TSXV.AGMR

SILVER MOUNTAIN RESOURCES INC.

Interim Management's Discussion and Analysis

Three and Nine Months Ended September 30, 2023 and 2022

Introduction

This interim management's discussion and analysis (this "MD&A") reflects the assessment by management of the results and financial condition of Silver Mountain Resources Inc. ("AGMR" or the "Company") and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2023 and 2022, and the notes thereto (the "Financial Statements"). Management is responsible for the preparation of the Financial Statements and this MD&A. These Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the IASB. This MD&A and the Financial Statements are available electronically on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile and on the Company's website (www.agmr.ca) and should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2022 and 2021, and the notes thereto.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "Risks and Uncertainties" and the "Cautionary Note Regarding Forward-Looking Information" sections at the end of this MD&A.

This MD&A has been prepared as of September 30, 2023. All dollar figures in this MD&A are expressed in United States dollars, unless otherwise stated.

Unless otherwise stated, the scientific and technical information contained in this MD&A has been reviewed and approved by Antonio Cruz, P. Geo, an independent consultant of the Company and a Qualified Person (MAIG 7065) within the meaning of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

Description of Business

Silver Mountain Resources Inc. (TSXV:AGMR | OTCQB:AGMRF | BVL:AGMR) is a publicly traded silver explorer and mine developer listed on the TSX Venture Exchange (the "TSXV"), which is planning to re-start production at the Reliquias underground mine and undertake exploration activities at its highly prospective silver camps at the Castrovirreyna Project (the "Project") located in Huancavelica, Peru.

The Company, through its subsidiary Sociedad Minera Reliquias S.A.C ("AGMR Peru") owns a 2,000 tonnes per day (tpd) processing plant, an operating tailings dam, and over 41,000 hectares ("ha") of mining concessions. The Company targets the acquisition of mining concessions for exploration, exploitation, extraction, and processing of all types of minerals with a special focus on precious metals.

The Project includes mine infrastructure that supported the Reliquias underground operations, which were operated by Corporación Minera Castrovirreyna ("CMC") from 2005 to 2015. In 2018, AGMR Peru acquired certain liquidated assets from CMC that comprised the Project. The Project, includes the following infrastructure:

- Reliquias and Caudalosa underground mines: consisting of ventilation system, water pumping system, explosives magazine, and mining equipment
- Concentrator Plant: a 2,000 tpd conventional concentrator plant to produce silver, lead, zinc, and copper concentrates
- Tailings storage facility (TSF): sufficient remaining capacity for two years of tailings production
- Infrastructure: power supply line, water supply system, fuel storage, a 370-person camp, warehouses, maintenance shops, and paved roads

Corporate Strategy

The Company owns the Reliquias and Caudalosa mines, two past producing underground mines located in Huancavelica, Peru. The Company's strategy is to convert its historical resources into a NI 43-101 compliant resource as well as to grow the existing resources within its underground mines and brownfield targets on the 19,872 hectares that comprise the Reliquias Block. Furthermore, AGMR expects to commence drilling activities on the 17,078 hectares that comprise the Dorita Block, located in the northern part of the Project, where surface exploration has been performed. Finally, AGMR's goal is to commence production at the Reliquias underground mine utilizing its existing concentrator plant in 2024.

As part of the Company's area consolidation strategy, AGMR is constantly reviewing prospective targets in the project´s vicinity to stake additional mining concessions and to keep growing its land package.

Corporate Highlights

- On August 16, 2023, the Company reported results from channel sampling completed between December 2022 and May 2023, and from the first four drill holes from Phase 2 of its 2023 infill and resource expansion program at its 100% owned Reliquias mine, central Peru. None of these results were included in the current mineral resource estimate announced on April 12, 2023.

- On September 20, 2023, the Company announced it had received environmental approval to drill multiple high priority targets within the Dorita block – Castrovirreyna project.

- On September 27, 2023, the Company announced the discovery of the Natividad vein, a new copper rich vein at its 100% owned Reliquias mine, central Peru. Results from three of the initial four drill holes completed at Natividad have been received, all part of Phase 2 of the Company´s 2023 infill and resource expansion program. Drilling also hit very high gold and silver grades near the Sacasipuedes vein, within a mineralized breccia body with strong argillic alteration.

- On October 4, 2023, the Company announced results from fourteen (14) additional drill holes from its ongoing infill and resource expansion program at its 100% owned Reliquias mine, central Peru. All the holes are part of Phase 2 of its 2023 infill and resource expansion program and are not included in the current mineral resource estimate announced on April 12, 2023.

- On October 12, 2023, the Company announced the receipt of results from six additional drill holes completed at its Reliquias mine. This is part of the Phase 2 of the 2023 drilling campaign, in which the Company has completed 12,043 meters of diamond drilling from 43 holes.

- On October 13, 2023, the Company announced a non-brokered unit offering of up to 3 million dollars.

- On October 17, 2023, the Company received results from underground channel sampling carried out between June and August 2023, part of its ongoing mine rehabilitation program at its 100% owned Reliquias mine.

- On October 25, 2023, the Company announced the completion of the Reliquias mine geotechnical study and provided an update on its activities at Reliquias mine.

Subsequent Events

- On November 10, 2023, the Company closed the initial tranche of its non-brokered private placement of 62,190,000 units of the Company at a price of $0.05 per Unit for gross proceeds of $3,109,500. The Company paid $18,000 in finder's fees in connection with the private placement. Each Unit is comprised of one Common Share and one-half of one Warrant. Each Warrant is exercisable into one Common Share at a price of $0.09 per Common Share and expires on November 10, 2026.

