



Management's Discussion and Analysis
Year ended December 31, 2022
(Expressed in Canadian Dollars)

NOTICE TO READER:

Restatements

During the year ended December 31, 2022, the Company identified an error in accounting for consideration payable under the Diablillos SPA (as defined below) which resulted in an understatement of mineral property interests, consideration payable, accumulated deficit and accumulated other comprehensive loss as at January 1, 2021, and December 31, 2021. The Company previously disclosed the unpaid remaining consideration of US\$7,000,000 as a commitment. The Company has corrected this error by recognizing the remaining consideration payable as of January 1, 2021, of US\$7,000,000, discounted at 15% discount rate per annum, with an estimated payment date of July 31, 2025. The Company has also recognized a corresponding addition to mineral property interests since the date of the Diablillos SPA, considering the hyperinflation impact in the Argentine subsidiary. The consideration payable has been accreted.

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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, 2022 ("**FY 2022**") and December 31, 2021 ("**FY 2021**") 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 2022 and FY 2021, have been prepared using International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

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 13, 2023, 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 13, 2023.

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's registered office is located at Suite 550, 220 Bay Street, Toronto, ON, M5J 2W4. 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 common shares are listed on TSX Venture Exchange ("**TSX-V**") under the symbol "**ABRA**", and on the OTCQX under the symbol "**ABBRF**".

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

2. HIGHLIGHTS

The Company's key events and highlights from January 1, 2022 to the date of the MD&A, include the following:

- On January 13, 2022, the Company announced the filing of a National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) compliant technical report describing the Preliminary Economic Assessment (the “**PEA**”) completed on its wholly-owned Diablillos project in Salta province, Argentina. The results of the PEA were previously reported in the Company's news release dated November 29, 2021. The PEA is available for review on SEDAR (www.sedar.com) and on the Company's website (www.abrasilver.com)
- On January 24, 2022, the Company announced the commencement of its maiden drill campaign at the La Coipita project located in the San Juan province of Argentina, adjacent to the Chilean border.
- On February 11, 2022, the Company granted 1,150,000 Restricted Share Units (“**RSUs**”) to directors and consultants. The RSU will vest as follows: 33.33% on February 11, 2023; 33.33% on February 11, 2024 and 33.34% on February 11, 2025.
- On February 11, 2022, the Company granted 3,700,000 Options to certain directors, officers and consultants. The Options will vest as follows: 25% six months from the date of grant and 25% every 6 months thereafter.
- On June 8, 2022, the Company announced that a comprehensive Environmental Baseline Study was completed at Diablillos.
- On June 28, 2022, the Company announced the discovery of a significant new copper-gold-molybdenum porphyry system at its La Coipita project located in the San Juan province of Argentina.
- On July 9, 2022, a total of 26,259,782 warrants expired unexercised.
- On August 25, 2022, 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 September 1, 2022, a total of 30,916,583 warrants expired unexercised.
- During the year ended December 31, 2022, the Company announced multiple high-grade silver exploration drill results from the new JAC Zone, located to the southwest of the main Oculito deposit on the Company's flagship Diablillos project.
- On November 3, 2022, the Company reported an updated Mineral Resource estimate for the Oculito deposit.
 - Measured and Indicates (“**M&I**”) Resources at Oculito total 51.3Mt at 66g/t Ag and 0.79g/t Au for contained 109Moz silver and 1.3Moz gold, a 22% increase in contained silver and a 29% increase in contained gold over the September 2021 Mineral Resource estimate.
- On December 6, 2022, the Company completed a \$10 million, bought deal private placement. Pursuant to the offering, the Company issued an aggregate of 27,027,000 units. Each unit was priced at \$0.37, consisting of one common share and one-half warrant with an exercise price of \$0.50 until December 6, 2024 (the “**Private Placement**”).

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- From January 1 to December 31 2022, the Company issued 20,931,421 shares after 20,931,421 warrants were exercised at a weighted average exercise price of \$0.18 for net proceeds of \$3,824,904.
- From January 1 to December 31, 2022, the Company issued 450,00 shares after 450,000 stock options were exercised at a weighted average price of \$0.25, for net proceeds of \$112,500.
- From January 1 to December 31, 2022, the Company issued 1,292,052 shares and paid \$120,483 in settlement upon vesting of 1,604,996 RSUs.
- On February 21, 2023, the Company announced an expansion of the ongoing Phase III exploration drill program at Diablillos. The Phase III drill program was expanded to consist of approximately 22,000 metres of diamond drilling, up from 15,000 metres, using two diamond drill rigs. Phase III drilling is designed to delineate a maiden Mineral Resource estimate on the recently discovered JAC Zone.
- On February 21, 2023, the Company reported the commencement of drilling at the La Coipita project, located in San Juan Province, Argentina. The drill campaign will consist of one deep hole (approximately 1,400m), targeting the anticipated higher-grade zone of the porphyry system intercepted in hole DDHC 22-002, which was drilled by the Company in 2022.

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 79km² in the Salta Province of northwestern Argentina. Diablillos hosts epithermal precious metal mineralization in multiple mineral occurrences. The main deposit is known as Oculito and this silver-gold deposit is surrounded by various satellite occurrences including the newly-discovered silver-rich JAC Zone, located southwest of the Oculito deposit (the "**JAC Zone**"). To the west of Oculito, lie the Fantasma and Alpaca targets. South of Oculito is the South Target, and 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 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.sedar.com).

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\$1,155,000 has been paid and 500,000 shares have been issued.

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Oculto Updated Mineral Resource Estimate

On November 3, 2022, the Company announced an updated, conceptual open pit constrained, Mineral Resource estimate for the Oculto deposit. The updated Mineral Resource estimate is the result of 104,888 metres of drilling in 457 drill holes. The Mineral Resource estimate is based only on the Oculto deposit within the broader Diablillos property and is reported inside a conceptual Whittle open pit shell with a cut off grade of 35g/t silver equivalent. A full Technical Report dated November 28, 2022 in respect of the new Oculto Mineral Resource estimate was prepared and filed on SEDAR in accordance with NI 43-101. Accordingly, the new Oculto Mineral Resource estimate supersedes and replaces all prior PEAs or other forward-looking economic information on the Diablillos project. The Oculto Mineral Resource estimate is summarized in the Table below:

Oculto Mineral Resource Estimate – October 31, 2022

Zone	Category	Tonnes (000)	Ag (g/t)	Au (g/t)	AgEq (g/t)	Contained Ag (k oz Ag)	Contained Au (k oz Au)	AgEq (k oz AgEq)
Oxides	Measured	18,092	101	0.85	171	58,655	496	99,280
	Indicated	30,226	49	0.71	107	47,502	688	103,852
	Measured & Indicated	48,318	68	0.76	130	106,157	1,184	203,132
	Inferred	2,090	31	0.50	72	2,085	33	4,788
Transition Zone	Measured	1,244	50	1.21	149	1,979	49	5,992
	Indicated	1,752	22	1.13	115	1,235	64	6,477
	Measured & Indicated	2,996	33	1.17	129	3,214	113	12,469
	Inferred	127	7	0.80	73	29	3	275
Total	Measured	19,336	98	0.88	170	60,634	544	105,190
	Indicated	31,978	47	0.73	107	48,737	752	110,329
	Measured & Indicated	51,314	66	0.79	131	109,370	1,297	215,520
	Inferred	2,216	30	0.51	72	2,114	37	5,144

