SANTACRUZ
silver mining ltd

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED MARCH 31, 2024

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MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

This Management’s Discussion and Analysis of Results of Operations and Financial condition ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 and the notes thereto of Santacruz Silver Mining Ltd. (“the Company" or "Santacruz") which have been prepared in accordance with International Accounting Standard ("IAS") 34, *"Interim Financial Reporting",* and audited consolidated financial statements of the Company as at and for the year ended December 31, 2023, as some disclosures from the annual consolidated financial statements have been condensed or omitted.

All dollar amounts are expressed in thousands of US dollars unless otherwise indicated. Unless otherwise noted, references to “C$” are to thousands of Canadian dollars, references to “MXN” are to thousands of Mexican pesos and references to “BOB” are to thousands of Bolivian bolivianos.

Certain amounts shown in this MD&A may not add exactly to total amounts due to rounding differences. Throughout this MD&A, the terms first quarter, second quarter, third quarter, fourth quarter and year to date are respectively used interchangeably with the terms Q1, Q2, Q3, Q4 and YTD.

This MD&A and the documents incorporated herein by reference contain "forward-looking information" within the meaning of applicable Canadian securities regulation. See the cautionary note contained at the end of this MD&A and the section on risk factors included in the MD&A for the year ended December 31, 2023.

All information contained in this MD&A is current and has been approved by the Board of Directors of the Company as of May 28, 2024.

Company Overview

Santacruz was incorporated pursuant to the Business Corporations Act of British Columbia on January 24, 2011. The Company's registered office is located at 1111 West Hastings Street, 15th Floor, Vancouver, British Columbia, Canada V6E 2J3. The Company is listed for trading on the TSX Venture Exchange (''TSXV'') under the symbol ''SCZ''.

The Company is engaged in the operation, acquisition, exploration and development of mineral properties in Latin America, with a primary focus on silver and zinc, but also including lead and copper. As at December 31, 2023, the Company had acquired ownership including mining concession rights to the following mineral properties:

Bolivia:

- Sinchi Wayra (“Sinchi Wayra”), which consists of the following mineral properties and businesses located in Bolivia:
    - the Caballo Blanco Group which includes Tres Amigos, Reserva and Colquechaquita mines (the “Caballo Blanco Group” or “Caballo Blanco”);
    - the Don Diego Process plant (the “Don Diego Process Plant” or “Don Diego”), which processes production from the Caballo Blanco Group as well as toll milling;
    - the Soracaya exploration project (the “Soracaya Project” or “Soracaya”); and
    - the San Lucas feed sourcing and trading business (“San Lucas”).
- Illapa (“Illapa”), with its operations held under an association agreement with Corporación Minera de Bolivia (“COMIBOL”) a Bolivian state-owned entity comprising:
    - the Bolivar mine (the “Bolivar Mine” or “Bolivar”) and process plant complex; and
    - the Porco mine (the “Porco Mine” or “Porco”) and process plant complex.

Mexico:

- The Zimapan mine (the “Zimapan Mine” or “Zimapan”) and process plant complex located in Hidalgo, Mexico; and,
- The La Pechuga Property and the Santa Gorgonia Prospect, which are exploration properties located in Mexico.

Management has assessed the nature of its interest in the Illapa Business and determined it to be a joint operation. The

Company records its 45% interest in the assets, liabilities, revenues and expenses of the Illapa Business in its consolidated financial statements.

The Company is the operator of the Illapa Business and as such the chief executive officer and executive management team review the Bolivar and Porco operating and financial information on a 100% basis. The Company reports its segment information on a 100% basis with respect to Bolivar and Porco together with an elimination column representing COMIBOL's 55% interest (Note 21 to the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024).

In this MD&A production and sales information for Bolivar and Porco is presented at 100%. Readers of this MD&A are cautioned that although in the operating section of this MD&A the Company reports 100% of the production and revenue information, the Company records 45% of the assets, liabilities, revenues and expenses in its consolidated financial statements.

Sinchi Wayra and Illapa Acquisition

On March 18, 2022, the Company acquired 100% ownership of Sinchi Wayra and Illapa (the "Acquisition") from Glencore plc ("Glencore") under the terms and conditions outlined in the Share Purchase Agreement ("SPA").

On May 10, 2023, the Company signed amendments to the SPA ("Amended SPA") that impacted the timing of the repayments of the deferred cash consideration and timing of payment of certain VAT amounts collected by the Company.

On March 28, 2024, the Company entered into a binding term sheet (the "Term Sheet") with Glencore, subject to the approval of the TSXV, to amend the SPA, Amended SPA and certain transaction documents in connection with the Acquisition. Pursuant to the Term Sheet, the Company and Glencore have agreed that the total consideration payable by the Company to Glencore under the Term Sheet will be in lieu of all present and future amounts owing or payable by the Company under the SPA, Amended SPA and certain transaction documents entered into pursuant to the Acquisition.

Consideration payable was adjusted for the terms and conditions outlined in the Term Sheet in the first quarter of 2024 and for the Amended SPA in the second quarter of 2023 giving rise to a gain on adjustment to consideration payable as presented on the Condensed Interim Consolidated Statement of Income.

In accordance with the Term Sheet consideration payable now consists of the following:

(i) *Base purchase price*
Subject to the Acceleration Option (as defined below), the Company will pay up to $80,000 in cash to Glencore in eight equal annual instalments of $10,000 each (the "Base Purchase Price" or "BPP") with the first payment being made on or before November 1, 2025. The Company can exercise an option to accelerate the payment of the outstanding balance of the Base Purchase Price in full at any time, such prepayment amount will be $40,000 if exercised prior to November 1, 2025 and shall decrease by $2,000 for each annual instalment of $10,000 that has been paid by the Company (the "Acceleration Option").

(ii) *Contingent value rights*
The Company granted to Glencore a contingent value right (the "CVR") whereby the Company will pay Glencore a monthly payment of $1,333 (the "CVR Payment"), subject to a total cap of $77,700 (the "Valuation Cap"), in the event that in any calendar month after the date the parties enter into the Term Sheet, the average London Metal Exchange ("LME") spot price of zinc (or the highest open hedge price if the Hedging Option (as defined below) has been exercised) in the calendar month is at least $3,850 per tonne (the "Base Price"). The CVR Payment will increase by $83 for each increase of $100 per tonne above the Base Price and up to a price of $5,049.99 per tonne.

In addition to the CVR Payment, in the event the average LME spot price of zinc (or the highest open hedge price if the Hedging Option has been exercised) in a calendar month is at least $5,050 per tonne (the "Additional Payment Price"),

Sinchi Wayra and Illapa Acquisition (continued)

Glencore will be entitled to certain additional payments (the “Additional Payments”), which will increase for each increase of $100 per tonne above the Additional Payment Price.

Upon the occurrence of the monthly average zinc LME spot price exceeding the Base Price, Glencore can require the Company to hedge a limited amount of zinc production from its Bolivian mining operations (so long as the hedging price would exceed the Base Price) subject to certain conditions (the “Hedging Option”).

The CVR and Additional Payments will be effective from the date of the Term Sheet until the earlier of December 31, 2032 and the date the Valuation Cap is reached. The Additional Payments and the Hedging Option will terminate once the Company is no longer obligated to make CVR Payments.

The Company has undertaken a valuation exercise as at March 31, 2024, based on the Term Sheet, and determined a fair value of the Base Purchase Price of $29,925, net of a fair value of approximately $4,523 related to the fair value of the Acceleration Option and a fair value of the CVR of $1,387. Determining the consideration payable in accordance with the Term Sheet has led to the Company recognizing a gain on adjustment to consideration payable of $133,255 in the three months ended March 31, 2024.

The fair value of the Base Purchase Price was estimated using a discounted cash flow method to calculate the net present value of the expected cash flows. A discount rate of 20% was used based on various qualitative and quantitative considerations. The fair value of the CVR was calculated using a Monte Carlo Simulation with key inputs and assumptions including the zinc spot price ($2,502 per tonne), expected price of zinc at the maturity date, risk-free rate, daily mean reversion parameter, daily volatility and credit spread.

The value of the CVR is highly sensitive to movements in the price of zinc. For example, on May 21, 2024 the spot price of zinc was $3,033 per tonne generating a fair value of the CVR of $12.4 million using a Monte Carlo Simulation. The Company will revalue the Base Purchase Price and CVR at each period end with changes in fair value being recognized in the consolidated statement of income and comprehensive income within “Finance (costs) income”.

2024 First Quarter Highlights

	2024-Q1	2023-Q4	Change Q1 vs Q4	2023-Q1	Change Q1 vs Q1
Operational					
Material Processed (tonnes milled)	470,749	489,417	(4%)	482,497	(2%)
Silver Equivalent Produced (ounces) (1)	4,478,122	4,788,318	(6%)	4,727,882	(5%)
Silver Ounces Produced	1,581,949	1,719,737	(8%)	1,769,520	(11%)
Zinc Tonnes Produced	22,847	23,777	(4%)	22,463	2%
Lead Tonnes Produced	2,953	3,130	(6%)	3,043	(3%)
Copper Tonnes Produced	256	290	(12%)	415	(38%)
Silver Equivalent Sold (payable ounces) (2)	3,632,938	3,813,863	(5%)	4,380,895	(17%)
Cash Cost of Production per Tonne (3)	93.18	94.87	(2%)	84.11	11%
Cash Cost per Silver Equivalent Ounce Sold ($/oz) (3)	21.19	17.74	19%	17.29	23%
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold ($/oz) (3)	24.12	21.37	13%	20.77	16%
Average Realized Price per Ounce of Silver Equivalent Sold ($/oz) (2) (3) (4)	23.18	22.47	3%	22.03	5%
Financial					
Revenues	52,589	57,616	(9%)	65,378	(20%)
Gross Profit	463	1,550	(70%)	14,680	(97%)
Net Income (loss)	129,025	16,271	693%	(176)	73,410%
Net Earnings (Loss) Per Share - Basic ($/share)	0.37	0.05	640%	0.00	100%
Adjusted EBITDA (3)	(215)	24,612	(101%)	12,603	(102%)
Cash and Cash Equivalent	4,035	4,947	(18%)	11,988	(66%)
Working Capital (Deficiency)	7,150	(43,168)	117%	(78,906)	109%

