FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023
MANAGEMENT DISCUSSION AND ANALYSIS

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DATE

This Management Discussion & Analysis ("MD&A") of Kootenay Silver Inc. and its subsidiaries (referred to as the "Company" or "Kootenay") was prepared by management as at November 16, 2023 and was reviewed and approved by the Audit Committee of the Board of Directors of Kootenay. The following discussion of performance, financial condition and future prospects should be read in conjunction with the interim consolidated financial statement for the three and nine months ended September 30, 2023 and the audited consolidated financial statements for the year ended December 31, 2022 and 2021, and notes thereto (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The information provided herein supplements but does not form part of the Financial Statements. This MD&A covers the nine months ended September 30, 2023, and the subsequent period up to the date of issue of this MD&A. Additional information relating to the Company is available on the Company's website or at www.sedar.com.

The Company has prepared this MD&A following the requirements of National Instrument 51-102 ("NI-51-102"). These statements are filed with the relevant regulatory authorities in Canada. All currency amounts are expressed in Canadian dollars unless otherwise noted.

Unless otherwise indicated the technical disclosure contained within this MD&A has been reviewed and approved by Kootenay's President & CEO, James McDonald, P. Geo (a qualified person for the purpose of National Instrument 43-101 ("NI 43-101"), Standards of Disclosure for Mineral Projects). Mr. McDonald is also a director of Kootenay.

Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). All statements, other than statements of historical fact, which address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements contained in this MD&A include, but are not limited to, statements with respect to anticipated developments in the Company's continuing and future operations, the adequacy of the Company's financial resources and financial projections; statements concerning or the assumptions related to the estimation of mineral resources, methodologies and models used to prepare resource estimates; the conversion of mineral properties to resources; the potential to expand resources; future exploration budgets, plans, targets and work programs; development plans; activities and timetables; grades; metal prices; exchange rates; results of drill programs; environmental risks; political risks and uncertainties; unanticipated reclamation expenses; statements about the Company's plans for its mineral properties; acquisitions of new properties and the entering into of options or joint ventures; and other events or conditions that may occur in the future.

Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimated," "potential," "possible" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. Forward-looking statements are statements concerning the Company's current beliefs, plans and expectations about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, the risks that: (i) any of the assumptions in the resource estimates turn out to be incorrect, incomplete, or flawed in any respect; (ii) the methodologies and models used to prepare the resource estimates either underestimate or overestimate the resources due to hidden or unknown conditions, (iii) operations are disrupted or suspended due to acts of god, internal conflicts in the country of Mexico, unforeseen government actions or other events; (iv) the Company experiences the loss of key personnel; (v) the Company's mine operations are adversely affected by other political or military, or terrorist activities; (vi) the Company becomes involved in any material disputes with any of its key business partners, lenders, suppliers or customers; or (vii) the Company is subjected to any hostile takeover or other unsolicited attempts to acquire control of the Company. Other factors that could cause the actual results to differ materially from current expectations include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions, as well as those risks described under the heading "RISKS AND UNCERTAINTIES" below. These forward-looking statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company assumes no obligation to update such forward-looking statements in the future, except as required by law. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. For the reasons set forth above, investors should not place undue reliance on the Company's forward-looking statements.

DESCRIPTION OF BUSINESS

The Company is an exploration stage mining company involved in the exploration and development of mineral properties in Mexico. The Company is classified as a Tier One issuer on the TSX Venture Exchange ("TSX-V") and its common shares are listed and trade under the symbol "KTN". The management and technical team have extensive experience in mineral exploration, development and mining, public company management and operations and Canadian venture capital markets.

OBJECTIVES AND STRATEGY

The primary objective and business plan of the Company is to discover or acquire silver dominant mineral deposits that have the potential to become economically viable for further development. The Company assesses financial, technical and market risk associated with a particular project before deciding whether to advance the project with its own capital or share the risk by optioning all or a portion of the project to a partner to conduct further exploration work or to provide funding to advance the project. If a project demonstrates potential to be economically viable via completion of a preliminary economic assessment, prefeasibility or feasibility study then it will be moved to a production decision and, when appropriate, funding will be sought to build a mine through traditional mine finance sources, joint venture or sale of the company or project. The rate at which a given project is advanced is dependent on several factors including management's assessment of project and the risks of development, including the probability of discovery and potential economic viability based on past work, results of additional drilling, resource estimates, metallurgy, environmental impact, community involvement to operate and permitting among others. It is also strongly influenced by access to capital to advance the various stages of assessment. When markets for commodities are favorable towards precious metals and exploration then capital is more accessible, allowing the Company more flexibility in the balance between advancing select projects while maintaining a 100% interest and seeking partner funded programs on other projects through option or joint venture agreements. When markets are not favorable towards equity investment more emphasis is given to seeking funding through option or joint venture agreements to advance projects for ongoing development.

The Company has been successful in discovering mineral resources through grassroots exploration with three significant silver discoveries two of which are on its Promontorio property in Sonora, Mexico, namely Promontorio and La Negra and the third being La Cigarra property in Chihuahua, Mexico.

Since late 2018, the Company has been focussed on the Columba Project ("Columba") in Chihuahua State, Mexico which is a classic epithermal vein system demonstrating potential for discovery of high-grade resources.

OVERVIEW OF PERFORMANCE - 2023

During the nine months ended September 30, 2023, the Company focused on exploration plans including the refining of targets for its 2023 drill program and on September 6, 2023 commenced a 3,000 meter drill program on Columba. See the Outlook section of this MD&A. Additionally, negotiations with the Ejido for secondary access to Columba was agreed and has been ratified by the Ejido as at the date of this MD&A. As previously reported by the Company, three land access agreements required renewal this year, two have now been signed with the third in the final stages. The final agreement is in the process of being prepared following the completion of our negotiations with the third group for land access, which is currently being granted on a month-to-month basis. . Once the new agreement is signed the term of land access under the agreement will be for four years. Completion of these agreements provides the Company continued access to drill vein targets out to the edges of the inferred mineralized system.

On January 13, 2023, the Company announced the appointment of Joseph Giuffre as a director of the company. Mr. Giuffre is a lawyer with over 30 years of legal experience in private practice with Vancouver and National law firms and as in-house as general counsel. Mr. Giuffre advises private and public companies in complex corporate, commercial, securities legal and business transaction matters, including mergers and acquisitions, joint ventures, private and public debt and equity financings, regulatory compliance, corporate governance, and capital project development. Additionally, the Company announced the granting of stock options to officers, directors, employees, and consultants to purchase up to an aggregate of 21,450,000 million shares of Kootenay at a price of $0.155 per common share for a period of five years.

On April 6, 2023, the Company announced it had amended the terms for the Columba option agreement to allow for 50% of the April 2023 payment of US$430,000 to be paid in common shares of the Company. The cash payment of US$215,000 plus 16% IVA was paid on April 12, 2023, and the Company issued 2,452,332 common shares to settle US$215,000 in Kootenay common shares calculated based on the 20-day volume weighted average price prior to April 12, 2023, of $0.1189 per common share, converted by the US dollar to Canadian dollar average exchange rate for the 20 day period prior to March 31, 2023 of $1.3583. A final cash payment of US$215,000 is awaiting to be paid on signing of assignment of concessions whereby the Company will own 100% of the Columba project.

Additionally, the Company reached an agreement with an arm's length party dated March 31, 2023 to resolve conflicting property interests, pursuant to which Kootenay will issue 2,018,710 in common shares in consideration of US$135,000 plus 16% IVA, based on the 20-day volume weighted average price prior to the agreement of $0.1064 per common share, converted by the US dollar to Canadian dollar average exchange rate for the 20 day period prior to March 31, 2023 of $1.3715. The common shares to be issued under these agreements will have a hold period of four months and one day.

On May 24, 2023, the Company announced that it closed its previously announced brokered private placement offering (the "Offering") for gross proceeds of approximately $2.14 million consisting of 21,390,000 units of the Company (the "Units"), at a price of $0.10 per Unit (the "Offering Price"), with a non-brokered portion of the offering ("Non-Brokered Portion") for gross proceeds of approximately $1.63 million consisting of 16,333,500 Units at the Offering Price, for aggregate gross proceeds to the Company of $3.77 million. See Financing Activities section of this MD&A.