Operational Overview

Past Producing Mine

AGMR Peru owns two main underground mines: Reliquias and Caudalosa. Both assets have recorded historical mining activity from 1952 to 2014 with polymetallic production rich in silver, zinc, lead, gold, and copper. Production reached on average over 1 million ounces of silver and close to 3,000 ounces of gold between 2009 to 2014. Moreover, in 2012, an average of 1.4 million ounces of silver and around 4,000 ounces of gold were obtained within a bulk concentrate. At that time, the chosen mining methods were long-hole open-stoping and conventional cut-and-fill.

The Reliquias underground mine is located 10 km SW from the existing processing plant. The mine is currently accessible through a ramp, decline, and various haulage levels. Mineralization consists of silver-rich sulfides and sulfosalts towards the upper part of the mine and shows increasing concentrations of base metals at depth. On the other hand, the Caudalosa underground mine, exploited ore that is mainly composed of silver-rich sulfides and sulfosalts, galena, sphalerite, and minor copper sulfides.

The Reliquias and Caudalosa mines have exploration potential not only at depth, but also along strike for extensions of veins that were mined during operations. The mineralization that is exposed in the Meteysaca, Sacasipuedes and Matacaballo veins is particularly attractive, making the Project an interesting underground exploration prospect, as all three veins remain open laterally and at depth.

After a successful exploration and drilling campaign was completed in the Reliquias underground mine during 2022, the Company announced the issuance of an initial NI 43-101 compliant Mineral Resource estimate on April 12, 2023. The report is dated as of March 18, 2023, with an effective date of March 27, 2023. This estimate includes information received up to December 16, 2022. Management expects to complete an updated resource by the first quarter of 2024, including all drill holes of the 2023 campaign.

NI 43-101 Technical Report Mineral Resource Estimate for the Reliquias Mine

		Grades					Contained Metal				
Resource	**Volume**	**Silver**	**Gold**	**Zinc**	**Lead**	**Copper**	**Silver**	**Gold**	**Zinc**	**Lead**	**Copper**
	kt	*g/t*	*g/t*	*%*	*%*	*%*	*koz Ag*	*koz Au*	*Mlb Zn*	*Mlb Pb*	*Mlb Cu*
Measured	107	104.9	0.3	3.5%	2.3%	0.3%	362	1.2	8.2	5.3	0.7
Indicated	754	99.9	0.2	3.3%	2.5%	0.4%	2,421	5.9	55.3	41.9	6.8
M&I	**861**	**100.5**	**0.3**	**3.3%**	**2.5%**	**0.4%**	**2,783**	**7.1**	**63.5**	**47.2**	**7.5**
Inferred	969	99.6	0.2	2.7%	1.9%	0.3%	3,103	6.6	57.5	41.4	7.3

For additional information, please refer to the Company’s news release dated April 12, 2023. A technical report prepared in accordance with NI 43-101 was filed on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile on May 15, 2023.

Historical mineral resources reported by AGMR have been prepared for the Reliquias and Caudalosa mines for internal exploration planning purposes. The Reliquias mine has undergone substantial exploration and the results are showcased above. No exploration has been undertaken to date on the Caudalosa mine. The historical mineral resources for the Caudalosa mineare summarized in the table below. Mineral resources, although not independently calculated, are of reasonable quality for the purposes of exploration programs and mine.

Historical Resource Estimate – Caudalosa Project(1)

		Grades				Contained Metal			
Resource	**Volume**	**Silver**	**Zinc**	**Lead**	**Copper**	**Silver**	**Zinc**	**Lead**	**Copper**
	kt	*oz/t*	*%*	*%*	*%*	*Moz Ag*	*Mlb Zn*	*Mlb Pb*	*Mlb Cu*
Inferred	2,286	14.4	2.8%	2.8%	2.1%	33.0	14.1	140.6	106.8

Notes:
(1) Historical Resources Estimates are not Mineral Reserves or Resources and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimates. Information as of July 2019 Source: Sociedad Minera Reliquias SA, the information is based on RM-Master Pro Quality, C. Rodriguez, Abr19; RM-Master Pro Quality, C. Rodriguez, Jul19 The QP considers that the Historical Resources Estimate is relevant for the proper understanding of the Project and additional exploration including drilling could be needed to verify the historical estimate as current mineral resources. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; and he issuer is not treating the historical estimate as current mineral resources or mineral reserves.

Exploration Properties

Reliquias

In December 2021 the Company undertook an aggressive exploration campaign which comprised of three stages, obtained the required drill permits to expand exploration work on brownfield targets in the vicinity of Reliquias. Between December 2021 and September 2023, the Company had a total of 165 drill holes and 29,486.25 meters in its exploration campaign.

The equipment utilized for this campaign is a smaller, versatile rig able to operate in narrow workings and recovering BQ and HQ/NQ diameter core (dimensions of bits, core barrels, and drill rods). The program's objective was to further delineate the principal structures through infill drilling as well as to recognize vein splays and tensional structures. Additionally, on June 15, 2023, the company have started an underground drilling program of 12,700 meters.