First Quarter 2024 Production Summary - By Mine

	Bolivar (5)	Porco (5)	Caballo Blanco Group	San Lucas	Zimapan	Total
Material Processed (tonnes milled)	72,801	50,862	72,462	69,220	205,404	470,749
Silver Equivalent Produced (ounces) (1)	1,024,492	543,414	862,142	1,032,085	1,015,989	4,478,122
Silver Ounces Produced	425,756	176,436	284,809	294,998	399,950	1,581,949
Zinc Tonnes Produced	5,063	3,160	4,702	6,279	3,643	22,847
Lead Tonnes Produced	395	169	611	427	1,352	2,953
Copper Tonnes Produced	N/A	N/A	N/A	N/A	256	256
Average head grades per mine:						
Silver (g/t)	199	130	136	159	82	125
Zinc (%)	7.68	6.72	7.04	9.90	2.29	5.45
Lead (%)	0.74	0.46	1.10	0.96	0.83	0.84
Copper (%)	N/A	N/A	N/A	N/A	0.29	0.29
Metal recovery per mine:						
Silver (%)	91	83	90	83	74	81
Zinc (%)	91	92	92	92	77	84
Lead (%)	74	72	76	64	79	75
Copper (%)	N/A	N/A	N/A	N/A	43	43
Silver Equivalent Sold (payable ounces) (2)	1,014,743	419,230	573,347	754,910	870,708	3,632,938

Notes for both tables above:

(1) Silver Equivalent Produced (ounces) have been calculated using prices of $23.62/oz, $1.21/lb, $0.95/lb and $3.91/lb for silver, zinc, lead and copper respectively applied to the metal production divided by the silver price as stated here.

(2) Silver Equivalent Sold (payable ounces) have been calculated using the Average Realized Price per Ounce of Silver Equivalent Sold stated in the table above, applied to the payable metal content of the concentrates sold from Bolivar, Porco, the Caballo Blanco Group, San Lucas and Zimapan.

(3) The Company reports non-GAAP measures, which include Cash Cost of Production per Tonne, Cash Cost per Silver Equivalent Ounce Sold, All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold, Average Realized Price per Ounce of Silver Equivalent Sold, and Adjusted EBITDA. These measures are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and may differ from methods used by other companies with similar descriptions. See ''Non-GAAP Measures'' section below for definitions.

(4) Average Realized Price per Ounce of Silver Equivalent Sold is prior to all treatment, smelting and refining charges.

(5) Bolivar and Porco are presented at 100% whereas the Company records 45% of revenues and expenses in its consolidated financial statements.

Management Business Overview and Outlook

The Company's focus for the next three quarters of 2024 will be:

- To issue Technical reports compliant with NI 43-101 (as defined below), for all active operations.
- At Caballo Blanco, execute cost savings and production enhancing opportunities made possible by completion of the Ramp (as defined below).
- At Zimapan, capitalize on cost saving and revenue enhancing opportunities made possible by operational restructuring completed in 2023.
- To streamline and identify synergies among all mining operations, including potential consolidation of common services between operating units;
- To prioritize preparation and development of consolidated high value mining areas for the 2024 production plan.
- Increase mine exploration programs to expand resources at Zimapan, Porco, and Caballo Blanco Mines.

The above initiatives are reflective of current market conditions, with a strong focus on the extraction of maximum value from Santacruz assets.

Selected Quarterly Production Results

	2024-Q1	2023-Q4	2023-Q3	2023-Q2	2023-Q1	Change Q1 vs Q4	Change ‘24 vs. ‘23
Material Processed (tonnes milled)							
Bolivar [4]	72,801	74,742	77,298	66,689	74,353	(3%)	(2%)
Porco [4]	50,862	47,057	47,786	46,085	49,909	8%	2%
Caballo Blanco Group	72,462	79,768	76,864	74,268	85,817	(9%)	(16%)
San Lucas	69,220	83,343	73,456	85,258	71,448	(17%)	(3%)
Zimapan	205,404	204,507	192,158	171,668	200,970	-%	2%
Total	**470,749**	**489,417**	**467,563**	**443,969**	**482,497**	**(4%)**	**(2%)**
Silver Equivalent Produced (ounces) [1]							
Bolivar [4]	1,024,492	1,049,683	1,131,602	826,735	1,074,316	(2%)	(5%)
Porco [4]	543,414	457,752	508,417	564,366	547,740	19%	(1%)
Caballo Blanco Group	862,142	986,208	922,991	1,015,518	1,205,608	(13%)	(28%)
San Lucas	1,032,085	1,280,390	1,137,630	1,490,728	958,025	(19%)	8%
Zimapan	1,015,989	1,014,285	1,027,510	764,421	942,193	-%	8%
Total	**4,478,122**	**4,788,318**	**4,728,151**	**4,661,768**	**4,727,882**	**(6%)**	**(5%)**
Silver Ounces Produced							
Bolivar [4]	425,756	490,269	502,931	424,664	555,914	(13%)	(23%)
Porco [4]	176,436	142,625	165,066	195,509	162,015	24%	9%
Caballo Blanco Group	284,809	350,050	319,674	399,811	475,026	(19%)	(40%)
San Lucas	294,998	350,770	362,443	495,344	255,623	(16%)	15%
Zimapan	399,950	386,023	378,748	271,133	320,942	4%	25%
Total	**1,581,949**	**1,719,738**	**1,728,863**	**1,786,461**	**1,769,520**	**(8%)**	**(11%)**
Zinc Tonnes Produced							
Bolivar [4]	5,063	4,673	5,214	3,323	4,313	8%	17%
Porco [4]	3,160	2,667	2,891	3,098	3,245	18%	(3%)
Caballo Blanco Group	4,702	5,095	4,805	4,804	5,650	(8%)	(17%)
San Lucas	6,279	7,801	6,454	8,315	5,848	(20%)	7%
Zimapan	3,643	3,540	3,731	2,741	3,407	3%	7%
Total	**22,847**	**23,777**	**23,095**	**22,281**	**22,463**	**(4%)**	**2%**
Lead Tonnes Produced							
Bolivar [4]	395	357	449	302	353	11%	12%
Porco [4]	169	157	190	214	217	8%	(22%)
Caballo Blanco Group	611	685	684	825	1,043	(11%)	(41%)
San Lucas	427	548	522	635	473	(22%)	(10%)
Zimapan	1,352	1,383	1,526	849	957	(2%)	41%
Total	**2,953**	**3,130**	**3,370**	**2,824**	**3,043**	**(6%)**	**(3%)**
Silver Equivalent Sold (payable ounces) [2]							
Bolivar [4]	1,014,743	833,405	784,713	408,571	771,783	22%	31%
Porco [4]	419,230	260,035	285,286	351,919	407,875	61%	3%
Caballo Blanco Group	573,347	882,023	609,415	762,023	702,667	(35%)	(18%)
San Lucas	754,910	933,859	1,285,739	1,978,767	1,557,683	(19%)	(52%)
Zimapan	870,708	904,540	857,628	586,507	940,887	(4%)	(7%)
Total	**3,632,938**	**3,813,863**	**3,822,782**	**4,087,787**	**4,380,895**	**(5%)**	**(17%)**

Selected Quarterly Production Results (continued)

	2024-Q1	2023-Q4	2023-Q3	2023-Q2	2023-Q1	Change Q1 vs Q4	Change '24 vs. '23
Cash Cost of Production per Tonne (3)							
Bolivar, Porco, and Caballo Blanco Group (4)	108.07	110.30	95.77	116.13	91.23	(2%)	18%
San Lucas	156.56	140.37	183.92	151.34	148.86	12%	5%
Zimapan	57.60	61.11	57.10	57.58	53.65	(6%)	7%
Total	**93.18**	**94.87**	**93.73**	**100.25**	**84.11**	**(2%)**	**11%**
Cash Cost per Silver Equivalent Ounce Sold (3)							
Bolivar, Porco, and Caballo Blanco Group (4)	21.25	16.61	19.55	14.73	13.61	28%	56%
San Lucas	22.04	19.88	24.94	21.62	20.45	11%	8%
Zimapan	20.29	18.00	20.97	23.62	19.41	13%	5%
Total	**21.19**	**17.74**	**21.68**	**19.34**	**17.29**	**19%**	**23%**
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold (3)							
Bolivar, Porco, and Caballo Blanco Group (4)	23.93	20.07	25.00	19.32	17.41	19%	37%
San Lucas	22.28	20.44	25.17	21.71	20.50	9%	9%
Zimapan	22.67	22.39	23.32	29.49	22.45	1%	1%
Total	**24.12**	**21.37**	**25.98**	**22.89**	**20.77**	**13%**	**16%**
Underground development (m)	9,436	10,573	10,838	10,922	10,573	(11%)	(11%)
Core Drilling (m)	4,311	2,545	3,452	1,692	1,939	69%	122%

(1) Silver Equivalent Produced (ounces) have been calculated, for all periods presented, using prices of $23.62/oz, $1.21/lb, $0.95/lb and $3.91/lb for silver, zinc, lead, and copper, respectively applied to the metal production divided by the silver price as stated here.

(2) Silver Equivalent Sold (payable ounces) have been calculated using the Average Realized Price per Ounce of Silver Equivalent Sold in the Non-GAAP Measures section, applied to the payable metal content of the concentrates sold from Bolivar, Porco, the Caballo Blanco Group, San Lucas and Zimapan.

(3) The Company reports non-GAAP measures, which include Cash Cost of Production per Tonne, Cash Cost per Silver Equivalent Ounce Sold, All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold and Average Realized Price per Ounce of Silver Equivalent Sold. These measures are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and may differ from methods used by other companies with similar descriptions. See ''Non-GAAP Measures'' section below for definitions.

(4) Bolivar and Porco are presented at 100% whereas the Company records 45% of revenues and expenses in its consolidated financial statements.

Silver Equivalent Ounces Produced

Q1 2024 vs Q1 2023

In Q1 2024, the Company processed 470,749 tonnes of material and produced 4,478,112 silver equivalent ounces including 1,581,949 ounces of silver, 22,847 tonnes of zinc, 2,953 tonnes of lead and 256 tonnes of copper. When compared to Q1 2023, total material processed was slightly less, however silver equivalent ounce production decreased 5% due primarily to lower production, silver grade and plant recovery at Caballo Blanco.