Notes for October 31, 2022 Mineral Resource Estimate:

1. Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.
2. The Mineral Resource estimate is reported inside a conceptual Whittle open pit shell derived using US \$25.00/oz Ag price, US \$1,750/oz Au price, 73.5% process recovery for Ag, and 86% process recovery for Au. The constraining open pit optimization parameters used were \$3.00/t mining cost, \$24.45/t processing cost, \$2.90/t G&A cost, and average 54-degree open pit slopes.
3. 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).
4. The Mineral Resource estimate has been categorized in accordance with the CIM Definition Standards (CIM, 2014).
5. All figures are rounded to reflect the relative accuracy of the estimates. Minor discrepancies may occur due to rounding to appropriate significant figures.
6. The Mineral Resource was estimated by Mr. Peralta, B.Sc., FAusIMM CP(Geo), an independent Qualified Person within the meaning of NI 43-101.
7. The mineralisation estimated in the Mineral Resource estimate is sub-horizontal with sub-vertical feeders and has a reasonable prospect for eventual economic extraction by open pit methods.
8. A cut off grade of 35 gt AgEq was used for the Mineral Resource estimate.
9. The Mineral Resource estimate models used 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. Constrained by a Whittle open pit shell. The 1m composite grades were capped where appropriate.
10. All tonnages reported are dry metric tonnes and ounces of contained gold and silver are troy ounces.

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11. In-situ bulk density were assigned to each model domain, according to sample averages of each lithology domain, separated by alteration zones and subset by oxidation.

12. Mining recovery and dilution factors have not been applied to the Mineral Resource estimates.

13. 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.

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 new JAC Zone (see table below), and drilling results to date, combined with interpretation of magnetic surveys, suggest that the JAC Zone remains open in multiple directions.

Highlights of the high-grade drill results reported to date from the JAC Zone are summarized below:

JAC Zone – Highlights of Phase III Intercepts Reported to Date

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
DDH-22-065	83.0	118.0	Oxides	35.0	82.0	-	82.0
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-22-072	92.0	122.0	Oxides	30.0	73.2	0.12	83.0
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

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DDH-23-004	136.0	150.0	Oxides	14.0	3,024.5	0.21	3,041.7
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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 ongoing Phase III drill program at the Diablillos project, was expanded to 22,000 metres, from 15,000 metres, using two diamond drill rigs, in 2022. The main objectives of the expanded Phase III drill program are listed below:

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

As of March 14, 2023, the Company had completed approximately 13,700 metres of drilling, in 69 holes, as part of the 22,000-metre Phase III program. Drilling results to date, combined with interpretation of magnetic surveys, suggest that the new JAC Zone remains open in multiple directions.

Additional exploration targets, generated by the recently completed detailed ground magnetic survey, have been identified to the southwest of the Oculito Mineral Resource estimate. Some of these targets are expected to be drilled following the systematic drilling of the JAC Zone.

Maiden Mineral Resource Estimate on JAC Zone and Pre-Feasibility Study in H2/2023

The JAC Zone is a new discovery and was not part of any prior MRE or Technical Report completed by the Company. The current Phase III exploration campaign, focused on defining the JAC Zone is targeted to be completed in July 2023. As a result, an updated MRE and a PFS on the Diablillos project are expected to be completed in Q4/2023 and will incorporate all assay results from the expanded Phase III drill program.

The Company continues to progress key aspects of the PFS, including advancing additional metallurgical testwork, optimizing process design and engineering, equipment sizing, advancing renewable power generation alternatives, and updating capital and operating cost estimates with market-sourced quotations. The Company anticipates that the additional metallurgical testwork campaign will be completed by during the second half of 2023.

The PFS on the Diablillos project will be supported by a total of more than 120,000 metres of drilling in approximately 500 drill holes. To date, the Company has spent approximately \$6.4 million (before the hyperinflation adjustment) on its Phase III drilling campaign at the Diablillos project. The expected remaining cost of the maiden Mineral Resource estimate for the JAC Zone and the PFS is \$1.2 million, however, management retains broad discretion to modify, amend or cease its drilling program based on market conditions.

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La Coipita Project, San Juan, Argentina

The La Coipita project 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 project 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.

On February 21, 2023, the Company announced the commencement of its second drill campaign at the La Coipita project. The follow-up drill campaign is expected to consist of one deep hole (approximately 1,400m), targeting the anticipated higher-grade zone of the porphyry system intercepted in hole DDHC 22-002. Quartz-veinlet intensity (from 1 to >10 per m) and presence of molybdenum (as molybdenite) indicate a potential dome-like feature that is believed to likely be centred above the deeper copper system and will be targeted by this year's drilling.

As of December 31, 2022, the Company has spent approximately \$3.47 million (before the hyperinflation adjustment) on its maiden drill campaign at the La Coipita project.

4. SELECTED ANNUAL AND QUARTERLY INFORMATION

For the years ended December 31, 2022, December 31, 2021 and December 31, 2020:

	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
Net (loss) income for the year	\$ (20,904,232)	\$ (18,840,655)	\$ (5,962,380)
Basic and diluted earnings (loss) per share	\$ (0.04)	\$ (0.04)	\$ (0.01)
Total assets	\$ 39,130,518	\$ 37,323,277	\$ 36,366,266
Total liabilities	\$ 7,530,875	\$ 5,944,441	\$ 5,279,993

The Company has no revenue to report for the years ended December 31, 2022, December 31, 2021 and December 31, 2020.

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

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Quarter Ended	Cash and Cash equivalents and term deposits	Total Assets	Total Liabilities	Net (loss) for the period	Total Comprehensive (loss)	Earnings (loss) per share - basic & diluted
December 31, 2022	\$15,823,197	\$39,130,518	\$7,530,875	(\$5,371,901)	(\$5,065,867)	(\$0.01)
September 30, 2022 (Restated)	\$10,749,573	\$33,100,364	\$6,720,543	(\$4,884,582)	(\$1,344,105)	(\$0.01)
June 30, 2022 (Restated)	\$13,090,769	\$33,388,695	\$6,252,951	(\$6,548,711)	(\$5,254,915)	(\$0.01)
March 31, 2022 (Restated)	\$16,925,434	\$36,209,860	\$6,108,786	(\$4,099,038)	(\$3,197,466)	(\$0.01)
December 31, 2021 (Restated)	\$19,016,003	\$37,323,277	\$5,944,441	(\$8,073,672)	(\$6,680,801)	(\$0.01)
September 30, 2021 (Restated)	\$19,861,295	\$41,129,585	\$5,132,541	(\$3,765,850)	(\$1,984,601)	(\$0.01)
June 30, 2021 (Restated)	\$21,189,685	\$41,461,800	\$5,141,453	(\$4,187,841)	(\$2,934,961)	(\$0.00)
March 31, 2021 (Restated)	\$17,714,916	\$37,430,975	\$5,174,634	(\$2,813,292)	(\$2,484,458)	(\$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. It is in the nature of the business of junior exploration companies that unless they sell a mineral interest for a sum greater than the costs incurred in acquiring such interest, they have no significant net sales or total revenue. In fact, the Company has no revenue to report for the years ended December 31, 2022, December 31, 2021, and December 31, 2020.