As of September 2023, in Reliquias, AGMR has drilled a total of 13,834 m as part of its drilling progrm and carried out BQ and AQ diameter drillings in 50 drilling rigs and 11 drilling rigs respectively. In mid-October, the 2nd long drilling campaign with a HQ/NQ diameter distributed in 45 drilling rigs, was just completed. Simultaneously, sampling channels, density samples and mapping of the main veins have been carried out at different levels of the Reliquias mine. The main QA/QC checks have also been carried out. All of this will improve geological knowledge and increase the number of mineral resources at the Reliquias mine. Until September 2023, the rehabilitation of mining infrastructure has been carried out, such as galleries, ramps, cruises, and other works which will allow the Reliquias mine to be put into operation.In the 2022 HQ/NQ campaign, 71 drill holes and 16,955.30 meters were executed in the Matacaballo, Meteysaca, Sacasipuedes, Perseguida, Pozorico, Vulcano and Escondida veins.

- In the 2022-2023 BQ campaign, 55 drill holes and 3,132.10 meters were executed in the Matacaballo, Meteysaca, Sacasipuedes, Pozorico, Ayayay, Perseguida, Pasteur, Vulcano and Vulcano 2 veins.
- In the 2023 PACKSACK campaign, 11 drill holes and 308.95 meters were executed in the Meteysaca and Matacaballo veins.
- In the 2023 HQ/NQ campaign, 28 drill holes and 9,089.90 meters were executed in the Sacasipuedes, Perseguida and Vulcano veins.

Additionally, an intensive underground channel sampling program was carried out. A total of 2,193 samples were taken in 646 channels in total.

Vein	Channels	Samples	QAQC	Total
Meteysaca	284	797	148	945
Beatita	166	464	88	552
Vulcano	115	308	57	365
Pasteur	52	201	38	239
Perseguida	29	77	15	92
Total	**646**	**1,847**	**346**	**2,193**

Castrovirreyna

Located to the NW of the Reliquias mine, the study area covers 313 hectares and presents the continuity of the main Veins (Sacasipuedes, Meteysaca, Perseguida and Beatita).

In the structural framework, two main lineament systems are recognized: 1) NW-SE system with sinistral kinematics that would be related to compression stress with an E–W direction, which corroborates the reduced thickness of the veins. 2) E-W system related to extension stress with a N–S direction, as evidenced by the great thickness of veins, banded and crustiform textures which have had space to develop. It was mineralized by the influence of the Chonta caldera with a flow direction from the NE to the SW.

The following main structures were identified:

1) **Erika Vein:** Structure composed of quartz and grey silica in veins, it has a banded texture, with disseminated pyrite sulfide, associated with iron oxides and filling cavities. It corresponds to a structural system of azimuth 115°N and dipping of 88° to SW, thicknesses ranging from 0.30 to 0.50 m along the length, continuous lineation of approximately 220 m is observed, with preliminary values of 900 ppb Ag and 135 ppm Zn.

2) **Meteysaca Vein:** It is located parallel to the Erika Vein, composed mainly of gouge material, grey silica, disseminated fine pyrite associated with iron oxide of moderate intensity. It has a length of 520m with an azimuth of N110° and dipping of 86°SW, an average width of 0.60 m. The country rocks are lapilli tuffs and porphyritic andesites with weak silicification, oxide veins and hyaline silica; moderate fracturing. Preliminary values of 700 ppm Ag, 128 ppm Zn and 462 ppm Cu.

3) **Perseguida Vein:** composed of banded and crustiform quartz, banded gray silica and leached zones, disseminated fine pyrite, iron oxide coverage, an azimuth of N110° and dip of 86°SW, variable strength of 0.20 – 0.50 m behaving as a “rosary” type vein, the country rock made up of porphyritic andesite and lapilli tuffs, in the latter an alteration halo can be observed from 0.30 – 1.00 m with oxide veins and weak argilization.

4) **Beatita Vein:** Structure with a length of 2.2 km, azimuth of N115°and dipping of 83°SW, a variable thickness of 0.50 – 1.00 m, behaving like a rosary type, in the central part it has 3 levels which have been exploited. The vein is mainly composed of gray silica, white quartz in massive form and weak crystallization, banded texture, leached areas, presence of pyrite, dissemination of galena and gray sulfides, at contact between the structure and country rock presence of argillic alteration with disseminated cubic pyrite.

5) **Victoria Vein:** Structure recognized at 700 meters, azimuth of N105° and 80°SW, a variable thickness 0.40 – 0.70 m, behaving like a rosary type, composed mainly of gray silica with a banded texture at the edges and brecciated in the central part, gray silica matrix with fine pyrite disseminated, whitish silicified rock clasts, the preliminary results obtained are: 2.8 ppm Ag, 138 ppm Pb, 2438 ppm Zn and 1963 ppm As.

6) **Nueva Vein:** Structure rosary type with a recognized length of 400 m, azimuth of N100° and dipping of 80°SW, variable thickness of 0.50 – 1.50 m, is composed of barite, white quartz, banded gray silica, on the north side brecciated with argilized matrix, rock clasts silicified, fine disseminated pyrite, the country rock is porphyritic andesites and lapilli tuffs with weak argillic alteration and covered with iron oxide.

7) **Teresa Vein:** Recognized structure/fault 50 m, azimuth of N60°, dipping of 78°SE and average thickness of 0.70 m. Massive and crustiform quartz with disseminated fine pyrite, iron oxide coverage, the country rock made up of lapilli tuff with quartz veins and iron oxide. The preliminary results are: 3.2 ppm Ag, 74 ppm Pb and 173 ppm Zn.

