TSXV.AGMR

SILVER MOUNTAIN RESOURCES INC.

Management's Discussion and Analysis

Years Ended December 31, 2023 and 2022

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Silver Mountain Resources Inc. ("AGMR" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2023 and 2022. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2023 and 2022, together with the notes thereto (the "Financial Statements"). The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

This MD&A has been prepared as at April 26, 2024. All dollar figures in this MD&A are expressed in United States dollars, unless otherwise stated.

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.

Unless otherwise stated, the scientific and technical information contained in this MD&A has been reviewed and approved by Antonio Cruz, an independent consultant of the Company and a Qualified Person 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 2,600 tonnes per day (tpd) processing plant capacity (permits up to 2,000tpd), an operating tailings dam, and over 45,000 hectares ("ha") of titled 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 2,600 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

In the pursuit of our corporate vision, AGMR is strategically positioned with ownership of the Reliquias and Caudalosa mines, both historic underground operations nestled in the mineral-rich region of Huancavelica, Peru. Our overarching strategy revolves around the conversion of historical resources into NI 43-101 compliant reserves, while concurrently expanding existing resources within our underground mines and brownfield targets across the extensive 19,872-hectare Reliquias Block.

Moreover, we are expected to initiate drilling activities within the Dorita Block, spanning 17,078 hectares in the northern sector of our Project, following promising surface exploration results. This expansionary approach aligns with our commitment to unlocking untapped potential and maximizing value for our stakeholders.

Anticipating a significant milestone, AGMR is on track to commence production at the Reliquias underground mine, utilizing our pre-existing concentrator plant, with a targeted timeline set for the first half of 2025. This milestone not only signifies operational progress but also underscores our dedication to realizing tangible outcomes from our strategic initiatives. Although the Company is targeting the commencement of commercial operations at the Project in the first half of 2025, the Company will need additional financing to implement its development plan for the Project and to commence commercial operations on this timeline. The Corporation may not have access to the funding required for this plan on acceptable terms or at all. Failure to obtain any such additional funding could result in a delay or indefinite postponement of the development of the Project. See "Risk Factors".

As a part of our comprehensive area consolidation strategy, AGMR maintains a proactive stance in evaluating prospective targets within the project's vicinity, with the aim of securing additional mining concessions to augment our existing land package. This relentless pursuit of expansion not only enhances our resource base but also fortifies our position as a leading player in the region's mining landscape.

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.

- 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.

- 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 US$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.

- On November 10, 2023, the Company closed the initial tranche of its non-brokered private placement (the "2023 Private Placement"). The Company issued 62,190,000 units of the Company at a price of US$0.05 per unit for gross proceeds of US$3,109,500 in connection with the 2023 Private Placement. The Company paid $18,000 in finder's fees in connection with the 2023 Private Placement. Each unit is comprised of one class A common share of the Company (the "Common Shares") and one-half of one warrant. Each whole warrant is exercisable into one Common Share at a price of US$0.09 per Common Share and expires on November 10, 2026.

- On November 21,2023, the Company announced the final batch of results from the second phase of its 2023 underground drilling campaign at its 100% owned Reliquias mine.

Subsequent Events

- On January 9, 2024, the Company announced and signed a 20-year agreement with Castrovirreyna community granting use of land for the planned restart of the Reliquias mine.
- On January 23, 2024, the Company provided a shareholder announcement that delineates a roadmap for production. It outlines the achievements of 2023 and the upcoming milestones for 2024.
- On January 24, 2024, the Company announced the appointment of Johnny DeCooman to the Board of Directors and the appointment of Gerardo Fernandez as advisor to the Board of Directors.
- On January 31, 2024, the Company announced metallurgical recoveries and concentrate grades from its Reliquias project Peru.
- On February 7, 2024, the Company announced the doubling of contained silver content with higher grade and increased tonnage in the measured and indicated categories in an updated mineral resource estimate at its Reliquias project, Peru.
- On February 22, 2024, the Company granted stock options to certain directors, officers and employees of the Company to purchase up to 6,800,000 Common Shares of the Company, exercisable at a price of $0.10 per share and expiring February 22, 2028.
- On March 19, 2024, the Company filed a NI 43-101 Technical Report for previously announced updated mineral resource estimate at the Reliquias project.
- On April 16, 2024, the Company announced that it had entered into an agreement pursuant to which Eight Capital and SCP Resource Finance LP would offer for sale up to 68,200,000 units of the Company on a best efforts basis (the "2024 Public Offering") at a price of C$0.11 per unit, for aggregate gross proceeds of up to C$7,502,000. Each unit to be comprised of one Common Share and one warrant, with each warrant to entitle the holder to acquire an additional Common Share for a period of 48 months, at an exercise price of $0.135.
- On April 19, 2024, the Company announced that it had upsized the 2024 Public Offering.
- On April 24, 2024, the Company announced the closing of the 2024 Public Offering. In connection with the 2024 Public Offering, the Company issued an aggregate of 87,638,928 units for aggregate gross proceeds of C$9,640,282, including the partial exercise by the agents of the over-allotment option to purchase an additional 5,820,428 units. The Company also issued 3,259,838 broker warrants exercisable into units at a price of C$0.11 per unit for a period of 24 months.

Operational Overview

Operations Mine

AGMR Peru owns two main underground mines: Reliquias and Caudalosa. Both assets have historic mining activity dating back to 1951 to 2016, with production rich in silver, zinc, lead, gold, and copper. Production averaged over 1 million ounces of silver and nearly 3,000 ounces of gold between 2009 and 2014. Additionally, 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, mining methods employed included sub-level stopping and conventional cut and fill.

The underground mine Reliquias is located 10 km southwest of the existing processing plant. The mine is currently accessible through a ramp, shaft, and various transportation levels. The mineralization consists of silver-rich sulfides and sulfosalts towards the top of the mine, showing increasing concentrations of base metals at depth. On the other hand, the underground mine Caudalosa exploited mainly 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 vein extensions that were mined during operations. The mineralization exposed in the Meteysaca, Perseguida, Sacasipuedes, and Matacaballo veins is particularly attractive, making the project an interesting prospect for underground exploration, as the main veins and their branches remain open laterally and at depth.

Following a successful exploration and drilling campaign completed at the Reliquias underground mine in 2022, the Company announced on April 12, 2023, the issuance of a NI 43-101 Mineral Resource estimate, with information received up to December 15, 2022.