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 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, (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.

Three months ended December 31, 2022 ("**Q4 2022**") is compared to the three months ended December 31, 2021 ("**Q4 2021**").

During Q4 2022 the net loss decreased by \$2,701,772 to \$5,371,900 compared to the net loss recorded during Q4 2021 due mainly to the following:

- The main driver in Q4 2022 loss increases is the evaluation and exploration expenses ("**EE**"). Although there are no seasonal variations, comparing the expenditures with the same period last year, the EE were \$5,923,909 during Q4 2022 compared to \$3,735,223 for Q4 2021, the increase of \$2,188,666 breaks down as follow:

Diablillos Project. The EE increased by \$2,463,277 due to the ongoing Phase III diamond drilling program in which a total of 31 holes were drilled for a total of 5,504 metres; during the same period last year 16 holes and 3,595 metres were drilled. The drilling cost increased to \$4,059,261 in Q4 2022 compared with \$1,211,345 in Q4 2021; the Geology and Lab cost decreased to \$466,201 in Q4 2022 compared with

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\$769,466 in Q4 2021 in connection with the new Mineral Resource estimate on the JAC Zone and PFS indicated in the Exploration and Evaluation section. Personnel cost increased by \$181,764 during Q4 2022 compared to Q4 2021, due to a 38% increase in the average number of workers from 21 in Q4 2021 to 29 in Q4 2022. The impact of hyperinflation adjustment decreased to \$Nil in Q4 2022 compared with \$503,477 in Q4 2021 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.

La Coipita Project. The EE decreased \$276,911 with the reasons for the expenditure reduction being: the surface access fees reduced to \$182,905 in Q4 2022 compared with \$284,905 in Q4 2021; Camp Cost declined by \$18,341 in Q4 2022 compared with \$136,018 in Q4 2021 and the impact of hyperinflation decreased to \$Nil in Q4 2022 compared with \$19,500 in Q4 2021 in connection with the change in the Company functional currency from Argentinian peso to US dollar, implemented in Q4 2022 as indicated in Section 7 Effect of the inflation in this MD&A.

- Write-off mineral property acquisition costs decreased by \$4,202,788 during Q4 2022 related to a \$4,202,788 impairment of the Arcas project (the "**Arcas Project**") in Q4 2021 compared with \$Nil for Q4 2022.
- Gain on sale of marketable securities increased by \$1,463,576 during Q4 2022 compared with Q4 2021. 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 provided the net benefit of this funding mechanism over the traditional methods. The increase in the gains is primarily the result of more funds provided to its Argentine subsidiary. \$3MM was transferred to the Argentina subsidiaries in Q4 2022 compared with \$1.6MM transferred in Q4 2021.
- Office, administrative and depreciation expenses increased by \$197,984 during Q4 2022 compared to Q4 2021. The drivers of the increase are the bank and broker fees in connection with more funds transferred from AbraSilver to its subsidiaries in Argentina using marketable securities. During Q4 2022, \$3,050,016 was transferred to Argentina compared to \$1,589,000 in Q4 2021.
- Professional fees expense increased by \$164,877 during Q4 2022 compared to Q4 2021 due to higher legal and audit fees in connection with the Private Placement and the base shelf prospectus application completed during that period.
- Consulting fees increased by \$118,808 during Q4 2022 compared to Q4 2021 mainly due to the expansion of the exploration and evaluation activities and the PFS on the Diablillos project.

Twelve months ended FY 2022 compared to the Twelve months ended FY 2021.

During FY 2022, the net loss increased by \$2,063,577 to \$20,904,232 compared to \$18,840,655 net loss in FY 2021 due mainly to the following:

- The main driver in FY 2022 loss increases is the **EE**. Although there are no seasonal variations comparing the expenditures with the same period last year, the EE were \$24,574,273 during FY 2022 compared to \$13,105,477 for FY 2021. The increase of \$11,468,826 breaks down as follow:

Diablillos Project, The EE increased by \$7,304,963 in FY 2022 due to the completed Phase II and ongoing Phase III diamond drilling programs, with 88 holes drilled for a total of 20,009 metres in the two

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programs; the drilling cost increased to \$11,215,038 in FY 2022 compared with \$5,686,198 in FY 2021; the personnel cost increased to \$1,412,049 in FY 2022 compared with \$782,256 in FY 2021 due to an increase in the average number of workers from 19 in FY 2021 to 26 in FY 2022; the impact of hyperinflation adjustment increased to \$2,927,970 in FY 2022 compared with \$1,967,565 in FY 2021 due to higher IPC (as defined herein) and more EE incurred in FY 2022.

La Coipita Project. The EE increased by \$4,254,539 due to the maiden drill campaign at the La Coipita project with two holes were drilled during FY 2022 (from January to June 2022) for a total of 2,042 metres. During FY 2021, no holes were drilled at La Coipita project. The drilling cost increased to \$1,271,493 in FY 2022 compared with \$Nil in FY 2021; the Camp Costs increased to \$702,462 in FY 2022 compared with \$136,018 in FY 2021; the Geology and Lab cost increased to \$146,821 in FY 2022 compared with \$Nil in FY 2021. The impact of hyperinflation increased to \$1,361,870 in FY 2022 compared with \$26,621 in FY 2021 due to higher IPC and more EE incurred in FY 2022.

- Write-off mineral property acquisition costs decreased by \$4,214,796 during FY 2022 related to a \$4,214,796 impairment of the Arcas Project in FY 2021 compared with \$Nil in FY 2022.
- Gain on sale of marketable securities increased by \$6,474,409 during FY 2022 compared with FY 2021. 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, provided the net benefit of this funding mechanism over traditional methods. The increase in the gains is primarily the result of more funds provided to its Argentine subsidiary. \$12.8MM was transferred to the Argentina subsidiaries in FY 2022 compared to \$7.5MM transferred in FY 2021.
- Office, administrative and depreciation expenses increased by \$647,675 during FY 2022 compared to FY 2021 due to the expansion of corporate activities, and higher bank and broker fees.
- Professional fees increased by \$208,864 during FY 2022 compared to FY 2021 due to higher legal and audit fees in connection with the Private Placement and Shelf Prospectus application completed during that period.