8) **Teresa II Vein:** Banded and brecciated structure made up of crustiform white quartz, argilized, disseminated pyrite, fine veins of iron oxide, the structure outcrops 175 m, with an azimuth of N60° and dip of 85°SE. The country rock is made up of moderately fractured lapilli tuffs, veins of quartz and iron oxide. Preliminary results: 12.5 ppm Ag, 117 ppm Cu; 202 ppm Pb and 466 ppm Zn.

9) **San Pablo Vein:** Mining activity in the San Pablo Vein dates back to the 1960s. Currently, the main skip is paralyzed and flooded, levels and pits were carried out, evidenced by two waste dumps E34 and E35. The vein systems have been identified: San Pablo and its tensional structures San Pablo 1, San Pablo 2 and San Pablo 3. The main structure has been recognized at 700 meters with an azimuth N110° and dipping of 80°SW; its 3 tensional structures with azimuth of N280° and dip of 78°NE. These structures are made up of: massive white quartz with a banded texture, dissemination of pyrite and coverage of iron oxide. The country rock are porphyritic andesites and lapilli tuffs, the latter fractured and with veins of quartz and iron oxide.

Dorita

At the Dorita block of properties, exploration work consisted of more than 14 km2 of geological mapping extensive rock and soil sampling programs, and preparation of the most promising geological targets for future drilling. Additionally, the Company has conducted underground channel sampling activities at accessible mine workings. The Dorita property block includes mining concessions that contain historic small-scale underground operations in veins with polymetallic ore. Previous exploitation activities were carried out under the ownership of CMC; however, these operations were suspended in the late 1980s.

On September 1, 2023, the company was notified of the approval of the Dorita Environmental Impact Statement, which allows the Company to execute 21 drilling platforms. The validity of this legal instrument is 5 years. The focus extends to the exploration of strategic partnerships and the attainment of social approval. A suitable partner is actively sought to enhance collaboration and operational efficiency and the significance of obtaining the social license is acknowledged, aligning with a commitment to responsible and sustainable business practices.

Exploration and Evaluation Costs

	Reliquias	Greenfield Dorita	Other	Total
Balance, December 31, 2021	**$ 5,156,644**	**$ 2,559,982**	**$ 574,204**	**$ 8,290,830**
Exploration costs				
Depreciation	7,566	-	-	7,566
Drilling	1,908,266	-	-	1,908,266
Mine rehabilitation	1,042,719	-	56,128	1,098,847
General on-site expenses	1,470,829	187,623	30,219	1,688,671
Geological mapping, sampling & other	524,493	305,099	-	829,592
Right of use	344,232	212,347	16,998	573,577
Salaries and benefits	401,964	147,416	9,546	558,926
Topography and geophysics	195,765	42,393	-	238,158
Complementary environmental services	244,763	20,602	-	265,365
	6,140,597	**915,480**	**112,891**	**7,168,968**
Acquisition costs				
Mining rights	89,495	48,919	3,125	141,539
Balance, December 31, 2022	**$ 11,386,736**	**$ 3,524,381**	**$ 690,220**	**$ 15,601,337**
Exploration costs				
Depreciation	144,265	-	-	144,265
Drilling	893,161	-	-	893,161
Mine rehabilitation	570,713	-	-	570,713
General on-site expenses	2,343,175	-	-	2,343,175
Geological mapping, sampling & other	596,734	-	-	596,734
Right of use	429,651	-	-	429,651
Salaries and benefits	1,033,058	-	-	1,033,058
Topography and geophysics	178,866	-	-	178,866
Complementary environmental services	550,653	-	-	550,653
	6,740,276	-	-	**6,740,276**
Acquisition costs				
Mining rights	2,495	-	-	2,495
Balance, September 30, 2023	**$ 18,129,507**	**$ 3,524,381**	**$ 690,220**	**$ 22,344,108**

Results of Operations

Three months ended September 30, 2023, compared with three months ended September 30, 2022

AGMR's net loss totaled $978,476 for the three months ended September 30, 2023, with basic and diluted loss per share of $0.00. This compares with a net loss of $1,689,911 with basic and diluted loss per share of $0.01 for the three months ended September 30, 2022. The decrease of $711,435 was principally due to:

- During the three months ended September 30, 2023, the Company incurred general and administrative expenses of $755,876 compared to $1,564,172 for the three months ended September 30, 2022. The decrease of $808,296 was primarily driven by decreases in operational expenses of $414,545. Since last quarter of 2022, the enhanced technical data and understanding of the company's mineral properties have led to a shift in expense allocation. Previously categorized as operational expenses, these costs are now directly and incrementally associated with exploration activities specifically assigned to the company's mineral property. There were also decreases in administrative expenses of $127,877, salaries and benefits of $65,197, and insurance of $91,468.

- During the three months ended September 30, 2023, the Company recorded foreign exchange loss of $14,181 compared to $806,214 for the three months ended September 30, 2022.

- During the three months ended September 30, 2023, the Company recorded an unrealized loss on revaluation of warrant liabilities of $57,412 compared to an unrealized gain of $868,407 for the three months ended September 30, 2022. The decrease is due to the revaluation of warrants granted in connection with the IPO and Prospectus Offering, subsequently valued at its trading market price as of September 30, 2023.