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

The Reliquias mine has undergone substantial exploration and the results are showcased above. The historical mineral resources for the Reliquias mine are summarized in the table below. Mineral resources, although not independently calculated, are of reasonable quality for the purposes of exploration programs and mining.

		Grades					Contained Metal				
Resource	**Volume**	**Silver**	**Gold**	**Zinc**	**Lead**	**Copper**	**Silver**	**Gold**	**Zinc**	**Lead**	**Copper**
	kt	*g/t*	*g/t*	*%*	*%*	*%*	*MozAg*	*koz Au*	*Mlb Zn*	*Mlb Pb*	*Mlb Cu*
Measured	221	162.4	0.55	3.03%	1.95%	0.28%	1.2	3.8	14.8	9.5	1.4
Indicated	1054	129.1	0.39	3.16%	2.08%	0.34%	4.4	12.8	73.5	48.4	7.8
M&I	**1275**	**135.0**	**0.42**	**3.14%**	**2.06%**	**0.33%**	**5.5**	**16.6**	**88.3**	**57.9**	**9.2**
Inferred	1706	126.7	0.43	2.96%	1.84%	0.28%	7.0	22.7	111.5	69.1	10.7

Please refer to the technical report entitled "NI 43-101 Technical Report Mineral Resource Estimate for the Reliquias Mine, Huancavelica-Peru" dated March 27, 2023 and with an effective date March 18, 2023 and filed on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile on May 15, 2023, in accordance with NI 43-101. The Company released an updated Mineral Resource Estimate for the Reliquias Mine on February 7, 2024 and please refer to the technical report entitled "NI 43-101 Technical Report Mineral Resource Update, Reliquias Mine, Department of Huancavelica-Peru" dated March 8, 2024 with an effective date of January 1, 2024 and filed on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile on March 19, 2024, in accordance with NI 43-101

Throughout the year 2023, no exploration activity was conducted at the Caudalosa mine. The historical mineral resources for the Caudalosa mine are summarized in the table below. Mineral resources, although not independently calculated, are of reasonable quality for the purposes of exploration programs and mining.

Historical Resource Estimate – Caudalosa Project(1)

		Grades					Contained Metal				
Category	**Mass**	**Silver**	**Zinc**	**Lead**	**Copper**	**AgEq**	**Silver**	**Zinc**	**Lead**	**Copper**	**AgEq**
	kt	*oz/t*	*%*	*%*	*%*	*Oz/t*	*MozAg*	*Mlb Zn*	*Mlb Pb*	*Mlb Cu*	*MozAgEq*
Inferred	1,549	14.43	2.80%	2.79%	2.12%	24.63	22.35	95.6	95.3	72.4	38.1

(1) Disclosure of Historical Estimates 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 The issuer is not treating the historical estimate as current mineral resources or mineral reserves

Exploration Properties

Reliquias

In December 2021, the Company initiated an aggressive exploration campaign which culminated in September 2023. In 2022 we drilled HQ (11,573.55 m) and NQ (2,724.70 m) and in 2023 HQ (8,843.15 m), NQ (1,869.05 m), BQ (2,813.45 m) and Packsack (308.95 m).

Throughout 2023, the Company successfully completed a total of 95 drilling boreholes and drilled 14,953.40 meters in its exploration campaign. Of the 95 boreholes drilled, 50 were conducted using a small and versatile BQ-sized equipment capable of operating in narrow locations, while the remaining 45 boreholes were drilled using HQ/NQ diameters. The objective of the program was to delineate the main structures through diamond drilling and to identify extensions of veins and tensional structures.

From the BQ drilling boreholes executed, 1,358 samples were obtained: 1,090 primary samples and 268 control samples.

Vein	Channels Sample BQ	QAQC	Total
AYAYAY	146	34	180
MATACABALLO	167	41	208
PASTEUR	164	40	204
PERSEGUIDA	66	17	83
POZORICO	172	40	212
SACASIPUEDES	88	23	111
VULCANO	106	22	128
METEYSACA	181	51	232
Total	**1,090**	**268**	**1,358**

From the HQ/NQ drilling boreholes conducted, a total of 4,068 samples were obtained: 3,426 primary samples and 642 control samples. The primary objective of the drilling boreholes was to intercept the main structures, including Matacaballo, Meteysaca, Perseguida, Sacasipuedes, Natividad, Ayayay, Pasteur, Perseguida, Pozorico, Vulcano, and Beatita X. Another objective was to increase mineral resources.

Vein	Drilling Sample HQ/NQ	QAQC	Total
Vulcano	1,132	207	1,339
Sacasipuedes	1,129	209	1,338
Perseguida	1,066	205	1,271
Pasteur	99	21	120
Total	**3,426**	**642**	**4,068**

During 2023, channel sampling, density sampling, and mapping of the main veins were conducted at different levels of the Reliquias mine. QA/QC reports were generated. All these efforts were undertaken to enhance geological interpretation and increase mineral resources.

Vein	UG Mine Samples	QAQC	Total
Meteysaca	1,777	288	2,065
Matacaballo	1,121	185	1,306
Beatita	608	96	704
Pasteur	486	78	564
Sacasipuedes	430	71	501
Vulcano I	367	61	428
Vulcano	365	57	422

Perseguida	348	57	405
Pozo Rico	145	24	169
Sorpresa	135	23	158
Ayayay	55	9	64
Grima	43	7	50
Vulcano II	30	4	34
Ramal	25	4	29
Vetilleo	25	4	29
Ramal Perseguida	18	2	20
Ramal SCS	7	1	8
Total	**5,985**	**971**	**6,956**

Castrovirreyna

Located to the northwest of the Reliquias mine, the study area covers 313 hectares, exhibiting continuity of the main veins (Sacasipuedes, Meteysaca, Perseguida, and Beatita).

The outcrops consist of pseudo-stratified sequences of Porphyritic Andesites, lapilli tuffs, tuffaceous breccias with polymictic clasts of Neogene age, Miocene period (23.03 million years), belonging to the Caudalosa formation (Salazar & Landa (1993)). Propylitic alteration, Argillization, Sericitization, and Solidification are observed at the contact between the structures and host rock.

In the structural framework, two main lineament systems are recognized: 1) a northwest system that would have acted sinistrally, related to compression efforts with an east-west direction, and 2) a northwest system related to extension efforts oriented north-south.