6. MINERAL INTERESTS

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 "**Agua Perdidas Project**").

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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

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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; 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, 2022 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) Cerro Amarillo project

On July 14, 2016, AbraPlata Argentina S.A., a wholly owned subsidiary of the Company, signed an agreement for the right to purchase the Cerro Amarillo project located in the province of Mendoza in Argentina. This agreement is a replacement agreement to the one that was entered into in 2010.

The Company made the following payments:

- 1) US\$25,000 in October 2016, deferred to May 2017 (paid)
- 2) and will pay US\$25,000 annually every November, starting in November 2017, until the earlier of the ratification of appropriate permits or the receipt of exploration permits given in accordance with the legislature of the province of Mendoza (the "Notification Date"). The Company will then make a series of installments in total of US\$875,000 over 48-month period from the Notification Date. The due date for November 2018 payment was extended to January 10, 2019 and paid during the year ended December 31, 2019.

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An exercise fee of US\$2,500,000 will be due by the end of 60 months period from the Notification Date. The underlying owners are also entitled to a 1% net smelter return (“**NSR**”) royalty which can be purchased back for US\$3,000,000.

Due to uncertainty of the timing for the completion of the glaciers inventory and the ratification of the permits, the Company wrote down the Cerro Amarillo project to \$1 during the fifteen months ended December 31, 2017. During the year ended December 31, 2019, management decided to pursue exploration on the property again and accordingly, commenced capitalizing acquisition costs incurred.

During the year ended December 31, 2020, the management evaluated its project portfolio including the new acquisitions and elected not to continue with the Cerro Amarillo project purchase. As a result, the November 2020 payment was not made, the property was dropped and all prior costs were written off.

(c) 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**”).

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\$1,000,000 in January 2024
- 7) US\$2,500,000 in January 2025

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**”).

Cash consideration payable per the letter agreement were as follows:

- 1) US\$50,000 upon celebration of the letter agreement (paid)
- 2) US\$75,000 in August 2022 (paid)
- 3) US\$200,000 in August 2023
- 4) US\$400,000 in August 2024
- 5) US\$800,000 in August 2025

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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.

(d) Arcas Project

On April 4, 2019, the Company's Chilean subsidiary ("**Aethon**") announced that it had exercised its option to acquire a 100% interest in the Arcas Project.

On September 11, 2019, Aethon entered into an Earn-In with Option to Joint Venture Agreement with Rio Tinto Mining and Exploration Limited / Agencia En Chile, a member of the Rio Tinto Group ("**Rio Tinto**"), to acquire an interest in the Arcas project. Rio Tinto has the right but not the obligation to earn up to a 75% interest in the Arcas Project by funding project expenditures of up to US\$25 million as follows:

1st Option: If Rio Tinto incurs total project expenditures of US\$4 million within 3 years, and makes aggregate cash payments of US\$300,000 during the first two years, it will have the right to acquire a 51% interest in the Arcas Project ("Stage 1 earn-in project expenditure") through the acquisition of 51% stock of a new company ("**Opco**") that will be incorporated. To exercise the option, Rio Tinto shall make the cash payments before the following dates:

- 1) US\$100,000 on or before the first anniversary date (received);
- 2) US\$200,000 on or before the second anniversary date (received);

2nd Option: If Rio Tinto incurs additional project expenditures of US\$5 million over the subsequent 2 year period, it will have a right to acquire an additional 14% interest in Opco (holder of the Arcas Project), resulting in its total interest being 65%; and

3rd Option: If Rio Tinto incurs additional project expenditures of US\$16 million over the subsequent 3 year period, it will have a right to acquire an additional 10% interest in Opco (holder of the Arcas Project), resulting in its total interest being 75%;

Rio Tinto agreed to incur minimum project expenditures of US\$1 million within 18 months of securing all necessary approvals to conduct drilling activities which is to be part of the Stage 1 earn-in project expenditure. As of March 31, 2021, that commitment has been satisfactorily fulfilled.

In the event Rio Tinto withdraws from the Arcas Project, it will pay Aethon an amount equaling the cost to maintain the Arcas Project concessions for the 12 month period commencing on the date of termination that have not already been paid.

Under the terms of the agreement, Rio Tinto shall have the right to form a Joint Venture ("JV") with the following key terms:

- 1) The JV (Opco) may be formed with 51% to Rio Tinto and 49% to Aethon upon satisfaction of the 1st Option; 65% to Rio Tinto and 35% to Aethon upon satisfaction of the 2nd Option; or 75% to Rio Tinto and 25% to Aethon upon satisfaction of the 3rd Option.
- 2) The JV will be managed by Rio Tinto and funded by each participant in accordance with their interest.

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- 3) Aethon may elect not to fund its interest and be diluted down to a 10% interest. If Aethon is diluted below a 10% interest, its interest will convert to a 1% net smelter royalty capped at US\$50 million.
- 4) Each party will have a right of first refusal should the other party wish to divest its shareholder interest.

During the year ended December 31, 2020, the Company recorded the US\$100,000 received from Rio Tinto as other income in the consolidated statements of loss and comprehensive loss. During the year ended December 31, 2021, the Company recorded the US\$200,000 received from Rio Tinto as other income in the consolidated statements of loss and comprehensive loss.

During the year ended December 31, 2021, the Company received notice from Rio Tinto terminating its earn-in option agreement. Rio Tinto made this decision after the initial drill program at Arcas Project failed to produce significant mineralized intercepts. AbraSilver retains 100% ownership of the Arcas Project concessions and is evaluating opportunities for strategic partnerships on its Chilean concessions, while the Company remains focused on advancing its Diablillos project and other earlier stage exploration assets in Argentina. As the Company had no exploration plans for its Chilean properties it decided to make an impairment of 100% of the property value.

During the year ended December 31, 2021, the Company recorded a write-off of mineral property interest of \$4,200,636 in the consolidated statements of loss and comprehensive loss for the year ended December 31, 2021.

(e) Santo Domingo Project

On August 21, 2020, AbraSilver formalized a letter agreement, through its wholly owned subsidiary, AbraPlata Argentina SA, to acquire a 100% interest in the Santo Domingo – Marayes project located in San Juan province, Argentina by paying a total of US\$2,500,000 in staged payments over 96 months (US\$25,000 paid) to the optionors.

Cash consideration payable per the letter agreement were as follows:

- 1) US\$10,000 before October 21, 2020 (paid)
- 2) US\$ 15,000, in February 2021 (paid)
- 3) US\$ 25,000 in August 2021
- 4) US\$ 50,000 in August 2022
- 5) US\$ 100,000 in August 2023
- 6) US\$ 150,000 in August 2024
- 7) US\$ 200,000 in August 2025
- 8) US\$ 250,000 in August 2026
- 9) US\$ 500,000 in August 2027 10. US\$ 1,200,000 in August 2028

During the year ended December 31, 2021, the Company decided not to continue with this project, the payment due in August 2021 was not paid and wrote it off in the amount of \$41,160.