Q1 2024 vs Q4 2023

When compared to the previous quarter total material processed was slightly less. Silver equivalent ounce production decreased 6% quarter-over-quarter as a result of less material processed, along with lower silver grades from the Bolivar and Caballo Blanco mines in Bolivia.

Cash Cost of Production per Tonne

Q1 2024 vs Q1 2023

Consolidated cash cost of production per tonne of mineralized material processed was $93.18 in Q1 2024 compared to $84.11 in Q1 2023. Increases in unit production costs at the Bolivian operations, a result of lower production rates have driven the consolidated net increase in cash costs of 11% per tonne.

Q1 2024 vs Q4 2023

Consolidated cash cost of production per tonne of mineralized material processed remained stable with a slight decrease of 2% driven mostly by incremental decreases across all operations. Cash cost per tonne at San Lucas increased 12%, which was offset by the 2% decrease at all other Bolivian operations. In Mexico, cash cost of production has decreased from the Q4 2023 high to be relatively in line with the other quarters of 2023.

Cash Cost per Silver Equivalent Ounce Sold

Q1 2024 vs Q1 2023

Cash cost per silver equivalent ounce sold was $21.19 in Q1 2024 compared to $17.29 in Q1 2023. There was an increase in unit costs together with a decrease of silver equivalent ounces sold mainly due to the silver equivalent conversion ratio of base metals to silver, which was higher due to the changes in realized metal prices and resulted in the reduction of silver equivalent ounces sold.

Q1 2024 vs Q4 2023

Consolidated results for Q1 2024 show an 19% increase in cash costs per silver equivalent ounce sold compared to Q4 2023. There was an increase in unit costs together with a decrease of silver equivalent ounces sold.

All-In Sustaining Cash Cost (“AISC”) per Silver Equivalent Ounce Sold

Q1 2024 vs Q1 2023

Q1 2024 AISC per silver equivalent ounce sold was $24.12, compared to Q1 2023 of $20.77. This 16% increase in unit cost was due primarily to the 17% decrease in silver equivalent ounces sold.

Q1 2024 vs Q4 2023

Consolidated AISC per silver equivalent ounce sold increased 13% from Q4 2023, mainly a result of higher unit operating costs, partly offset by lower sustaining capital expenditures mostly related to the completion of the Ramp at Caballo Blanco in Q1 2024.

Bolivar Mine

Bolivar Production Table (3)	2024 Q1	2023 Q4	Change Q1 vs Q4	2024-YTD	2023-YTD	Change ’24 vs. ‘23
Material Processed (tonnes milled)	72,801	74,742	(3%)	72,801	74,353	(2%)
Silver Equivalent Produced (ounces) (1)	1,024,492	1,049,683	(2%)	1,024,492	1,074,316	(5%)
Silver Equivalent Sold (payable ounces) (2)	1,014,743	833,405	22%	1,014,743	771,783	31%
Production						
Silver (ounces)	425,756	490,269	(13%)	425,756	555,914	(23%)
Zinc (tonnes)	5,063	4,673	8%	5,063	4,313	17%
Lead (tonnes)	395	357		395	353	12%
Average Grade						
Silver (g/t)	199	223	(11%)	199	250	(20%)
Zinc (%)	7.68	6.86	12%	7.68	6.40	20%
Lead (%)	0.74	0.67	(10%)	0.74	0.65	13%
Metal Recovery						
Silver (%)	91	92	1%	91	93	(2%)
Zinc (%)	91	91	-%	91	91	-%
Lead (%)	74	72	2%	74	73	1%

(1) Silver Equivalent Produced (ounces) in 2023 have been calculated, for all periods presented, using prices of $23.62/oz, $1.21/lb and $0.95/lb for silver, zinc, and lead, respectively applied to the metal production divided by the silver price as stated here.
(2) Silver Equivalent Sold (payable ounces) have been calculated using the Average Realized Price per Ounce of Silver Equivalent Sold applied to the payable metal content of the concentrates sold from the Bolivar, Porco, the Caballo Blanco Group, and San Lucas in 2024.
(3) Bolivar is presented at 100% whereas the Company records 45% of revenues and expenses in its consolidated financial statements.

The Bolivar Mine has been active for more than 200 years and currently produces a nominal 1,000 tonnes per day. The current mine complex consists of an underground mine, 1,100 t/d concentrator plant, tailings storage facility, maintenance workshop, shaft-winder, water treatment plants, supplies warehouse, main office, hospital, and camp.

Bolivar mines from two main areas, the Central zone which is a deeper extension of the original mineralized zone, and Rosario which is a separately accessed parallel zone with a dedicated portal.

Currently the mine is producing about 25,000 tonnes per month mineralized material, and 700 meters per month combined primary and secondary development. At the same time, mineralized material from the San Lucas feed sourcing business is providing production flexibility and allowing the plant to operate efficiently.

The Bolivar mill has been in continuous production since 1993. The mill receives feed from two sources; the Bolivar Mine which contributes about 80% and toll feed purchased through the San Lucas feed sourcing business which contributes the other 20%. The mill processes the two types of feed separately which allows for an analysis and reporting of processing for each feed type. The mill utilizes different reagent strategies for the toll and company feed sources, primarily due to pyrrhotite which is found in the San Lucas feed but generally not found in the company feed.

Bolivar Mine (continued)

Q1 2024 vs Q1 2023

Bolivar processed 72,801 tonnes of material and produced 1,024,492 silver equivalent ounces including 425,756 ounces of silver, 5,063 tonnes of zinc and 395 tonnes of lead.

When compared to Q1 2023, material processed was down slightly and silver equivalent production decreased 5%. The 23% decrease in silver production was offset by the 17% increase zinc tonnes produced and 12% increase in lead tonnes produced. Metal recoveries were in line with Q1 2023, however, grade variations in the areas being mined during the quarter were higher in zinc and lead, and lower in silver.

Q1 2024 vs Q4 2023

When compared to Q4 2023, the 3% decrease in material processed was a result of the observance of national holidays and the national census which resulted in fewer operating days.

When compared to Q4 2023, silver equivalent ounce production decreased slightly, as the 13% decrease in silver produced was offset by the 8% increase in zinc tonnes and 11% increase in lead tonnes. Metal recoveries were in line with the previous quarter, however, grade variations in the areas being mined during the quarter were higher in zinc and lead, and lower in silver.

Porco Mine

Porco Production Table [3]	2024 Q1	2023 Q4	Change Q1 vs Q4	2024-YTD	2023-YTD	Change ’24 vs. ‘23
Material Processed (tonnes milled)	50,862	47,057	8%	50,862	49,909	2%
Silver Equivalent Produced (ounces) [1]	543,414	457,752	19%	543,414	547,740	(1%)
Silver Equivalent Sold (payable ounces) [2]	419,230	260,035	61%	419,230	407,875	3%
Production						
Silver (ounces)	176,436	142,625	24%	176,436	162,015	9%
Zinc (tonnes)	3,160	2,667	18%	3,160	3,245	(3%)
Lead (tonnes)	169	157	8%	169	217	(22%)
Average Grade						
Silver (g/t)	130	112	16%	130	122	6%
Zinc (%)	6.72	6.01	12%	6.72	6.89	(2%)
Lead (%)	0.46	0.46	-%	0.46	0.58	(20%)
Metal Recovery						
Silver (%)	83	84	(1%)	83	83	-%
Zinc (%)	92	94	(2%)	92	94	(2%)
Lead (%)	72	73	(2%)	72	75	(4%)

(1) Silver Equivalent Produced (ounces) in 2023 have been calculated, for all periods presented, using prices of $23.62/oz, $1.21/lb, and $0.95/lb for silver, zinc, and lead, respectively applied to the metal production divided by the silver price as stated here plus the respective concentrate produced by the Bolivar, Porco, the Caballo Blanco Group, and San Lucas multiplied by the respective silver content.

(2) Silver Equivalent Sold (payable ounces) have been calculated using the Average Realized Price per Ounce of Silver Equivalent Sold applied to the payable metal content of the concentrates sold from the Bolivar, Porco, the Caballo Blanco Group, and San Lucas in 2023.

(3) Porco is presented at 100% whereas the Company records 45% of revenues and expenses in its consolidated financial statements.

The Porco Mine has been active for nearly 500 years. The complex consists of an underground mine, concentrator plant, maintenance workshop, tailing storage facility, water treatment plant, supplies warehouse, main office, two hospitals and Yancaviri Camp.

The mine produces about 16,000 tonnes of mineralized material, and 500 meters of total development per month. The mine is comprised of two production areas. Hundumiento uses long hole mechanized mining methods to exploit the deeper extension of the primary vein complex, and the Central zone which is conventionally mined using more selective shrinkage stoping.

The process plant is fed by both the mine (approximately 60%), and toll feed from the San Lucas feed sourcing business (40%).

Q1 2024 vs Q1 2023

Porco processed 50,862 tonnes of material and produced 543,414 silver equivalent ounces including 176,436 ounces of silver, 3,160 tonne of zinc and 169 tonnes of lead.

When compared to Q1 2023, material processed slightly increased, while silver equivalent ounce production was in line. Silver production increased 9% because of the 6% increase in silver grade. The increase silver grade is due to the Company mining in areas with better silver grades during the quarter. Lead production decreased due to the area mined having lower lead grades during Q1 2024.

Porco Mine (continued)

Q1 2024 vs Q4 2023

There was an 8% increase in material processed when compared to Q4 2023. This increase was a result of approximately 3,000 tonnes of inventory material from the previous quarter being processed in Q1 2024.

When compared to Q4 2023, silver equivalent ounces produced increased 24% due to the increase in material processed, and the increase in silver and lead production. Silver production increased because of the 16% increase in silver grade, with comparable silver recoveries experienced in Q4 2023. Zinc production increased because of the 12% increase in zinc grade, which was offset by a slight decrease in recoveries. Lead production increased due to the increase in material processed as grades and recoveries were relatively in line with the previous quarter. The mine operated in areas with better silver and zinc grades during the quarter.