Structural kinematics confirm that the main veins with a NE-SW direction (Matacaballo) formed during an extension event, as evidenced by the large vein thicknesses, banded and crustiform textures, which had space to develop and mineralize due to the influence of the Chonta caldera with a NE to SW flow direction. Veins with a NW-SE direction (Perseguida, Meteysaca, Beatita) formed during a tension event, corroborating the reduced vein thickness.

The following main structures have been identified:

- Erika Vein, a structure recognized with an orientation of N115°/88°, exhibiting a continuous lineament of approximately 220m, a variable vein thickness of 0.30 - 0.50 m along the outcrop, with preliminary values of 900 ppb Ag, 135 ppm Zn. It is composed of quartz and gray silica in veinlets, presenting a banded texture, with disseminated pyrite sulfide associated with iron oxides and filling cavities.
- Meteysaca Vein, parallel to the Erika Vein, with a length of 520m and an orientation of N110°/86°, composed mainly of ground rock material, gray Silica, fine disseminated pyrite associated with moderate-intensity iron oxide, and an average width of 0.60m. The host rock is formed by lapilli tuffs and porphyritic Andesites with weak silicification, and veins of oxide and hyaline silica, moderate fracturing, with preliminary values of 700 ppm Ag, 128 ppm Zn, and 462 ppm Cu.
- Perseguida Vein, a structure with an orientation of N110°/86°, exhibiting a variable thickness of 0.20 - 0.50m, behaving like a rosary-type vein, composed of quartz, banded gray silica, and leached sections along the structure, fine disseminated pyrite, banded quartz with a crustiform texture, iron oxide patinas, the host rock composed of porphyritic andesite and lapilli tuffs, with the latter showing alteration halo from 0.3 - 1 m with oxide veins and weak argillization.
- Beatita Vein, a structure with a length of 2.2 km, orientation N115°/83°, a variable thickness of 0.5 - 1.0m behaving as a rosary-type, with 3 levels in the central part that have been exploited, having a shaft as the main access to these levels. The vein is mainly composed of gray silica, milky quartz in massive form and weak crystallization, banded texture, leached sections, presence of pyrite, galena points, and gray sulfides, with argillic alteration at the contact between the structure and host rock with disseminated cubic pyrite.
- Victoria Vein, a recognized structure of 700 meters, with an orientation of N105°/80°, a variable thickness of 0.40 - 0.70 m rosary-type, mainly composed of gray silica with banded texture at the edges and brecciated in

the central part, gray silica matrix with fine disseminated pyrite, clasts of silicified whitish rock, with preliminary results of 2.8 ppm Ag, 138 ppm Pb and 2438 ppm Zn.

- Nueva Vein, a structure with a recognized length of 400 meters, orientation N100°/80°, variable thickness of 0.5 - 1.5m rosary-type, composed of barite, milky quartz, banded gray silica, brecciated on the northern side with clayey matrix, clasts of silicified rock, fine disseminated pyrite, host rock porphyritic andesite and lapilli tuffs, with weak argillic alteration and iron oxide patinas.
- Teresa Vein, a recognized structure/fault of 50m, orientation N60°/78°, average thickness of 0.70 m, massive and crustiform quartz with fine disseminated pyrite, iron oxide patinas, host rock composed of lapilli tuffs with quartz and iron oxide veins and veinlets, with preliminary results of 3.2 ppm Ag, 74 ppm Pb, 173 ppm Zn.
- Teresa II Vein, a structure with an orientation of N60°/85°, outcrops for 175m, composed of milky and crustiform quartz, argillized, fine disseminated pyrite, fine veins of iron oxide, banded and brecciated texture, the host rock composed of moderately fractured lapilli tuffs, quartz veins, and iron oxide, with preliminary results of 12.5 ppm Ag, 117 ppm Cu, 202 ppm Pb, and 466 ppm Zn.
- San Pablo Vein, mining activity in the San Pablo Vein dates back to the 1960s, currently, the main shaft is paralyzed and flooded. It is the main structure of 700 meters with a heading N110°/80°, these works evidenced by two E-34 and E35 stopes. Two vein systems have been identified: (1. San Pablo and the tensional San Pablo 1, San Pablo 2, and San Pablo 3) 1 and 3 Tensional structures, with a heading N280°/78°, these structures are composed of: massive milky quartz with a banded texture, pyrite points, iron oxide patinas. The host rock consists of porphyritic andesites and lapilli tuffs, the latter fractured with quartz and iron oxide veins.

Uchuputo Sector

It is an area of interest close to the operating zone located 2km away in a straight line, covering an area of 131 hectares. The work carried out encompasses an area of 80 hectares, with the northwest area remaining to be reviewed. Volcanoclastic sequences of porphyritic andesites, lapilli tuffs, with a N200°/17° trend have been identified, with the presence of a subvolcanic feature of andesitic-porphyritic characteristics.

The alterations present include propylitic, argillic, and silicification, related to the contact between structures and host rock. The structures identified in this area are five northeast-trending sub-parallel structures, and one northwest-trending structure. The mineralization in the Uchuputo area is related to NW-trending structures, correlating with the Yahuarcocha target. They exhibit massive quartz, crustiform quartz, light and dark gray silica, fine disseminated pyrite, and sporadic Chalcopyrite.

The six main identified structures are as follows:

- Karolina Vein, with an orientation of N70°/75°, outcropping for 95m, with an average thickness of 0.5 - 0.8m rosary-type. The mineralization consists of milky and crustiform quartz, banded and brecciated texture, dark gray silica, fine disseminated pyrite related to OxFe patinas, weak argillic alteration, and moderate silicification at the structure-host rock contact. Tuffaceous lapilli with sporadic porphyritic andesites are observed. Preliminary results are: 20.5 ppm Ag; 4133 ppm Pb, 754 ppm Zn.

- Katherine Vein, with an orientation of N250, outcropping for 85m, composed of banded and crustiform milky quartz, light and dark gray silica with fine disseminated pyrite, intersections of milky quartz branches with oxide patinas, presenting the following grades: 4.3 ppm Ag; 762 ppm Pb; 644 ppm Zn.

- María Vein, outcropping for 25m, E – W orientation, with Bz 75°N, massive and crustiform milky quartz, gray silica at the edges with fine disseminated pyrite related to OxFe patinas, variable thickness of 0.3 – 0.5m, preliminary results are: 35 ppm Ag; 321 ppm Cu; 539 ppm Pb; 506 ppm Zn.

