



(Formerly AbraPlata Resource Corp.)

Management's Discussion and Analysis
For the Three Months Ended March 31,2021
(Expressed in Canadian Dollars)

ABRASILVER RESOURCE CORP.
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Introduction

This Management's Discussion and Analysis ("**interim MD&A**") of the financial condition and results of the operations of AbraSilver Resource Corp. has been prepared to provide material updates to the business operations, liquidity and capital resources of the Corporation since its last management discussion & analysis, being the Management Discussion & Analysis ("**Annual MD&A**") for the fiscal year ended December 31, 2020. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A 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 Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended December 31, 2020 and December 31, 2019 ("**FY 2020**" and "**FY 2019**", respectively) and the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021 ("**Q1 2021**"), together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as of May 26, 2021 unless otherwise indicated.

The unaudited condensed interim consolidated financial statements for Q1 2021, have been prepared using accounting policies consistent with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this Interim 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's 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.

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

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'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**".

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2. HIGHLIGHTS

The Company's key events and highlights from January 1, 2021 to the date of this Interim MD&A, include the following:

- At the Diablillos project, the Company completed the 15,000-metre, Phase I, diamond drilling program at Oculito, resulting in multiple high-grade silver, gold and copper exploration results.
- The Company has now commenced its Phase II, step-out exploration program, which will consist of a minimum of 10,000-metres, testing multiple targets outside of the Oculito deposit.
- During the quarter ended March 31, 2021 the Company issued 17,628,187 shares after 17,628,187 warrants were exercised at a weighted average exercise price of \$0.19 for net proceeds of \$3,277,760. The Company also received proceeds of \$110,160 for the exercise of warrants for which the shares are not yet issued.
- On January 12, 2021, the Company issued 162,500 shares after 162,500 options were exercised at \$0.065 for net proceeds of \$10,562.50.
- On January 25, 2021, the Company granted 3,157,500 options to Directors, Officers and Consultants. The exercise price is \$0.39 and the options will expire on January 25, 2026. The options will vest as follows: 25% six months from the date of grant and 25% every 6 months thereafter.
- On January 25, 2021, the Company granted 4,815,000 Restricted Share Units ("**RSUs**") to Directors, Officers and Consultants. The RSUs will vest as follows: 33.33% on December 1, 2021; 33.33% on December 1, 2022 and 33.34% on December 1, 2023.
- As of May 26, 2021, the Company is well-funded with a cash position of approximately \$20.5 million.

3. EXPLORATION AND EVALUATION

Diablillos Project

The Diablillos project covers an area of approximately 79km² in the Salta Province of northwestern Argentina and hosts epithermal precious metal mineralization in a number of mineral occurrences. The main deposit is known as Oculito, and this silver-gold deposit is surrounded by various satellite occurrences including the Fantasma Ag-rich zone. To the north of Oculito lies the Cerro Viejo – Cerro Blanco copper-gold mineralized zone and its related Northern Arc of gold-rich occurrences. The Diablillos project was acquired by the Company from SSRM in 2016.

Exploration Highlights

During Q1 2021, the Company issued several news releases announcing program updates and results of its exploration activities. The Company successfully achieved all three of its top priorities with the drill program, namely:

- (1) Identify additional gold resources in the deeper oxide gold zone;
- (2) Extend silver-gold mineralization northeast of the Whittle Pit boundary;
- (3) Define a shallow gold zone (from surface to ~100m depth) which would benefit early open pit mining operations.

During the quarter ended March 31, 2021 the Company issued several announcements regarding the exploration program, including:

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3. EXPLORATION AND EVALUATION (continued)

- AbraSilver Summarizes Successful 2020 Drilling Results and Provides Corporate Outlook for 2021 (news release dated January 12, 2021)
- AbraSilver Drilling Intersects Thick Zones of Shallow Silver and Gold Mineralisation (news release dated January 26, 2021)
- AbraSilver Continues to Intersect High Grade, Near-Surface Oxide Silver and Gold Mineralisation Including 13.5 Metres Grading 515 g/t AgEq (6.86 g/t AuEq) at Diablillos (news release dated February 3, 2021).
- AbraSilver Intersects Substantial High Grade, Near-Surface Silver & Gold Mineralisation Including 81 Metres Grading 541 g/t AgEq (7.21 g/t AuEq) at Diablillos (news release dated March 8, 2021).
- AbraSilver Announces Best-Ever Silver Intercept at Diablillos of 103 Metres Grading 516 g/t Silver-Equivalent and Additional Hole with 14 Metres of 9.88 g/t Gold-Equivalent (news release dated March 15, 2021).
- AbraSilver Reports Continued Drilling Success at Diablillos with High-Grade Intercepts Including 52.8 Metres at 286 g/t AgEq & 15 Metres at 711 g/t AgEq (news release dated March 29, 2021).