Caballo Blanco Group

Caballo Blanco Group Production Table	2024 Q1	2023 Q4	Change Q1 vs Q4	2024-YTD	2023-YTD	Change ’24 vs. ‘23
Material Processed (tonnes milled)	72,462	79,768	(9%)	72,462	85,817	(16%)
Silver Equivalent Produced (ounces) (1)	862,142	986,208	(13%)	862,142	1,205,608	(28%)
Silver Equivalent Sold (payable ounces) (2)	573,347	882,023	(35%)	573,347	702,667	(18%)
Production						
Silver (ounces)	284,809	350,050	(19%)	284,809	475,026	(40%)
Zinc (tonnes)	4,702	5,095	(8%)	4,702	5,650	(17%)
Lead (tonnes)	611	685	(11%)	611	1,043	(41%)
Average Grade						
Silver (g/t)	136	149	(9%)	136	187	(27%)
Zinc (%)	7.04	6.87	3%	7.04	7.01	0.5%
Lead (%)	1.10	1.11	(1%)	1.10	1.50	(26%)
Metal Recovery						
Silver (%)	90	92	(2%)	90	92	(2%)
Zinc (%)	92	93	(1%)	92	94	(2%)
Lead (%)	76	77	(1%)	76	81	(6%)

(1) Silver Equivalent Produced (ounces) in 2024 have been calculated, for all periods presented, using prices of $23.62/oz, $1.21/lb, and $0.95/lb for silver, zinc, lead respectively applied to the metal production divided by the silver price as stated here.

(2) Silver Equivalent Sold (payable ounces) have been calculated using the Average Realized Price per Ounce of Silver Equivalent Sold applied to the payable metal content of the concentrates sold from the Bolivar, Porco, the Caballo Blanco Group, and San Lucas in 2023.

As a unit, Caballo Blanco produces about 26,000 tonnes of mineralized material and 1,100 meters development per month. Approximately 60% of mine production is generated by conventional shrinkage and cut and fill methods. The remainder is produced by more modern trackless sublevel stoping. Run-of-mine mineralized material is hauled to the Don Diego Process Plant approximately 75km away in dump trucks.

The mineralized material is sourced from three separate mines, all quite different but mining the same structure. The Colquechaquita (“COC”) mine produced 7,700 tonnes of feed and 370 meters development per month by a mix of conventional and trackless mining.

Tres Amigos mine (“TAM”) utilizes trackless equipment for ramp and haulageway development, but all mineral production is by conventional shrinkage stoping in a multiple vein structure. TAM is the most productive of the mines and produces 11,000 tonnes of feed along with 550 meters of development monthly. The selectivity of the mining method also provides a higher head grade to the plant.

During the quarter, the Company completed the integration ramp (the “Ramp”) connecting the Colquechaquita and Tres Amigos mines which cost approximately $3 million. The Ramp is enabling the more efficient movement of mining equipment between these two mines, and the more efficient movement of mineralized material to surface.

The Reserva mine uses long hole sublevel stoping to produce 8,000 tonnes and 410 meters development per month. Reserva produces from multiple levels of a single vein structure.

The Don Diego Process Plant processes mineralized material from Caballo Blanco group of mines and San Lucas feed sourcing business. The total throughput averaged approximately 31,000 tonnes per month, 70% coming from the Caballo Blanco mines and 30% from San Lucas. Grades from both sources are fairly similar at the Don Diego Plant with the San Lucas feed being higher in zinc whereas mine feed is slightly higher in lead and silver.

Caballo Blanco Group (continued)

Q1 2024 vs Q1 2023

Caballo Blanco processed 72,462 tonnes of material and produced 862,142 silver equivalent ounces including 284,809 ounces of silver, 4,702 tonnes of zinc and 611 tonnes of lead.

When compared to Q1 2023 Caballo Blanco processed 16% less material. This is due to approximately 13,000 tonnes of inventory material that had been processed during Q1 2023. Silver equivalent production decreased 28% as result of less material processed combined with lower silver and lead grades. Silver grades decreased 27% while recoveries were in line, and lead grades decreased 26%.

Q1 2024 vs Q4 2023

The decrease in material processed during the quarter is a result of operations at the Colquechaquita and Tres Amigos mines undergoing specific safety training related to the newly installed Ramp connecting these two mines, which resulted in fewer operational days.

When compared to Q4 2023, silver equivalent ounces produced decreased 13% primarily because of lower throughput, but also silver production was affected by an 11% decrease in silver grade. Decreases in zinc and lead production were due to less material processed as grades and recoveries were relatively in line with Q4 2023. The decrease in silver recovery is a result of the Company mining in areas with lower silver content.

San Lucas

San Lucas Production Table	2024 Q1	2023 Q4	Change Q1 vs Q4	2024-YTD	2023-YTD	Change '24 vs. '23
Material Processed (tonnes milled)	69,220	83,343	(17%)	69,220	71,448	(3%)
Silver Equivalent Produced (ounces) (1)	1,032,085	1,280,390	(19%)	1,032,085	958,025	8%
Silver Equivalent Sold (payable ounces) (2)	754,910	933,859	(19%)	754,910	1,557,683	(52%)
Production						
Silver (ounces)	294,998	350,770	(16%)	294,998	255,623	15%
Zinc (tonnes)	6,279	7,801	(20%)	6,279	5,848	7%
Lead (tonnes)	427	548	(22%)	427	473	(10%)
Average Grade						
Silver (g/t)	159	157	1%	159	125	27%
Zinc (%)	9.90	10.16	(2%)	9.90	8.90	11%
Lead (%)	0.96	0.99	(3%)	0.96	0.94	2%
Metal Recovery						
Silver (%)	83	83	-%	83	89	(6%)
Zinc (%)	92	92	-%	92	92	-%
Lead (%)	64	66	(3%)	64	70	(8%)
Cash Cost of Production per Tonne ($/t) (3)	156.56	140.37	12%	156.56	148.86	5%
Cash Cost per Silver Equivalent Ounce Sold ($/oz) (3)	22.04	19.88	11%	22.04	20.45	8%
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold ($/oz) (3)	22.28	20.44	9%	22.28	20.50	9%

(1) Silver Equivalent Produced (ounces) in 2024 have been calculated, for all periods presented, using prices of $23.62/oz, $1.21/lb, and $0.95/lb for silver, zinc, and lead, respectively applied to the metal production divided by the silver price as stated here plus the respective concentrate produced by the Bolivar, Porco, the Caballo Blanco Group, and San Lucas multiplied by the respective silver content.

(2) Silver Equivalent Sold (payable ounces) have been calculated using the Average Realized Price per Ounce of Silver Equivalent Sold applied to the payable metal content of the concentrates sold from the Bolivar, Porco, the Caballo Blanco Group, and San Lucas in 2023.

(3) The Company reports non-GAAP measures, which include Cash Cost of Production per Tonne, Cash Cost per Silver Equivalent Ounce Sold and All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold. These measures are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" section below for definitions.

The San Lucas feed sourcing business utilizes the excess production capacity of each of the process plants in Bolivia to generate concentrate. Feed is sourced from independent organized mining groups with whom San Lucas has negotiated agreements outlining methodology for valuation and purchase as well as validating the source of the feed and methods used in extraction. Once the mineralized material is sampled and the purchase is finalized, it is blended and processed.

Generally, the mineralized material from the San Lucas feed sourcing business is campaigned through each plant and kept separate from mine feed. From the three different plants, the approximate split is 45% at Porco, 28% at Don Diego and 27% at Bolivar. The feed volume and grade is variable and difficult to forecast, however the consistent and fair business structure offered and practiced by our San Lucas business appeals to local miners and additional agreements are being negotiated to increase feed sourced.

Q1 2024 vs Q1 2023

San Lucas processed 69,220 tonnes of material and produced 1,032,085 silver equivalent ounces including 294,998 ounces of silver, 6,279 tonnes of zinc and 427 tonnes of lead. The fluctuation in material grades is a result of San Lucas purchasing mineralized feed from local suppliers, and as a result is expected to fluctuate throughout the year.

Q1 2024 vs Q4 2023

The observance of national holidays and the national census affected San Lucas significantly in Q1 2024, as the Company purchases feed from regional suppliers. The fluctuation in material grades is also a result of San Lucas purchasing mineralized feed from local suppliers, and as a result is expected to fluctuate throughout the year. The decrease in all metal production is a result of less material processed.

Zimapan Mine

Zimapan Production Table	2024 Q1	2023 Q4	Change Q1 vs Q4	2024-YTD	2023-YTD	Change ’24 vs. ‘23
Material Processed (tonnes milled)	205,404	204,507	-%	205,404	200,970	2%
Silver Equivalent Produced (ounces) (1)	1,015,989	1,014,285	-%	1,015,989	942,193	8%
Silver Equivalent Sold (payable ounces) (2)	870,708	904,540	(4%)	870,708	940,887	(7%)
Production						
Silver (ounces)	399,950	386,023	4%	399,950	320,942	25%
Zinc (tonnes)	3,643	3,540	3%	3,643	3,407	7%
Lead (tonnes)	1,352	1,383	(2%)	1,352	957	41%
Copper (tonnes)	256	290	(12%)	256	415	(38%)
Average Grade						
Silver (g/t)	82	79	4%	82	70	18%
Zinc (%)	2.29	2.29	-%	2.29	2.20	4%
Lead (%)	0.83	0.83	-%	0.83	0.63	32%
Copper (%)	0.29	0.30	(3%)	0.29	0.38	(24%)
Metal Recovery						
Silver (%)	74	74	-%	74	71	4%
Zinc (%)	77	75	3%	77	77	-%
Lead (%)	79	82	(4%)	79	76	4%
Copper (%)	43	47	(8%)	43	54	(21%)
Cash Cost of Production per Tonne ($/t) (3)	57.60	61.11	(6%)	57.60	53.65	7%
Cash Cost per Silver Equivalent Ounce Sold ($/oz) (3)	20.29	18.00	13%	20.29	19.41	5%
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold ($/oz) (3)	22.67	22.39	1%	22.67	22.45	1%

(1) Silver Equivalent Produced (ounces) have been calculated, for all periods presented, using prices of $23.62/oz, $1.21/lb, $0.95/lb and $3.91/lb for silver, zinc, lead, and copper, respectively applied to the metal production divided by the silver price as stated here plus the respective concentrate produced by Zimapan multiplied by the respective silver content.

(2) Silver Equivalent Sold (payable ounces) have been calculated using the Average Realized Price per Ounce of Silver Equivalent Sold applied to the payable metal content of the concentrates sold from Zimapan in 2023 and 2022.