- Julia Vein, outcropping for 95m, orientation N 70°/75°, massive gray and light gray silica with banded texture, massive and crustiform milky quartz with disseminated cubic pyrite, variable thickness from 1 – 0.6m, rosary-type, presenting preliminary results of: 79.4 ppm Ag, 4462 ppm Pb, 2630 ppm Zn.

- Elsa Vein, with an orientation of N120/83°, outcropping for 360m, variable thickness of 0.3 – 0.7m rosary-type, banded texture of gray silica and quartz with crustiform texture, brecciated texture in the central part with clasts of silicified rock and matrix of gray silica, fine disseminated pyrite, sporadic sphalerite veins, preliminary results are: 69 ppm Ag, 4443 ppm Pb, 586 ppm Zn, 194 ppb Au.

- Rosa Vein, with an outcrop of 160m, orientation of N 80°/85°, composed of gray silica, massive and crustiform quartz at the edges, presence of fine disseminated pyrite, variable thickness of 0.3 – 0.6m, with lapilli tuffs as host rock with sporadic quartz veins, OxFe patinas. Preliminary results are: 1.4 ppm Ag; 128 ppm Pb, 341 ppm Zn.

Lira de Plata

In the Lira de Plata Project, sampling of the dumps was carried out as part of the exploration program with the aim of identifying the most prospective structures in this area. 365 samples were collected during the year, estimating 2,800 tons of ore with a Net Smelter Return (NSR) of $140.38. Of the total samples, 59 are control samples.

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 five 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	135,466	-	-	135,466
Drilling	1,079,862	-	-	1,079,862

Mine rehabilitation	756,364	-	-	756,364
General on-site expenses	3,032,034	-	-	3,032,034
Geological mapping, sampling & other	813,352	-	-	813,352
Right of use	568,448	-	-	568,448
Salaries and benefits	1,299,190	-	-	1,299,190
Topography and geophysics	266,848	-	-	266,848
Complementary environmental services	583,725	-	-	583,725
	8,535,289	-	-	**8,535,289**
Acquisition costs				
Mining rights	2,217	88,244	1,756	92,217
Extinguished rights (i)	(5,487)	(1,829)	(1,009)	(8,325)
Balance, December 31, 2023	**$ 19,918,755**	**$ 3,610,796**	**$ 690,967**	**$ 24,220,518**

(i) The Company decided to leave one mining concession in Reliquias (400 ha), two mining concessions in Dorita (200 ha) and one mining concession in other areas (300 ha) totaling four mining concessions (900 ha) that had minimal or non-geological potential. The local authorities were notified at the end of 2022 and was confirmed during 2023.

Selected Annual Financial Information

	Year Ended December 31, 2023 ($)	**Year Ended December 31, 2022 ($)**	**Year Ended December 31, 2021 ($)**
Revenue	nil	nil	nil
Net loss	(2,596,991)	(5,262,122)	(2,143,160)
Net loss per share – basic and diluted	(0.01)	(0.03)	(0.02)
	As at December 31, 2023 ($)	**As at December 31, 2022 ($)**	**As at December 31, 2021 ($)**
Total assets	33,360,014	27,751,151	16,902,934
Total long-term liabilities	921,686(i)	488,201(i)	1,137,652

(i) Warrant Liability (note 13 of FS) generated in 2023 of $921,686 and in 2022 of $488,201.

Summary of Quarterly Results

(In thousands of United States dollars, except per share amounts)

For the period ended ($ '000)	**December 31, 2023**	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**
Current assets	$ 5,286	$ 6,255	$ 9,961	$ 13,571
Total assets	$ 33,360	$ 31,905	$ 32,153	$ 33,495
Current liabilities	$ 1,570	$ 2,530	$ 1,998	$ 2,571
Total liabilities	$ 2,492	$ 2,972	$ 2,391	$ 3,363
Working capital*	$ 3,716	$ 3,725	$ 7,963	$ 11,000
Revenues	$ -	$ -	$ -	$ -
Net loss	$ (858)	$ (979)	$ (583)	$ (177)
Loss per share (basic & diluted)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

**Working capital is a non-IFRS measurement with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see section "Non-IFRS Measure".*

(In thousands of United States dollars, except per share amounts)

For the period ended ($ '000)	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Current assets	$ 9,718	$ 13,724	$ 18,162	$ 22,048
Total assets	$ 27,751	$ 28,533	$ 31,011	$ 32,742
Current liabilities	$ 2,143	$ 1,851	$ 1,856	$ 920
Total liabilities	$ 2,631	$ 2,526	$ 3,498	$ 1,974
Working capital*	$ 7,575	$ 11,873	$ 16,306	$ 21,128
Revenues	$ -	$ -	$ -	$ -
Net (loss) income after restatement	$ (1,040)	$ (1,690)	$ (3,409)	$ 877
Loss per share (basic & diluted)	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.00)

**Working capital is a non-IFRS measurement with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see section "Non-IFRS Measure".*

Results of Operations

Three months ended December 31, 2023, compared with three months ended December 31, 2022

AGMR's net loss totaled $858,216 for the three months ended December 31, 2023, with basic and diluted loss per share of $0.00. This compares with a net loss of $1,040,044 with basic and diluted loss per share of $0.01 for the three months ended December 31, 2022. The decrease of $181,828 was principally due to:

- During the three months ended December 31, 2023, the Company incurred general and administrative expenses of $768,193 compared to $1,179,717 for the three months ended December 31, 2022. The decrease of $411,524 was primarily driven by decreases in professional fees of $230,116. There were also decreases in salaries and benefits of $86,313, and depreciation of $82,718. Since the 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.

- During the three months ended December 31, 2023, the Company recorded share-based compensation of ($243,957) compared to $152,883 for the three months ended December 31, 2022, due to the reversal of share-based compensation recorded on forfeited unvested stock options. 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 three months ended December 31, 2023, the Company recorded an unrealized loss on revaluation of warrant liabilities of $469,538 compared to an unrealized gain of $195,280 for the three months ended December 31, 2022. The decrease is due to the revaluation of warrants granted in connection with the initial public offering and 2023 prospectus offering, subsequently valued at its trading market price as of December 31, 2023.