7. EFFECT OF INFLATION

Argentina was designated a hyperinflationary economy as of July 1, 2018. The effects of that designation for accounting purposes are described in Note 3 of the audited consolidated financial statements. The effect of the Argentinian inflation and specific price changes in the Company's operations are minimal since the inflation relates to the cost and prices in Argentinian pesos and not in the currency in which the Company keeps its funds.

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As described in Note 14 of the audited consolidated financial statements, the Company acquires and transfers marketable securities to facilitate intragroup funding transfers between the Canadian parent company and its Argentine operating subsidiaries, minimizing the time in which the funds are kept in Argentinian pesos in order to mitigate 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 ("FACPE").

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, 2022, and December 31, 2021 are as follows

	December 31, 2022	December 31, 2021 (Restated)
Financial assets		
Cash and cash equivalents	\$ 13,823,197	\$ 19,016,003
Term deposit	2,000,000	-
Total financial assets	\$ 15,823,197	\$ 19,016,003
Financial liabilities		
Accounts payable and accrued liabilities	\$ 910,981	\$ 562,727
Lease liabilities	12,528	20,078
Consideration payable	6,607,366	5,361,636

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Total financial liabilities	\$ 7,530,875	\$ 5,944,441
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Additional financial instruments disclosure, including an analysis of risks associated with financial instruments, is contained in Note 6 of the Company's audited consolidated financial statements for the twelve months ended December 31, 2022 and 2021.

9. LIQUIDITY AND CAPITAL RESOURCES

(a) Liquidity

The Company's working capital as of December 31, 2022, was \$15,293,893 as compared to working capital of \$18,788,309 on December 31, 2021. Included in working capital was cash and cash equivalents of \$13,823,197 and a term deposit of \$2,000,000 (December 31, 2021 - \$19,016,003).

The Company's working capital as of March 31, 2023, is approximately \$11.2 million, including cash and cash equivalents of approximately \$11.5 million, 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 \$2,500,000, 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 intends to raise money in due time.

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 the date of this MD&A, the Company anticipates that it will require approximately \$11 million to continue operations over the next 12 months, including (i) funding the costs associated with the completion of the Company's ongoing Phase III drilling program at the Diablillos project of \$3.2 million; (ii) preparation of a new mineral resource estimate and pre-feasibility study for the Diablillos project of \$1.2 million; (iii) completing drilling at the La Coipita project of \$1.0 million; (iv) satisfying the commitments as indicated in the "Commitments" section below of \$3.0 million; and (v) funding estimated general and administrative expenses of \$2.5 million. Based on a working capital position of approximately \$11.2 million as at the date of this MD&A, the Company believe its current working capital is sufficient to maintain its core operations for the next twelve months. Additional funding will be required by the Company to complete its strategic and long-term objectives.

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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, 2022, 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.

Commitments	Years ended December 31			
	2023	2024	2025	2026
Diablillos	\$ 1,354,400	\$ -	\$ 1,584,648	\$ -
La Coipita	812,640	1,896,160	4,469,520	2,031,600
Total Mineral interest commitments	2,167,040	1,896,160	6,054,168	2,031,600
Minimun Office Rental in Argentina	13,002	-	-	-
Total Commitments	\$ 2,180,042	\$ 1,896,160	\$ 6,054,168	\$ 2,031,600

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 can be terminated at any time. The payments made to John Miniotis and Carlos Pinglo are made in accordance with written employment agreements.

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; 100% volatility; and a dividend yield of 0%.

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Name	Position	Director Fees	Salary	Professional /Consulting Fees	Share Base Compensation	Q4 -2022
Robert Bruggeman	Director	\$ 6,250	\$ -	\$ 7,500	\$ 18,610	\$ 32,360
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.

Name	Position	Director Fees	Salary	Professional /Consulting Fees	Share Base Compensation	FY 2022
Robert Bruggeman	Director	\$ 25,000	\$ -	\$ 30,000	\$ 98,527	\$ 153,527
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.

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Name	Position	Director Fees	Salary	Professional /Consulting Fees	Share Base Compensation	Q4-2021
Robert Bruggeman	Director	\$ 6,250	\$ -	\$ -	\$ 39,089	\$ 45,339
Alpha Advisory Services Inc. (2)	NA	-	-	7,500	-	\$ 7,500
Flora Wood	Director	6,250	-	-	\$ 28,792	\$ 35,042
Jens Mayer	Director	6,250	-	-	\$ 26,480	\$ 32,730
Sam Leung	Director	6,250	-	-	\$ 24,169	\$ 30,419
Hernan Zaballa	Director	6,250	-	-	\$ 26,480	\$ 32,730
Zaballa & Carchio Abogados (1)	NA	-	-	34,301	-	\$ 34,301
Nicholas Teasdale	Director	6,250	-	-	\$ 60,130	\$ 66,380
Stephen Gatley	Director	6,250	-	-	\$ 57,457	\$ 63,707
John Miniotis	CEO	-	156,250	-	\$ 122,664	\$ 278,914
Carlos Pinglo	CFO	-	85,000	-	\$ 37,690	\$ 122,690
		\$ 43,750	\$ 241,250	\$ 41,801	\$ 422,951	\$ 749,752

(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	FY 2021
Robert Bruggeman	Director	\$ 25,000	\$ -	\$ -	\$ 147,698	\$ 172,698
Alpha Advisory Services Inc. (2)	NA	-	-	30,000	-	30,000
Flora Wood	Director	25,000	-	-	107,834	132,834
Jens Mayer	Director	25,000	-	-	99,338	124,338
Sam Leung	Director	25,000	-	-	90,842	115,842
Hernan Zaballa	Director	25,000	-	-	99,338	124,338
Zaballa & Carchio Abogados (1)	NA	-	-	136,506	-	136,506
Nicholas Teasdale	Director	25,000	-	-	248,222	273,222
Stephen Gatley	Director	6,250	-	-	57,457	63,707
John Miniotis	CEO	-	325,000	-	455,521	780,521
Carlos Pinglo	CFO	-	220,000	-	139,859	359,859
		\$ 156,250	\$ 545,000	\$ 166,506	\$ 1,446,109	\$ 2,313,865

(1) Legal firm controlled by Hernan Zaballa.

(2) Consulting firm controlled by Robert Bruggeman

As of December 31, 2022, \$136,755 (December 31, 2021 – \$142,500) 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. IMPACT OF COVID-19

On March 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures.

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As a result of those measures in April 2020 the Company office in Toronto was temporarily closed and its officers and outsourced services were working remotely.

When the Covid-19 pandemic was decreed worldwide, the Company paused its projects in Argentina for approximately 30-40 days. On April 3, 2020, the Argentinian government stated that mining was an essential task and allowed workers in the field to return to their activity under preventive and hygienic conditions. The Company implemented a biosafety protocol for its projects, which were guided by the guidelines created by the World Health Organization. Such protocols consisted of carrying out preventive isolation and testing of personnel travelling to and from the project.