On June 13, 2023, the Company announced it now holds 100% ownership, through its wholly owned Mexican subsidiary, of the Columba High-Grade Silver Project. The final payment of US$215,000 was made paid in cash on May 12, 2023. The company has paid a total of US$3,290,000 in staged payments (of which US$215,000 was paid in common shares of the Company.

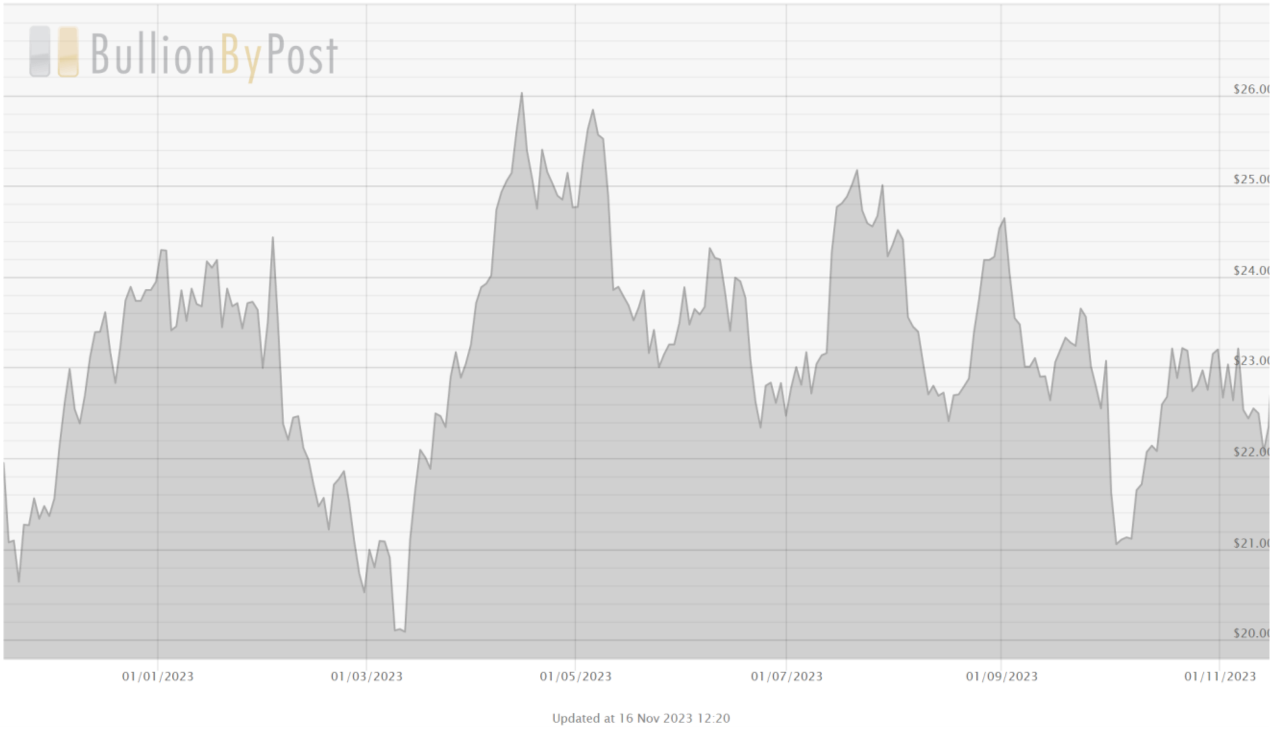
On August 9, 2023, the Company announced it had filed the first Technical Report on it's Columba project. The report, titled "Technical Report for the Columba Silver Property", was prepared by independent consultants Moose Mountain Technical Services and was authored by Sue Bird P.Eng., with an effective date of March 17, 2023, and an issue date of July 28, 2023. The Technical Report was prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**") and is available under the Company's SEDAR profile and on the Kootenay website.

The report summarizes work done to date which entails just over 27,000 meters of drilling in 135 holes, detailed and regional geologic mapping and sampling over five principal veins and numerous subsidiary veins. The report recommends further drilling on the principal veins with both an increase of drill density to 50-meter spacing and exploratory drilling along undrilled and under drilled veins. It also recommends a metallurgical program on the principal areas of mineralization.

SILVER MARKET

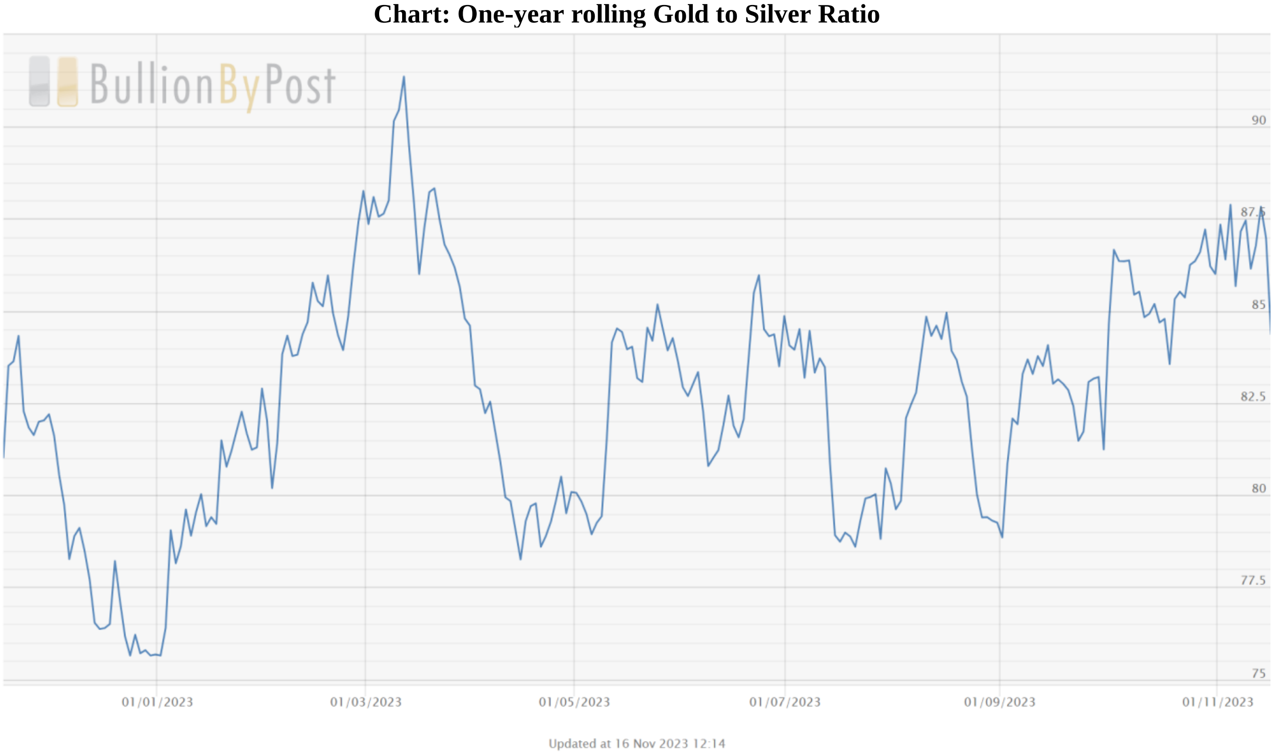
Over the past year interest in global silver investment has risen significantly resulting in all-time highs for silver in exchange-traded products (ETPs), global mint bullion coin sales and strong net-long positioning on COMEX. The silver price, which ended the 2022 year at US$23.945 per ounce, and hit a 12-month high of US$26.025 on April 14, 2023. The silver spot price at the date of this MD&A is US$23.61 per ounce which is up from the 12-month low of $20.09 hit on March 10, 2023.

Chart: One-year rolling Silver price



For most commodities, supply and demand fundamentals dominate price behaviour, however this does not always apply to silver and gold because of their monetary qualities and reactions to macroeconomic factors. Although the price of silver can be strongly linked to gold, silver differs from gold in the fact that it is also considered to be an industrial metal and can also be linked to the performance of base metals production and industrial demand. That said a gold: silver divergence can emerge when the macroeconomic environment deteriorates, however because of its lower liquidity, silver can outperform gold in the event of a financial crisis. The gold to silver ratio as of the date of this MD&A is approximately 1:84 ounces, and ended the year 1:76, with the 12-month high of 1:91 on March 10, 2023 and a low of 1:76 ounces.