Year ended December 31, 2023, compared with year ended December 31, 2022

AGMR's net loss totaled $2,596,991 for the year ended December 31, 2023, with basic and diluted loss per share of $0.01. This compares with a net loss of $5,262,122 with basic and diluted loss per share of $0.03 for the year ended December 31, 2022. The decrease of $2,665,131 was principally due to:

- During the year ended December 31, 2023, the Company incurred general and administrative expenses of $3,529,855 compared to $5,757,696 for the year ended December 31, 2022. The decrease of $2,227,841 was primarily driven by decreases in operational expenses of $1,065,484. Since the 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 assigned explicitly to the Company's mineral property. There were also decreases in administrative expenses of $430,945, depreciation of $215,812, and salaries and benefits of $193,459. For further insight into the breakdown of the Company's General and Administrative (G&A) expenditures please refer to note 20 of the financial statements. Also, since the 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.

- During the year ended December 31, 2023, the Company recorded share-based compensation of $383,780 compared to $632,045 for the year ended December 31, 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 year ended December 31, 2023, the Company recorded financial expenses of $13,055 compared to $543,109 for the year ended December 31, 2022. The decrease is due to a decrease in accretion on Trafigura loan payable during the year ended December 31, 2023, as the Company had repaid the full amount of the outstanding loan with Trafigura on March 1, 2022.

- During the year ended December 31, 2023, the Company recorded foreign exchange gain of $129,474 compared to foreign exchange loss of $896,460 for the year ended December 31, 2022.

- During the year ended December 31, 2023, the Company recorded an unrealized gain on revaluation of warrant liabilities of $1,200,225 compared to $2,562,736 for the year ended December 31, 2022. The decrease is due to the revaluation of warrants granted in connection with the initial public offering and prospectus offering, subsequently valued at its trading market price as of December 31, 2023.

Outlook

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

The Company has successfully raised US$40.8 million since May 7, 2021, including gross proceeds of $3.1 million from the 2023 Private Placement, $6.9 million (C$9.3 million) from the prospectus offering on February 9, 2023, the initial public offering 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 2,600 tpd concentrator plant (permits up to 2,000tpd), 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 mid-December 2022, AGMR has continued conducting additional underground drilling activities in Reliquias. This includes a 2,813 m (BQ) and 309 m (AQ) infill drilling campaign with a smaller rig to delineate further 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 December 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.

After a successful exploration and drilling campaign completed in the Reliquias underground mine in October 2023, the Company announced the issuance of an updated NI 43-101 compliant Mineral Resource estimate. The report is dated as of March 8, 2024, with an effective date of January 1, 2024.

During the final quarter of 2023, AGMR embarked on comprehensive preparations to initiate a Preliminary Economic Analysis (PEA) slated for completion in the first half of 2024. This pivotal study encompasses various facets, including an updated resource estimate, geotechnical and hydrological assessments of the Reliquias mine, revisions to existing studies on tailings dam stability, and comprehensive environmental baseline studies.

In tandem with these efforts, the Company is committed to expanding its brownfield exploration program across the expansive Reliquias and Caudalosa concession block, tapping into underexplored territories to bolster our resource base. Key initiatives, such as the development of critical underground infrastructure comprising haulage levels, drifts, and access ramps, are scheduled to commence in the second quarter of 2024. Furthermore, meticulous planning for the refurbishment of the metallurgical plant remains ongoing throughout 2024, with the goal of initiating production by-first half of 2025. These concerted endeavors underscore our unwavering dedication to achieving operational milestones and advancing our strategic objectives.

Initial Public Offering Use of Proceeds

Except as described below, there have been no major variances in the estimated use of proceeds from the net proceeds of the initial public offering 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 December 31, 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 = $1.3223.

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

Principal Purpose	IPO Use of Proceeds		Expenses as at December 31, 2023	Remaining Proceeds to Use
	C$	US$	US$	US$
Resource Upgrade & Exploration	$ 18.6	$ 14.0	$ 11.5	$ 2.5
Plant Refurbishment	3.0	2.3	-	2.3
Tailings Dam	0.6	0.5	-	0.5
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	2.5	2.9	(0.4)
Communities	0.3	0.2	0.4	(0.2)
General Corp. Purposes (OAO)	4.0	3.0	2.9	0.1
Total	**$ 33.5**	**$ 25.3**	**$ 23.7**	**$ 1.6**

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	Status	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	$11.5	$2.5
Refurbish Plant	Begin refurbishment of processing plant Complete refurbishment of processing plant	Studies and budget in place Postponed and reestimated	$0.0	$2.2
Prepare Tailings Dam for Upgrade	Begin preparation of tailings dam for proposed upgrades	Postponed and reestimated	$0.0	$0.4

Except as described below, 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 connection with: (i) the Long Form Prospectus, and (ii) a prospectus supplement dated February 6, 2023, the Company provided certain disclosure regarding the business objectives and milestones that it intends to accomplish. As of the date hereof, there have been certain non-material changes to the Company's anticipated timing for achieving certain of such business objectives. A description of such variances is provided below:

- The Company originally expected to complete the refurbishment of its processing plant in Q1 2023. The Company now expects to complete the refurbishment of its processing plant in Q3-Q4 2024. The delay is a result of business prioritizing the mine development of the Project to initiate exploitation activities.

- The Company originally expected to begin the preparation of its tailings dam for proposed upgrades in Q1-Q4 2022, the Company now expects to begin the preparation of its tailings dam for proposed upgrades in Q3-Q4 2024. As the tailings dam has over four years of capacity remaining at 800 tonnes per day, the Company has elected to delay the proposed upgrades while it prioritizes other aspects of the Project.

- The Company originally expected to: (i) complete the development of new zones in the underground mine in Q1 2024, which is now expected in Q4 2024; (ii) complete ore stockpiling underground and preparation of Block 1 in Q4 2023, which is now expected in Q4 2024; and (iii) complete ore stockpiling on the surface and preparation of Block 2 in Q2 2024, which is now expected in Q4 2024. Each of such delays was due to the Company prioritizing the search for additional mineral resources and the Company's drilling campaign.

The Company completed its stage two exploration program at the Project in 2023. As of the date of this MD&A, the Company has drilled over 18,000 meters in the underground mine. In addition, the Company has conducted channel sampling, density testing, geochemical analysis for the purposes of preparing a NI 43-101 compliant mineral resource and the Technical Report was filed in March 2024.