In 2021, Covid-19 vaccines and campaigns for vaccine distribution to the entire Argentine population were developed. This made it possible to remove the preventive isolation protocols previously implemented by the Company.

In 2022, with the majority of the population vaccinated against the Covid-19 virus, the Company's testing protocol changed whereby testing was only required on personnel with evident symptoms.

Effective September 20, 2022 the following general prevention measures are recommended by the Argentinian Government:

- a. Continue with the proper use of the chinstrap in indoor spaces, including work, educational, social settings and public transport.
- b. Ensure the ventilation of the environments.
- c. Maintain proper and frequent hand hygiene.
- d. In the presence of symptoms, avoid contact with other people, do not go to work, social, educational activities, public places and avoid the use of public transport.

The mandatory use of the mask, the social distancing of two metres and the self-reporting of symptoms in the public health application are without effect.

Each jurisdiction may adopt the pertinent recommendations based on its particular epidemiological situation and the planned health strategy.

The economic effect of Covid-19 to the Company's projects was minimal and consisted of increased costs associated with testing and accommodation. Giving the new general prevention measures implemented in September 2022, there was no cost in Q4 2022.

Please find below a summary of those costs in FY 2021 and FY 2022.

Project	Q1/2021	Q2/2021	Q3/2021	Q4/2021	FY-2021	Q1/2022	Q2/2022	Q3/2022	Q4/2022	FY-2022
Diablillos	\$ 11,419	\$ 13,973	\$ 15,857	\$ 10,119	\$ 51,368	\$ 14,301	\$ 2,973	\$ 5,593	\$ -	\$ 22,867
La Coipita	-	100	-	1,339	1,439	9,640	2,936	528	-	13,104
Total	\$ 11,419	\$ 14,073	\$ 15,857	\$ 11,458	\$ 52,807	\$ 23,941	\$ 5,908	\$ 6,121	\$ -	\$ 35,971

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12. OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As of April 13, 2023, the Company has 533,000,092 common shares issued and outstanding.

As of April 13, 2023, the Company has 52,479,571 warrants outstanding:

Number of warrants	Exercise Price	Expiry Date
18,638,996	\$ 0.27	April 26, 2023
13,060,000	\$ 0.15	May 14, 2023
4,090,000	\$ 0.10	April 8, 2024
1,650,000	\$ 0.10	April 18, 2024
1,527,075	\$ 0.37	June 6, 2024
13,513,500	\$ 0.50	December 6, 2024

As of April 13, 2023, the Company has:

- 28,718,125 share purchase options outstanding with the weighted average exercise price of \$0.232; 20,718,125 of which are exercisable with the weighted average exercise price of \$0.175.
- 2,371,671 restricted shares units, nil of which are exercisable.

13. 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 audited consolidated financial statement for the year ended December 31, 2022. The following are additional risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply.

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:

- expropriation or nationalization of property;
- 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

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- or other claims by government entities, including retroactive claims and/or changes in the administration of laws, policies and practices;
- uncertain political and economic environments, war, terrorism, sabotage and civil disturbances;
 - lack of certainty with respect to legal systems, corruption and other factors that are inconsistent with the rule of law;
 - delays in obtaining or the inability to obtain or maintain necessary governmental permits or to operate in accordance with such permits or regulatory requirements;
 - import and export regulations, including restrictions on the export of gold or other minerals;
 - limitations on the repatriation of earnings;
 - underdeveloped industrial or economic infrastructure;
 - internal security issues;
 - increased financing costs;
 - renegotiation, cancellation or forced modification of existing contracts; and
 - 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.

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:

- adverse external economic factors;
- inconsistent fiscal and monetary policies;
- dependence of governments on external financing;
- changes in governmental economic policies;
- high levels of inflation;
- abrupt changes in currency values;
- high interest rates;
- volatility of exchange rates;
- political and social tensions;
- exchange controls;
- wage and price controls;
- the imposition of trade barriers; and
- 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

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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 operations 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

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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:

- international demand for Argentina's principal exports;
- international prices for Argentina's principal commodity exports;
- stability and competitiveness of the Argentine peso with respect to foreign currencies; competitiveness and efficiency of domestic industries and services;
- levels of domestic consumption and foreign and domestic investment and financing; and
- 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. Recently, 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 is expected to be approved by the National Congress and it would be effective for fiscal year 2021).

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

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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.

AbraSilver may need substantial additional financing in the future and cannot assure that such financing will be available

To meet its operating costs and to finance its respective future acquisition, exploration, development and operating activities, the Company will require financing from external sources, including from the sale of equity and debt securities, the sale of an interest in one or more of its mineral projects, entering into joint ventures or seeking other means to meet its financing requirements. There can be no assurance that additional funding will be available to the Company or, if available, that such funding will be offered on terms acceptable to the Company. If additional financing is raised through the issuance of equity or convertible debt securities, control of the Company may change and the interests of shareholders in the net assets of the respective company may be diluted.

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If unable to secure financing on acceptable terms, the Company may have to cancel or postpone certain of its planned exploration and development activities and may not be able to take advantage of acquisition opportunities.

If the Company is unable to complete minimum work obligations on its exploration projects or make required property payments, the projects could be relinquished under applicable exploration project agreements. The failure of the Company to obtain additional financing would have a material adverse effect on its business, financial condition, results of operations or prospects.

The volatility of the capital markets may affect the Company's access to and cost of capital

Securities markets throughout the world are cyclical and, over time, tend to undergo high levels of price and volume volatility, and the market price of securities of many companies, particularly those in the resource sector, can experience wide fluctuations which are not necessarily related to the operating performance, underlying asset values or prospects of such companies. Increased levels of volatility and resulting market turmoil may adversely impact the Company and its share price.

If the Company is required to access credit markets to carry out their respective development objectives, the state of domestic and international credit markets and other financial systems could affect their respective access to, and cost of, capital. If these credit markets were significantly disrupted, as they were in 2007 and 2008, such disruptions could make it more difficult for the Company to obtain or increase its cost of obtaining capital and financing for its operations. Such capital may not be available on terms acceptable to the Company or at all, which may have a material adverse impact on its business, financial condition, results of operations or prospects.

Exploration risk

The Company may engage in the potential acquisition and exploration of other resource properties, an inherently risky business, and there is no assurance that economic mineral deposits will ever be discovered, or if discovered, subsequently put into production. Most exploration activities do not result in the discovery of commercially mineable deposits.

Early stage of development

There is limited financial, operational and other information available with which to evaluate the prospects of the Company. There can be no assurance that the Company's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements.

The Company's prospects depend on its ability to attract and retain qualified personnel

Recruiting and retaining qualified personnel will be critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. The Company believes that it will have the necessary personnel to meet its corporate objectives but, as its business activities grow, it will require additional key financial, administrative, mining and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

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

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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.