Chart: One-year rolling Gold to Silver Ratio



Subsequent events

On October 12, 2023, the Company announced an updated mineral resource estimate at the Promontorio-La Negra Project located in Sonora Mexico. The resource estimate is an update of the Promontorio deposit and a maiden mineral resource estimate for the La Negra deposit 7km to the north. The two deposits are part of the Promontorio Mineral Belt and are considered a single project.

The mineral resource estimates ("MRE") was prepared by Sue Bird, M Sc., P.Eng., Geological and Mining Engineer of by Moose Mountain Technical Services ("MMTS") in accordance with NI 43-101 standards (May 9, 2016), CIM Definition Standards (May 19, 2014) with guidance from CIM Best Practice Guidelines (November 29, 2019).

Highlights from the 2023 Mineral Resource Estimate include:

- Increased Grades of the Promontorio deposit of 24% for Ag, 21% for Au and 22% and 21% for Pb and Zn respectively.
- A resulting 68% increase in Measured and Indicated ("M+I") Ag Equivalent ("AgEq") Metal content at the Promontorio deposit.
- Promontorio M+I mineral resources of 140.8 million ounces ("Moz") AgEq contained in 42.1 million metric tonnes ("Mt") averaging 104 grams per tonne ("g/t"),
- Promontorio Inferred mineral resources of 39.8 Moz contained in 14.6 Mt averaging 84.9 g/t. These results are calculated using 25 g/t AgEq cut off and are contained within a potentially economically mineable pit shell.
- La Negra Indicated mineral resources of 22.0 Moz AgEq contained in 5.3 Mt averaging 129 g/t.
- La Negra Inferred mineral resources of 4.6 Moz contained in 1.2 Mt averaging 115 g/t These results are calculated using 40 g/t AgEq cut off and are contained within a potentially economically mineable pit shell.

See Promontorio Silver Project section of this MD&A for further information.

On October 12, 2023, the Company announced that its board of directors approved a consolidation of the common shares of the company on a ten-to-one basis. The Company had 457,669,033 Shares outstanding at the date of the announcement, the Consolidation reduced the issued and outstanding Shares to 45,766,903 Shares.

Along with all outstanding Shares, the Company's equity incentive plan issued and outstanding common share purchase warrants will be adjusted accordingly. The Consolidation became effective on November 14, 2023.

On October 17, 2023, the Company announced results from the first 3 holes of the ongoing diamond drilling at Columba. The current program comprises a 12 to 15 hole campaign for a total of approximately 3,000 meters designed to extend known mineralization on the "D-Vein" target area at Columba.

Portfolio of Exploration and Evaluation Assets

The Company has pursued the advancement of its Promontorio and La Cigarra Projects. As of late 2018 it as focussed on its Columba Project, as well as establishing Generative Exploration Teams in Northwest Mexico and British Columbia, Canada with focus now being solely in Mexico. The Company continues to seek joint venture partners to option its generative exploration projects to conduct exploration and make option payments to the Company to obtain a right to an earn-in interest in the project.

The Columba Project

On November 19, 2018, the Company announced that it had entered into an option agreement to acquire a 100% interest in the Columba silver project, which hosts a past producing, high-grade silver mine, which operated circa 1910. Work reportedly ceased in the region during the Mexican Revolution. A second period of mining occurred in the late 1950's to early 1960's. Columba is approximately 1,000 hectares in size and covers a high-grade silver epithermal system comprised of numerous veins, which the Company has mapped over strike lengths from 200 meters to 2 kilometers.

Under the terms of the Agreement, the Company acquired a 100% ownership in the concessions by making staged payments over a 4-year period totaling US$3,290,000 (completed). A total of US$3,290,000 has been paid with US$1,155,000 paid in staged payments during 2023, with the final payment on May 18, 2023, which included US$215,000 settled in common shares of the Company. A work commitment of US$250,000 and US$750,000 by the first and second anniversary, respectively of the Agreement has been met. Per the Agreement, the vendors retain a 2% n.s.r. of which 1% can be bought by the Company for US$750,000 (see November 5, 2018 news release for full details).

Results to date are in line with historic data bolstering the confidence in the potential for the discovery of high-grade silver deposits on the property.

The Company completed ~7,000 meters of drilling on the Columba project during 2022, prior to which 20,000 meters had been drilled at Columba for an aggregate total of approximately 27,000 meters.

Highlights of the Company's drill programs can be found here: Project Highlights Columba. A complete table of drill results can be found here: Columba Drilling. A technical report was filed on SEDAR on August 9, 2023.

See Overview of Performance – 2023, Subsequent Events and Outlook section of this MD&A.

LA CIGARRA PROJECT - EXPLORATION

Since acquiring the La Cigarra silver project in April 2016 from Northair Silver Corp, the Company completed several exploration programs including drilling, relogging of core and mapping of large areas of the project.

Further exploration work on the La Cigarra Project was curtailed due to capital market conditions and in order for the Company to continue to advance its exploration efforts on the Columba project. A new internal geological model is underway to optimize resource grade dependant on results, which positions the Company to conduct additional exploration work in the future, and if warranted, to prepare an updated resource and make decision to undergo a PEA on the project.

LA CIGARRA PROJECT – RESOURCE ESTIMATE

In January 2015, Northair announced the results of an updated NI 43-101 Resource Estimate ("Resource Estimate") completed by Allan Armitage, PhD, P. Geo. and Joe Campbell, B.Sc., P. Geo., of GeoVector Management Inc. and was filed on SEDAR on March 2, 2015. The Resource Estimate was calculated based on results from 156 of 171 holes totaling 30,443 meters within the potentially surface minable mineralized area comprised of the San Gregorio and Las Carolinas mineralized zones, which combine to form a total strike length of 2.4 kilometers. The resource estimate was constrained by a Whittle^{TM} pit shell utilizing a USD $22/oz silver price, an economic cutoff grade of 35 gpt of silver and metallurgical recoveries of 84% silver is tabulated below:

Resource Category*	Tonnes	In-Situ Grade				Contained Metal			
		Ag (gpt)	Au (gpt)	Pb (%)	Zn (%)	Ag (oz)	Au (oz)	Pb (lbs)	Zn (lbs)
Measured	3,620,000	88.9	0.074	0.14	0.19	10,340,000	9,000	10,920,000	15,510,000
Indicated	14,930,000	85.7	0.068	0.13	0.18	41,130,000	33,000	42,950,000	59,260,000
Meas. + Ind	**18,540,000**	**86.3**	**0.069**	**0.13**	**0.18**	**51,470,000**	**41,000**	**53,870,000**	**74,770,000**
Inferred	**4,450,000**	**80.0**	**0.058**	**0.13**	**0.16**	**11,460,000**	**8,000**	**12,680,000**	**15,610,000**

**Note: Mineral resources are reported in relation to a conceptual pit shell at a 35 gpt silver cut-off grade and a USD $22/oz silver price. Mineral resources that are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add up due to rounding.*

PROMONTORIO SILVER PROJECT

The Promontorio Discovery

The Company entered into an agreement on October 20, 2006 with Siete Campanas de Plata, S.A de C.V. ("Siete"), Exploration Canada De Oro, SA de CV ("ECO") and the Mexican Government Agency ("FIFOMI") to acquire an unencumbered 100% registered and beneficial interest in the Promontorio Concession, which includes the former producing Promontorio Mine Site. Upon completion of a bankable feasibility study or commencement of production, the Company must pay the remaining cash balance of US$210,000 to ECO.

A 1% net smelter royalty is payable to Siete on the core claims of Promontorio of which the Company can purchase 50% of this net smelter royalty at any time for US$500,000. The Company also has a right of first refusal to purchase the remaining 50% of this royalty. Additionally, a 2% net smelter royalty is payable to ECO on the core and surrounding claims.

On May 14, 2013, the Company announced the results of a resource estimate prepared by SRK incorporating the gold (“Au”) content contained into the mineral resources of the Promontorio Silver Project, due to new metallurgical data and information which supports the potential recovery of gold (see February 28, 2013 news release). This resource estimate was updated in October 2023 (see new release dated October 12, 2023). The updated Measured and Indicated Resource contains an estimated 44,504,000 tonnes containing an estimated 92,035,000 oz. silver equivalent (“AgEq”) grading 64.32 gpt AgEq with another 24,326,000 oz. AgEq grading 51.95 gpt AgEq categorized as Inferred.