(3) The Company reports non-GAAP measures, which include Cash Cost of Production per Tonne, Cash Cost per Silver Equivalent Ounce Sold and All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold. These measures are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" section below for definitions.

The Zimapan operation produces feed from the Carrizal and Monte mines, which are connected by a 7.4 kilometre underground access and haulage tunnel which terminates at the San Francisco process plant. Mining methods used include long hole and cut and fill stoping. The plant processes about 72,000 tonnes per month and produces three concentrates using differential flotation. Tailings Storage Facility and other support facilities are located adjacent and downstream of the plant location.

Steadily increasing mine and plant production has assisted in reducing unit costs and offsetting the impact of metal and supply price volatility. Higher metallurgical recoveries in 2023 resulting from focused attention to this issue during 2023 had a significant impact on metal production. A shift to higher productivity high value mining areas is the focus for 2024.

Zimapan Mine (continued)

Q1 2024 vs Q1 2023

Zimapan processed 205,000 tonne of material and produced 1,015,989 silver equivalent ounces including 399,950 ounces of silver, 3,643 tonnes of zinc, 1,352 tonnes of lead and 256 tonnes of copper.

When compared to Q1 2023 material processed was also in line, while silver equivalent ounces increased 8% because of significant increases in metals production. Silver ounces produced increased 25% because of silver grade increasing 18% and a slight increase in recoveries. Zinc tonnes produced increased 7% because on zinc grades increasing 4%, which was offset by a decrease in zinc recovery of 5%. Lead tonnes produced increased 41% because of lead grade increasing 32% and lead recoveries increasing slightly. The increase in silver, zinc and lead production is a result of improved mine planning, which has focused on extracting and processing higher grade materials. Copper production decreased 38% because of a 24% decrease in grade which drove the 20% decrease in recoveries. More targeted mining in Monte mine is expected to access higher copper grades in Q2.

Q1 2024 vs Q4 2023

When compared to Q4 2023, material processed, metals produced, metal grades and metal recoveries were all in line with the previous quarter except for copper. Copper production decreased 12% primarily due to an 8% reduction in recoveries driven primarily by lower copper grades.

Other properties

Soracaya is an approximately eight-hectare exploration asset located approximately 200 km south south-west of Potosi and 4.4 km from the San Vincente mine (owned by Pan American Silver). Verification of the resource to NI 43-101 standards is currently in progress as well as some claim maintenance work underground.

Qualified Person and Technical Disclosures

All scientific and technical disclosure contained in this MD&A was reviewed and approved by Wayne Corso, a consultant to the Company, who is a Qualified Person, as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”).

Production at the Zimapan Mine is not supported by a feasibility study on mineral reserves demonstrating economic or technical viability or any other independent economic study under NI 43-101. Accordingly, there is increased uncertainty and higher economic and technical risks of failure associated with production operations at the Zimapan Mine. Production and economic variables may vary considerably due to the absence of a complete and detailed site analysis according to and in accordance with NI 43- 101. Project failure may adversely impact the Company’s future profitability.

Production with respect to the operations in Bolivia is not supported by a feasibility study on mineral reserves demonstrating economic or technical viability or any other independent economic study under NI 43-101. Accordingly, there is increased uncertainty and higher economic and technical risks of failure associated with production operations in Bolivia. Production and economic variables may vary considerably due to the absence of a complete and detailed site analysis according to and in accordance with NI 43-101. Project failures may adversely impact the Company’s future profitability.

Overview of Financial Results

Quarters ended March 31, 2024 and 2023

	2024 Q1	2023 Q1	Change '24 vs '23
Revenues	52,589	65,378	(20%)
Mine operating costs			
Cost of sales	(48,216)	(45,714)	5%
Depletion, depreciation and amortization	(3,910)	(4,984)	(22%)
Gross profit	**463**	**14,680**	**(97%)**
General and administrative expenses	(4,935)	(6,738)	(27%)
Share-based payments	(11)	(106)	(90%)
Operating (loss) income	**(4,483)**	**7,836**	**(157%)**
Finance costs	(3,130)	(2,001)	56%
Gain (loss) on foreign exchange	5,470	(889)	715%
Gain on adjustment to consideration payable	133,255	-	-%
Fair value gain (loss) on marketable securities	12	(1,238)	101%
Income before tax	**131,124**	**3,708**	**3,436%**
Income tax (expense) recovery	(2,099)	(3,884)	(46%)
Net income (loss) for the period	**129,025**	**(176)**	**73,410%**
Other comprehensive income (loss)			
Currency translation differences	285	(1,435)	120%
Comprehensive income (loss) for the period	**129,310**	**(1,611)**	**8,127%**
Net income (loss) per share:			
Basic and diluted	0.37	(0.00)	72,537%
Weighted average number of common shares:			
Basic	350,991,138	346,812,760	
Diluted	351,964,018	346,812,760	

Revenues for the quarter ended March 31, 2024, were $52,589, a decrease of $12,789 compared to Q1 2023. The decrease can be explained as follows:

- A decrease of $13,059 in Bolivian revenues to $38,071 in Q1 2024 from $51,130 in Q1 2023, which was mainly due to a 20% decrease in sales volume which resulted in a $16.3 million decrease in revenues, partly offset by 4% increase in average realized silver price that increased revenues by $3.2 million (net of revaluation adjustments of prior period lots in the current period).
- An increase of $270 in Zimapan revenues to $14,518 in Q1 2024 from $14,248 in Q1 2023. This was mainly due to a 7% decrease in sales volume which decreased revenues by $1.5 million offset by an increase in average realized silver price that increased revenues by $1.8 million (net of revaluation adjustments of prior period lots in the current period).

Quarters ended March 31, 2024 and 2023 (continued)

Cost of sales for the quarter ended March 31, 2024, was $48,216, an increase of $2,502 compared to Q1 2023. The increase can be explained as follows:

- An increase of $3,005 in Bolivia cost of sales to $36,379 in Q1 2024 from $33,374 in Q1 2023, which was mainly due to an increase in unit production cost by 36% which resulted in an increase in cost of sales by $9.6 million, and a decrease in sales volume by 20% which decreased cost of sales by $6.6 million.
- A decrease of $503 in Zimapan cost of sales mainly due to a 7% decrease in sales volume which resulted in a decrease in cost of sales of $0.9 million. This was partly offset by a 4% increase in unit production costs which increased cost of sales by $0.4 million.

Depletion, depreciation and amortization for the quarter ended March 31, 2024, was $3,910, a decrease of $1,074 compared with Q1 2023, which was mainly attributable to the depletion methodology being updated in Q4 2023 to include inferred resource conversion.

Gross profit for the quarter ended March 31, 2024, was $463, a decrease of $14,217 compared with Q1 2023, due to the variances described above.

General and administrative expenses for the quarter ended March 31, 2024, were $4,935, a decrease of $1,803 compared to Q1 2023, which was primarily due to a decrease in corporate administration, professional fees, and salaries and benefits offset be an increase in interest and penalties on Mexico income taxes owing.

Finance costs for the quarter ended March 31, 2024, were $3,130, an increase of $1,080 compared to Q1 2023. The increase was primarily related to higher accretion on the non-current receivable from COMIBOL for its obligation to pay their portion of the committed funding related to the plant and equipment investment.

Gain on adjustment to consideration payable for the quarter ended March 31, 2024, was $133,255. Consideration payable was adjusted for the terms and conditions outlined in the Term Sheet in the first quarter of 2024 and for the Amended SPA in the second quarter of 2023 giving rise to a gain on adjustment to consideration payable as presented on the Condensed Interim Consolidated Statement of Income.

Gain on foreign exchange for the quarter ended March 31, 2024, was $5,470 compared to a loss of $889 in Q1 2023. As Bolivia is experiencing a US dollar shortage, the Bolivian financial institutions are paying a higher BOL/USD rate than the official rate of 6.96 BOL/USD to import USD into Bolivia. The gain from the depreciation of the Bolivian Bolivar was partially offset by losses from the appreciation of the Mexican Peso against the USD from Q1 2024 to Q1 2023.

Fair value gain on marketable securities for the quarter ended March 31, 2024, was $12 compared to a loss of $1,238 in Q1 2023.

Summary of Quarterly Results

The following table presents selected financial information for each of the most recent eight quarters:

	2024	2023				2022		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	52,589	57,616	64,408	63,854	65,378	64,309	53,516	128,388
Mine operating costs	52,126	48,512	57,014	52,878	50,698	58,070	72,854	100,431
Gross profit (loss)	463	1,550	7,394	10,976	14,680	6,239	(19,338)	27,957
Operating expenses	(4,946)	(4,833)	(7,757)	(7,218)	(6,844)	(2,521)	(9,285)	(8,527)
Net income (loss)	129,025	16,271	(4,298)	4,351	(176)	(4,314)	(18,788)	3,834
Net income (loss) per share (1)	0.37	0.05	(0.01)	0.01	(0.00)	(0.01)	(0.06)	0.01

(1) The basic and fully diluted calculations result in the same value due to the anti-dilutive effect of outstanding stock options and warrants for all quarters.

The Company acquired the Sinchi Wayra and Illapa business on March 18, 2022. Revenue was higher in Q2 2022 mainly due to shipping terms in offtake agreements being amended to Delivered at Place Unloaded (“DPU”) basis from Free on Board (“FOB”) basis for zinc concentrate sales during the period.

Liquidity, Capital Resources and Contractual Obligations

Liquidity

As at March 31, 2024, the Company had cash and cash equivalents of $4,035 (December 31, 2023 - $4,947). The Company’s cash and cash equivalents are not exposed to liquidity risk and there is no restriction on the ability of the Company to use these funds to meet its obligations.

For the three months ended March 31, 2024, the Company reported net income of $129,025 (three months ended March 31, 2023 - net loss of $176). As at March 31, 2024, the Company had working capital of $7,150 (December 31, 2023 - working capital deficiency of $43,168).

The Company has non-current loans payable of $nil (December 31, 2023 - $748), and non-current consideration payable to Glencore of $31,312 (December 31, 2023 - $113,351). In addition, the Company has an accumulated deficit of $11,275 (December 31, 2023 - $140,300) and a shareholders’ equity of $134,736 (December 31, 2023 - $5,415).

