November 2023 MRE:

1. Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.
2. The formula for calculating AgEq is as follows: Silver Eq oz = Silver oz + Gold oz x (Gold Price/Silver Price) x (Gold Recovery/Silver Recovery).
3. The Mineral Resource model was populated using Ordinary Kriging grade estimation within a three-dimensional block model and mineralized zones defined by wireframed solids, which are a combination of lithology and alteration domains. The 1m composite grades were capped where appropriate.
4. The Mineral Resource is reported inside a conceptual Whittle open pit shell derived using US$ 24.00/oz Ag price, US $1,850/oz Au price, 82.6% process recovery for Ag, and 86.5% process recovery for Au. The constraining open pit optimization parameters used were US $1.94/t mining cost, US $22.97/t processing cost, US $3.32/t G&A cost, and average 51-degree open pit slopes.
5. The MRE has been categorized in accordance with the CIM Definition Standards (CIM, 2014).
6. A Net Value per block ("NVB") cut-off was used to constrain the Mineral Resource with the conceptual open pit. The NVB was based on "Benefits = Revenue-Cost" being positive, where, Revenue = [(Au Selling Price (US$/oz) - Au Selling Cost (US$/oz)) x (Au grade (g/t)/31.1035)) x Au Recovery (%)] + [(Ag Selling Price (US$/oz) - Ag Selling Cost (US$/oz)) x (Ag grade (g/t)/31.1035)) x Ag Recovery (%)] and Cost = Mining Cost (US$/t) + Process Cost (US$/t) + Transport Cost (US$/t) + G&A Cost (US$/t) + [Royalty Cost (%) x Revenue]. The NVB method resulted in an average equivalent cut-off grade of approximately 45g/t AgEq.
7. The Mineral Resource is sub-horizontal with sub-vertical feeders and a reasonable prospect for eventual economic extraction by open pit methods.
8. In-situ bulk density was assigned to each model domain, according to samples averages of each lithology domain, separated by alteration zones and subset by oxidation.
9. All tonnages reported are dry metric tonnes and ounces of contained gold are troy ounces.
10. Mining recovery and dilution factors have not been applied to the Mineral Resource estimates.
11. The Mineral Resource was estimated by Mr. Luis Rodrigo Peralta, B.Sc., FAusIMM CP (Geo), Independent Qualified Person under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101").
12. Mr. Peralta is not aware of any environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues that could materially affect the potential development of the Mineral Resource.
13. All figures are rounded to reflect the relative accuracy of the estimates. Minor discrepancies may occur due to rounding to appropriate significant figures.
14. Totals may not agree due to rounding.

JAC Zone: New High-Grade Silver Discovery at Diablillos

The discovery hole at the JAC zone was announced in August 2022. Since the initial discovery hole, the Company has announced multiple high-grade results from the JAC zone. Highlights of selected high-grade drill results from the JAC zone are summarized below:

JAC Zone – Highlights of Phase III Intercepts

Drill Hole	From (m)	To (m)	Type	Interval (m)	Ag (g/t)	Au (g/t)	AgEq[1] (g/t)
DDH-22-019	89.0	176.0	Oxides	87.0	346.0	0.15	356.5
DDH-22-044	121.0	179.0	Oxides	58.0	208.8	0.20	222.8
DDH-22-046	123.0	165.5	Oxides	42.5	400.5	0.11	408.2
DDH-22-052	139.5	164.5	Oxides	25.0	754.4	0.12	764.2
DDH-22-053	140.5	168.5	Oxides	28.0	266.4	0.64	318.8
DDH-22-056	110.0	167.5	Oxides	57.5	141.4	0.27	163.5
DDH-22-057	144.0	164.0	Oxides	20.0	498.6	0.10	506.8
DDH-22-058	138.0	152.5	Transition	14.5	176.2	-	176.2
DDH-22-060	114.0	154.0	Oxides	40.0	203.4	-	203.4
DDH-22-061	65.0	168.0	Oxides	103.0	138.7	-	138.7
DDH-22-062	119.0	170.0	Oxides	51.0	169.4	0.20	185.8
DDH-22-063	56.0	85.0	Oxides	33.0	143.4	-	143.4
DDH-22-063	135.0	169.0	Oxides	34.0	118.6	0.08	125.2

(In Canadian Dollars unless otherwise stated)

DDH-22-067	143.0	179.0	Oxides	36.0	463.3	0.71	521.5
DDH-22-067	179.0	206.0	Sulphides	27.0	745.0	1.54	871.1
DDH-22-075	151.0	167.0	Oxides	16.0	604.4	0.82	671.5
DDH-22-076	147.0	169.0	Oxides	22.0	476.8	0.20	493.2
DDH-22-076	169.0	177.5	Oxides	8.5	1,952.8	6.66	2,498.3
DDH-22-077	60.0	92.0	Oxides	32.0	121.9	-	121.9
DDH-22-078	58.0	99.0	Oxides	41.0	103.5	-	103.5
DDH-22-079	144.0	179.0	Oxides	35.0	199.2	0.36	228.7
DDH-22-080	50.0	102.0	Oxides	52.0	125.1	-	125.1
DDH-22-081	128.0	165.0	Oxides	37.0	179.3	-	179.3
DDH-22-082	154.5	181.0	Transition	26.5	311.4	0.43	346.6
DDH-22-083	159.0	184.0	Transition	25.0	773.8	0.28	796.7
DDH-22-086	158.0	167.0	Sulphides	9.0	342.3	-	342.3
DDH-23-002	148.0	165.0	Transition	17.0	288.6	0.14	300.1
DDH-23-003	155.8	161.5	Sulphides	5.8	502.2	-	502.2
DDH-23-004	136.0	150.0	Oxides	14.0	3,024.5	0.21	3,041.7
DDH-23-007	115.0	119.0	Oxides	4.0	2,320.0	-	2,320.0
DDH-23-009	161.0	169.5	Oxides	8.5	479.2	0.15	491.5
DDH-23-010	132.0	177.5	Oxides	45.5	233.4	-	233.4
DDH-23-014	127.0	173.5	Oxides	46.5	185.0	0.50	226.0
DDH-23-017	92.0	104.0	Oxides	12.0	876.1	-	876.1
DDH-23-021	161.5	193.5	Oxides	32.0	530.8	0.60	579.9
DDH-23-024	144.0	161.0	Oxides	17.0	828.9	-	828.9
DDH-23-025	100.0	179.0	Oxides	79.0	237.6	0.15	249.9
DDH-23-036	140.0	150.0	Oxides	10.0	520.0	0.04	523.3
DDH-23-039	105.0	124.0	Oxides	19.0	253.4	-	253.4
DDH-23-046	157.0	160.0	Oxides	3.0	2,070.0	0.27	2,092.1
DDH-23-050	156.5	167.0	Oxides	10.5	281.4	-	281.4
DDH-23-061	134.0	153.5	Oxides	19.5	272.8	-	272.8
DDH-23-070	41.0	105.0	Oxides	64.0	148.1	-	148.1

Note: All results are rounded. Assays are uncut and undiluted. Widths are drilled widths, not true widths. True widths are estimated to be approximately 80% of the interval widths.