The La Negra Discovery

The La Negra discovery is a hydrothermal-diatreme breccia exposed over a 100 to 150 x 500-meter area and is contained within the Promontorio claim block, approximately 7.0 km north of the Promontorio resource. The Company drilled a total of 6,213 meters over 41 core drill holes and Pan American drilled 56 holes totaling about 11,000 meters into the La Negra Breccia. The Company completed an initial resource estimate but additional exploration work has been curtailed at this time in order for the Company to continue to advance its exploration efforts on its Columba project.

A complete table of drill results can be found here: La Negra Drilling.

PROMONTORIO SILVER PROJECT – RESOURCE ESTIMATE

The Promontorio-La Negra Project (“Promontorio-La Negra”, “the Project” or “the Property”) includes the La Negra and Promontorio resource areas. High-grade silver and gold with associated lead and zinc mineralization is hosted in hydrothermal diatreme breccias. The Resource Estimate for the Promontorio-La Negra deposit is summarized in the following tables.

Table-1 summarizes the Total Project resource estimate at a Silver Equivalent (AgEq) cutoff of 25g/t for Promontorio and at a AgEq cutoff of 40g/t for the La Negra deposit. The cutoff of 25g/t AgEq more than covers the Processing + G&A costs of the project, based on the economic parametres detailed in the notes to the table. The effective date of the Promontorio-La Negra resource estimates is August 27, 2023.

Table-1: 2023 Total Promontorio-La Negra Project Mineral Resource Estimate

		In Situ Tonnage, Grades and Metal Content										
Pit	**Class**	**Tonnage (kt)**	**AgEq (g/t)**	**Ag (g/t)**	**Au (g/t)**	**Pb (%)**	**Zn (%)**	**AgEq Metal (kOz)**	**AG Metal (kOz)**	**Au Metal (kOz)**	**Pb (klb)**	**Zn (klb)**
Promontorio	Measured	12,451	111.7	37.0	0.456	0.53	0.61	44,718	14,823	183	146,033	166,620
	Indicated	29,664	100.7	33.5	0.412	0.47	0.55	96,072	31,950	393	306,716	360,996
	Meas+Ind	42,115	104.0	34.5	0.425	0.49	0.57	140,790	46,773	575	452,748	527,616
	Inferred	14,575	84.9	27.9	0.348	0.42	0.45	39,782	13,069	163	136,241	143,632
La Negra	Indicated	5,285	129.3	126.3	0.067			21,966	21,454	11	0	0
	Inferred	1,257	114.8	112.2	0.060			4,639	4,536	2	0	0
Total	Measured	12,451	111.7	37.0	0.456	0.53	0.61	44,718	14,823	183	146,033	166,620
	Indicated	34,949	105.0	47.5	0.360	0.40	0.47	118,038	53,404	404	306,716	360,996
	Meas+Ind	47,400	106.8	44.8	0.385	0.43	0.50	162,755	68,227	587	452,748	527,616
	Inferred	15,832	87.3	34.6	0.325	0.81	0.89	44,421	17,606	165	282,274	310,251

Table-2: 2023 Mineral Resource Estimate for the Promontorio Deposit

Class	Cutoff	In situ Tonnage, Grade and Metal Content										
	AgEq (g/t)	**Tonnage (kt)**	**AgEq (g/t)**	**Ag (g/t)**	**Au (g/t)**	**Pb (%)**	**Zn (%)**	**AgEq Metal (kOz)**	**AG Metal (kOz)**	**Au Metal (kOz)**	**Pb (klb)**	**Zn (klb)**
Measured	15	13,538	104.3	34.5	0.428	0.49	0.57	45,419	15,012	186	147,440	168,631
	20	13,011	107.9	35.7	0.441	0.51	0.59	45,122	14,934	184	146,864	167,803
	25	12,451	111.7	37.0	0.456	0.53	0.61	44,718	14,823	183	146,033	166,620
	30	11,903	115.6	38.4	0.470	0.55	0.63	44,233	14,691	180	144,854	164,797
	40	10,793	123.9	41.3	0.500	0.59	0.68	42,984	14,324	174	141,339	160,851
	50	9,710	132.7	44.4	0.532	0.64	0.73	41,423	13,848	166	136,790	155,200
Indicated	15	32,225	94.3	31.3	0.387	0.44	0.52	97,728	32,439	401	311,172	366,586
	20	30,993	97.4	32.4	0.399	0.45	0.53	97,033	32,235	398	309,525	364,187
	25	29,664	100.7	33.5	0.412	0.47	0.55	96,072	31,950	393	306,716	360,996
	30	28,179	104.6	34.8	0.426	0.49	0.57	94,756	31,564	386	302,544	355,970
	40	24,961	113.6	37.9	0.461	0.53	0.62	91,133	30,447	370	291,656	342,834
	50	21,907	123.1	41.3	0.497	0.58	0.68	86,721	29,089	350	278,188	326,002
Measured + Indicated	15	45,763	97.3	32.3	0.399	0.45	0.53	143,147	47,451	587	458,612	535,217
	20	44,004	100.5	33.3	0.411	0.47	0.55	142,155	47,169	582	456,389	531,990
	25	42,115	104.0	34.5	0.425	0.49	0.57	140,790	46,773	575	452,748	527,616
	30	40,082	107.9	35.9	0.439	0.51	0.59	138,989	46,256	566	447,397	520,768
	40	35,754	116.7	38.9	0.473	0.55	0.64	134,117	44,772	543	432,996	503,684
	50	31,617	126.1	42.2	0.508	0.60	0.69	128,144	42,937	516	414,978	481,202
Inferred	15	16,637	76.8	25.1	0.319	0.38	0.40	41,072	13,415	171	139,011	147,447
	20	15,433	81.4	26.7	0.335	0.41	0.43	40,401	13,238	166	137,797	145,622
	25	14,575	84.9	27.9	0.348	0.42	0.45	39,782	13,069	163	136,241	143,632
	30	13,671	88.7	29.2	0.362	0.44	0.47	38,980	12,830	159	133,819	141,052
	40	11,778	97.3	32.1	0.395	0.49	0.51	36,847	12,152	150	127,493	133,206
	50	9,980	106.8	35.3	0.432	0.54	0.56	34,256	11,327	139	119,031	123,652

Notes to the 2023 Promontorio Resource Table:

1. Resources are reported using the 2014 CIM Definition Standards and were estimated using the 2019 CIM Best Practices Guidelines, as required by NI43-101
2. The base case Mineral Resource has been confined by "reasonable prospects of eventual economic extraction" shape using the following assumptions:
   - Metal prices of US$22/oz Silver, US$1800/oz Gold, US$0.95/lb Lead and US$1.25/lb Zinc.
   - At Promontorio: Metallurgical recovery of 74% Silver, 70% Gold, 81% Lead and 88% Zinc.
   - Payable metal of 95% Silver, 99% Gold in dore 95% Au in Pb concentrate, 95% Lead and 85% Zinc. Lead payable assumes a concentrate grade of 65% Pb and a 3% unit deduction. Zinc payable assumes a concentrate grade of 52% Pb and an 8% unit deduction. Offsite costs (transport, smelter treatment and refining) of US$1.5/oz Silver and gold in the Pb concentrate, US$10 oz Gold, US$ 0.15/lb Lead and US$0.31/ lb Zinc. Lead offsite costs assume 100 $US/dmt transport, 100 $US/ dmt treatment. Zinc offsite costs assume 100 $US/dmt transport, 200 $US/ dmt treatment.
   - Processing, General, and Administrative ("G&A") costs of US$ 12/ tonne milled. Mining cost of US$2.00 / tonne
   - 50 degree pit slopes with the 150% price case pit shell is used for the confining shape
3. The resulting NSR = Ag*US$0.63/g*74% + Au*US$56.71/g*70% + 22.0462*(Pb*US$0.77/lb*81% + Zn*US$ 0.80/lb*88%)
4. The specific gravity of the resource averages 2.79 and is calculated from the Lead and Zinc content. Non-mineralized material is assigned an SG of 2.73.
5. Numbers may not add due to rounding.