The results announced during the quarter are part of the Phase I drill program and will be incorporated in an updated resource estimate for the Oculito zone which is estimated to be announced in Q3-2021.

Outlook 2021

On April 1, 2021, the Company announced plans for its upcoming Phase II exploration program, which will consist of an additional 10,000 metres of diamond drilling. The Phase II drill program will focus on the following priority targets:

- Oculito Northeast extension: Several previous drill holes in the Oculito Northeast zone intersected substantial gold values, which are not included in the current resource. It is expected that the Whittle Pit on the main Oculito deposit could be expanded in this direction to incorporate additional high-grade resources.
- Laderas Zone: The Laderas Zone is located approximately 500 metres north of Oculito deposit on the Diablillos property. Previous shallow drilling at Laderas intersected significant gold and copper intercepts over broad widths.
- The Northern Arc: The Northern Arc contains a cluster of prospects that lies approximately three to four kilometres north-northeast of the centre of the Oculito deposit. All have near surface, high grade gold intercepts in epithermal mineralisation similar in style to Oculito, with potential for shallow resources that could be trucked to a future treatment plant at Oculito. The Cerro Viejo area shows potential for porphyry mineralization.

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4. SELECTED QUARTERLY INFORMATION

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

Quarter Ended	Net income (loss) for the period (restated)	Earnings (loss) per share - basic & diluted	Total assets (restated)
March 31, 2021	\$ (2,646,845)	\$ (0.01)	\$ 35,136,329
December 31, 2020	\$ (1,391,776)	\$ (0.01)	\$ 34,194,092
September 30, 2020	\$ (2,124,439)	\$ (0.01)	\$ 40,958,169
June 30, 2020	\$ (948,528)	\$ (0.00)	\$ 12,000,275
March 31, 2020	\$ (1,227,637)	\$ (0.00)	\$ 11,645,117
December 31, 2019	\$ (960,223)	\$ (0.00)	\$ 12,612,143
September 30, 2019	\$ (160,317)	\$ (0.02)	\$ 6,226,107
June 30, 2019 (restated)	\$ (241,675)	\$ (0.00)	\$ 4,601,776

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.

Three months ended March 31, 2021 ("Q1 2021") is compared to the three months ended March 31, 2020 ("Q1 2020").

During Q1 2021 the net loss increased by \$1,419,208 to \$2,646,845 compared to the net loss recorded during Q1 2020 due mainly to the following:

- Evaluation and exploration expenses were \$2,358,540 during Q1 2021 compared to \$408,389 for Q1 2020, an increase of \$1,950,151 due to the ongoing drill program that commenced in late November 2019 at the Diablillos project.
- Share based compensation increased by \$268,823 during Q1 2021 compared to Q1 2020 due to the 3,1567,500 options and 4,815,000 RSUs granted to Directors, Officers and Consultants.
- Office and Administrative expenses increased by \$91,654 during Q1 2021 compared to Q1 2020 due to the expansion of corporate activities increasing the bank and broker fees.
- Consulting fees increased by \$54,658 during Q1 2021 compared to Q1 2020 mainly due to the expansion of the exploration and evaluation activities.
- Salary, benefits and director fees expense increased by \$43,669 during Q1 2021 compared to Q1 2020 due to the expansion of corporate activities.
- Investor Relations expenses increased by \$50,278 during Q1 2021 compared with Q1 2020 due to the expansion of financing and promotion activities.
- Gain on Sale of marketable securities increased by \$1,053,276 during Q1 2021 compared with Q1 2020 in connection with the transfer in equity instruments to the Argentinian subsidiaries as part of a process used to transfer money to Argentina and convert it into Argentina Pesos at a more favourable exchange rate than the official exchange rate.