[1] AgEq based on 81.9(Ag):1(Au) calculated using long-term prices of US$25.00/oz Ag and US$1,750/oz Au, and 73.5% process recovery for Ag, and 86.0% process recovery for Au as demonstrated in the Company's PEA in respect of Diablillos dated January 13, 2022, using formula: AgEq g/t = Ag g/t + Au g/t x (Gold Price/Silver Price) x (Gold Recovery/Silver Recovery).

Diablillos Phase III Exploration Campaign

The 22,000-metre Phase III drill program at the Diablillos project was successfully completed in August 2023. The drill program achieved all of the main objectives, which are summarized below:

- Systematically drill off silver-dominant mineralisation at the JAC zone in order to estimate Measured and Indicated Mineral Resources that can be incorporated into the planned overall Mineral Resource estimate ("**MRE**") and Pre-Feasibility Study ("**PFS**") on Diablillos.
- Delineate the margins of the JAC zone mineralization and conduct geotechnical drilling necessary for a conceptual open pit design.
- Conduct reconnaissance drilling at other targets on the Diablillos land package (including JAC North, Fantasma and Alpaca).

All Phase III drill holes from the JAC zone have been incorporated into an updated MRE which was announced by press release November 27, 2023 and included in a Pre-Feasibility Study on the Diablillos project, which the Company announced on March 25, 2024 .

On August 9, 2023, the Company announced the discovery of a promising new silver zone, called the JAC North zone. The newly discovered JAC North zone is located over 900 metres beyond the limit of the conceptual open pit that defines the current Mineral Resource estimate at Oculto and approximately 100 metres northwest of the high-grade JAC zone. To date, the highest-grade intercept at the new JAC North zone is hole DDH 22-064, which intersected a high-grade intercept of 12 metres at 1,042 g/t Ag in oxides starting at a down-hole depth of only 69 metres. The discovery of a second northeast trending zone parallel to the main JAC zone demonstrates the potential for multiple mineralised zones, as is the case at the Oculto deposit.

Our next phase of drilling (Phase IV) will explore additional targets which will be prioritized based on distance from the probable porphyry progenitor beneath Oculto and favourability of structural trends reflected in magnetic surveys, with special reference to any historical drill data. Current priority targets in the area west of Oculto include JAC North, Alpaca and Fantasma, with additional targets also being developed to the east and north of Oculto.

La Coipita Project, San Juan, Argentina

The La Coipita project ("La Coipita") is located in the San Juan province of Argentina adjacent to the Chilean border. The Company has an option agreement to acquire a 100% interest in the La Coipita project which encompasses a large area, totaling approximately 70,000 hectares, in the western portion of the Calingasta Department.

The project is located in a geological setting similar to world-class deposits in the same belt, including the Filo del Sol and Los Azules projects, where porphyry style mineralisation is found immediately beneath epithermal mineralization.

On June 28, 2022, the Company announced the discovery of a significant new copper-gold-molybdenum porphyry system at La Coipita based on results from two initial deep drill holes. The discovery hole, DDHC 22-002, returned broad intervals of copper-gold-molybdenum porphyry mineralization including 226 metres grading 0.34% copper, 0.07 g/t gold and 66 ppm molybdenum. The hole also encountered a separate interval of 146 metres grading 0.27% copper and 75 ppm molybdenum, with the hole ending in mineralization at a down-hole depth of 1,202.5 metres.

During FY, 2023, the Company announced results of an additional deep drill hole, DDHC 23-001 which intersected a broad zone of continuous copper-molybdenum mineralization totaling 694m grading 0.16% Cu and 81 ppm Mo at the Yaretas target from a downhole depth of 548.0 metres. This large intersection demonstrates the substantial size potential of the Yaretas porphyry system.

Additionally, aside from drilling the Yaretas target, the Company conducted reconnaissance surface geochemical sampling and geological mapping over other target areas within the La Coipita concession block which encountered multiple anomalous results. At the Valle Hermoso target, located approximately 25 kilometres south of Yaretas, a high-grade grab sample contained 3.49% copper, 0.42 g/t gold and 20.6 g/t silver. The samples at Valle Hermoso are interpreted as being part of a high sulphidation system related to an underlying porphyry body and represent a valid exploration target for potential future drilling.

(In Canadian Dollars unless otherwise stated)

On January 22, 2024 the Company executed a definitive option and joint venture agreement (the "Agreement") with a subsidiary of Teck Resources Limited ("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, and an equity placement in AbraSilver totaling US$3,000,000 (including an initial mandatory payment of US$500,000), 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 (as defined below).

Pursuant to the Agreement, Teck has an option (the "Option") to acquire an 80% interest in La Coipita. Teck may exercise the Option by:

- Making the following payments to or equity placement in AbraSilver:
  i. Initial mandatory cash payment of US$500,000;
  ii. On or before January 31, 2025, a cash payment of US$1,000,000 or at Teck's election, subscription for US$1,000,000 of common shares of AbraSilver ("ABRA Shares") to be priced at the greater of (a) a 25% premium to the preceding 20-day volume weighted average price of the ABRA Shares, or (b) $0.35 per ABRA Share; and
  iii. On or before January 31, 2028, a cash payment of US$1,500,000.
- Incurring an aggregate of US$20,000,000 in exploration expenditures on La Coipita over a five year period; and
- Making up to US$6,300,000 in optional cash payments in respect of amounts payable to the underlying vendors of La Coipita.

Upon exercise of the Option, the parties will incorporate a company in Argentina ("Newco") to become the titleholder of La Coipita. Teck will hold 80% of Newco's outstanding shares, with AbraSilver holding the remaining 20%. Each party will fund its pro-rata share of future expenditures on La Coipita through equity contributions to Newco or incur dilution in Newco. If a party's shareholding interest in Newco is diluted below 10% or pursuant to certain other conditions of the Agreement, its shareholding interest will be converted to a 1.1% net smelter returns royalty on La Coipita, of which 0.6% can be bought back by the payor for a cash payment of US$3,000,000 at any time.

4. SELECTED ANNUAL AND QUARTERLY INFORMATION

For the years ended December 31, 2023, December 31, 2022 and December 31, 2021:

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Net (loss) income for the year	$ (18,793,434)	$ (20,904,232)	$ (18,840,655)
Basic and diluted earnings (loss) per share	$ (0.03)	$ (0.04)	$ (0.04)
Total assets	$ 29,669,123	$ 39,130,518	$ 37,323,277
Total liabilities	$ 8,209,169	$ 7,530,875	$ 5,944,441

The Company has no revenue to report for the years ended December 31, 2023, December 31, 2022 and December 31, 2021.