Table-3 summarizes the La Negra total Mineral Resource estimate ("MRE").

Table-3: 2023 Resource Statement for the La Negra Deposit

ZONE	CLASS	Cutoff	In Situ Tonnage, Grades and Metal Content						
		AgEq (g/t)	Tonnage (kt)	AgEq (g/t)	Ag (g/t)	Au (g/t)	AgEq Metal (kOz)	Ag Metal (kOz)	Au Metal (kOz)
Total	Indicated	25	7,282	102.5	99.8	0.061	24,000	23,370	14.2
		30	6,463	112.0	109.2	0.063	23,280	22,690	13.2
		35	5,821	120.8	117.9	0.065	22,610	22,060	12.2
		40	5,285	129.3	126.3	0.067	21,970	21,450	11.4
		45	4,821	137.6	134.5	0.069	21,330	20,850	10.7
		50	4,425	145.7	142.5	0.071	20,730	20,280	10.0
	Inferred	25	1,831	88.8	86.5	0.055	5,230	5,090	3.2
		30	1,607	97.3	94.9	0.057	5,030	4,900	3.0
		35	1,415	106.1	103.7	0.059	4,830	4,720	2.7
		40	1,257	114.8	112.2	0.060	4,640	4,540	2.4
		45	1,111	124.2	121.6	0.061	4,440	4,340	2.2
		50	993	133.5	130.8	0.061	4,260	4,180	2.0

Notes to the 2023 La Negra Resource Tables:

1. Resources are reported using the 2014 CIM Definition Standards and were estimated using the 2019 CIM Best Practices Guidelines, as required by NI43-101
2. The base case Mineral Resource has been confined by "reasonable prospects of eventual economic extraction" shape using the following assumptions:
   - Metal prices of US$22/oz Silver, US$1800/oz Gold
   - Recovery is assumed to be as for dore. Metallurgical recovery of 82% Silver and 77% Gold in the Oxide zone, 85% Silver and 73% Gold in the Mixed zone, and 90% Silver and 31% Gold in the Sulfide zone.
   - Payable metal of 99% for Silver and Gold. Offsite costs (transport, smelter treatment and refining) of US$0.25/oz Silver and US$10/oz gold.
   - Processing, General, and Administrative (G&A) costs of US$ 12/ tonne milled. Mining cost of US$2.00/tonne
   - 50 degree pit slopes with the 150% price case pit shell is used for the confining shape
3. The resulting NSR = Ag*US$0.69/g*Zone Ag Recovery% + Au*US$56.97/g*Zone Au Recovery%
4. Silver Equivalent (AgEq) = NSR / (US$0.69/g* Ag Recovery%)
5. The specific gravity is assigned by rock type as 2.52 in Oxides, 2.59 in Mixes and 2.61 in Sulfides
6. Numbers may not add due to rounding.

The mineral resource estimates ("MRE") were prepared by Sue Bird, M Sc., P.Eng., Geological and Mining Engineer of by Moose Mountain Technical Services ("MMTS") in accordance with NI 43-101 standards (May 9, 2016), CIM Definition Standards (May 19, 2014) with guidance from CIM Best Practice Guidelines (November 29, 2019).The NI 43-101 compliant Technical Report will be available for review on SEDAR (www.sedar.com) by late November 2023.

GENERATIVE EXPLORATION PROJECTS

The Company continues to seek partners to option its projects under its generative model, which minimizes financial and exploration risk by granting external exploration companies a right to earn an interest in properties, subject to exploration expenditures and share payments made by them. Generative properties are continuously prioritized for further work or dropped based on ongoing exploration work. The Company continues to market generative properties including properties that have been returned after termination of option agreements.

FINANCING ACTIVITIES

On May 24, 2023, the Company announced that it has closed its previously announced brokered private placement offering (the "Offering") for gross proceeds of approximately $2.14 million consisting of 21,390,000 units of the Company (the "Units"), at a price of $0.10 per Unit (the "Offering Price"), with a non-brokered portion of the offering ("Non-Brokered Portion") for gross proceeds of approximately $1.63 million consisting of 16,333,500 Units at the Offering Price, for aggregate gross proceeds to the Company of $3.77 million.

The Offering was being led by Research Capital Corporation, as the lead agent and sole bookrunner, on behalf of a syndicate of agents, including Red Cloud Securities Inc. and Canaccord Genuity Corp. (collectively, the "Agents").

Each Unit is comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") at an exercise price of $0.14 per Warrant Share for a period of 36 months from the closing of the Offering.

The Company intends to use the net proceeds from the Offering for exploration activities, working capital requirements and other general corporate purposes.

In connection with the Offering, the Agents received a cash fee of $150,480. In addition, the Company granted the Agents 1,943,400 non-transferable compensation warrants (the "Compensation Warrants"). Each Compensation Warrant entitles the holder thereof to purchase one Unit at an exercise price of $0.10 per Unit for a period of 36 months following the Closing of the Offering. The Company also paid aggregate cash finders' fees of $75,870 to arm's length finders in connection with the Offering and issued non-transferable finder's warrants exercisable into 20,100 common shares of the Company at an exercise price of $0.10 per Unit for a period of 36 months from the closing of the Offering. All securities issued in connection with the Offering are subject to a Canadian securities law resale restriction period expiring on September 25, 2023.

On March 9, 2022, the Company closed a brokered private placement offering (the "Offering") for gross proceeds of $4.78 million consisting of 29,881,000 units of the Company (the "Units") at a price of $0.16 per Unit (the "Offering Price"), with a non-brokered portion of the offering ("Non-Brokered Portion") for gross proceeds of approximately $1.47 million consisting of 9,181,500 Units at the Offering Price, for aggregate gross proceeds to the Company of $6.25 million.

Each Unit is comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") at an exercise price of $0.22 per Warrant Share for a period of 36 months from the closing of the Offering.

The Company intends to use the net proceeds from the Offering for exploration activities, working capital requirements and other general corporate purposes.

In connection with the Offering, the Agent received a cash fee of $361,740. In addition, the Company granted the Agent 2,260,875 non-transferable compensation warrants (the "Compensation Warrants"). Each Compensation Warrant entitles the holder thereof to purchase one Unit at an exercise price of $0.16 per Common Share for a period of 36 months following the Closing. The Company also paid aggregate cash finder's fees of $13,260 to two arm's length finders in connection with the Offering. All securities issued in connection with the Offering are subject to a Canadian securities law resale restriction period expiring on July 10, 2022.

On November 8, 2022, the Company closed a brokered private placement offering (the "Offering") for gross proceeds of approximately $3.56 million consisting of 39,561,110 units of the Company (the "Units"), including the full exercise of the option granted to the Agents, at a price of $0.09 per Unit (the "Offering Price"), with a non-brokered portion of the offering ("Non-Brokered Portion") for gross proceeds of approximately $1.44 million consisting of 15,994,445 Units at the Offering Price, for aggregate gross proceeds to the Company of $5 million. Each Unit is comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") at an exercise price of $0.135 per Warrant Share for a period of 36 months from the closing of the Offering.

INVESTING ACTIVITIES

As at September 30, 2023, capitalized mineral property expenditure totaled $17,757,841 (2022 - $13,489,863). During the nine months ended September 30, 2023, the Company incurred $4,037,614, which includes acquisition and exploration costs, including the fair value of shares issued, translation cost and non-cash share-based compensation as disclosed in the table below.