Nine months ended September 30, 2023, compared with nine months ended September 30, 2022

AGMR's net loss totaled $1,738,775 for the nine months ended September 30, 2023, with basic and diluted loss per share of $0.01. This compares with a net loss of $4,222,078 with basic and diluted loss per share of $0.02 for the nine months ended September 30, 2022. The decrease of $2,483,303 was principally due to:

- During the nine months ended September 30, 2023, the Company incurred general and administrative expenses of $2,761,662 compared to $4,577,979 for the nine months ended September 30, 2022. The decrease of $1,816,317 was primarily driven by decreases in operational expenses of $1,083,681. Since last quarter of 2022, the enhanced technical data and understanding of the company's mineral properties have led to a shift in expense allocation. Previously categorized as operational expenses, these costs are now directly and incrementally associated with exploration activities specifically assigned to the company's mineral property. There were also decreases in administrative expenses of $422,649, filing and listing fees of $139,421, depreciation of $133,094, salaries and benefits of $107,146, insurance of $106,292, and partially offset by an increase in professional fees of $304,074.

- During the nine months ended September 30, 2023, the Company recorded share-based compensation of $627,737 compared to $479,162 for the nine months ended September 30, 2022, due to the vesting of stock options granted. Share-based compensation will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

- During the nine months ended September 30, 2023, the Company recorded financial expenses of $11,566 compared to $536,882 for the nine months ended September 30, 2022. The decrease is due to a decrease in accretion on Trafigura loan payable during the nine months ended September 30, 2023, as the Company had repaid the full amount of the outstanding loan with Trafigura on March 1, 2022.

- During the nine months ended September 30, 2023, the Company recorded foreign exchange loss of $7,573 compared to $999,963 for the nine months ended September 30, 2022.

- During the nine months ended September 30, 2023, the Company recorded an unrealized gain on revaluation of warrant liabilities of $1,669,763 compared to $2,367,456 for the nine months ended September 30, 2022.

The decrease is due to the revaluation of warrants granted in connection with the IPO and Prospectus Offering, subsequently valued at its trading market price as of September 30, 2023.

Outlook

The operational outlook below and described herein reflects the Company's current operations.

The Company has successfully raised $40.8 million since May 7, 2021, including gross proceeds of $3.1 million from the private placement on November 10, 2023, $6.9 million (C$9.3 million) from the Prospectus Offering on February 9, 2023, the IPO gross proceeds of $20.8 million (C$26.5 million) on February 2, 2022, and the private placement transaction proceeds of $10 million on May 7, 2021. The proceeds from these financings have been and will be used to develop the Project. This includes the development of the Reliquias Underground mine, exploration activities, environmental and social permits, the refurbishment works related to the 2,000 tpd concentrator plant, and general and administrative expenses. These budgeted cash outflows are mainly discretionary; amounts could change and be managed by the Company based on market conditions and the Company's needs.

After a successful exploration and drilling campaign was completed in the Reliquias underground mine during 2022, the Company announced the issuance of an initial NI 43-101 compliant Mineral Resource estimate on April 12, 2023. The report is dated as of March 18, 2023, with an effective date of March 27, 2023.

After mid-December 2022, AGMR has continued conducting additional underground drilling activities in Reliquias. This includes a 2,813 m (BQ) and 309 m (AQ)nfill drilling campaign with a smaller rig, to further delineate the principal structures as well as to recognize vein splays and tensional structures. In 2023, the Company extended the drilling program by adding three larger drill rigs, with an additional 10,712 m (HQ/NQ) of underground drilling, reaching a total of 13,834 m as of September 2023. The objective of this drill program is to evaluate especially the eastern part of the Reliquias deposit, where the Perseguida, Sacasipuedes, Pasteur and Vulcano vein structures were historically mined on various underground levels but remain open laterally and at depth.

As of September 2023, the rehabilitation of mining infrastructure has been carried out; such as galleries, ramps, cruises and other works for 8,940 m, making a total to date of more than 14,850 m of rehabilitated works, which will allow the Reliquias mine to be put into operation in the short term.

In late fourth quarter of 2023, AGMR has initiated all works to prepare a Preliminary Economic Analysis (PEA) in the first quarter of 2024. This study will include an updated resource estimate, geotechnical and hydrological studies of the Reliquias mine, an update of the existing studies on the tailings dam stability, and environmental baseline studies.

The Company intends to expand the brownfield exploration program around the large, underexplored Reliquias and Caudalosa concession block. The development of the principal underground infrastructure such as haulage levels, drifts, and access ramps are programmed to commence in second quarter of 2024, while the planning for the refurbishment of the metallurgical plant is continuing throughout 2024. All of this to start production in late Q4-2024.

Initial Public Offering Use of Proceeds

There have been no major variances in the estimated use of proceeds from the net proceeds of the IPO and other available funds since the date of the Company's long-form prospectus dated January 26, 2022 (the "Long Form Prospectus") that materially impact the Company's ability to achieve its business objectives and milestones. The following is a tabular comparison of the use of available funds disclosed in the Long Form Prospectus and the estimated use of such funds by the Company subsequent to the filing of the Long Form Prospectus. On September 30, 2023, the daily exchange rate for the United States dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was US$1.00 = $1.3520.

(In millions of United States dollars, except otherwise stated)

Principal Purpose		IPO Use of Proceeds			Expenses as at September 30, 2023		Remaining Proceeds to Use	
		C$		US$		US$		US$
Resource Upgrade & Exploration	$	18.6	$	13.7	$	11.2	$	2.5
Plant Refurbishment		3.0		2.2		-		2.2
Tailings Dam		0.6		0.4		-		0.4
Mine Concession Rights		0.5		0.4		1.2		(0.8)
Permits and Studies		0.4		0.3		1.2		(0.9)
Working Capital		2.8		2.1		3.6		(1.5)
Trafigura Loan		3.3		2.4		2.9		(0.5)
Communities		0.3		0.2		0.4		(0.2)
General Corp. Purposes (OAO)		4.0		2.9		1.3		1.6
Total	**$**	**33.5**	**$**	**24.6**	**$**	**21.8**	**$**	**2.8**

In addition, there have been no material adjustments to the cost or timing of the business milestones previously disclosed in the Long Form Prospectus. The following table summarizes the business objectives and milestones disclosed in the Long Form Prospectus, including the status of the milestones and expenditures made on the milestones to date.