As a participant in the resource extraction industry, the Company may face opposition from local and international groups

There is an increasing level of public concern relating to the effects of mining production on its surroundings, communities, and environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs"), who oppose globalization and resource development and who may not be bound to codes of ethical reporting, can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company will seek to operate in a socially responsible manner, NGOs or local community organizations could direct adverse publicity and/or disrupt its operations in respect of one or more properties, regardless of the Company's successful compliance with social and environmental best practices, due to political factors and/or activities of unrelated third parties on lands in which the Company has an interest or operates.

Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company, as applicable, or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

The costs of complying with applicable laws and governmental regulations may have an adverse impact on the Company's business

The Company's operations and exploration activities will be subject to laws and regulations governing various matters. These include without limitation laws and regulations relating to repatriation of capital and exchange controls, taxation, labour standards and occupational health and safety and historic and cultural preservation. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or the more stringent enforcement thereof, could have a material adverse effect on the Company's business, financial condition, results of operations or prospects by increasing exploration expenses, future capital expenditures or future production costs or by reducing the future level of production, or cause the abandonment of or delays in the development of the Company's projects.

Competition in the mining industry may adversely affect the Company

The mining industry is intensely competitive. The Company will compete with other mining companies, many of which have greater resources and experience. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate the properties; and (iv) capital to fund such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund their respective operations and develop their respective properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

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The Company's insurance coverage may not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable

The Company's business will be subject to a number of risks and hazards (as further described herein). Although the Company will maintain insurance to protect against certain risks in such amounts as it considers being reasonable, such insurance will likely not cover all the potential risks associated with its activities, including any future mining operations. The Company may also be unable to maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration or production may not be available to the Company on acceptable or any terms. The Company might also become subject to liability for pollution or other hazards which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Mining and mineral exploration is inherently dangerous and subject to factors or events beyond the Company's control

The Company's business, and any future development or mining operations, will involve various types of risks and hazards typical of companies engaged in the mining industry. These risks will affect the exploration, development and refurbishment activities of the Company, and will affect its business to an even larger extent once commercial mining operations, if any, commence.

Such risks include, but are not limited to: (i) industrial accidents; (ii) unusual or unexpected rock formations; (iii) structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities; (iv) fire, flooding and earthquakes; (v) rock bursts; (vi) metals losses; (vii) periodic interruptions due to inclement or hazardous weather conditions; (viii) environmental hazards; (ix) discharge of pollutants or hazardous materials; (x) failure of processing and mechanical equipment and other performance problems; (xi) geotechnical risks, including the stability of the underground hanging walls and unusual and unexpected geological conditions; (xii) unanticipated variations in grade and other geological problems, water, surface or underground conditions; (xiii) labour disputes or slowdowns; (xiv) work force health issues as a result of working conditions; and (xv) force majeure events, or other unfavorable operating conditions.

These risks, conditions and events could result in: (i) damage to, or destruction of, the value of, the Company's projects or their facilities; (ii) personal injury or death; (iii) environmental damage to the Company's projects or the properties of others; (iv) delays or prohibitions on mining or the transportation of minerals; (v) monetary losses; and (vi) potential legal liability. Any of the foregoing could have a material adverse effect the Company's business, financial condition, results of operation or prospects.

Directors and officers may be subject to conflicts of interest

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

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

Political instability and hyperinflationary economy

Political or economic instability, including high inflation rate, or unexpected regulatory change in the countries where the Company's mineral properties are located could adversely affect the business.

Global pandemic outbreak

Since January 2020 there has been a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations.

Russia's military action against Ukraine

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

Precious and base metal price fluctuations

The value and price of the Company's securities, its financial results, and its exploration, development and mining activities may be significantly adversely affected by declines in the price of precious and base metals. Such prices may fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, fluctuation in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of precious and base metal producing countries throughout the world. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values. Declining market prices for these metals could materially adversely affect the Company's operations and profitability.

Uncertainty of calculation of reserves and resources and metal recoveries

Although the Company's reported mineral reserves and resources have been prepared by qualified persons, these amounts are estimates only by independent geologists, and the Company cannot be certain that any specified level of recovery of mineral will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body that can be economically exploited. Mineralized materials, which are not mineral reserves, do not have demonstrated economic viability. Any material changes in the quantity of mineralization, grade or stripping ratio, or the metal price may affect the economic viability of the Company's properties. In addition, the Company cannot be certain that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

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The mineral resource and reserve figures included in the AIF and the documents incorporated by reference are estimates, which are, in part, based on forward-looking information, and no assurance can be given that the indicated level of precious or base metals will be produced. Although MRE require a high degree of assurance in the underlying data when the estimates are made, unforeseen events and uncontrollable factors can have significant adverse or positive impacts on the estimates. Factors such as inherent sample variability, metal price fluctuations, variations in mining and processing parameters, increased production costs, reduced recovery rates and adverse changes in environmental or mining laws and regulations may render the present proven and probable mineral reserves unprofitable to develop at a particular site or sites for periods of time and/or may require a reassessment of the commercial feasibility of a particular project. Such a reassessment may be the result of a management decision related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays in development or may interrupt operations, if any, until the reassessment can be completed.

Until mineral reserves or resources are actually mined and processed, the quantities of mineralization and metal grades must be considered as estimates only. Any material change in the quantity of mineral reserves, mineral resources, grades and recoveries may affect the economic viability of the Company's properties.

This AIF and the documents incorporated by reference herein have been prepared and disclosed in accordance with the requirements of Canadian securities laws that differ from the requirements of United States securities laws. Please refer to "*Cautionary Note to U.S. Investors concerning Estimates of Mineral Reserves and Measured, Indicated and Inferred Mineral Resources*".

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.

Litigation risks

All industries, including the mining industry, are subject to legal claims, with and without merit. Although the Company is not currently aware of any threatened or pending legal proceedings, there is no guarantee that the Company will not become subject to additional proceedings in the future. There can be no guarantee of the outcome of any such claim. In addition, defense and settlement costs for any legal proceeding can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Company's financial position or results of operations.

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Volatility in the price of the Common Shares

Securities of mineral resource and mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. In addition, because of the nature of the Company's business, certain factors such as public announcements and the public's reaction, the Company's operating performance and the performance of competitors and other similar companies, fluctuations in the market prices of precious and base metals, government regulations, changes in earnings estimates or recommendations by research analysts who track AbraSilver's securities or securities of other companies in the resource sector, general market conditions, announcements relating to litigation, the arrival or departure of key personnel and the risk factors described in this AIF can have an adverse impact on the market price of the Common Shares.

Any negative change in the public's perception of the Company's prospects could cause the price of its securities, including the price of the Common Shares, to decrease dramatically. Furthermore, any negative change in the public's perception of the prospects of mining companies in general could depress the price of AbraSilver's securities, including the price of the Common Shares, regardless of the Company's results. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Potential dilution of present and prospective shareholdings

The exercise of stock options and RSUs issued by the Company and the issuance of other additional equity securities in the future could result in dilution in the value of the Common Shares and the voting power represented by such shares. Furthermore, to the extent holders of the Company's stock options or other securities exercise their securities and then sell the Common Shares they receive, the trading price of the Common Shares may decrease due to the additional number of Common Shares available in the market.