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6. 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 March 31, 2021 and December 31, 2020 are as follows:

	March 31, 2021	December 31, 2020
Financial assets		
Cash and Cash equivalents	\$ 17,714,916	\$ 17,087,494
Receivable	236,550	211,218
Total financial assets	\$ 17,95,466	\$ 17,298,712
Financial liabilities		
Accounts payable and accrued liabilities	\$ 268,948	\$ 530,438
Lease liabilities	\$ 43,390	\$ 53,706
Total financial liabilities	\$ 312,338	\$ 584,144

Additional financial instruments disclosure, including an analysis of risks associated with financial instruments, is contained in Note 5 of the Company's condensed interim consolidated financial statements for the three months ended March 31, 2021 and 2020

7. LIQUIDITY AND CAPITAL RESOURCES

(a) Liquidity

The Company's working capital as of March 31, 2021 was \$17,725,618 as compared to working capital of \$16,815,632 on December 31, 2020. Included in working capital was cash and cash equivalents of \$17,714,916 (December 31, 2020 - \$17,087,984).

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.

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7. LIQUIDITY AND CAPITAL RESOURCES (continued)

(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. The Company believe its current working capital is sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company to complete its strategic and long-term objectives.

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 at March 31, 2021, the Company has mineral interest commitments at its Diablillos, La Coipita and Santo Domingo Mayares 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

	2021	2022	2023	2024	After 2024
Mineral interest commitments					
Diablillos	163,475	163,475	1,257,500	-	10,273,775
La Coipita	125,750	251,500	503,000	1,257,500	3,143,750
Santo Domingo Mayares	50,300	62,875	125,750	188,625	2,703,625
Total mineral interest commitments	339,525	477,850	1,886,250	1,446,125	16,121,150
Minimum office rental payments in Argentina	13,581	18,108	12,072	-	-
Minimum office rental payments in Canada	9,126	-	-	-	-
Total commitments	\$ 362,232	\$ 495,958	\$ 1,898,322	\$ 1,446,125	\$16,121,150

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8. RELATED PARTY TRANSACTIONS

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

Three Months ended March 31	2021	2020
Salaries, benefits and director fees	\$ 138,780	\$ 92,500
Administration	0	15,000
Consulting fees	7,500	17,500
Professional fee	36,522	41,142
Share-based payments	355,780	115,246
	\$ 538,582	\$ 281,388

As of March 31, 2021, \$2,500 (December 31, 2020 - \$70,000) 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.

9. OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As of May 26, 2021, the Company has 443,333,271 common shares issued and outstanding.

As of May 26, 2021, the Company has 152,850,645 warrants outstanding:

Number of warrants	Exercise Price	Expiry Date
100,000	\$ 0.30	July 13, 2021
17,000,000	\$ 0.10	October 31, 2021
37,987,760	\$ 0.17	July 09, 2022
32,416,583	\$ 0.40	September 01, 2022
3,645,834	\$ 0.27	September 01, 2022
32,335,468	\$ 0.27	April 26, 2023
20,475,000	\$ 0.15	May 14, 2023
5,890,000	\$ 0.10	April 8, 2024
3,000,000	\$ 0.10	April 18, 2024

As of May 26, 2021, the Company has:

- 20,745,000 share purchase options outstanding with the weighted average exercise price of \$0.142; 11,936,250 of which are exercisable with the weighted average exercise price of \$0.109.
- 4,815,000 restricted shares units with a weighted average exercise price of \$0.39; Nil of which are exercisable.

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10. 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 to COVID-19, 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 6 of the Company's consolidated financial statement for the year ended December 31, 2020 and in the Annual MD&A for the fiscal year ended December 31, 2020.

11. 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 Interim 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 Interim MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this Interim 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 Interim 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.

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11. FORWARD LOOKING STATEMENTS (continued)

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 Interim 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.

12. 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 unaudited condensed interim 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.

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13. SUBSEQUENT EVENTS

- Subsequent to March 31, 2021 the Company issued 15,445,755 shares after 15,445,755 warrants were exercised at a weighted average exercise price of \$0.27 for net proceeds of \$4,120,943. The Company also received proceeds of \$309,148 for the exercise of warrants for which the shares are not yet issued.
- Subsequent to March 31, 2021 the Company decided not to continue with the Santo Domingo Mayares project, therefore the future commitments will be removed, and the Mineral properties interest assets will be written off.
- On May 4, 2021 412,000 warrants expired unexercised.
- On May 6, 2021, the Company issued 812,500 shares after 812,500 options were exercised at a weighted average exercise price of \$0.065 for net proceeds of \$52,812.50