	MEXICO						
	Promontorio	**La Cigarra**	**Columba**	**Copalito**	**Generative Anomalies**	**2023 Total**	2022 Total
	$	$	$	$	$	$	$
Acquisition Costs							
Balance, beginning	3,658,642	30,548,524	2,914,710	794,981	826,090	**38,742,947**	36,655,224
Incurred	-	-	1,741,551	-	43,955	**1,785,506**	624,971
Balance, ending	**3,658,642**	**30,548,524**	**4,656,261**	**794,981**	**870,045**	**40,528,453**	37,280,195
Exploration Expenditures							
Balance, beginning	32,687,917	6,480,154	9,859,162	3,185,955	7,762,184	**59,975,372**	56,333,059
Assaying and Lab	-	-	50,050	-	40	**50,090**	81,139
Camp Costs	-	-	182,714	-	-	**182,714**	1,394,234
Drafting	-	-	28,782	-	-	**28,782**	-
Drilling	-	-	186,355	-	-	**186,355**	1,186,298
Geological mapping	-	-	221,058	-	-	**221,058**	446,399
Maintenance	-	-	-	-	10,474	**10,474**	1,714,551
Miscellaneous	-	-	-	-	21,901	**21,901**	67,960
Geological Consulting and Prospecting	-	-	1,544,222	-	6,512	**1,550,734**	214,484
Incurred	**-**	**-**	**2,213,181**	**-**	**38,927**	**2,252,108**	5,105,065
Balance, ending	32,687,917	6,480,154	12,072,343	3,185,955	7,801,111	**62,227,480**	61,438,124
Total properties balance	**36,346,559**	**37,028,678**	**16,728,604**	**3,980,936**	**8,671,156**	**102,755,933**	98,718,319
Balance, beginning	**(36,346,559)**	**(37,028,678)**	**(763,260)**	**(3,980,936)**	**(7,109,023)**	**(85,228,456)**	(11,042,508)
Option payment received	-	-	-	-	-	**-**	-
Impaired or disposed	-	-	-	-	-	**-**	(74,558,448)
Cumulative change in foreign currency translation	-	-	209,471	-	20,893	**230,364**	372,500
Carrying value exploration and evaluation assets	**-**	**-**	**16,174,815**	**-**	**1,583,026**	**17,757,841**	13,489,863

RESULTS OF OPERATIONS

Three-month period ended September 30, 2023

The Company recorded a net loss of $1,356,423 or $0.03 per share (2022 – $2,968,831 or $0.08, which included impairment expense of $3,980,948) for the three-month period ended September 30, 2023, based on a greater weighted average number of shares outstanding based on a post Share consolidation, see Subsequent Events section of this MD&A.

Corporate general and administrative expenditure for the three-month period ended September 30, 2023 totaled $669,889 (2022 – $538,699), which included non-cash option-based payment expense of $143,203 (2022 – $1,172). Office and general costs decreased to $303,806 (2022 – $312,635) which includes the Company's offices and staff in Vancouver and exploration offices in Hermosillo. Also included in office and general is the Company's promotional, travel and investor relations expenses, which remained consistent versus the prior comparable period and totaled $171,470 (2022 – $172,873). Management fees $60,000 (2022 – $66,000). Professional fees decreased versus the prior comparable period totaling $104,862 (2022 – $112,233) which includes a decrease legal work and includes an accrual for director's fees of $20,000 (2022 – $21,000). Regulatory and filing fees increased to $7,365 (2022 – $3,984).

For the three-month period ended September 30, 2023, the Company recorded a foreign exchange loss of $30,147 (2022 – loss $3,591). The Company maintains foreign currency in both Mexican peso and US dollar accounts and incurs certain operating expenditures in each of those currencies, which coupled with consolidating its Mexican subsidiary gives rise to exchange risk. Exploration expenditures relate to holding, concession taxes and work related on technical report writing related to Promontorio, La Negra and La Cigarra totaled $682,699 (2022 – 196,177). Property investigation of mineral properties costs totaling $1,124 (2022 – $16,777) were expensed in the period. In the prior years comparable quarter, the Company recorded $3,980,948 in impairment costs related to exploration properties. Finance income increased versus the prior comparable period and totaled $27,549 (2022 – $9,599).

Nine-month period ended September 30, 2023

The Company recorded a net loss of $3,669,567 or $0.08 per share (2022 – $74,761,165 or $2.14, which included impairment expense of $74,558,420) for the nine-month period ended September 30, 2023, based on a greater weighted average number of shares outstanding based on a post Share consolidation, see Subsequent Events section of this MD&A.

Corporate general and administrative expenditure for the nine-month period ended September 30, 2023 totaled $2,719,322 (2022 – $1,635,815), which included non-cash option-based payment expense of $946,542 (2022 – $6,639). Office and general costs decreased to $961,026 (2022 – $966,813) which includes the Company's offices and staff in Vancouver and exploration offices in Hermosillo. Also included in office and general is the Company's promotional, travel and investor relations expenses, which increased versus the prior comparable period and totaled $533,676 (2022 – $506,761) due to increased advertising, marketing and conferences costs during the period. Management fees $180,000 (2022 – $196,000). Professional fees increased versus the prior comparable period totaling $393,848 (2022 – $290,076) which includes an increase in audit fees incurred as well as legal work in Mexico and director's fees. Regulatory and filing fees increased to $103,940 (2022 – $46,646) predominately related to costs to hold the Company AGM which was held later than the comparable period and increased filings made this year.

For the nine-month period ended September 30, 2023, the Company recorded a foreign exchange loss of $10,497 (2022 – $68,286). The Company maintains foreign currency in both Mexican peso and US dollar accounts and incurs certain operating expenditures in each of those currencies, which coupled with consolidating its Mexican subsidiary gives rise to exchange risk. Exploration expenditures relate to holding, concession taxes and work related on technical report writing related to Promontorio, La Negra and La Cigarra totaled $1,179,181 (2022 – 196,177). Property investigation of mineral properties costs totaling $3,257 (2022 – $91,121) were expensed in the period. During the prior years comparable nine months, the Company recorded $74,558,420 in impairment costs related to exploration properties. Finance income increased versus the prior comparable period and totaled $60,652 (2022 – $30,399).

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2023, the Company had working capital of $5,243,219 (2022 - $7,054,687), with cash and cash equivalents totaling $1,711,680 (2022 - $1,126,402) The Company as seen a significant slowdown in the refunding of IVA tax, which the Company is owed by the Mexican tax authority. The Company continues to maintain filing for such refunds including the use of third-party consultants to assist in obtaining these refunds and expects that such refunds will be ultimately collected. During the nine months ended September 2023 the Company collected $25,297.

See Financing Activities section of the MD&A for financing details related to 2023.

The Company plans to continue its exploration efforts in 2023 in Mexico with the use of its current cash position as at the MD&A date, see Subsequent Events and Outlook section of the MD&A. It also plans to generate opportunities to acquire new properties and to enter into options or joint ventures with third parties to manage risk. The Company also plans to finance its future activities primarily through raising capital from private placements of equity capital in the Company and through payments it receives from option and joint ventures of the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining financing, now or in the future or that it will be successful in obtaining payments through optioning and joint venturing some or all its properties. Failure to raise sufficient funding for its operations and ongoing business activities on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

The Company's ability to raise additional capital or to receive option payments from third parties is subject to a number of factors, uncertainties and risks including market conditions that could make it difficult or impossible for the Company to raise necessary funds to meet our capital and operating requirements. If we are unable to obtain financing through equity investments, we plan to consider other financing solutions including, but not limited to, joint ventures, credit facilities or debenture issuances. We are also attuned to the effect of capital markets on many of our joint venture partners who may not be able to meet their obligations under their option or joint venture agreements.

All cash is held with Schedule A banks either in deposit accounts or guaranteed investment certificates, and the Company has no joint ventures with any parties that potentially create derivative or hedge risk.

OUTLOOK

The Columba 2023/2024 drill program, plans for a staged 50,000 meters of drilling with the initial stage of 3,000 meters budgeted at US$650,000 having commenced in September 2023. The plans will focus on continued step out drilling to expand on the wide high grade intercepts on the D Vein with targets on other veins such as the B. and J Vein under consideration.

The Company completed the resource update of its Promontorio CIM compliant NI 43-101 which included the La Negra discovery with results announced on October 14, 2023 and is reviewing the La Cigarra project in relation to a new geologic model and will consider when to update that resource as well.

Generative Projects
The Company hopes to continue to fund modest grass roots exploration that generates new mineral discoveries with the objective of seeking partners to finance the advancement of these projects.