(In millions of United States dollars, except otherwise stated)

Business Objective	Milestone(s) that must occur for Business Objective to be Accomplished	Target Date	Expenditures to Date	Estimated Remaining Cost to Complete
Upgrade Resource	Commencement of diamond drill hole and stage one exploration program Obtain first results from diamond drill hole program Complete stage one exploration program Commence stage two exploration of brownfield and greenfield projects Complete stage two exploration program	Completed Completed Completed Completed Completed	$11.2	$2.5
Refurbish Plant	Begin refurbishment of processing plant Complete refurbishment of processing plant	Q2-2024 Q4-2024	$0.0	$2.2
Prepare Tailings Dam for Upgrade	Begin preparation of tailings dam for proposed upgrades	Q2-2024	$0.0	$0.4

The Company confirms that there have been no material variances in the estimated use of proceeds from the net proceeds of the Prospectus Offering since the date of the Company's prospectus supplement dated February 6, 2023. In addition, there have been no material adjustments to the cost or timing of the business milestones previously disclosed in such prospectus supplement.

Liquidity and Capital Resources

The Company has no operating revenues. It finances its exploration and ramp-up activities through proceeds from the initial private placement of its securities, the IPO proceeds, and the proceeds from the Prospectus Offering. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all.

The Company focus on responsible and efficient resource exploration has positioned us for exciting prospects in the coming quarters. In tandem with our commitment to operational excellence, management are actively planning future fund raises to bolster our exploration and development activities. These endeavors aim to secure the necessary capital to advance key projects, implement cutting-edge technologies, and further diversify our resource portfolio. As we pursue these fundraising opportunities, we remain dedicated to transparent communication with our stakeholders, ensuring that they are well-informed about our strategic objectives and the potential benefits these initiatives may bring to the company and its investors. Our proactive approach to financial management underscores our commitment to sustainable growth and value creation in the dynamic landscape of the mining industry.

On November 2023, the Company successfully completed a non-brokered unit offering of $3.1 million dollars. Management expresses confidence in the market's ongoing responsiveness to future needs, positioning the operation favorably for the transition into production next year.

The Company's cash and cash equivalents were $5,393,419 as of September 30, 2023, compared to $8,770,989 as of December 31, 2022. Working capital as of September 30, 2023 was $3,725,650 compared to $7,574,493 as of December 31, 2022. Working capital decreased during the nine months ended September 30, 2023 by $3,848,843. The decrease was primarily attributed to a decrease in cash and cash equivalents, and an increase in amounts payable and other payables.

Operating Activities

Operating cash flow for the nine months ending September 30, 2023, amounted to $2,827,080, a notable decrease from the $7,337,470 reported for the same period in 2022. This shift primarily stems from a net loss of $1,738,775, non-cash adjustments totaling $1,042,281, and non-cash working capital items amounting to $46,024. It is noteworthy that, as of the last quarter of 2023, increased technical information is available, enabling a more accurate allocation of costs to exploratory projects.

Non-cash adjustments were influenced chiefly by an unrealized gain on the revaluation of warrant liabilities, contributing $1,669,763, partially offset by share-based compensation of $627,737. The overall change in non-cash working capital balances resulted from a rise in amounts receivable and other assets by $1,013,784, partially offset by an increase in amounts payable and other liabilities by $789,244 and a decrease in prepaid expenses by $178,516.

Investing Activities

Cash used in investing activities for the nine months ended September 30, 2023, was $7,101,579 compared to $3,458,372 for the same period in 2022. For the nine months ended September 30, 2023, the Company incurred $6,998,678 of exploration and evaluation costs, pledged restricted cash of $262,809, received restricted cash returned of $248,514, and purchased property, plant, and equipment and mining concessions of $86,111 and $2,495, respectively.

Financing Activities

Cash provided by financing activities for the nine months ended September 30, 2023, was $6,551,089 compared to $16,561,610 for the same period in 2022. For the nine months ended September 30, 2023, the Company received net proceeds of $6,551,089 in connection with the Prospectus Offering. For the nine months ended September 30, 2022, the Company received net proceeds of $19,505,638 in connection with the IPO, a portion of which was used to repay the loan of $2,944,028 with Trafigura.

Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is a related party transaction when resources or obligations are transferred between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

Remuneration of key management personnel of the Company was as follows:

	Three Months Ended September 30, 2023	2022	Nine Months Ended September 30, 2023	2022
Management salaries[1]	$ 161,624	$ 148,229	$ 545,776	$ 529,422
Director and chair fees[2]	47,801	55,500	158,801	151,364
Severance fee[3]	nil	nil	174,649	nil
Share-based compensation[4]	124,567	134,968	496,736	365,242
	$ 333,992	**$ 338,697**	**$ 1,375,962**	**$ 1,046,028**

(1) During the three and nine months ended September 30, 2023, management salaries of $121,371 and $387,056, respectively (three and nine months ended September 30, 2022 - $111,528 and $411,626, respectively) were expensed as salaries and benefits, and $40,253 and $158,720, respectively (three and nine months ended September 30, 2022 - $36,701 and $117,796, respectively) were capitalized as exploration and evaluation costs.