(In Canadian Dollars unless otherwise stated)

Below is a summary of information for the eight most recent quarters:

Quarter Ended	Cash and Cash equivalents and term deposits	Total Assets	Total Liabilities	Net loss for the period	Loss per share – basic & diluted
December 31,2023	$4,797,365	$29,669,123	$8,209,169	($2,453,778)	($0.01)
September 30,2023	$6,608,966	$31,997,725	$7,698,768	($3,098,801)	($0.01)
June 30,2023	$10,901,372	$34,275,646	$7,824,170	($7,027,553)	($0.01)
March 31,2023	$10,669,288	$34,463,516	$7,638,005	($6,213,302)	($0.01)
December 31,2022	$15,823,197	$39,130,518	$7,530,875	($5,371,901)	($0.01)
September 30,2022 (Restated)	$10,749,573	$33,100,364	$6,720,543	($4,884,583)	($0.01)
June 30,2022 (Restated)	$13,090,769	$33,388,695	$6,252,951	($6,548,711)	($0.01)
March 31,2022 (Restated)	$16,925,434	$36,209,860	$6,108,786	($4,099,038)	($0.01)

While the information set out in the foregoing table is mandated by National Instrument 51-102 – *Continuous Disclosure Obligations*, it is management's view that the variations in financial results that occur from quarter to quarter are not particularly helpful in analyzing the Company's performance. Junior exploration companies generally have no significant total revenue or net sales unless they sell a mineral interest for a sum greater than its costs.

Like most other companies in the mineral exploration sector, the Company anticipates that significant variances in the Company's reported loss from quarter to quarter will most commonly arise from factors that are difficult to anticipate in advance or to predict from past results. They are as follows: (i) decisions to write off deferred exploration costs when management concludes there has been an impairment in the carrying value of a mineral property, or the property is abandoned, (ii) the granting of incentive stock options, which results in the recording of amounts for stock-based compensation expense that can be quite large in relation to other general and administrative expenses incurred in any given quarter, but are non-cash expenses (iii) the effect of inflation in Argentina as further discussed under the heading Effect of Inflation below; and (iv) the effect of exchange rate variations between the Canadian dollar, the United States dollar and the Argentinian Pesos.

5. RESULTS OF OPERATIONS

The operating results of junior mining companies can fluctuate significantly from period to period. The Company is in the exploration stage and has no revenue from operations. The Company completed its Phase III drill program at the Diablillos project in August 2023, and as a result the Company's cash burn rate reduced significantly in Q4/2023.

Three months ended December 31, 2023 ("**Q4 2023**") is compared to the three months ended December 31, 2022 ("**Q4 2022**").

During Q4 2023 the net loss decreased by $2,918,122 to $2,453,778 compared to the net loss recorded during Q4 2022 due mainly to a decrease in Evaluation and Exploration expenses ("**EE**"):

- Although there are no seasonal variations, comparing the expenditures with the same period last year, the EE were $2,137,227 during Q4 2023 compared to $5,923,908 for Q4 2022. The decrease of $3,786,681 breaks down as follows:

- *Diablillos Project.* During Q4 2023 the EE decreased by $3,831,950 due to the completion of the Phase III diamond drilling program and therefore no holes were drilled in Q4 2023; during the same period last year 29 holes (5,384 metres) were drilled for the Phase III diamond drilling program. Consequently, the Drilling cost decreased to $36,282 in Q4 2023 compared with $4,059,261 in Q4 2022; the Geology and Lab cost decreased to $367,042 in Q4 2023 compared with $466,201 in Q4 2022 and the Camp cost decreased to $384,447 in Q4 2023 compared with $521,466 in Q4 2022. The Engineering cost increased to $269,260 in Q4 2023 compared with $54,201 in Q4 2022 in connection with the new MRE on the JAC Zone and the Diablillos PFS indicated in the Exploration and Evaluation section. The Personnel and Administration cost increased to $622,376 in Q4 2023 compared with $465,950 in Q4 2022 due to an increase in local costs.

- *La Coipita Project*. The EE increased slightly by $29,689 at the La Coipita project. During Q4 2023 and Q4 2022 no holes were drilled and the driver for the expenditures were mainly a result of: an increase in camp costs to $33,924 from $18,341 due to demobilization activities; an increase in travel and administration costs from $23,670 to $40,384, offset by a decrease in Professional and access costs which decreased to $171,340 in Q4 2023 compared with $182,905 in Q4 2022.

- Gain on sale of marketable securities decreased by $1,566,816 during Q4 2023 compared with Q4 2022. From time to time, the Company acquires and transfers marketable securities as a mechanism to facilitate intragroup funding transfers between its Canadian headquarters and its Argentine operating subsidiary. The use of marketable securities is for the purposes of facilitating intragroup funding transfers, which represents the net benefit of having used this funding mechanism over traditional methods. The decrease in the gains is primarily the result of less funds being provided to its Argentine subsidiary in 2022 compared to 2023 and is related to the $1,126,500 transferred to the Argentina subsidiaries in Q4 2023 compared with $3,050,016 transferred in Q4 2022.

- Depreciation, Office, and Administrative expenses decreased by $215,060 during Q4 2023 compared to Q4 2022. The drivers of the decrease are mainly related to bank and broker fees in connection with funds transferred from AbraSilver Resource Corp. to its subsidiaries in Argentina. During Q4 2023 $1,126,500 was transferred to Argentina compared with $3,050,016 in Q4 2022.

Twelve months ended December 31, 2023 ("**FY 2023**") is compared to the twelve months ended December 31, 2022 ("**FY 2022**").

During FY 2023 the net loss decreased by $2,110,797 to $18,793,434 compared to the net loss recorded during FY 2022 due mainly to the following:

- The main driver in lower losses in FY 2023 are related to lower EE. Although there are no seasonal variations, comparing the expenditures with the same period last year, the EE were $23,208,767 during FY 2023 compared to $24,574,273 for FY 2022. The decrease of $1,365,505 breaks down as follow:

- *Diablillos Project.* During FY 2023 the EE decreased by $1,350,774 due mainly to the impact of hyperinflation adjustment decreasing to $Nil in FY 2023 compared with $2,927,972 in FY 2022 in connection with the change in the Company Functional Currency from Argentinian peso to US dollar, implemented in Q4 2022 as indicated in the section 7: Effect of the inflation in this MD&A, and the reduction in the Camp cost to $1,754,672 in FY 2023 compared with $1,982,867 in FY 2022. Those reductions were partially offset by the increase in the Drilling cost to $11,553,867 in FY 2023 compared with $11,215,038 in FY 2022 due to the Phase III diamond drilling program in which a total of 82 holes were drilled for a total of 14,683 meters; during the same period last year 45 holes and 9,394 meters were drilled; for Phase II no holes were drilled in FY 2023 compared with 30 holes and 8,320 meters drilled in FY 2022; the Geology and Lab cost increased to $1,806,752 in FY 2023 compared with $1,388,215 in FY 2022 in connection with the new MRE on the JAC Zone and the Diablillos PFS indicated in the Exploration and Evaluation section. The Personnel, Permitting and Administration cost increased to $2,176,142 in FY 2023 compared with $1,532,435 in FY 2022 due the increase in the local costs.