As disclosed in the Sinchi Wayra and Illapa Acquisition section of this MD&A the Company entered into a Term Sheet with Glencore on March 28, 2024. The Company recorded a non-cash gain on adjustment to consideration payable in the three month period ended March 31, 2024 of $133,255 and the changes in the terms of the consideration payable and recorded value has led to the improvement in the Company’s working capital as at March 31, 2024.

These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

	Year ended December 31,	
	2023	2022
Cash flow		
Cash generated by operating activities	2,628	11,764
Cash used by investing activities	(1,872)	(3,290)
Cash used by financing activities	(1,106)	(1,095)
Decrease in cash and cash equivalents	**(350)**	7,379
Effect of exchange rate on cash and cash equivalents held in foreign currencies	(562)	-
Cash and cash equivalents, beginning of the period	4,947	4,609
Cash and cash equivalents, end of period	**4,035**	11,988

Liquidity (continued)

The Company's cash flows from operating, investing, and financing activities during the three months ended March 31, 2024, are summarized as follows:

Cash generated by operating activities of $2,628, primarily due to:

- $4,579 in cash flows from operating activities before movements in working capital items; and,
- $1,951 net decrease in non-cash working capital items during the period.

Cash used by investing activities of $1,872, primarily related to:

- $3,890 spent on the purchase of property, plant and equipment; and,
- $2,018 proceeds on disposition of property, plant and equipment.

Cash used by financing activities of $1,106, primarily consists of:

- $1,106 net repayment on loans payable and lease liability payments.

Capital Resources

The Company's objective when managing capital is to maintain financial flexibility to continue as a going concern while optimizing growth and maximizing returns of investments from shareholders.

The Company monitors its capital structure and based on changes in operations and economic conditions, may from time to time adjust the structure by repurchasing shares, issuing new shares, issuing new debt or retiring existing debt. The Company prepares an annual budget and quarterly forecasts to facilitate the management of its capital requirements. The annual budget is approved by the Company's Board of Directors.

The Company is not subject to any externally imposed capital requirements with the exception of compliance with covenants for the Trafigura Loan Facility (included within loans payable on the statement of financial position). As at March 31, 2024, and December 31, 2023 the Company was not compliant with financial covenants associated with the Trafigura Loan Facility however the Company was granted a waiver for non-compliance with these financial covenants subsequent to December 31, 2023.

Off-balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangement such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities or derivative financial obligations.

Transactions with Related Parties

During the three months ended March 31, 2024 and 2023, the Company incurred the following charges for directors, officers, and other members of key management of the Company, as well as for companies controlled by directors and officers of the Company:

	Three months ended March 31,	
	2023	2022
Management and consulting fees	**542**	695
Share-based compensation	**11**	106
	553	801

Of the $542 in management and consulting fees incurred with related parties during the three months ended March 31, 2024, $27 (2023 - $100) was related to directors' fees and $515 (2023 - $595) was related to management fees.

As at March 31, 2024, directors and officers or their related companies were owed $28 (December 31, 2023 - $27) in respect of the services rendered. These are non-interest bearing with standard payment terms.

Key management includes directors of the Company, the CEO, the CFO, the Executive Chairman, and other members of key management. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

Subsequent Events

None.

Material Accounting Estimates and Judgments

Refer to Note 4 of the 2023 annual audited consolidated financial statements for a detailed discussion.

Accounting Policies Including Changes in Accounting Policies and Initial Adoption

Refer to Note 3 of the 2023 annual audited consolidated financial statements for a detailed discussion.

Financial Instruments and Other Instruments

March 31, 2024	Amortized cost	FVTPL	Total
	$	$	$
Financial assets			
Cash and cash equivalents	4,035	-	4,035
Trade and other receivables	49,447	18,337	67,784
	53,482	**18,337**	**71,819**
Financial liabilities			
Trade payables and accrued liabilities	48,160	-	48,160
Consideration payable	29,925	1,387	31,312
Loans payable	17,626	-	17,626
Other liabilities	18,715	-	18,715
	114,426	**1,387**	**115,813**

December 31, 2023	Amortized cost	FVTPL	Total
Financial assets			
Cash and cash equivalents	4,947	-	4,947
Trade and other receivables	47,812	18,618	66,430
	52,579	18,618	71,377
Financial liabilities			
Trade payables and accrued liabilities	51,973	-	51,973
Consideration payable	147,886	15,102	162,988
Loans payable	17,775	-	17,775
Other liabilities	18,243	-	18,243
	235,877	15,102	250,979

The categories of the fair value hierarchy that reflect the inputs to valuation techniques used to measure fair value are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3: Inputs for the asset or liability based on unobservable market data.

Trade receivables are measured at fair value using Level 2 inputs. The fair value of trade receivables is measured based on inputs other than quoted prices for the underlying commodity prices (silver, lead, zinc, copper) to which the receivable relates as the trade receivables are provisionally priced at the time of sale.

The carrying values of cash and cash equivalents, other receivables, and trade payables and accrued liabilities approximate their fair values because of their short-term nature.

The fair value of the loans payable for disclosure purposes is determined using discounted cash flows based on the expected amounts and timing of future cash flows discounted using a market rate of interest adjusted for appropriate credit risk.

Financial instruments and other instruments (continued)

The levels in the fair value hierarchy into which the Company's financial assets and liabilities that are measured and recognized on the consolidated statements of financial position at fair value on a recurring basis were categorized as follows:

	March 31, 2024			December 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	$	$	$	$	$	$
Assets						
Marketable securities		-	-		-	-
Trade and other receivables	18,337	-	-	18,618	-	-
	18,337	**-**	**-**	18,618	-	-
Liabilities						
Consideration payable	-	-	1,387	-	-	15,102
	-	**-**	**1,387**	-	-	15,102

The majority of the Company's trade receivables arose from provisional concentrate sales and are valued using quoted market prices based on the forward London Metal Exchange for silver, zinc and lead and the London Bullion Market Association P.M. fix for silver.

The methodology and assessment of inputs for determining the fair value of financial assets and liabilities as well as the levels of hierarchy for the Company's financial assets and liabilities measured at fair value remains unchanged from that at December 31, 2023.

The Company has exposure to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

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 and arises principally from the Company's trade receivables.

The Company has concentrate contracts to sell the zinc and lead concentrates produced by all of the Company's mines. Concentrate contracts are a common business practice in the mining industry. The terms of the concentrate contracts may require the Company to deliver concentrate that has a value greater than the payment received at the time of delivery, thereby introducing the Company to credit risk of the buyers of concentrates. Should any of these counterparties not honour purchase arrangements, or should any of them become insolvent, the Company may incur losses for products already shipped and be forced to sell its concentrates on the spot market or it may not have a market for its concentrates and therefore its future operating results may be materially adversely impacted. At March 31, 2024, the Company had receivable balances associated with buyers of its concentrates of $18,337 (December 31, 2023 - $18,558). The vast majority of the Company's concentrate is sold to well-known concentrate buyers.

The following financial assets represent the maximum credit risk to the Company:

	December 31, 2023	December 31, 2022
	$	$
Cash and cash equivalents	**4,035**	4,947
Trade and other receivables	**67,784**	66,430
Prepaid expenses and deposits	**4,410**	5,536

Financial instruments and other instruments (continued)

Management constantly monitors and assesses the credit risk resulting from its concentrate sales, trading counterparties and customers. With the exception to the above, the Company believes it is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows. The Company has in place a rigorous planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansion plans. The Company strives to maintain sufficient liquidity to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its holdings of cash and short-term investments, and its committed loan facilities.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following tables summarize the remaining contractual maturities of the Company's financial liabilities and operating and capital commitments on an undiscounted basis:

	<1 year	**1 - 2 years**	**2 - 5 years**	**>5 years**	**Total**
	$	$	$	$	$
Trade payables and accrued liabilities	44,742	3,418	-	-	48,160
Consideration payable (1)	-	10,000	40,000	30,000	80,000
Loans payable	16,684	942	-	-	17,626
Lease payments	1,834	56	37	-	1,927
	63,260	**14,416**	**40,037**	**30,000**	**147,713**

(1) The Base Purchase Price, as disclosed in Note 9(a)(i) of the interim condensed consolidated financial statements, includes acceleration options that enable the Company to repay less than the contractually committed amounts as presented in the table above. The Company continues to monitor its liquidity position and will determine prior to November 1, 2025 whether it will exercise the first acceleration option available to the Company.

Currency risk

The Company reports its financial statements in USD; however, the Company operates in jurisdictions that utilize other currencies. As a consequence, the financial results of the Company's operations as reported in USD are subject to changes in the value of the USD relative to local currencies. Since the Company's sales are denominated in USD and a portion of the Company's operating costs and capital spending are in local currencies, the Company is negatively impacted by strengthening local currencies relative to the USD and positively impacted by the inverse.

The sensitivity of the Company's net income to changes in the exchange rate between the US dollar and the Bolivian boliviano, the Mexican peso and the Canadian dollar, respectively, would be as follows: a 1% change in the US dollar exchange rate relative to the Bolivian boliviano would change the Company's net income by approximately $35, a 1% change in the US dollar exchange rate relative to the Mexican peso would change the Company's net income by approximately $12, and a 1% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net income by approximately $12.

Financial instruments and other instruments (continued)

The Company's financial assets and liabilities as at December 31, 2023 are denominated in Canadian dollars, US dollars, Bolivian bolivianos and Mexican pesos and translated to US dollars as follows:

	CAD	BOB	USD	MXN	Total
	$	$	$	$	**$**
Financial assets					
Cash and cash equivalents	97	2,867	860	211	**4,035**
Trade and other receivables	-	49,846	17,938	-	**67,784**
	97	**52,713**	**18,798**	**211**	**71,819**
Financial liabilities					
Trade payables and accrued liabilities	1,303	38,560	6,711	1,586	**48,160**
Consideration payable	-	-	31,312	-	**31,312**
Loans payable	-	12,128	5,498	-	**17,626**
Other liabilities	-	10,690	6,403	1,622	**18,715**
	1,303	**61,378**	**49,924**	**3,208**	**115,813**
Net financial assets (liabilities)	**(1,206)**	**(8,665)**	**(31,126)**	**(2,997)**	**(43,994)**

Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company monitors its exposure to interest rates and has not entered into any derivative contracts to manage this risk. As at December 31, 2023, the Company's exposure to interest rate risk on interest bearing liabilities is limited to its consideration payable, debt facilities and lease liabilities. Based on the Company's interest rate exposure at March 31, 2024, a change of 1% increase or decrease of market interest rate would impact the Company's income or loss by approximately $190.