(2) During the three and nine months ended September 30, 2023, director and chair fees of $47,801 and $158,801, respectively (three and nine months ended September 30, 2022 - $55,500 and $151,364, respectively) were expensed as salaries and benefits.

(3) During the three and nine months ended September 30, 2023, severance fee of $nil and $174,649, respectively (three and nine months ended September 30, 2022 - $nil) to a certain officer of the Company was expensed as salaries and benefits.

(4) During the three and nine months ended September 30, 2023, the Company recorded share-based compensation expense of $124,567 and $496,736, respectively (three and nine months ended September 30, 2022 - $134,968 and $365,242, respectively) related to stock options granted to certain officers and directors of the Company.

Off-Balance Sheet Arrangements

As of the date of this Interim MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Outstanding Share Data

As of November 22, 2023, the Company had 341,849,860 common shares issued and outstanding.

As of November 22, 2023, the Company had 2,640,000 stock options issued and outstanding with an exercise price of $0.30, 1,650,000 stock options issued and outstanding with an exercise price of C$0.50, as well as 3,705,000 stock options issued and outstanding with an exercise price of C$0.38.

As of November 22, 2023, the Company had 16,759,870 warrants issued outstanding with an exercise price of $0.90, 26,450,000 warrants issued outstanding with an exercise price of C$0.70, 15,525,000 warrants issued outstanding with an exercise price of C$0.45, as well as 31,095,000 warrants issued outstanding with an exercise price of $0.09.

Critical Accounting Policies and Estimates

The preparation of the Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of income and expenses for the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates and associated assumptions are based on various assumptions including historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Please refer to the Financial Statements for information on the Company's significant judgements in applying accounting policies as well as significant accounting estimates and assumptions.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the 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 the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow 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"), the 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 the 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 the 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.

Cautionary Note Regarding Forward-Looking Information

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please refer to those risk factors referenced in the "Risks and Uncertainties" section below, the "Risk

Factors" section of the final long form prospectus in respect of the initial public offering filed and dated January 26, 2022, and the "Risk Factors" section of the short form base shelf prospectus filed and dated November 9, 2022. Readers are cautioned that these do not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Risks and Uncertainties

Risks and Uncertainties

The Company's business, being the acquisition, exploration, and development of mineral properties in Peru, is speculative and involves a high degree of risk. Certain factors, including but not limited to the ones described below, could materially affect the Company's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward looking statements made by or relating to the Company. See "Cautionary Note Regarding Forward-Looking Information". The reader should carefully consider these risks as well as the information and other risk factors contained in the Company's Financial Statements, any annual information form filed by the Company, and the other publicly filed disclosure regarding the Company, available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile or on the Company's website (www.agmr.ca).

Asset Retirement Obligation (ARO)

Upon approval of the Company's Mine Closure Plan by the Peruvian mining authorities, and the restart of mining operations, the Company will be responsible for remediation activities and decommissioning costs resultant from its mining activities upon the termination of its mining operations. No provisions for these activities and costs have currently been recorded since the Company is currently waiting for the approval of its Mine Closure Plan, for which a consulting company and a pool of engineers were hired to assist in the development and analysis of its remediation plan and the related decommission costs as well as the timing of the related activities. Even though these numbers are still subject to change, based on the work done to date, external consultants estimate that the budget for these activities could be between $9.5M and $12.5M and that the estimated Life of Mine (LOM) could be between 10 and 15 years. While the Mine Closure Plan has not yet been approved, the Company has restricted cash of $261,214 (PEN 990,000) which represents a cash deposit which has been pledged through a guaranty on behalf of the Peruvian Ministry of Mines ("MINEM") to lift the temporary "Mine Under Suspension" status of AGMR Peru until the Mine Closure Plan (which the MINEM is currently reviewing) is approved. Upon approval of the Company's Mine Closure Plan, a provision for decommissioning will be recognized in the consolidated financial statements that will be based on a discounted value of this range.

Non-IFRS Measures

The Company has included a non-IFRS measure for "working capital" in this MD&A to supplement its financial statements, which are presented in accordance with IFRS. The Company believes that this measure provides investors with an improved ability to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore, such measures may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The Company determined working capital as follows (in thousands of United States dollars):

Reconciliation for the period ended	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Current assets	$ 6,255	$ 9,961	$ 13,571	$ 9,718
Less: Current liabilities	$ 2,530	$ 1,998	$ 2,571	$ 2,143
Working Capital	$ 3,725	$ 7,963	$ 11,000	$ 7,575

Reconciliation for the period ended	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Current assets	$ 13,724	$ 18,162	$ 21,798	$ 7,424
Less: Current liabilities	$ 1,851	$ 1,856	$ 961	$ 2,000
Working Capital	$ 11,873	$ 16,306	$ 20,837	$ 5,424

International Conflicts

In navigating the multifaceted landscape of global geopolitical dynamics, our attention is drawn to pivotal factors such as warfare, military interventions, terrorism, and trade disputes. Historically, these elements have introduced an undeniable layer of unpredictability and instability into the intricate network of global commodity and financial markets, intricately interwoven with complex supply chains—a landscape that warrants astute management consideration.

The events of February 2022, namely Russia's invasion of Ukraine, triggered a series of international sanctions against Russia. This development underscores the potential implications for our organization, ranging from the dynamics of commodity prices to the resilience of our supply chains and the broader impact on the global economic terrain.