- *La Coipita Project*. The EE decreased by $3,994 related to the maiden drill campaign at the La Coipita due mainly to the impact of hyperinflation adjustment decreasing to $Nil in FY 2023 compared with $1,361,870 in FY 2022 in connection with the change in the Company Functional Currency from Argentinian peso to US dollar, implemented in Q4 2022 as indicated in the section 7project. During FY 2023 two holes were drilled for a total of 1,391 meters compared with two holes during the same period last year for a total of 2,071 meters. The driver for the expenditure were: the drilling cost $2,119,170 in FY 2023 compared with $1,271,493 in FY 2022; the professional and access fees were $1,309,023 in FY 2023 compared with $1,107,767 in YTD 2022 and the Camp costs increased to $1,007,062 in FY 2023 compared with $702,462 in FY 2022 in connection with the increased EE local costs due to a higher demand for exploration equipment compared with same period last year.

- Gain on sale of marketable securities increased by $173,830 during FY 2023 compared with FY 2022. From time to time, the Company acquires and transfers marketable securities as a mechanism to facilitate intragroup funding transfers between its Canadian headquarters and its Argentine operating subsidiary. The use of marketable securities for the purposes of facilitating intragroup funding transfers, which represents the net benefit of having used this funding mechanism over traditional methods. The increase in the gains is primarily the result of more funds provided to its Argentine subsidiary and are related to the $13,126,260 transferred to the Argentina subsidiaries in YTD 2023 compared with $12,789,833 transferred in FY 2022.

- Loss in Monetary position decreased by $289,304 to $nil during FY 2023 compared to FY 2022 after the Company changed the functional currency of its Argentine Subsidiaries from Argentine peso to US dollar and stopped the application of hyperinflation accounting in its Argentine Subsidiaries.

- Depreciation, Office and Administrative expenses increased by $141,399 during FY 2023 compared to FY 2022. The drivers of the increase are the bank and broker fees in connection with the funds transfer from AbraSilver Resource Corp. to its subsidiaries in Argentina using the equity market. During FY 2023 $13,126,260 was transferred to Argentina compared with $12,789,833 in FY 2022.

6. MINERAL INTEREST

Through the Company's wholly-owned subsidiaries, the Company controls exploration projects in Argentina classified by the Company into the Diablillos, Cerro Amarillo, Santo Domingo and La Coipita projects 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

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):
   - the date on which a Diablillos Feasibility Study in respect of all or any part of the Diablillos Concessions has been obtained;
   - July 31, 2023; and
   - 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;
7) US$7,000,000 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.

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) to SSRM related to the Diablillos project.

Equity consideration issued to SSRM consisted of 11,294,609 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 completed 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 was no longer obligated to maintain SSRM's free carried equity interest. As consideration for SSRM's agreement to amend the **Diablillos SPA**, the Company issued an additional 24.15 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.

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 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); and
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 have not been recognized as a liability. The Company has disclosed the unpaid cash consideration as commitments in Note 16 Commitments of the audited Consolidated Financial Statements and in the commitments section.

(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 located in San Juan province, Argentina, by paying a total of US$4,265,000 in staged payments over 60 months (US$765,000 have been paid to date) to the optionors ("**La Coipita 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 subsequent to year-end);
7) US$1,000,000 in January 2025; and
8) US$2,000,000 in January 2026.

In the event the project is placed into commercial production, the La Coipita Project Owners shall be entitled to collect 1.1% of the NSR royalty, 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 royalty from the La Coipita Project Owners. In consideration, Altius will invest in AbraSilver 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 a letter 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$50,000 paid) to the optionors (the "**Yaretas 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 optionors 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 Yaretas Project Owners shall be entitled to collect 1.1% of the NSR, which AbraSilver may purchase for US$5,000,000 at any time. In order to exercise this purchase option for the NSR, AbraSilver will communicate its decision in a reliable way to the Yaretas Project Owners.

7. EFFECT OF INFLATION

Argentina was designated a hyperinflationary economy as of July 1, 2018. The effect of the Argentinian inflation and specific price changes in the Company operations are minimum since the inflation relates to the cost and prices in Argentinian Pesos and not in the currency in which the Company keeps its funds.

As described in Note 14 of the Audited Financial Statements, the Company acquires and transfers marketable securities to facilitate intragroup funding transfers between the Canadian parent and its Argentine operating subsidiaries thereby minimizing the timing in which the funds are kept in Argentinian Pesos mitigating the inflationary effects.

The application of hyperinflation accounting requires restatement of the Argentine subsidiaries' non-monetary assets and liabilities, shareholders' equity and comprehensive loss items from the transaction date when they were first recognized into the current purchasing power which reflects a price index current at the end of the reporting period before being included in the consolidated financial statements. To measure the impact of inflation on its financial position and results, the Company has elected to use the Wholesale Price Index (Indice de Precios Mayoristas or "**IPIM**") for periods up to December 31, 2016, and the Retail Price Index (Indice de Precios al Consumidor or "**IPC**") thereafter. These price indices have been recommended by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences ("**FACPCE**").

As the consolidated financial statements of the Company have been previously presented in Canadian dollars, a stable currency, the comparative period amounts do not require restatement.

On October 1, 2022, the Company changed the functional currency of its Argentine Subsidiaries from Argentine peso to US dollar and stopped the application of hyperinflation accounting in its Argentine Subsidiaries during the period from October 1, 2022 to December 31, 2022, as described in Note 4 of the audited consolidated financial statements.

8. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive loss and those measured at amortized cost. Measurement and classification of financial assets is dependent on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Company's financial instruments as of December 31, 2023, and December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
Financial assets		
Cash and cash equivalents	$ 2,797,365	$ 13,823,197
Term deposit	2,000,000	2,000,000
Total financial assets	$ 4,797,365	$ 15,823,197
Financial liabilities		
Accounts payable and accrued liabilities	$ 789,103	$ 910,981
Lease liabilities	-	12,528
Consideration payable	7,420,066	6,607,366
Total financial liabilities	$ 8,209,169	$ 7,530,875

Additional financial instruments disclosure, including an analysis of risks associated with financial instruments, are contained in Note 5 of the Company's audited consolidated financial Statements for the twelve months ended December 31, 2023 and 2022.

9. LIQUIDITY AND CAPITAL RESOURCES

(a) Liquidity

The Company's working capital as of December 31, 2023, was $4,501,658 as compared to working capital of $15,293,893 on December 31, 2022. Included in working capital was cash and cash equivalents of $2,797,365 and term deposits of $2,000,000 (December 31, 2022 - $13,823,197 in cash and cash equivalents and term deposits of $2,000,000) which is enough to cover its commitments over the next 12 months as indicated in the "Commitments" section below.

The Company's estimated general and administrative expenses for the next 12 months is $2,400,000, which is lower than the Company's historical general and administrative expenses due to an expected decrease in expenses related to the Company's Chilean mining interests, an expected decrease in marketing and promotion expenses and an expected reduction in office and administrative expenses. The Company has a US$7,000,000 long-term liability with an expected due date of July 31, 2025.

The Company completed its Phase III drill program at the Diablillos project in August 2023, and as a result the Company's cash burn rate reduced significantly in Q4/2023.

Except as disclosed, the Company does not know of any trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the Company's exploration programs and the Company's ability to raise additional capital as required.

The Company is not now and does not expect in the future, to be engaged in currency hedging to offset any risk of currency fluctuations.

(b) Capital Resources

The Company's focus for the recently completed fiscal period and going forward is the advancement and development of its exploration projects. The major expenses that will be incurred by the Company in the next twelve months will be costs associated with its exploration activities and general and administrative activities.

As at December 31, 2023, the Company had a working capital of $4,501,658, has never had profitable operations, has accumulated deficit of $79,432,223 and expects to continue to incur losses in the development of its business, all of which casts significant doubt on the Company's ability to continue as a going concern without securing additional future sources of financing to continue with its regular exploration activities and to honor the commitments as indicated in the "Commitments" section below for the next twelve months.

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. The Company will be relying on further equity financing, debt financing, strategic partnerships or joint-venture partnerships as the most likely source of funds for the advancement of the Company's exploration assets to a resource delineation or feasibility stage. In the future the Company may also receive additional funds through the exercise of stock options and warrants. If adequate funds are not available when required, the Company may, based on the Company's cash position, delay, scale back or eliminate various programs.

There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that future additional financing will be available to the Company at acceptable terms.

c) Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements other than those disclosed under Mineral Interests.

d) Commitments

As of December 31, 2023, 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.

	Years ended December 31		
Commitments	**2024**	**2025**	**2026**
Diablillos	$ -	$ 1,547,442	$ -
La Coipita	1,322,600	2,380,680	4,629,100
Total Mineral interest commitments	1,322,600	3,928,122	4,629,100
Total Commitments	$ 1,322,600	$ 3,928,122	$ 4,629,100

Note: Amounts expressed in Canadian dollars, using a USD/CAD exchange rate of 1.3226.

10. 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 described in the following table. The business purpose for director fees and salaries is to compensate directors and officers of the Company in their capacities as directors or officers. The business purpose for the payments made to Zaballa & Carchio Abogados is for corporate, mining and legal advice, which arrangement can be terminated at any time. The business purpose for consulting fees paid to Robert Bruggeman is for investor relations and marketing advice, which arrangement was terminated by mutual agreement effective March 1, 2023. The payments made to John Miniotis and Carlos Pinglo are made in accordance with a written employment agreement, each of which can be terminated by the Company on 30 days written notice.

The fair value of the share-based compensation was determined using the Black-Scholes pricing model based on, among other things, 5 years expected life; share price at the grant date; volatility based on the historical trading price volatility of the Company's common shares; risk-free interest rate based on government of Canada marketable bonds for the duration of the option's expected term and a dividend yield of 0%.

(In Canadian Dollars unless otherwise stated)

Name	Position	Director Fees	Salary	Professional /Consulting Fees	Share Base Compensation	Q4 -2023
Robert Bruggeman	Director	$ 6,250	$ -	$ -	$ 18,517	$ 24,767
Flora Wood	Director	6,250	-	-	13,888	20,138
Jens Mayer	Director	6,250	-	-	12,730	18,980
Sam Leung	Director	6,250	-	-	11,574	17,824
Hernan Zaballa	Director	6,250	-	-	12,730	18,980
Zaballa & Carchio Abogados (1)	NA	-	-	43,209	-	43,209
Nicholas Teasdale	Director	6,250	-	-	16,693	22,943
Stephen Gatley	Director	6,250	-	-	21,316	27,566
John Miniotis	CEO	-	165,325	-	52,532	217,857
Carlos Pinglo	CFO	-	95,000	-	14,251	109,251
		$ 43,750	$ 260,325	$ 43,209	$ 174,232	$ 521,516

(1) Legal firm controlled by Hernan Zaballa.

Name	Position	Director Fees	Salary	Professional /Consulting Fees	Share Base Compensation	FY 2023
Robert Bruggeman	Director	$ 25,000	$ -	$ 5,000	$ 103,623	$ 133,623
Flora Wood	Director	25,000	-	-	77,717	102,717
Jens Mayer	Director	25,000	-	-	71,240	96,240
Sam Leung	Director	25,000	-	-	64,766	89,766
Hernan Zaballa	Director	25,000	-	-	71,240	96,240
Zaballa & Carchio Abogados (1)	NA	-	-	173,965	-	173,965
Nicholas Teasdale	Director	25,000	-	-	93,628	118,628
Stephen Gatley	Director	25,000	-	-	110,626	135,626
John Miniotis	CEO	-	360,929	-	298,927	659,856
Carlos Pinglo	CFO	-	241,667	-	81,112	322,779
		$ 175,000	$ 602,596	$ 178,965	$ 972,879	$ 1,929,440

(1) Legal firm controlled by Hernan Zaballa.

(In Canadian Dollars unless otherwise stated)

Name	Position	Director Fees	Salary	Professional /Consulting Fees	Share Base Compensation	Q4 2022
Robert Bruggeman	Director	$ 6,250	$ -	$ -	$ 18,610	$ 24,860
Alpha Advisory Services Inc. (2)	NA	-	-	7,500	-	7,500
Flora Wood	Director	6,250	-	-	13,999	20,249
Jens Mayer	Director	6,250	-	-	12,824	19,074
Sam Leung	Director	6,250	-	-	11,651	17,901
Hernan Zaballa	Director	6,250	-	-	12,824	19,074
Zaballa & Carchio Abogados (1)	NA	-	-	53,396	-	53,396
Nicholas Teasdale	Director	6,250	-	-	39,337	45,587
Stephen Gatley	Director	6,250	-	-	222,395	228,645
John Miniotis	CEO	-	173,158	-	64,613	237,771
Carlos Pinglo	CFO	-	89,566	-	18,720	108,286
		$ 43,750	$ 262,724	$ 60,896	$ 414,973	$ 782,343

(1) Legal firm controlled by Hernan Zaballa.
(2) Consulting firm controlled by Robert Bruggeman

Name	Position	Director Fees	Salary	Professional /Consulting Fees	Share Base Compensation	YTD 2022
Robert Bruggeman	Director	$ 25,000	$ -	$ -	$ 98,527	$ 123,527
Alpha Advisory Services Inc. (2)	NA	-	-	30,000	-	30,000
Flora Wood	Director	25,000	-	-	73,896	98,896
Jens Mayer	Director	25,000	-	-	67,737	92,737
Sam Leung	Director	25,000	-	-	61,580	86,580
Hernan Zaballa	Director	25,000	-	-	67,737	92,737
Zaballa & Carchio Abogados (1)	NA	-	-	179,123	-	179,123
Nicholas Teasdale	Director	25,000	-	-	112,709	137,709
Stephen Gatley	Director	25,000	-	-	258,648	283,648
John Miniotis	CEO	-	343,384	-	340,633	684,017
Carlos Pinglo	CFO	-	224,566	-	98,527	323,093
		$ 175,000	$ 567,950	$ 209,123	$ 1,179,994	$ 2,132,067

(1) Legal firm controlled by Hernan Zaballa.
(2) Consulting firm controlled by Robert Bruggeman

As of December 31, 2023, $144,195 (December 31, 2022 – $136,755) 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.

11. OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As of April 26 2024, the Company has 624,002,038 common shares issued and outstanding.
As of April 26, 2024, the Company has 15,040,575 warrants outstanding:

Number of warrants	Exercise Price	Expiry Date
1,527,075	$ 0.37	June 6, 2024
13,513,500	$ 0.50	December 6, 2024

As of April 26, 2024, the Company has:

- 26,864,375 stock options outstanding with the weighted average exercise price of $0.29; 18,321,875 of which are exercisable with the weighted average exercise price of $0.257.
- 383,334 restricted shares units, nil of which are vested.

12. RISKS AND UNCERTAINTIES

The Company's exploration activities and related results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding uncertainty due receiving required permits in Argentina, exploration results, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk.

The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The Company seeks to counter this risk as far as possible by selecting exploration areas on the basis of their recognized geological potential to host economic deposits.

A summary of the Company's financial instruments risk exposure was provided in Note 4 of the Company's consolidated financial statement for the year ended December 31, 2023. Described below are some additional risk factors, which are considered to be significant to the Company's business and financial condition.

Risks Related to Operations in Emerging Markets

Investing in an emerging market entails certain inherit risks.

The Company conducts or participates in mining, development, exploration, and other activities in Argentina, which is an emerging market. Investing in emerging markets generally involves risks, which may include: (i) expropriation or nationalization of property; (ii) changes in laws or policies or increasing legal and regulatory requirements of particular countries, including those relating to taxation, royalties, imports, exports, duties, currency, in-country beneficiation or other claims by government entities, including retroactive claims and/or changes in the administration of laws, policies and practices; (iii) uncertain political and economic environments, war, terrorism, sabotage and civil disturbances; (iv) lack of certainty with respect to legal systems, corruption and other factors that are inconsistent with the rule of law; (v) delays in obtaining or the inability to obtain or maintain necessary governmental permits or to operate in accordance with such permits or regulatory requirements; (vi) import and export regulations, including restrictions on the export of gold or other minerals; (vii) limitations on the repatriation of earnings; (viii) underdeveloped industrial or economic infrastructure; (ix) internal security issues; (x) increased financing costs; (xi) renegotiation, cancellation or forced modification of existing contracts; and (xii) risk of loss due to disease, and other potential medical endemic or pandemic issues, as a result of the potential related impact to employees, disruption to operations, supply chain delays, trade restrictions and impact on economic activity in affected countries or regions.

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.

Argentina may experience economic problems that could affect the Company's business, financial condition and result of operations

The Company's material project is located in Argentina, and it depends upon local economic and social conditions. As a result, the Company's business, financial position and results of operations may be affected by the general conditions of the Argentine economies, price instability, inflation, interest rates, regulation, taxation, social instability, political unrest and other developments in or affecting Argentina, over which the Company has no control. Economic and political instability that has been caused by many different factors, including the following: (i) adverse external economic factors; (ii) inconsistent fiscal and monetary policies; (iii) dependence of governments on external financing; (iv) changes in governmental economic policies; (v) high levels of inflation; (vi) abrupt changes in currency values; (vii) high interest rates; (viii) volatility of exchange rates; (ix) political and social tensions; (x) exchange controls; (xi) wage and price controls; (xii) the imposition of trade barriers; and (xiii) trade shock. Any of these factors could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The economy of Argentina is vulnerable to external shocks caused by significant economic difficulties of their respective trading partners, or by more general "contagion" effects.

Weak, flat or negative economic growth or changes in international trade policy of the major trading partners of Argentina could adversely affect its balance of payments and, consequently, its economic growth. Decreased growth affecting such major trading partners could have a material adverse effect on the markets for exports from Argentina, and, in turn, adversely affect economic growth. The Argentine economy may be affected by "contagion" effects. International investors' reactions to events occurring in one developing country sometimes appear to follow a "contagion" pattern, in which an entire region or investment class is disfavored by international investors. In particular, Argentina has been adversely affected by such contagion effects on a number of prior occasions, including the 1994 Mexican financial crisis, the 1997 Asian financial crisis, the 1998 Russian financial crisis, the 1999 devaluation of the Brazilian real, and the 2001 collapse of Turkey's fixed exchange rate regime. Additionally, economic growth was negatively affected as a result of the 2008 global financial crisis, and more recently, the COVID-19 pandemic. Similar developments can be expected to affect the Argentine economy in the future, and may accordingly affect the Company's business, financial position, operations, and results of operations.

We have activities in a country known to experience high levels of corruption and any violation of anti-corruption laws could subject us to penalties and other adverse consequences.

We are subject to anti-corruption, anti-bribery, anti-money laundering and other international laws and regulations and are required to comply with the applicable laws and regulations of Argentina and Canada. In general, these laws prohibit improper payments or offers of payments to governments and their officials, political parties, state-owned or controlled enterprises, and/or private entities and individuals for the purpose of obtaining or retaining business. In addition, we are subject to economic sanctions regulations that restrict our dealings with certain sanctioned countries, individuals and entities. Our primary operations are located in Argentina, which is perceived as having relatively high levels of corruption. Our activities in this country create the risk of unauthorized payments or offers of payments by one of our employees, contractors, agents, or users that could be in violation of various laws, including anti-bribery laws in these countries. In addition, our ability to secure permits, renewals or other government approvals required to maintain our operations could be negatively impacted by corruption in one or more governmental institutions in Argentina. We have adopted various measures which mandate compliance with these anti-corruption, anti-bribery, and anti-money laundering laws, and have implemented training programs, compliance controls and procedures, and reviews and audits to ensure compliance with such laws. However, there can be no assurance that our internal controls, and procedures will be sufficient to prevent or detect all inappropriate practices, fraud or violations of such laws, regulations and requirements by our affiliates, employees, directors, officers, partners, agents and service providers, or that any such persons will not take actions in violation of our policies and procedures, for which we may be ultimately responsible. Any violations by us of anti-bribery and anti-corruption laws or sanctions regulations could have a material adverse effect on our business, reputation, results of operations and financial condition. We cannot predict the nature, scope or effect of future anti-corruption regulatory requirements to which our operations might be subject or the manner in which existing laws might be administered or interpreted.

Argentina has experienced significant political and socio-economic instability in the past, and may experience further instability in the future.

Argentina has experienced significant political and social economic instability in the past and may experience further instability in the future. In 2001 and 2002, Argentina suffered a major political, economic and social crisis, which resulted in institutional instability and a severe contraction of the economy with significant increases in unemployment and poverty rates. Among other consequences, the crisis caused a large currency devaluation and led to the government of Argentina defaulting on its external debt. In response, the government of Argentina implemented a series of emergency measures, including strict foreign exchange restrictions and monthly limits on bank withdrawals, which affected public companies and other sectors of the Argentine economy. The Argentine economy experienced a recovery after the 2001 – 2002 crisis, however, since 2008, it has struggled to curb strong inflationary pressures and growth stagnated starting in 2012.

During the first half of 2018, the Argentine economy entered into an acute economic recession, which deepened in 2019, with a sharp decrease in international reserves, a material loss in the value of the Argentine peso vis-à-vis the US dollar, high inflation and unemployment rates and an increase in poverty and extreme poverty rates. Against this economic backdrop, in December 2019, the Argentine congress enacted legislation declaring a state of public emergency in economic, financial, fiscal, administrative, pensions, tariff, energy, health and social matters, which was in force until December 31, 2020, and was further extended in terms of health until December 31, 2021.

Argentine economic conditions are dependent on a variety of factors, including (but not limited to) the following: (i) international demand for Argentina's principal exports; (ii) international prices for Argentina's principal commodity exports; (iii) stability and competitiveness of the Argentine Peso with respect to foreign currencies; competitiveness and efficiency of domestic industries and services; (iv) levels of domestic consumption and foreign and domestic investment and financing; and (v) the rate of inflation.

Argentina's ability to obtain financing from international markets is limited. Without renewed access to the financial market the Argentine government may not have the financial resources to implement reforms and boost growth, which could have a significant adverse effect on the country's economy and, consequently, on our activities. In addition, the Argentine government has engaged in conversations with the International Monetary Fund in order to renegotiate the principal maturities of certain amounts disbursed in 2018 and 2019, and it is uncertain whether the Argentine government will be successful in the negotiations with that agency.

The ultimate impact of each of these measures on the Argentine economy as well as the ability to implement all announced measures as currently contemplated, cannot be assured. If the government of Argentina's agenda cannot be successfully implemented, the result may further weaken confidence in and adversely affect the Argentine economy and financial condition. Any worsening in the Argentine economy or financial condition could have a material adverse effect on companies operating in Argentina, including the Company.

Argentina is subject to frequent and unpredictable changes in tax rates, capital controls, and foreign exchange restrictions, which may restrict or affect the profitability of the Company's operations in Argentina.

In the past, Argentine tax laws have changed frequently and dramatically. In 2018, the government of Argentina introduced a decree imposing a temporary tax on all exports from Argentina. The tax was introduced as an emergency measure due to the significant peso devaluation during the year. In December 2019, the government of Argentina approved a law delaying a scheduled corporate tax rate decrease from 30% to 25% to the end of 2020 (after that the government submitted a bill in order to maintain the 30% rate until the end of 2021) and extending the temporary export tax introduced in September 2018 to the end of 2021. Furthermore, the decree suspended the increase in the dividend withholding tax from 7% to 13% until January 2021. Thereafter, the National Government submitted a bill by which it would permanently increase the corporate tax rate to 35% for certain types of companies and maintain the 7% rate for dividends (the bill was approved by the National Congress effective for fiscal year 2021).

Since December 10, 2023, there is a new Government in Argentina led by President Javier Milei, a libertarian economist who won the election by mainly proposing that he would reduce the fiscal deficit, eliminate the inflation, dollarize the currency and make significant administration and fiscal reforms. Among the bills proposed for this latter purpose, in April 2024 the new Government sent to the Argentine Congress, for its legislative approval, a new regime providing incentives for large investments. This proposed regime (called RIGI) provides that for large investments, including the mining ones, of US $200 million or more, the following incentives will apply: (i) reduction of income tax from 35% to 25%, (ii) suspension of the tax on distributed dividends if profits are retained in the first three years, (iii) cancellation of VAT with tax credit certificates , (iv) discount of personal assets tax on account of profits, (v) invitation to provinces and municipalities to adopt similar regimes, (vi) 0% tariff for imports, (vii) 0% export duties as from the third year, (viii) free availability of export proceeds abroad as from the third year (going from 20% the first year, 40% the second year and 100% from the third year) and (ix) fiscal stability for 30 years including taxes, FX regime and customs tariffs. The companies will have a two year term to adhere to the regime once enacted through a process detailed in the bill.

Argentine federal, provincial and other local taxation authorities may apply tax rules and regulations in an inconsistent and unpredictable manner. In addition, tax rules and regulations may change over time. If any taxation authority takes a position or adopts an interpretation that differs from those adopted by Company, we could become subject to unanticipated tax liabilities and cost increases, which could negatively affect our financial condition and results of operations.

Argentina has also been subject to exchange controls and restrictions. In 2001 and 2002, following a run on the financial system triggered by the public's lack of confidence in the continuity of the convertibility regime that resulted in massive capital outflows, the government of Argentina introduced exchange controls and restrictions on the transfer of foreign currency in an attempt to prevent capital flight and a further depreciation of the Argentine peso. Several of those exchange controls and transfer restrictions were subsequently suspended or terminated. However, in June 2005, the government of Argentina established new controls on capital flows. From 2011 until December 2015, the government of Argentina increased controls on the sale of foreign currency and the acquisition of foreign assets by local residents, limiting the possibility of transferring funds abroad. Regulations were introduced in 2012 that subjected certain foreign exchange transactions to prior approval by Argentine tax authorities or the Central Bank of Argentina. In August 2016, the government of Argentina eliminated all foreign exchange restrictions imposed since 2011. In September 2019 and in May and June 2020, the Central Bank of Argentina imposed further restrictions on foreign exchange transactions. To date, these controls and regulations have included, but are not limited to, a requirement that proceeds of exports be repatriated at the applicable exchange rate; restrictions on payment of dividends without the approval of the Argentinian Central Bank; and restrictions on debt from foreign lenders, unless such debt is brought into

Argentina at the applicable exchange rate. The government of Argentina may expand these controls or introduce new restrictions.