Price risk

Metal price risk is the risk that changes in metal prices will affect the Company's income or the value of its related financial instruments. The Company derives its revenue from the sale of silver, zinc, lead and copper. The Company's sales are directly dependent on metal prices that have shown significant volatility and are beyond the Company's control. Consistent with the Company's mission to provide equity investors with exposure to changes in precious metal prices, the Company's current policy is to not hedge the price of precious metal.

Outstanding Share Data

As at the date of this report, the Company has 354,365,538 common shares issued and outstanding, 16,240,000 common shares issuable under stock options and 14,720,000 common shares issuable under share purchase warrants.

Internal Controls over Financial Reporting and Disclosure Controls and Procedures

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and that required information is gathered and communicated to the Company's management so that decisions can be made about the timely disclosure of that information.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Internal controls over financial reporting and disclosure controls and procedures (continued)

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, the Company's management cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost- effective control system, misstatements due to error or fraud may occur and not be detected.

Non-GAAP Measures

The Company has included certain non-GAAP performance measures throughout this MD&A, including Cash Cost per Silver Equivalent Ounce Sold, Cash Cost of Production per Tonne, All-in Sustaining Cash Cost ("AISC") per Silver Equivalent Ounce Sold, Average Realized Price per Ounce of Silver Equivalent Sold, and Adjusted EBITDA each as defined in this section.

These performance measures are employed by the Company to measure its operating and financial performance internally, to assist in business decision-making, and provide key performance information to senior management. The Company believes that, in addition to conventional measures prepared in accordance with International Financial Reporting Standards ("IFRS"), certain investors and other stakeholders also use these non-GAAP measures as information to evaluate the Company's operating and financial performance. As there are no standardized methods of calculating these non-GAAP measures, the Company's methods may differ from those used by others and, accordingly, the Company's use of these measures may not be directly comparable to similarly titled measures used by others. Accordingly, these non-GAAP measures are 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.

Cash Cost per Silver Equivalent Ounce Sold, All-in Sustaining Cash Cost ("AISC") per Silver Equivalent Ounce Sold, and Cash Cost of Production per Tonne

The non-GAAP measures of cash cost per silver equivalent ounce sold and cash cost of production per tonne are used by the Company to manage and evaluate operating performance at respective mining operations and are widely reported in the silver mining industry as benchmarks for performance, but do not have a standardized meaning. Cash costs are calculated based on the cash operating costs at the respective mining operations and, in the case of cash cost per silver equivalent ounce sold, also include the third party concentrate treatment, smelting and refining cost.

Management of the Company believes that the Company's ability to control the cash cost per silver equivalent ounce produced and cash cost of production per tonne are two of its key performance drivers impacting both the Company's financial condition and results of operations. Having a low cash cost of production per tonne, when taken in connection with effective management of mining dilution, will improve the cash cost per silver equivalent ounce produced. Having a low-cost base per silver equivalent ounce of production allows the Company to continue operating during times of declining commodity prices and provides more flexibility in responding to changing market conditions. In addition, low-cost operations offer a better opportunity to generate positive cash-flows, which improves the Company's financial condition.

The Company believes these measures provide investors and analysts with useful information about the Company's underlying cash costs of operations and are relevant metrics used to understand the Company's operating profitability and ability to generate cash-flow.

Cash Cost per Silver Equivalent Ounce Sold, All-in Sustaining Cash Cost (“AISC”) per Silver Equivalent Ounce Sold, and Cash Cost of Production per Tonne (continued)

To facilitate a better understanding of these measures as calculated by the Company, the following table provides a detailed reconciliation between the cash cost of production per tonne, cash cost per silver equivalent ounce sold, and the Company's operating expenses as reported in the Company's consolidated statements of income (loss) and comprehensive income (loss) contained in the respective financial statements for the referenced periods.

AISC is a non-IFRS measure and was calculated based on guidance provided by the World Gold Council ("WGC") in September 2013. WGC is not a regulatory industry organization and does not have the authority to develop accounting standards for disclosure requirements. Other mining companies may calculate AISC differently as a result of differences in underlying accounting principles and policies applied, as well as differences in definitions of sustaining versus development capital expenditures.

AISC is a more comprehensive measure than cash cost per ounce for the Company's operating performance by providing greater visibility, comparability and representation of the total costs associated with producing silver from its mining operations.

The Company defines sustaining capital expenditures as, “costs incurred to sustain and maintain existing assets at current productive capacity and constant planned levels of productive output without resulting in an increase in the life of assets, future earnings, or improvements in recovery or grade. Sustaining capital includes costs required to improve/enhance assets to minimum standards for reliability, environmental or safety requirements.”

Consolidated AISC includes total production cash costs incurred at the Company's mining operations, which forms the basis of the Company's total cash costs. Additionally, the Company includes sustaining capital expenditures, corporate general and administrative expense, sustaining share-based payments (if any), and reclamation cost accretion. AISC for Bolivia Consolidated and Zimapan do not include certain corporate and non-cash items such as corporate general and administrative expense and sustaining share-based payments.

The Company believes that this measure represents the total sustainable costs of producing silver from current operations and provides the Company and other stakeholders of the Company with additional information of the Company's operational performance and ability to generate cash flows. As the measure seeks to reflect the full cost of silver production from current operations, new project capital and expansionary capital at current operations are not included. Certain other cash expenditures, including tax payments, dividends and financing costs are also not included.

Cash Cost per Silver Equivalent Ounce Sold, All-in Sustaining Cash Cost ("AISC") per Silver Equivalent Ounce Sold, and Cash Cost of Production per Tonne (continued)

The following tables provide a detailed reconciliation of these measures to our operating expenses, as reported in our condensed interim consolidated financial statements.

	Three Months Ended March 31, 2024				
	Bolivia Operating Mines[(1)]	San Lucas	Zimapan	Corporate/ other	Total [(1)]
Cost of sales	33,998	14,575	11,837	-	60,410
Transportation and other selling cost	(5,368)	(1,241)	(1,101)	-	(7,710)
Royalty	(2,847)	(552)	-	-	(3,399)
Inventory change	(4,589)	(1,945)	1,096	-	(5,438)
Cash Cost of Production (A)	**21,194**	**10,837**	**11,832**	**-**	**43,863**
Cost of sales	33,998	14,575	11,837	-	60,410
Concentrate treatment, smelting and refining cost	8,664	2,066	5,826	-	16,556
Cash Cost of Silver Equivalent Sold (B)	**42,662**	**16,641**	**17,663**	**-**	**76,966**
Sustaining capital expenditures	3,984	-	760	-	4,744
General and administrative expenses	837	182	1,174	3,020	5,213
Accretion of decommissioning and restoration provision	552	-	138	-	690
All-in Sustaining Cash Cost (C)	**48,035**	**16,823**	**19,735**	**3,020**	**87,613**
Material processed (tonnes milled) (D)	196,125	69,220	205,404	-	470,749
Silver Equivalent Sold (payable ounces) (E)	2,007,320	754,910	870,708	-	3,632,938
Cash Cost per Silver Equivalent Ounce Sold (B/E)	**21.25**	**22.04**	**20.29**	**-**	**21.19**
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold (C/E)	**23.93**	**22.28**	**22.67**	**-**	**24.12**
Cash Cost of Production per tonne (A/D)	**108.07**	**156.56**	**57.61**	**-**	**93.18**

(1) Bolivar, Porco, the Caballo Blanco Group, are presented here as Bolivia Operating Mines. Information for Bolivar and Porco is presented at 100% and financial information will not tie to the consolidated financial statements as the Company records 45% of Bolivar and Porco.

	Three Months Ended March 31, 2023				
	Bolivia Operating Mines[(1)]	San Lucas	Zimapan	Corporate/ other	Total[(1)]
Cost of sales	28,198	15,077	12,340	-	55,615
Transportation and other selling cost	(5,449)	(2,084)	(837)	-	(8,370)
Royalty	(2,955)	(1,176)	-	-	(4,131)
Inventory change	(629)	(1,181)	(721)	-	(2,531)
Cash Cost of Production (A)	**19,165**	**10,636**	**10,782**	**-**	**40,583**
Cost of sales	19,219	24,056	12,340	-	55,615
Concentrate treatment, smelting and refining cost	6,408	7,794	5,919	-	20,121
Cash Cost of Silver Equivalent Sold (B)	**25,627**	**31,850**	**18,259**	**-**	**75,736**
Sustaining capital expenditures	5,775	-	1,484	-	7,259
General and administrative expenses	1,078	78	1,222	5,110	7,488
Accretion of decommissioning and restoration provision	297	-	154	-	451
All-in Sustaining Cash Cost (C)	**32,777**	**31,928**	**21,119**	**-**	**90,935**
Material processed (tonnes milled) (D)	210,079	71,448	200,970	-	482,497
Silver Equivalent Sold (payable ounces) (E)	1,882,325	1,557,683	940,887	-	4,380,895
Cash Cost per Silver Equivalent Ounce Sold (B/E)	**13.61**	**20.45**	**19.34**	**-**	**17.29**
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold (C/E)	**17.41**	**20.50**	**22.45**	**-**	**20.77**
Cash Cost of Production per tonne (A/D)	**91.23**	**148.86**	**53.65**	**-**	**84.11**

(1) Bolivar, Porco, the Caballo Blanco Group, are presented here as Bolivia Operating Mines. Information for Bolivar and Porco is presented at 100% and financial information will not tie to the consolidated financial statements as the Company records 45% of Bolivar and Porco.

Average Realized Price per Ounce of Silver Equivalent Sold

Revenues are presented as the sum of invoiced revenues related to delivered shipments of zinc, lead and copper concentrates, after having deducted treatment, smelting and refining charges.

The following is an analysis of the gross revenues prior to treatment, smelting and refining charges, and shows deducted treatment, smelting and refining charges to arrive at the net reportable revenue for the period per IFRS. Gross revenues are divided by silver equivalent ounces sold to calculate the average realized price per ounce of silver equivalents sold.

Consolidated[1]

	Three months ended March 31, 2024	2023
Revenues	67,667	76,375
Add back: Treatment, smelting and refining charges	16,556	20,121
Gross Revenues	**84,223**	**96,496**
Silver Equivalent Sold (ounces)	3,632,938	4,380,895
Average Realized Price per Ounce of Silver Equivalent Sold [2]	**23.18**	**22.03**
Average Market Price per Ounce of Silver per London Silver Fix	**23.35**	**22.56**

(1) Bolivar, Porco, the Caballo Blanco Group, are presented here as Bolivia Operating Mines. Information for Bolivar and Porco is presented at 100% and financial information will not tie to the consolidated financial statements as the Company records 45% of Bolivar and Porco.

(2) Average Realized Price per Ounce of Silver Equivalent Sold in each reporting period is affected by mark-to-market adjustments and final settlements on concentrate shipments in prior periods. Concentrates sold to third-party smelters are provisionally priced and the price is not settled until a predetermined future date, typically one to four months after delivery to the customer, based on the market price at that time.

Bolivar, Porco, and Caballo Blanco Group[1] ("Bolivia Operating Mines")

	Three months ended March 31, 2024	2023
Revenues	37,829	35,299
Add back: Treatment, smelting and refining charges	8,664	6,408
Gross Revenues	**46,493**	**41,707**
Silver Equivalent Sold (ounces)	2,007,320	1,882,325
Average Realized Price per Ounce of Silver Equivalent Sold [2]	**23.16**	**22.16**
Average Market Price per Ounce of Silver per London Silver Fix	**23.35**	**22.56**

(1) Bolivar, Porco, the Caballo Blanco Group, are presented here as Bolivia Operating Mines. Information for Bolivar and Porco is presented at 100% and financial information will not tie to the consolidated financial statements as the Company records 45% of Bolivar and Porco.

(2) Average Realized Price per Ounce of Silver Equivalent Sold in each reporting period is affected by mark-to-market adjustments and final settlements on concentrate shipments in prior periods. Concentrates sold to third-party smelters are provisionally priced and the price is not settled until a predetermined future date, typically one to four months after delivery to the customer, based on the market price at that time.

San Lucas

	Three months ended March 31, 2024	2023
Revenues	15,320	26,828
Add back: Treatment, smelting and refining charges	2,066	7,794
Gross Revenues	**17,386**	**34,622**
Silver Equivalent Sold (ounces)	754,910	1,557,683
Average Realized Price per Ounce of Silver Equivalent Sold [1]	**23.03**	**22.23**
Average Market Price per Ounce of Silver per London Silver Fix	**23.35**	**22.56**

(1) Average Realized Price per Ounce of Silver Equivalent Sold in each reporting period is affected by mark-to-market adjustments and final settlements on concentrate shipments in prior periods. Concentrates sold to third-party smelters are provisionally priced and the price is not settled until a predetermined future date, typically one to four months after delivery to the customer, based on the market price at that time.

Average Realized Price per Ounce of Silver Equivalent Sold (continued)

Zimapan Mine

	Three months ended March 31, 2024	2023
Revenues	14,518	14.248
Add back: Treatment, smelting and refining charges	5,826	5,919
Gross Revenues	**20,344**	**20,167**
Silver Equivalent Sold (ounces)	870,708	940,887
Average Realized Price per Ounce of Silver Equivalent Sold [1]	**23.36**	**21.43**
Average Market Price per Ounce of Silver per London Silver Fix	**23.35**	**22.56**

(1) Average Realized Price per Ounce of Silver Equivalent Sold in each reporting period is affected by mark-to-market adjustments and final settlements on concentrate shipments in prior periods. Concentrates sold to third-party smelters are provisionally priced and the price is not settled until a predetermined future date, typically one to four months after delivery to the customer, based on the market price at that time.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP measure in which net income is adjusted for income tax expense, interest income, interest expense, amortization and depletion, and impairment charges, foreign exchange gains or losses, unrealized losses or gains on marketable securities, share-based payments expense, accretion expense, and other non-recurring items. Foreign exchange gains or losses may consist of both realized and unrealized losses.

Under IFRS, entities must reflect in compensation expense the cost of share-based payments. In the Company's circumstances, share-based payments can involve a significant accrual of amounts that will not be settled in cash but are settled by the issuance of shares in exchange.

The Company discloses Adjusted EBITDA to aid in understanding of the results of the Company and is meant to provide further information about the Company's financial results to investors.

The following table provides a reconciliation of Adjusted EBITDA for the three months ended March 31, 2024 and 2023.

	Three months ended March 31, 2024	2023
Net income (loss) for the period	**129,025**	(176)
Income tax expense (recovery)	**2,099**	3,884
Interest expense (income)	**(43)**	(374)
Interest expense, carrying and finance charges on loans payable	**441**	(254)
Amortization and depletion of mineral properties, plant and equipment	**3,910**	4,984
Foreign exchange (gain) loss	**(5,470)**	889
Unrealized loss on marketable securities	**(12)**	1,238
Share-based payments expense	**11**	106
Accretion expense	**2,059**	1,818
Gain on adjustment to consideration payable	**(133,255)**	-
Other expense (income)	**1,020**	487
Adjusted EBITDA	**(215)**	12,602

Cautionary Note Regarding Forward-looking Information

Certain of the statements and information in this MD&A constitute “forward-looking information” within the meaning of applicable Canadian provincial securities laws relating to the Company and its operations. All statements, other than statements of historical fact, are forward-looking statements. When used in this MD&A, the words, “will”, “believes”, “expects”, “intents”, “plans”, “forecast”, “objective”, “guidance”, “outlook”, “potential”, “anticipated”, “budget”, and other similar words and expressions, identify forward-looking statements or information. These forward-looking statements or information relate to, among other things: future financial or operational performance; the expected timing for release of forecasts for 2024, including our estimated production of silver, zinc, lead and copper, and for our estimated Cash Costs, AISC, capital and exploration, mine operation, general and administrative, care and maintenance expenditures; future anticipated prices for silver, zinc, lead and copper and other metals and assumed foreign exchange rates; the impacts of inflation on the Company and its operations; whether the Company is able to maintain a strong financial condition and have sufficient capital, or have access to capital, to sustain our business and operations; the timing and outcome with respect to the Company’s environmental, social and governance activities, and the Company’s corporate social responsibility activities and our reporting in respect thereof; the ability of the Company to successfully complete any capital projects, the expected economic or operational results derived from those projects, and the impacts of any such projects on the Company; the potential maximum consideration payable to Glencore pursuant to the Term Sheet; the future results of our exploration activities, anticipated mineral reserves and mineral resources; the costs associated with the Company's decommissioning obligations; the Company’s plans and expectations for its properties and operations; and expectations with respect to the future anticipated impact of pandemics on our operations.

These forward-looking statements and information reflect the Company’s current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic, competitive, political, regulatory, and social uncertainties and contingencies. These assumptions, include: our ability to implement environmental, social and governance activities; tonnage of ore to be mined and processed; ore grades and recoveries; that the Company and Glencore will negotiate and enter into definitive agreements; that the Company will receive all required regulatory approvals; that the market price of zinc may be above certain minimum thresholds for the payment of the CVR Payments and Additional Payments; prices for silver, zinc, lead, copper remaining as estimated; currency exchange rates remaining as estimated; capital, decommissioning and reclamation estimates; our mineral reserve and mineral resource estimates and the assumptions upon which they are based; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions at any of our operations; no unplanned delays or interruptions in scheduled production; protection of our interests against claims and legal proceedings; all necessary permits, licenses and regulatory approvals for our operations are received in a timely manner and can be maintained; the world-wide economic and social impact of COVID-19 is managed and the duration and extent of the coronavirus pandemic is minimized or not long-term; the management of COVID-19 in each jurisdiction; and our ability to comply with environmental, health and safety laws, particularly given the potential for modifications and expansion of such laws. The foregoing list of assumptions is not exhaustive.

The Company cautions the reader that forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements or information contained in this MD&A and the Company has made assumptions and estimates based on or related to many of these factors. Such factors include, some of which are described in the “Risks Factors” section of the MD&A for the year ended December 31, 2023 without limitation: fluctuations in silver, zinc, lead and copper prices; fluctuations in prices for energy inputs; fluctuations in currency markets (such as the MXN, BOL and CAD versus the USD); risks related to the technological and operational nature of the Company’s business; required regulatory approvals; changes in national and local government, legislation, taxation, controls or regulations and political, legal or economic developments in Canada, the United States, Mexico, Bolivia or other countries where the Company may carry on business, some of which might prevent or cause the suspension or discontinuation of mining activities, including the risk of expropriation related to certain of our operations, particularly in Bolivia; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected geological or structural formations, pressures, cave-ins and flooding); risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom the Company does business; inadequate insurance, or inability

Cautionary note regarding forward-looking information (continued)

to obtain insurance, to cover these risks and hazards; employee relations; relationships with and claims by the local communities and indigenous populations; availability and increasing costs associated with mining inputs and labour; the Company's ability to secure our mine sites or maintain access to our mine sites due to criminal activity, violence, or civil and labour unrest; that Glencore and the Company may not be able to reach an agreement regarding the terms of any definitive agreements; that changes to the market price of zinc may affect the total consideration payable to Glencore pursuant to the Term Sheet and any subsequent definitive agreements; the speculative nature of mineral exploration and development, including the risk of obtaining or retaining necessary licenses and permits; challenges to, or difficulty in maintaining, the Company's title to properties and continued ownership thereof; diminishing quantities or grades of mineral reserves as properties are mined; global financial conditions; the Company's ability to complete and successfully integrate acquisitions, and to mitigate other business combination risks; the actual results of current exploration activities, conclusions of economic evaluations, and changes in project parameters to deal with unanticipated economic or other factors; increased competition in the mining industry for properties, equipment, qualified personnel, and their costs; having sufficient cash to pay obligations as they come due; the duration and effects of the coronavirus and COVID-19 variants, and any other epidemics or pandemics on our operations and workforce, and their effects on global economies and society. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described, or intended. Investors are cautioned against attributing undue certainty or reliance on forward-looking statements or information. Forward-looking statements and information are designed to help readers understand Management's current views of our near- and longer-term prospects and may not be appropriate for other purposes. The Company does not intend, and does not assume any obligation, to update or revise forward-looking statements or information to reflect changes in assumptions or in circumstances or any other events affecting such statements or information, other than as required by applicable law.

Additional Information

Additional information relating to the Company is on SEDAR+ at www.sedarplus.ca.