Public Offering Use of Proceeds

The Corporation currently anticipates using the net proceeds of the 2024 Public Offering as set forth in the following table:

(In millions of Canadian dollars, except otherwise stated)

Use	Allocation of Net Proceeds
Development of the Underground Mine(1)	$6.1
General Corporate and Working Capital(2)	$1.3
Preparation of the Processing Plant and Tailings Dam(3)	$0.8
TOTAL	**$8.2**

Notes:
(1) Development activities relate to the development of the principal underground infrastructure, including, without limitation, the development of ramps and access levels to the main mineralized structures and rehabilitation activities, such as improving the safety of existing ramps and drifts, renewing structural support of shaft, as well as auxiliary services (including electric energy, compressed air, and water) with support of different operational and administrative areas on site, including, social management, environmental, human resources and others.
(2) General corporate and working capital activities include, without limitation, corporate labor expenses, permits and shareholder services.
(3) Preparation activities relate to repair of the main components in the process plant, including, without limitation, improving of the crusher and mill. Tailings activities include, without limitation, main the earth movement and waterproofing.

Liquidity and Capital Resources

The Company relies on proceeds from its initial private placement, IPO, and the prospectus offering to finance its exploration and ramp-up activities, as it does not generate operating revenues. However, there is no guarantee of future equity capital availability in desired amounts or timing, or on acceptable terms.

Our focus on responsible and efficient resource exploration positions us for promising opportunities in the upcoming quarters. Concurrently, management is actively strategizing future fundraising efforts to bolster exploration and development activities. These initiatives aim to secure capital essential for advancing key projects, integrating state-of-the-art technologies, and diversifying our resource portfolio. Throughout these fundraising endeavors, we prioritize transparent communication with stakeholders to ensure they're well-informed about our strategic objectives and the potential benefits for the company and its investors. This proactive financial management approach underscores our commitment to sustainable growth and value creation within the dynamic mining industry landscape.

On November 2023, the Company successfully completed the 2023 Private Placement and raised aggregate gross proceeds of approximately $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.

As of December 31, 2023, the Company's cash and cash equivalents stood at $4,660,229, a decrease from $8,770,989 reported as of December 31, 2022. Similarly, the working capital as of December 31, 2023, amounted to $3,715,419, compared to $7,574,493 as of December 31, 2022, marking a decrease of $3,859,074 during the year. This decline was primarily driven by reductions in cash and cash equivalents, as well as prepaid expenses.

On April 24, 2024, the Company completed the 2024 Public Offering, for aggregate gross proceeds of approximately C$9.64 million.

Operating Activities

Operating cash flow for the year ended December 31, 2023, amounted to $4,607,247, a notable decrease from the $8,824,390 reported for the same period in 2022. This shift primarily stems from a net loss of $2,596,991, non-cash adjustments totaling $802,568, and non-cash working capital items amounting to $1,207,688.

Non-cash adjustments were influenced chiefly by an unrealized gain on the revaluation of warrant liabilities, contributing $1,200,225, partially offset by share-based compensation of $383,780. The overall change in non-cash working capital balances resulted from a rise in amounts receivable and other assets by $1,504,764, and a decrease in amounts payable and other liabilities by $87,598, and partially offset by a decrease in prepaid expenses by $384,674. However, it's essential to note that a significant portion of these adjustments stems from tax credits booked during the year, $1,518,494.

Investing Activities

Cash used in investing activities for the year ended December 31, 2023, was $9,091,903 compared to $5,956,614 for the same period in 2022. For the year ended December 31, 2023, the Company incurred $8,885,109 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 $100,282 and $92,217, respectively.

Financing Activities

Cash provided by financing activities for the year ended December 31, 2023, was $9,588,390 compared to $16,561,610 for the same period in 2022. For the year ended December 31, 2023, the Company received net proceeds of $6,551,089 in connection with the prospectus offering, and $3,037,301 in connection with the Private Placement. For the year ended December 31, 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.

Financial Instruments

Accounting standards define a financial instrument as any financial asset and liability of a company, considering as such cash, accounts receivable, and accounts payable, among others.

In the opinion of management, the fair value of its financial instruments is not significantly different from their respective carrying amounts as at December 31, 2023 and 2022. Therefore, the disclosure of such information does not affect the consolidated financial statements on those dates.

The following are the amounts of financial assets and liabilities in the consolidated statements of financial position, classified by category:

	As at December 31, 2023			As at December 31, 2022		
	At a fair value through profit or loss	At amortized cost	Total	At a fair value through profit or loss	At amortized cost	Total
ASSETS						
Cash and cash equivalents	$ 4,660,229	$ -	$ 4,660,229	$ 8,770,989	$ -	$ 8,770,989
Amounts receivable and other assets	-	66,030	66,030	-	79,760	79,760
Restricted Cash	267,206	-	267,206	241,597	-	241,597
	$ 4,927,435	$ 66,030	$ 4,993,465	$ 9,012,586	$ 79,760	$ 9,092,346
LIABILITIES						
Amounts payable and other payables	$ -	$ 1,570,331	$ 1,570,331	$ -	$ 2,143,215	$ 2,143,215
Warrant liabilities	921,686	-	921,686	488,201	-	488,201
	$ 921,686	$ 1,570,331	$ 2,492,017	$ 488,201	$ 2,143,215	$ 2,631,416

Fair value hierarchy

To increase the consistency and comparability of fair value measurements, a fair value hierarchy has been established that classifies the input data of valuation techniques used to measure fair value into three levels:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and will be used without adjustment to measure fair value whenever available; and

Level 2: The information is different from the quoted prices included in Level 1. Other techniques are used by which all the data that have a significant effect on the registered fair value are either directly (i.e. as prices) or indirectly (i.e. derived from prices) observable; and

Level 3: Techniques that use data that are not based on observable market data (unobservable inputs) and significantly affect fair value.

The carrying amount of cash and cash equivalents corresponds to its fair value. The Company considers that the carrying amount of amounts receivable and amounts payable and other payables is similar to their fair values due to their maturity in the short term. As of December 31, 2023, the Company did not hold financial instruments recorded at fair value that would require classification within the fair value hierarchy, except for warrant liabilities (Level 1).

Risk management policies

The Company's activities expose it to a variety of financial risks. The main risks that may adversely affect the Company's financial assets and liabilities, as well as its future cash flows, are liquidity, credit, interest, and exchange rates. The Company's risk management program tries to minimize potential adverse effects. Management is aware of the existing market conditions and, based on its knowledge and experience, reviews, agrees, and controls risks, following the policies approved by the Board of Directors.

Discussions of risks associated with financial assets and liabilities are detailed below:

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Company controls the required liquidity through proper management of the maturities of assets and liabilities in such a way as to achieve a match between the flow of financing, future income, and future payments. The liquidity risk was previously covered by the loan payable.