Changes in taxes, capital controls, and foreign exchange regulations in Argentina are beyond the Company's control. Increased tax rates, or the imposition of stricter capital controls or foreign exchange regulations and could increase the operating costs at the Diablillos Project, prevent or restrict exploration, development, and production at the Diablillos Project, and may constrain the Company's ability to receive distributions from its Argentine subsidiaries.

Risk of nationalization of mining assets in Argentina

In May 2012, the previous government of Argentina re-nationalized Repsol YPF SA, the country's largest oil and gas company. There can be no assurance that the government of Argentina will not nationalize other businesses operating in the country, including the business of the Company. If any portion of the Company's assets are expropriated or nationalized, there can be no assurance that the Company would receive payment equal to their fair market value. Nationalization of any of the Company's assets in Argentina could have a material adverse effect on the Company's business, operations, cash flows, and financial condition. The Company has not purchased any "political risk" insurance coverage and currently has no plans to do so.

Changes in Argentinean environmental legislation could have adverse effects on our operations.

The Company's exploration activities and future mining operations in Argentina are and will be subject to laws and regulations relating to the protection and remediation of the environment. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. These laws, regulations and the governmental policies for implementation of such laws and regulations change from time to time and are generally becoming more restrictive. The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations and changes to existing laws and regulations (including the imposition of higher taxes and mining royalties) could cause additional expenses or capital expenditure, or result in restrictions or delays in the Company's development plans.

Title to Assets

Searches of mining records are carried out in accordance with mining industry practices to confirm satisfactory title to properties in which the Company holds or intends to acquire an interest, but the Company does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of the properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims or concessions. The ownership and validity of mining claims and concessions are often uncertain and may be contested. The Company has taken and will continue to take all reasonable steps, in accordance with the laws and regulations of the jurisdictions in which their properties are located, to ensure proper title to its properties and to properties it may acquire in the future, either at the time of acquisition or prior to any major expenditures thereon. This, however, should not be construed as a guarantee of title. There are no assurances that the Company will obtain title. Both presently owned and after-acquired properties may be subject to prior unregistered agreements, transfers, land claims or other claims or interests. In addition, third parties may dispute the rights of the Company to its respective mining and other interests. The Company will attempt to clear title and obtain legal opinions commensurate to the intended level of expenditures required on areas that show promise. There can be no assurance, however, that it will be successful in doing so.

Risks Related to the Business

Negative Operating Cash Flow

The Company had negative operating cash flow in its most recent interim financial period and financial year. The Company's ability to generate positive operating cash flow will depend on the Company's ability to commence production at its mining properties. To the extent the Corporation has negative cash flows in future periods, the Company may use a portion of its general working capital or seek additional equity financing to fund such negative cash flows. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

Impact of Ongoing Conflicts

We do not have any business operations in Israel, Ukraine or Russia. As the situation is changing rapidly, it is not possible to predict how the ongoing conflicts will affect global supply chains, commodity prices, the overall economic environment, or financial markets as the conflict has lasted longer than previously anticipated and could last for an extended period of time.

While the ongoing conflicts has not resulted in disruption of the Company's business, we are actively monitoring for any potential impacts arising from it. The continued risk surrounding the ongoing conflicts and any escalations may have a material adverse impact on our business, financial condition and results of operations.

13. FORWARD LOOKING STATEMENTS

Certain of the statements made and information contained herein are considered "forward-looking information" within the meaning of the British Columbia Securities Act. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company on its properties and work plans to be conducted by the Company. With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- the impact of currency fluctuations in Argentina and Chile;
- the impact of increasing competition in gold, silver and copper business;
- unpredictable changes to the market prices for gold, silver and copper;
- exploration and development costs for its properties;

- availability of additional financing or joint-venture partners;
- anticipated results of exploration activities; and
- the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth above and elsewhere in this MD&A including, uncertainty due to COVID-19, uncertainties relating to receiving mining and exploration permits in Argentina; volatility in the market price for minerals; uncertainties associated with estimating resources; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks, inherent in mineral exploration; fluctuations in currencies and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing and/or joint venture partners and unpredictable weather conditions.

Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

14. DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by consolidated financial statements; and (ii) the audited consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI- 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

16. SUBSEQUENT EVENTS

- Subsequent to December 31, 2023, 4,720,000 warrants with a weighted average strike price of $0.10 were exercised for total proceeds of $472,000.

- Subsequent to December 31, 2023, an aggregate of 2,575,000 stock options were exercised at a weighted average strike price of $0.065 for total proceeds of $167,375.

- Subsequent to December 31, 2023, the Company issued 383,333 shares upon vesting of 383,333 restricted shares units.

- On January 22, 2024 the Company announced that has executed a definitive option and joint venture agreement (the "Agreement") with a subsidiary of Teck Resources Limited ("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$3,000,000 (including an initial mandatory payment of US$500,000), 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 (please look at La Coipita Project, San Juan, Argentina section)

- On February 13, 2024, the Company announced that the drilling at the La Coipita copper-gold-porphyry project La Coipita in San Juan, Argentina has commenced. The initial drill program is expected to consist of two drill rigs, drilling a planned total of four holes, over 2,600 metres, focusing on the La Coipita target. The drill program is fully funded by a subsidiary of Teck Resources Limited under the terms of the option and joint venture agreement as indicated above.

- On March 28, 2024 the Company announced that the Company has granted an aggregate of 5,680,000 stock options pursuant to its stock option plan ("**Stock Option Plan**") 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 $0.355 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.

- On April 8, 2024, 100,000 warrants expired unexercised.

- On April 18, 2024, 300,000 warrants expired unexercised.

- On April 22, 2024, the Company announced that it has entered into subscription agreements in respect of a strategic $20 million non-brokered private placement of AbraSilver common shares ("**Common Shares**") with Kinross Gold Corporation ("**Kinross**") (NYSE: KGC, TSX: K) and an affiliate of Central Puerto SA ("**Central Puerto**") (NYSE: CEPU) at a subscription price of $0.40 per Common Share (the "**Private Placement**").

Private Placement is expected to occur on or about April 26, 2024 and is subject to certain conditions including, but not limited to, approval by the TSX Venture Exchange (the "**TSX-V**").

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.

The highlights of the subscription agreement 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 50,000,000 Common Shares at a subscription price of $0.40 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.

- On April 26, 2024, the Company announced the completion of its previously announced Private Placement. The Company issued 50,000,000 Common Shares at a price of $0.40 per share for aggregate gross proceeds of $20 million. As a result, Kinross and Central Puerto each own approximately 4.0% of the outstanding Common Shares on an undiluted basis.
  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.