The Company continues to review and investigate the progression of its generative portfolio of properties including projects that have been returned from third parties.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly financial information prepared in accordance with IFRS for each of the Company's last eight quarters:

	Q3 2023 $	Q2 2023 $	Q1 2023 $	Q4 2022 $	Q3 2022 $	Q2 2022 $	Q1 2022 $	Q4 2021 $
Total Revenue [1, 2]	30,811	14,551	18,552	25,575	9,599	15,692	5,108	5,831
Net Loss	(1,356,423)	(951,723)	(1,361,421)	(3,138,965) [7]	(2,968,831) [6]	(71,177,062) [5]	(615,272)	(3,018,900) [3,4]
Loss Per Share[8]	(0.03)	(0.02)	(0.03)	(0.08)	(0.08)	(1.98)	(0.02)	(0.09)

(1) Revenue is derived from administration fees, interest income and recovery of IVA taxes.
(2) The Company recovered IVA from the Mexican tax authority, which is being booked to income directly.
(3) Includes loss on the spinout of Kootenay Resources Inc. of $2,378,027.
(4) Costs related to the spinout of Kootenay Resources Inc.
(5) Includes the recognition of impairment expense related to the carrying value of its Promontorio including La Negra and La Cigarra projects, being $70,576,209.
(6) Includes impairment expense of $3,980,948 related to the carrying value of the Copalito project, and $1,757,762 from the gain of the sale of the Company's 35% interest in the Cervantes project joint venture.
(7) Recorded $2,141,337 provision for uncollectible Mexican IVA.
(8) Loss per share reflects the effect of the share consolidation effective November 14, 2023 being a 10:1 rollback. See Subsequent Events section of this MD&A.

SELECTED ANNUAL INFORMATION

The financial statements have been prepared in accordance with IFRS for fiscal years 2022, 2021, and 2020, and are expressed in Canadian dollars.

As at December 31:	**2022**	**2021**	**2020**
Total Assets	$ 22,510,098	$ 88,748,982	$ 94,403,123
Current Liabilities	324,531	304,638	366,933
Shareholders' Equity	22,185,567	88,444,344	94,036,190
Total Shareholders' Equity & Liabilities	$ 22,510,098	$ 88,748,982	$ 94,403,123

For the year ended December 31:	**2022**	**2021**	**2020**
Finance Income [1]	$ 55,974	$ 43,799	$ 94,987
Net Loss [2][3][4]	(77,900,130)	(4,820,463)	(2,033,745)
Basic and diluted loss per share[5]	$ (2.16)	$ (0.15)	$ (0.07)
Weighted average number of common shares outstanding[5]	36,066,974	32,003,341	29,126,510

(1) Finance Income is derived from administration fees, recovery of IVA taxes and interest income
(2) Net Loss for 2022 includes impairment expense related to the carrying value of its Promontorio, La Negra and La Cigarra projects totalling $70,576,209; impairment expense of $3,980,948 related to the carrying value of the Copalito project; and $2,141,337 provision for uncollectible Mexican IVA
(3) Net Loss for 2021 includes $2,378,027 in loss on the spinout of Kootenay Resources Inc.
(4) Net Loss for 2020 included non-cash share-based payments expense of 2020 - $98,734
(5) Basic and diluted loss per share and Weighted average number of common shares outstanding reflects the effect of the share consolidation effective November 14, 2023 being a 10:1 rollback. See Subsequent Events section of this MD&A.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring, exploring mineral properties. It is exposed to several risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue other than project management fees, and interest on cash balances. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

Mining Law Reforms

On June 7, 2023, minority members of the Chamber of Deputies (one of the two Chambers of the Mexican Congress) filed an unconstitutionality action against the Mining Law Reforms in Mexico which became effective May 9, 2023; however, it is uncertain when the outcome of such action will be known or if it will be successful. While it is expected that the Company's existing projects and permits will not be materially impacted by the Mining Law Reforms based on an initial analysis, the process to the enactment of the legislation came very quickly. Given that the legislation contains substantial reforms, and associated reglations have not yet been enacted to give effect to the more general provisions of the legislation for the purpose of interpretation and clarification on operating parameters, it is too early to know how the Mining Law Reforms will be interpreted and applies. As such, the legislation and its implementation has not yet been advanced to the level of clarity required for the Company to analyze all potential business impacts. Until such time as a full analysis of the legislation and the pending regulation is complete or the outcome of the unconstitutionality action is known, there can be no assurance that the Mining Law Reforms will not have a material impact on the Company's operations or plans.

Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered considering its early stage of operations.

The Company anticipates future expenditures will require additional infusions of capital; there can be no assurance that such financing will be available or, if available, will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Resulting Issuer may change, and investors may suffer additional dilution. Furthermore, if financing is not available, lease expiry dates, work commitments, rental payments and option payments, if any may not be satisfied and could result in a loss of the shareholders entire investment.

Exploration and Development

Mineral exploration and development is a speculative business, characterized by several significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are of insufficient size and/or grade to return a profit from production.

All the mineral claims to which the Company has a right to acquire an interest or owns are in the exploration stages and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability can be determined. Development of the subject mineral properties would follow only if favorable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

Estimates of mineral resources may not be realized

The mineral resource estimates contained in the Company's Technical Reports are only estimates and no assurance can be given that an identified resource will ever qualify as a commercially mineable (or viable) deposit, which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from the one indicated by the drilling results and the difference may be material. Material changes in resources, grades and other factors, may affect the economic viability of projects.

Earn-In agreements

The Company continues to enter or seek to enter into separate option agreements with publicly listed companies on its various mineral properties. The terms of such option agreements vary but primarily optioning companies are granted an option to earn an ownership interest in an exploration property by making cash payments and or issuing shares to the Company and incurring exploration expenditures. These are not firm payments or expenditure commitments and are subject to these companies obtaining sufficient financing to fulfill their earn-in requirements. The agreements are also subject to termination if such payment and expenditure commitments are not fulfilled. On fulfillment of these commitments, the ownership arrangement and future development of the property will be subject to a joint venture agreement whereby the Company will be required to finance its proportionate share of exploration expenditures based on the ownership ratio of each of the parties. There is no certainty that any of these companies will complete the required expenditures on the properties to earn-in on the properties or that they will be able to obtain the necessary financing to complete the expenditure requirements in which case the costs of carrying and developing the properties will be the responsibility of the Company.

Operating Hazards and Risks
Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Although the Company maintains liability insurance in an amount that it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial conditions.

Political Risk
The Company's advanced project and certain other property interests are located in Mexico and are subject to that country and jurisdiction's laws and regulations. Obtaining financing, finding or hiring qualified people or obtaining all necessary services for the Company's operations in Mexico may be difficult. The perception of Mexico may make it more difficult for the Company to attract investors or to obtain any required financing for its exploration projects. The Company believes the present attitude of the current Mexican government to foreign investment in the exploration and mining sector has become less supportive of the industry than previous governments. Investors should assess the political risks of investing in a foreign country. Variations from the current regulatory, economic and political climate could have an adverse effect on the affairs of the Company.

Supplies, Infrastructure, Weather and Inflation
The Company's property interests are often located in remote, undeveloped areas and the availability of infrastructures such as surfaces access, skilled labour, fuel and power at an economic cost cannot be assured. These are integral requirements for exploration, production and development facilities on mineral properties. Power may need to be generated on site.

Due to the partial remoteness of its exploration projects, the Company is forced to rely on the accessibility of secondary roads resulting in potentially unavoidable delays in planned programs and/or cost overruns. The rainy season in Mexico during the months of June through September can sometimes flood the main access road causing temporary delays.

Metal Prices
The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that they can be mined at a profit.

Title Risks
Although the Company has exercised due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements, or transfers, or conflicting claims; or indigenous claims, and title may be affected by undetected defects.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in Mexico provides restrictions and prohibition on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines, penalties and work stoppage. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

The current operations of the Company require permits from various government authorities and such operations are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety and other matters.

The Company believes that it is in compliance with all material laws and regulations, which currently apply to its activities. There can be no assurance, however, that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability. Unfavorable economic conditions could also increase the Company's financing costs, decrease net income or increase net loss, limit access to capital markets and negatively impact any of the availability of credit facilities to the Company.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and the best interest of the Company.

Insurance coverage

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

The Company's policies of insurance may not provide sufficient coverage for losses related to these or other risks. The Company's insurance does not cover all risks that may result in loss or damages and may not be adequate to reimburse the Company for all losses sustained. In particular, the Company does not have coverage for certain environmental losses or certain types of earthquake damage. The occurrence of losses or damage not covered by insurance could have a material and adverse effect on the Company's cash flows, results of operation and financial condition.