The following table shows the maturities of financial liabilities at their nominal value:

As at December 31, 2023	Less than one year	More than one year	Total
Amounts payable and other payables	**$ 1,570,331**	**$ -**	**$ 1,570,331**

As at December 31, 2022	Less than one year	More than one year	Total
Amounts payable and other payables	$ 2,143,215	$ -	$ 2,143,215

Credit risk

The Company's financial assets potentially exposed to concentrations of credit risk consist mainly of bank deposits, amounts receivable and tax credits receivable. The Company reduces the probability of significant concentrations of credit risk because it maintains its deposits and places its cash investments in well-established financial institutions and limits the amount of exposure to credit risk in any of the financial institutions. The Company also believes that the risk of loss related to amounts receivable and tax credits receivable is minimal.

Exchange risk

Most transactions are made in U.S. dollars. Exposure to exchange rates comes from some supplier invoices and amounts receivable in Soles, and cash and cash equivalents balances in Canadian dollars. In the consolidated statements of financial position, these items are presented at the end-of-period exchange rate.

To mitigate exposure to foreign exchange risk, cash flows denominated in non-functional currencies are continually reviewed. In general, when the amounts to be paid for purchases in Soles exceed the amount available in that currency, a currency exchange operation is carried out.

Operations in foreign currencies are carried out at the available spot exchange rates. The Company has exposure to Peruvian Soles and Canadian dollars.

The financial assets and liabilities are as follows:

	As at December 31, 2023	As at December 31, 2022
Cash and cash equivalents	$ 1,380,952	$ 5,919,217
Amounts receivable and other assets	40,248	79,760
Prepaid expenses	31,504	6,194
Amounts payable and other payables	(634,592)	(1,312,507)
Warrant liabilities	(921,686)	(488,201)
Net (liabilities) assets	$ (103,574)	$ 4,204,463

As of December 31, 2023 and 2022, management has decided to assume the exchange risk generated by this position. Therefore, it has not carried out hedging operations with derivative products. During the year ended December 31, 2023, the Company recorded a net foreign exchange difference gain of $129,474 (year ended December 31, 2022 – loss $896,460).

A sensitivity analysis of the profit or loss for the years ended December 31, 2023 and 2022 has been carried out with respect to the effect of a reasonably possible variation in the exchange rate of the Peruvian Sol on financial assets and liabilities denominated in that currency, considering that all other variables will remain constant. If the Canadian Dollar and Peruvian Sol exchange rate had increased or decreased with respect to the functional currency according to the percentages in the table below, these would have been the effects on the Company's loss before income tax:

Year Ended December 31, 2023		Year Ended December 31, 2022	
Percentage change in exchange rate	**Effect on profit or loss for the year**	**Percentage change in exchange rate**	**Effect on profit or loss for the year**
+ 5	$ (5,179)	+ 5	$ 210,223
- 5	$ 5,179	- 5	$ (210,223)

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 encompass individuals who possess the authority and accountability for planning, overseeing, and controlling the Company's operations, whether directly or indirectly. This group comprises the Company's executive officers and members of the Board of Directors.

During the year ended December 31, 2023, services provided by C H Plenge & CIA S A (a company owned by the brother of Alfredo Plenge Thorne, a director of the Company) of US$90,479 were capitalized as evaluation and evaluation costs. At the end of 2023, there is an accrual liability of US$88,776. Alfredo Plenge Thorne did not receive, directly or indirectly, any compensation as a result of the transaction and did not participate in the decision to approve the transaction.

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

	Year Ended December 31, 2023	2022
Management salaries[(1)]	$ 915,457	$ 782,370
Director and chair fees[(2)]	207,551	278,864
Severance fee[(3)]	174,649	Nil
Share-based compensation[(4)]	269,343	464,202
	$ 1,567,000	**$ 1,525,436**

(1) During the year ended December 31, 2023, management salaries of $548,502 (year ended December 31, 2022 - $568,922) were expensed as salaries and benefits, and $366,955 (year ended December 31, 2022 - $213,448) were capitalized as exploration and evaluation costs.

(2) During the year ended December 31, 2023, director and chair fees of $207,551 (year ended December 31, 2022 - $278,864) were expensed as salaries and benefits.

(3) During the year ended December 31, 2023, severance fee of $174,649 (year ended December 31, 2022 - $nil) to a certain officer of the Company was paid and expensed as salaries and benefits.

(4) During the year ended December 31, 2023, the Company recorded share-based compensation expense of $269,343 (year ended December 31, 2022 - $464,202) related to stock options granted to certain officers and directors of the Company.

(5) 2,330,999 Units issued in the 2023 prospectus offering and 21,600,000 Units issued in the 2023 Private Placement were issued to related parties.

Off-Balance Sheet Arrangements

As of the date of this 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 April 26, 2024, the Company's common shares issued and outstanding totaled 367,298,788.

Furthermore, as of the same date, the Company had the following:

- 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; 3,640,000 stock options issued and outstanding with an exercise price of C$0.38; as well as 7,400,000 stock options issued and outstanding with an exercise price of $0.10.
- 15,525,000 warrants issued outstanding with an exercise price of C$0.45, 31,095,000 warrants issued outstanding with an exercise price of $0.09, as well as 87,638,928 warrants issued outstanding with an exercise price of C$0.135.

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 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 MD&A speak only as of the date of this 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 annual information form dated April 26, 2024 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 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 $267,206 (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	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Current assets	$ 5,286	$ 6,255	$ 9,961	$ 13,571
Less: Current liabilities	$ 1,570	$ 2,530	$ 1,998	$ 2,571
Working Capital	$ 3,716	$ 3,725	$ 7,963	$ 11,000

Reconciliation for the period ended	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Current assets	$ 9,718	$ 13,724	$ 18,162	$ 22,048
Less: Current liabilities	$ 2,143	$ 1,851	$ 1,856	$ 920
Working Capital	$ 7,575	$ 11,873	$ 16,306	$ 21,128

International Conflicts

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's invasion of Ukraine and the Gaza-Israel conflict has led to sanctions being levied by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chains and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the Company's business, financial condition and results of operations. The extent and duration of the current conflicts and related international action cannot be accurately predicted at this time and the effects of such conflicts may magnify the impact of the other risks identified in this MD&A and/or the Company's annual information form, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on our shareholders and counterparties on which we rely and transact with, may materialize and may have an adverse effect on the Company's business, results of operation and financial condition.

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, leading to considerable political unrest in Peru and demonstrations related to the political situation, which 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. To date, the unrest and blockades have subsided and did not interfere with the transport of personnel and supplies to the Castrovirreyna Project. Since early March 2023, the sociopolitical situation has improved markedly; however, Peruvian democracy continues to face ongoing challenges, including the recent resignation of six members of President Dina Boularte's cabinet. No assurance can be given as to whether new unrest and/or 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 Corporation's results of operations, cashflow from operations and financial condition.

Negative Cash Flow from Operations and Need for Additional Financing

To date, the Company has encountered negative cash flow from its operating activities, reflecting the investment required to advance its projects and operations. Given the inherent fluctuations in operating cash flow, it's essential to maintain a flexible financing strategy. In the event of negative cash flow in any future period, the Company stands prepared to utilize proceeds from financings to swiftly address these operational needs, ensuring continuity and resilience in its pursuit of strategic objectives.

On November 10, 2023, the Company closed the first tranche of the 2023 Private Placement. The Company raised gross proceeds of US$3,109,500 from the issuance of 62,190,000 units priced at US$0.05 per unit under the 2023

Private Placement. Each unit is comprised of one Common Share and one-half of one warrant, exercisable at US$0.09 into one Common Share.

On April 24, 2024, the Company closed the 2024 Public Offering and issued 87,638,928 units at a price of C$0.11 per unit, for aggregate gross proceeds of C$9,640,282, including the partial exercise by the agents of the over-allotment option to purchase an additional 5,820,428 units.

Historically, the Company has demonstrated a reliance on equity and debt financings to meet its working capital requirements, leveraging these avenues to support its growth initiatives and operational endeavors. While the success of past financings underscores the Company's ability to access capital markets effectively, it's essential to recognize the inherent uncertainties surrounding future financing endeavors. The availability of financing and the terms offered may vary depending on market conditions, economic factors, and the Company's performance metrics. Moreover, as the Company continues to evolve and pursue its strategic objectives, ongoing development efforts may demand additional financing to fund expansion initiatives, capitalize on growth opportunities, and sustain operational momentum. Thus, maintaining a proactive and adaptive approach to financial management remains paramount in navigating the dynamic landscape of capital markets and ensuring the Company's continued success.

Additionally, the Company may explore asset or entity acquisitions as part of its strategic growth initiatives. These transactions could be financed partially or entirely through debt, offering flexibility in capital allocation. However, it's important to note that future debt financing arrangements may include certain covenants pertaining to capital activities and financial and operational matters. While these covenants are designed to ensure prudent financial management, they may introduce considerations that need to be carefully navigated in securing additional capital and pursuing business opportunities, including potential acquisitions.

Inability to Obtain the Financing Needed to Achieve Commercial Production

Substantial capital investments are necessary to complete the development of the Project. The Company has: (i) sustained operating losses since incorporation; (ii) finite financial resources; (iii) not earned any operating revenue; and (iv) no current source of operating cash flow. The Company may need to raise funds to complete the development of the Project as a result of increased capital costs or decreased cash flows from production as a result of risks described elsewhere in this MD&A, as well as to conduct other exploration and development activities. The Company may seek to raise further funds through equity or debt financings. There is no assurance that additional funding will be available to the Company (or on commercially reasonable terms) for further exploration and development of the Project, or that the Company will ever be cash flow positive. Failure to obtain necessary additional financing could result in delay or indefinite postponement of further exploration and development of the Project. If the Company is unable to obtain additional financing or if it obtains additional financing on unfavourable terms, it could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. Construction and start-up of new mines is risky. The successful construction and development of the Project and the commencement of commercial production is subject to a number of factors including the availability and performance of engineering and construction contractors and employees, mining contractors, suppliers and consultants, the receipt of required approvals and permits in connection with the further development and construction of the existing mining facilities and the conduct of mining operations (including socio-environmental permits), and the successful design, manufacture, delivery and construction of the mine, among others. Any delay in performance by any one or more of the contractors, suppliers, consultants or other persons on which the Company is dependent in connection with its development and construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure to complete and successfully operate the mining and processing components of the Project could delay or prevent the further development of the Project, could change the manner in which the Project is developed, or could delay or prevent the start-up of commercial production and revenue producing activities.

There can be no assurance that development of the Project will be completed when expected, will be constructed as expected, or that capital costs and the ongoing operating costs at the Project will not be significantly higher than anticipated by the Company. Any of the foregoing could adversely impact the Company's business, financial condition, results of operations, cash flows or prospects.

Estimating Mineral Resources is Risky

The information provided on historical Mineral Resources serves as estimates only, and while efforts are made to accurately depict anticipated tonnages and grades as reported in the Technical Report for the Project, there is no guarantee of achieving these outcomes. Mineral Resource estimates may be significantly influenced by various factors such as environmental, permitting, legal, title, taxation, socio-political, and marketing considerations, among others.

Estimating Mineral Resources involves inherent uncertainties beyond the Company's control, given the subjective nature of the process and the reliance on available data, assumptions, and interpretations. Subsequent exploration, development work, drilling, or production experiences may necessitate adjustments or downward revisions to these estimates. Additionally, external factors like fluctuations in silver prices, results of drilling, metallurgical testing, production outcomes, or unforeseen technical challenges could prompt revisions to Mineral Resource estimates. It's important to note that Mineral Resource estimates are based on drill hole information, which may not fully reflect conditions across the entire project area. Therefore, revisions to Mineral Resource estimates may occur as more geological and drilling data becomes available and actual production experience is gained. Any significant reductions in Mineral Resources could impact the Company's investment in the Project, potentially leading to material write-downs, adjustments to carrying values, or delays in development or production activities, which could adversely affect the Project and the Company's overall business, financial condition, results of operations, cash flows, and future prospects. It's crucial to understand that Mineral Resources should not be interpreted as guarantees of the project's lifespan or the profitability of future operations, as there exists a degree of uncertainty in estimating Mineral Resources and the grades and tonnages forecasted for extraction.

Notably, Mineral Resources are distinct from Mineral Reserves and possess a higher level of uncertainty regarding their existence and feasibility. Inferred Mineral Resources, in particular, carry greater risk due to their speculative nature, and economic considerations cannot be reliably applied to this category. There is no assurance that Inferred Mineral Resources will be upgraded to Proven or Probable Mineral Reserves through continued exploration efforts.

Additional Information

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