Currency risks

The Company's operations in Argentina are subject to foreign currency exchange fluctuations. The Company may suffer losses due to adverse foreign currency fluctuations.

The Company and its subsidiaries' financial instruments are exposed to currency risk where those instruments are denominated in currencies that are not the same as their functional currency; exchange gains and losses in these situations impact net income or loss. The Company raises its funds through equity issuances which are priced in Canadian dollars, and the majority of the exploration costs of the Company are denominated in Argentine pesos. The Company also holds cash and cash equivalents, trade and other receivables, accounts payable that are subject to currency risk. As a result, the Company's financial performance may be significantly impacted by changes in foreign exchange rates.

Financial reporting standards

The Company prepares its financial reports in accordance with International Financial Reporting Standards applicable to publicly accountable enterprises. In preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting policies are described in more detail in the Company's audited financial statements. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, transactions are properly recorded and reported, the Company has implemented and continues to analyze its internal control systems for financial reporting.

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Although the Company believes its financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance.

Climate change

There is significant evidence of the effects of climate change on our planet and an intensifying focus on addressing these issues. Governments are introducing climate change legislation and treaties at the international, national, and local levels, and regulations relating to emission levels and energy efficiency are evolving and becoming more rigorous. However, the laws and regulatory requirements are not consistent across the jurisdictions in which we operate, and regulatory uncertainty is likely to result in additional complexity and cost in our compliance efforts. Public perception of mining is, in some respects, negative and there is increasing pressure to curtail mining in many jurisdictions as a result, in part, of perceived adverse effects of mining on the environment. Concerns around climate change may also affect the market price of the Common Shares as institutional investors and others may divest interests in industries that are thought to have more environmental impacts. While the Company is committed to operating responsibly and reducing the negative effects of its operations on the environment, its ability to reduce emissions, energy and water usage by increasing efficiency and by adopting new innovation is constrained by technological advancement, operational factors and economics. Adoption of new technologies, the use of renewable energy, and infrastructure and operational changes necessary to reduce water usage may also increase the costs at the Company's operations significantly. Concerns over climate change, and the Company's ability to respond to regulatory requirements and societal pressures, may have significant impacts on its operations and on its reputation, and may even result in reduced demand for its products. The physical risks of climate change could also adversely impact the Company's operations. These risks include, among other things, extreme weather events, resource shortages, changes in rainfall and in storm patterns and intensities, water shortages, changing sea levels and extreme temperatures. Climate-related events such as mudslides, floods, droughts and fires can have significant impacts, directly and indirectly, on the Company's operations and could result in damage to its facilities, disruptions in accessing its sites with labour and essential materials or in shipping products from its mines, risks to the safety and security of its personnel and to communities, shortages of required supplies such as fuel and chemicals, inability to source enough water to supply its operations, and the temporary or permanent cessation of one or more of its operations. There is no assurance that the Company will be able to anticipate, respond to, or manage the risks associated with physical climate change events and impacts, and this may result in material adverse consequences to its business and to its financial results.

14. SIGNIFICANT ACCOUNTING POLICIES

The Company's management is required to make judgments in the process of applying the Company's accounting policies in the preparation of its financial statements. In addition, the preparation of the financial statements in accordance with IFRS requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances.

While management believes the estimates are reasonable, actual results could differ from these estimates and could impact future results of operations and cash flows. Revisions to estimates and resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

(a) Critical Estimates in Applying Accounting Policies

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Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to the following:

Assumptions used in determination of the consideration payable

The assumptions used in determination of consideration payable requires significant estimate of the expected payment date and the discount rate used which is based on the borrowing rate of Company adjusted for entity specific risk factors. Estimates and assumptions made may change if new information becomes available.

(b) Critical Judgments in Applying Accounting Policies

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments, which are discussed below.

Functional currency

In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", management determined that the functional currency of AbraPlata Argentina S.A. (former Meryllion Argentina S.A.), Pacific Rim Mining Corporation Argentina S.A., AbraSilver (US) Resource Corp and Minera Cerro Bayo S.A. is the US Dollar. The functional currency of ABP Global Inc. (BVI) and ABP Diablillos Inc. (BVI) is the US dollar. The functional currency of AbraSilver Resource Corp. Huayra Minerals Corp. and Aethon Minerals Corp. is Canadian dollar. The functional currency of Aethon Minerals Chile SpA is the Chilean peso.

Impairment of mineral interests

The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Going concern risk assessment

The assessment of the Company's ability to continue as a going concern involves significant judgment. Refer to our discussion in Note 1 of the audited consolidated financial statements for the year ended December 31, 2022.

(c) Change in Accounting Policy

Prior to October 1, 2022, the functional currency of the Company's Argentinian subsidiaries, was the Argentinian peso. Per IAS 21, The Effects of Changes in Foreign Exchange Rates, an entity's functional currency should reflect the underlying transactions, events, and conditions relevant to the entity. Determination of functional currency involves certain judgments to determine the primary economic environment, and this is re-evaluated for each new entity or if conditions change. Based on management's evaluation, taking into consideration the currency of the property payments and majority of the exploration expenditures, management determined the United States dollar as the functional currency of the Argentinian subsidiaries. The change in functional currency has been accounted for prospectively, with no impact of this change on prior year comparative information.

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In prior reporting periods, the translation of the Company's Argentinian subsidiaries into the Company's presentation currency of the Canadian dollar, gave rise to a translation adjustment which was recorded as a cumulative translation adjustment ("CTA"), a separate component of shareholders' equity. The CTA balance will remain the same until the entities, which gave rise to the CTA balance, are disposed of, or retired.

15. 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 mineral 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

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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.

16. 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.

17. SUBSEQUENT EVENTS

- On February 21, 2023, the Company announced that pursuant to the Company's share compensation plan and regulatory approval, an aggregate of 5,725,000 incentive stock options (the “**Options**”), exercisable at a price of \$0.37 per share for a period of five years, has been granted 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.
- Subsequent to December 31, 2022, an aggregate of 6,594,250 warrants were exercised at a weighted average strike price of \$ 0.20 for net proceeds of \$1,288,806.
- As at the date of this MD&A, the Company received advances of \$537,300 to exercise 2,087,500 warrants at a weighted average strike price of \$ 0.26. The shares are to be issued.

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- Subsequent to December 31, 2022, 383,333 shares were issued as a settlement of restricted share units of the Company.
- Subsequent to December 31, 2022, an aggregate of 1,301,875 stock options were exercised at a weighted average strike price of \$ 0.16 for net proceeds of \$214,355.
- On March 21, 2023, 50,000 vested stock option expired unexercised.