Shareholder dilution
The Company's constating documents permit the issuance of an unlimited number of common shares and a limited number of preferred shares issuable in series on such terms as the Directors determine without the approval of shareholders, who have no pre-emptive rights in connection with such issuances. In addition, the Company is required to issue common shares upon the conversion of its outstanding share purchase warrants and options in accordance with their terms. Accordingly, holders of common shares may suffer dilution.

Uninsurable risks
In the course of exploration, development and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Disclosure Controls and Procedures
Management is responsible for the preparation and integrity of the Financial Statements and maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. Management is also responsible for the design of the Company's internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with IFRS.

Readers are cautioned that the Company is not required to certify the design and evaluation of its disclosure controls and procedures and internal controls over financial reporting and has not completed such an evaluation. The inherent limitations on the ability of the Company's certifying officers to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments include cash and cash equivalents, receivables and advances, marketable securities, advances and deposits, accounts payable and accrued liabilities and termination benefit liabilities. The carrying values of these financial instruments approximate their fair values due to their relatively short periods to maturity and due to the insignificant carrying values of long-term financial instruments except for marketable securities, which are measured at fair value through other comprehensive income at each reporting period end.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies.

(a) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's accounts receivable relates to receivables from exploration partners who are earning a right to the Company's property via earn-in option agreements, Goods and Services Tax input tax credits and IVA credits (Mexican Value added Tax refunds) from the Mexican Government. Accordingly, accounts receivable in the form of tax credits from Canada and Mexico are regarded with minimal risk and receivables from exploration partners are regarded with moderate risk by the Company.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. To facilitate its expenditure program, the Company raises funds through private equity placements. The Company anticipates it will have adequate liquidity to fund its financial liabilities through future equity contributions.

As at September 30, 2023, the Company's financial liabilities were comprised of accounts payable and accrued liabilities, which have a maturity of less than one year.

(c) Market risk:

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns.

(i) Currency risk:

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the exploration stage and has not yet developed commercial mineral interests, the underlying market prices in Canada for minerals are impacted by changes in the exchange rate between the Canadian, the United States dollar and the Mexican Peso. The Company's transactions are denominated in Canadian dollars, United States dollars and the Mexican Peso, the Company has not entered into any arrangements to hedge currency risk but does maintain cash balances within each currency with a predominate balance held in Canadian Dollars. Canadian dollars are exchanged when needed to meet foreign denominated liabilities.

The balances denominated in foreign currency are as follows:

	September 30, 2023	December 31, 2022
	US$	US$
Cash and cash equivalents	**254,850**	49,499
Trade accounts payable and accrued liabilities	**19,668**	16,453
	Mexican Peso	Mexican Peso
Cash and cash equivalents	**1,349,674**	5,164,829
Receivables and advances	**527,632**	73,284
Trade accounts payable and accrued liabilities	**521,735**	933,226

The Company has completed a sensitivity analysis to estimate the impact of the change in the foreign exchange rates on net loss for the year. The result of the sensitivity analysis shows a change in +/- 10% in the US Dollar and Mexican Peso exchange rate could have a collective impact of approximately +/- $42,325 on the Company's net loss. This result arises primarily because the Company has Mexican Peso denominated cash accounts, accounts receivable and short-term liabilities. The actual results of a change in foreign exchange rates would depend on the foreign currency denominated assets and liabilities at the time and could cause the impact on the Company's results to differ from above.

(ii) Commodity price risk:

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. The Company is exposed to the price volatilities for precious and base metals that could significantly impact its future operating cash flow. As part of its routine activities, management is closely monitoring the trend of international metal prices.

(iii) Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and cash equivalents is limited because of their short-term investment nature. A variable rate of interest is earned on cash and cash equivalents, changes in market interest rates at the period-end would not have a material impact on the Company’s financial statements.

OFF BALANCE SHEET ARRANGEMENTS

The Company had no Off-Balance Sheet Arrangements.

TRANSACTIONS WITH RELATED PARTIES

During the nine months ended September 30, 2023, officers of the Company charged management and consulting fees totaling $457,908 (2022 - $330,000) of which $277,908 (2022 - $134,000) has been recorded under Exploration and evaluation assets. These amounts were incurred in the ordinary course of business.

Effective January 1, 2008, the Company entered into a consulting agreement with Makwa Exploration Ltd. for the services of James McDonald to act as the Company’s President and CEO. The base monthly fee for Makwa was amended to $20,833. The consulting agreement extends in increments of 24 months, until terminated.

In addition to the above:

a) For the nine months ended September 30, 2023, the Company incurred $62,500 (2022- 65,500) for compensation to directors of which $20,000 (December 31, 2022 - $20,000) is included in accounts payable.

b) For the nine months ended September 30, 2023, the Company recorded $727,001 (2022 – $Nil) for non-cash share option-based compensation to officers and directors of the Company, of which $388,328 has been recorded under Exploration and evaluation assets.

FUTURE ACCOUNTING STANDARDS

Critical Accounting Estimates

Please refer to Note 3 of the Company’s Audited Financial Statements for the year ended December 31, 2022, for additional information under “Significant Accounting Policies”.

Significant areas requiring the use of management estimates include the collectability of amounts receivable, balances of accrued liabilities, the fair value of financial instruments, the rates for depreciation of property and equipment, the recoverability of mineral property interests, determination of estimates of deferred tax assets and liabilities, and the determination of variables used in the calculations of share-based payments. While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

OTHER MD&A REQUIREMENTS

Additional Disclosure for Venture Companies without Significant Revenues

The following table sets forth a breakdown of material components of the office and general costs of the Company for the periods indicated.

	Nine Months Ended September 30, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
	$	$	$
Office	**399,459**	554,028	674,076
Telephone and postage	**16,595**	30,643	19,338
Travel and promotion	**533,676**	716,506	377,921

Disclosure of Outstanding Share Data

The following table states the diluted share capital post consolidation (effective November 14, 2023 being a 10:1 rollback) of the Issuer as at November 16, 2023:

	Number Shares Outstanding (Diluted)
Outstanding as at December 31, 2022	**41,547,299**
Shares issued for Mineral properties	447,104
Private Placement	3,772,500
Outstanding as at September 30 and November 16, 2023	**45,766,903**
Shares reserved for issuance pursuant share purchase warrants outstanding	18,419,080[(1)]
Shares reserved for issuance pursuant share purchase options outstanding	2,868,000[(2)]
DILUTED TOTAL AS AT NOVEMBER 16, 2023	**67,053,984**

Notes

(1) As at November 16, 2023, the Company had outstanding share purchase warrants, enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
4,457,951	0.20	March 5, 2024
3,906,250	0.22	March 8, 2025
226,087	0.16	March 8, 2025
5,555,555	0.14	November 7, 2025
304,387	0.09	November 7, 2025
3,772,500	0.14	May 23, 2026
196,350	0.10	May 23, 2026
18,419,080		

(2) As at November 16, 2023, the Company had outstanding share purchase options, enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
658,000	0.14	June 26, 2024
65,000	0.27	July 06, 2026
2,145,000	0.155	January 13, 2028
2,868,000		

Commitments

The Company has entered various contracts for office and warehouse rent in Canada and Mexico. The following summarizes the Company's total annual obligations under this agreement as at September 30, 2023:

2023	$ 30,335
2024	$ 28,733
	59,068

Mineral property payments and project related commitments have been outlined under the property headings found in the 'Portfolio of Exploration and evaluation assets' section of this MD&A and the consolidated financial statements for the nine months ended September 30, 2023.

Disclosure Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Company. Based on an evaluation of the Company's disclosure controls and procedures as of the end period covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

Cautionary note regarding preparation of Mineral Reserves and Resources

This MD&A uses the terms “reserves” and “resources” and derivations thereof. These terms have the meanings set forth in Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects (NI 43-101) and the Canadian Institute of Mining, Metallurgy and Petroleum’s Classification System (CIM Standards). NI 43-101 and CIM Standards may differ significantly from the requirements of the United States Securities and Exchange Commission (the SEC). Accordingly, information concerning descriptions of mineralization and resources contained in this Management’s Discussion and Analysis may not be comparable to information made public by US domestic companies subject to the reporting and disclosure requirements of the SEC.

Approval

This MD&A has been prepared by management with an effective date of November 16, 2023. The MD&A and the Consolidated Financial Statements were approved by the Audit Committee of the Company on November 28, 2023.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on the Company’s website at www.kootenaysilver.com and on SEDAR at www.sedar.com