Fast-forwarding to October 2023, the heightened clashes between Israel and Hamas in the Gaza Strip demand a meticulous examination. Beyond geopolitical considerations, we must carefully assess the nuanced impacts on our organization within the larger context of global economic dynamics.

The ongoing conflicts in Ukraine and Israel, coupled with international responses, pose a significant challenge to the precise evaluation of their duration and overall impact. In this concise financial prospectus, the unpredictable nature of these conflicts amplifies the risks identified, particularly those tethered to commodity price volatility and global financial conditions. As these conflicts evolve, we must be cognizant of the potential for substantial disruptions in the supply of oil and natural gas, introducing the specter of a global shortage and consequential impacts on prevailing global price structures.

Critical to our strategic understanding is the recognition of the dynamic and rapidly changing nature of the situation. Unforeseeable impacts, particularly those with a cascading effect on our organization, our shareholders, and our counterparties, become paramount considerations that may influence the financial dynamics and performance of our Common Shares. The intricate interplay of these geopolitical factors on a global scale demands a judicious approach to managing uncertainties, underscoring the importance of our strategic financial stewardship in the face of these complexities.

Recent Unrest in Peru

On December 7, 2022, the Peruvian President Pedro Castillo was removed from office and arrested after a failed attempt to dissolve Peru's Congress, was considerable political unrest in Peru and demonstrations related to the political situation led to multiple clashes between protestors and security forces, resulting in casualties and deaths. The political unrest gave rise to many roadblocks across the country. In addition, in response, some airports across Peru suspended their operations. On December 14, 2022, the Peruvian government declared a national state of emergency for 30 days, which was subsequently extended and remains in effect in parts of the country. To date, the unrest and blockades have subsided and did not interfere with the transport of personnel and supplies to the Project. No assurance can be if new unrest and blockades will take place or whether they will disrupt or interfere with transportation of personnel and supplies in the future. The effect of any such disruption or interference cannot accurately be predicted and could have a significant adverse effect on the Company's results of operations, cashflow from operations and financial condition. Since early March 2023, the sociopolitical situation has improved markedly, and no significant further unrest has taken place in the country.

Negative Cash Flow from Operations and Need for Additional Financing

To date, the Company has had negative cash flow from operating activities. Although the Company anticipates it will have positive cash flow from operating activities in future periods, it expects it will require additional working capital to fund operating activities. To the extent that the Company has negative cash flow in any future period, certain or all of the net proceeds from financings may be used to fund such negative cash flow from operating activities.

Considering this, the Company on October 13, 2023, the Company announced a non-brokered unit offering of up to usd$3 million. On November 10, 2023, the Company closed the initial tranche of its non-brokered private placement of 62,190,000 units of the Company at a price of $0.05 per Unit for gross proceeds of $3,109,500. Each Unit is comprised of one Common Share and one-half of one Warrant with an exercisable price of US$0.09 into one Common Share. This financing will fund its operations for the following months and will continue to accomplish its requirements of future needs of capital.

The Company has historically financed its working capital requirements primarily through equity and debt financings. While the Company has been successful in raising financing in the past, there is no assurance that it will be able to obtain additional financing or that such financing will be available on reasonable terms. In addition, the Company's continued development may require additional financing.

In addition, from time to time, the Company may enter into transactions to acquire assets or the shares or securities of other entities. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Estimating Mineral Resources is Risky

The information on historical Mineral Resources are estimates only, and no assurance can be given that the anticipated tonnages and grades reported in the Technical Report for the Project will be achieved. Mineral Resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other factors. There are numerous uncertainties inherent in estimating Mineral Resources, including many factors beyond the Company's control. Estimation is a subjective process, and the accuracy of the Mineral Resource estimate is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation of that data and the level of congruence with the actual size and characteristics of the Company's deposits. These estimates may require adjustments or downward revisions based upon further exploration or development work, drilling or actual production experience. Fluctuations in silver prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties may require revision of the Company's Mineral Resource estimates. Mineral Resource estimates are based on drill hole information, which is not necessarily indicative of conditions between and around the drill holes. Accordingly, such Mineral Resource estimates may require revision as more geologic and drilling information becomes available and as actual production experience is gained. Should reductions in Mineral Resources occur, the Company may be required to take a material write-down of its investment in the Project, reduce the carrying value of the Project or delay the development of, or production from, some or all of the deposits forming the Project, which could have a material adverse effect on the Project and the Company's business, financial condition, results of operations, cash flows and prospects. Mineral Resources should not be interpreted as assurances of life of mine or of the profitability of future operations. There is a degree of uncertainty in estimating Mineral Resources and of the grades and tonnage that are forecast to be mined and, as a result, the grade and volume of silver that the Company mines, processes and recovers may not be the same as currently anticipated. Any material reductions in estimates of Mineral Resources could have a material adverse effect on the Project and the Company's business, financial condition, results of operations, cash flows or prospects. Mineral Resources are not Mineral Reserves and have a greater degree of uncertainty as to their existence and feasibility. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no assurance that Mineral Resources will be upgraded to Proven or Probable Mineral Reserves. Mineral Resources that are in the Inferred category are even more risky. Due to the uncertainty and speculative nature of Inferred Mineral Resources, economic considerations cannot be applied to this category and there is no assurance that Inferred Mineral Resources will be upgraded to Proven or Probable Mineral Reserves as a result of continued exploration.

Additional Information

Additional information regarding the Company is available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile.