TIER ONE SILVER

(An exploration stage business)

MANAGEMENT'S DISCUSSION AND ANALYSIS
TIER ONE SILVER INC.
For the three months ended March 31, 2023

Dated: May 25, 2023

1. HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND THE PERIOD UP TO MAY 25, 2023

1.1 Operational highlights

- On February 16, 2023, Tier One Silver Inc. ("Tier One" or the "Company") reported 17 composite near surface chip sampling highlights (covering 1 square metre per sample distribution) of 1.59% copper (Cu), 0.24% nickel (Ni), 0.22 grams per tonne (g/t) palladium (Pd), 0.13 g/t platinum (Pt), 204 g/t cobalt (Co), 0.21 g/t gold (Au); 1.43% Cu, 1.86% Ni, 0.16 g/t Pd, 0.18 g/t Pt, 1,110 g/t Co and 0.84% Cu, 2.26% Ni, 0.24 g/t Pd, 0.24 g/t Pt, 1,280 g/t Co from the new Rayanpata target area at the Hurricane project in southern Peru. Rayanpata is located 3 kilometres (km) north from the Magdalena high-grade silver vein target. The majority of the samples report high-grade values for copper, nickel and cobalt, and all of the results appear to be related to magmatic-style sulphide mineralization within a gabrodioritic sill. Of the 17 samples from Rayanpata, 65% report values above 0.1% Ni, 35% report values above 0.1% Cu and two samples report values above 1,000 g/t Co.

- On January 30, 2023, the Company announced that recent geophysical survey results, combined with existing exploration data sets, have led to the identification of a porphyry copper target underlying the silver-gold epithermal mineralization defined on surface at its Curibaya project in southern Peru. New data sets, from a 42.7-line km Controlled-Source-Audio-Frequency Magnetotelluric (CSAMT) geophysical survey over the central portion of the Curibaya project completed in late 2022, were integrated into the exploration model, building on previous geophysical, geochemical and geological data sets, to generate targets for the Company's next planned drill program at the project.

1.2 Corporate Highlights

- On April 21, 2023, the Company announced that it closed on a first tranche of a non-brokered private placement (the "2023 Private Placement") for gross proceeds of $1.4 million. The Company issued 5,622,000 equity units at $0.25 per unit, with each unit consisting of one common share and one common share purchase warrant (exercisable for one common share at $0.35 for a two-year period from the closing date). In connection with the offering, the Company paid certain securities dealers total cash finder's fees of $43,830 and issued 175,320 non-transferable finder's warrants, with the finder's warrants having the same terms as the unit warrants.

- On January 30, 2023, the Company announced that Michael Henrichsen had retired as Chief Geologist of Tier One Silver to focus his efforts as Chief Geological Officer of Torq Resources Inc. and that Christian Rios, SVP of Exploration, will be leading exploration operations at the Company going forward.

2. DATE AND FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis ("MD&A") of Tier One has been prepared by management to assist the reader in assessing material changes in the condensed consolidated interim financial statements and results of operations of the Company as at March 31, 2023 and for the three months then ended (the "financial statements"). Subsequent events are as of the dates noted.

This MD&A should be read in conjunction with the financial statements of the Company. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and all dollar amounts presented are Canadian dollars unless otherwise stated.

United States readers should be aware that the Company uses mineral terminology based on the Canadian Institute of Mining and Metallurgy ("CIM"). Applicable CIM standards may not be the same as those accepted by the US Securities Exchange Commission for US domestic mining company disclosure. Further details of these differences can be found in our Annual Information Form filings.

The effective date of this MD&A is May 25, 2023.

2.1 Forward-looking statements and risk factors

Certain statements made in this MD&A contain forward-looking information within the meaning of applicable Canadian and United States securities laws ("forward-looking statements"). These forward-looking statements are presented for the purpose of assisting the Company's shareholders and prospective investors in understanding management's intentions and views regarding future outcomes and are inherently uncertain and therefore should not be heavily relied upon. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, identify such forward-looking statements. Specific forward-looking statements in this MD&A may include, but are not limited to: the Company's ability to execute on its exploration and financing plans, the likelihood of discovering resources; the potential for access to and exploration of the Company's projects, permitting timelines; government regulation of mining operations; environmental and climate-related risks; the possible impairment of mining interests; any objectives, expectations, intentions, plans, results, levels of activity, goals or achievements; the timing and amount of estimated exploration expenditures and capital raises for the Company; the liquidity of the common shares in the capital of the Company and other events or conditions that may occur in the future; the Company's intention to grow its business and its operations; the Company's competitive position; changes to government regulation, in particular Peruvian; and the impact of the COVID-19 pandemic on the Company's operations and the economy generally.

The forward-looking statements contained in this MD&A represent the Company's views as of the date hereof. The assumptions related to these plans, estimates, projections, beliefs and opinions may change without notice and in unanticipated ways. Many assumptions may prove to be incorrect, including the Company's budgeting plans, expected costs, assumptions regarding market conditions and other factors upon which the Company has based its expenditure and funding expectations; the Company's ability to obtain or renew the licenses and permits necessary for exploration; that operations and financial markets will not in the long term be adversely impacted by the COVID-19 pandemic; the Company's ability to complete and successfully integrate acquisitions; the possible effects of climate change, extreme weather events, water scarcity, and seismic events, and the effectiveness of strategies to deal with these issues; the Company's expectations regarding the future demand for, and supply and price of, precious metals; the Company's ability to recruit and retain qualified personnel; the Company's ability to comply with current and future environmental, safety and other regulatory requirements and to obtain and maintain required regulatory approvals.

Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to control or accurately predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company's business or in its industry, to differ materially and adversely from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this MD&A include, but are not limited to: risks in investigating, optioning or otherwise acquiring interests in mineral projects of merit followed by the high risk of exploration failure, risks in our ability to secure governmental permits and a social license to explore the projects, risks that the financial markets will lose their appetite to finance junior resources issuers; fluctuations in the current and projected prices for precious and base metals; technical risks and hazards associated with the mineral exploration including environmental hazards, potential unintended releases of contaminants, industrial accidents, unusual or unexpected geological or structural formations, pressures, cave-ins and flooding; the uncertainty in the process of estimation and valuation of any mineral resources that may be discovered, changes in tax, title and mining laws and regulations impacting exploration activities; the risk of the Company's mineral properties being subject to unknown prior unregistered agreements, transfers or claims and other defects in title; general opposition to mining activities and attendant legal and litigation risks; statutory and regulatory compliance; insurance and uninsurable risks; the Company's limited business history and history of losses and negative cash flow, which will continue into the foreseeable future; our inability to pay dividends, the continued involvement of our key management team and our ability to secure the specialized skill and knowledge necessary to operate in the mining industry; our ability to ultimately meet the listing criteria of an recognized stock exchange upon which may delay or negate any intention to application to list the Company's shares; relations with and potential demands and claims by local communities and non-governmental organizations, including indigenous populations and affected local communities with whom we are required to pursue local community surface access agreements in order to explore; the expenses and other requirements of being a public company; risks associated with the significant resources required to maintain regulatory compliance as a public company; the effectiveness of the Company's internal control over financial reporting; cybersecurity risks; risks relating to the Company's public perception; general business, economic, competitive, political and social uncertainties; and public health crises such as the COVID-19 pandemic and other uninsurable risks. While we have sought to provide a list of the principal risks, these are the known risks and hence cannot be an exhaustive list of the risks and other factors that may affect any of the Company's forward-looking statements as there are likely also unknown risks. Additional information relating to the Company and its operations is available on SEDAR at www.sedar.com and on the Company's website at www.tieronesilver.com. These documents are for supplemental information purposes only and not incorporated by reference in this MD&A.

The Company's management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its MD&A and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

3. DESCRIPTION OF THE BUSINESS

The Company is a junior resource exploration issuer seeking to create significant value for shareholders through the exploration for silver, gold and base-metal deposits in Peru. The primary focus of the Company is on its 100% owned Curibaya project, which consists of approximately 17,000 hectares (ha) located approximately 48 km north-northeast of the provincial capital, Tacna, accessible by road. The Company's other material project, Hurricane, covers approximately 32,000 ha and is located approximately 65 km north of the city of Cusco.

In addition to its material projects discussed above, the Company also has certain concessions referred to as the Coastal Batholith and Corisur claims that it does not consider to be material at this time. The Coastal Batholith, a low altitude project located approximately 180 km north of Lima, near the Pan-American Highway, now comprises of two target areas on the coast of Peru, totaling approximately 15,000 ha. The Corisur claims cover 1,300 ha, located 52 km from Tacna, and consist of the Tacora, Tacora Sur and Andamarca concessions.

Figure 1 – Locations of Tier One's properties within Peru.

Beyond having title to its mineral properties, the Company must secure environmental permits and local community access agreements in order to conduct its exploration activities. Therefore, building and maintaining relationships with its key stakeholders, namely governmental bodies and local communities, among others, is crucial to the Company's continued success. In this regard, the Company believes that it conducts itself to the highest standards around environmental and social responsibility and corporate governance.

As a normal part of the exploration process, Tier One enters into access and use agreements with the local communities. The process requires achieving local community consensus though positive dialogue with the communities. As at the date hereof, the Company has agreements with communities covering a portion of the Hurricane project which provide surface access and are in place until August 2023 (Magdalena target area - Hurricane) and December 2023 (San Cipriano and Ñañohuayco target areas - Hurricane). The Company is in the process of renewing its surface rights agreement with the local community at Curibaya which expired on May 18, 2023. The renewal is expected to be finalized in the coming weeks. Management believes that the community agreements will continue to be maintained in good standing for a reasonable cost, although there can be no certainty about the financial or other requirements to keep extending them.

3.1 Peruvian projects

3.1.1 Curibaya Project

The Curibaya property is comprised of approximately 17,000 ha and is situated in a copper porphyry belt that hosts some of Peru's largest porphyry deposits. Tier One has a 100% interest in the Curibaya project, which is comprised of numerous concessions acquired through staking efforts, mostly by the Company's corporate predecessor, and the Sambalay and Salvador concessions, which were acquired in 2019. The Sambalay concessions are subject to a 1.5% net smelter return ("NSR") royalty in favor of each of Teck Peru, S.A.C. ("Teck") and Compañia de Exploraciones Orion S.A. One third or 0.5% of the Teck NSR royalty is buyable for US$1.0 million. The Salvador concessions are subject to a 2.0% NSR royalty and a US$2.0 million production payment, payable at the time a production decision is made, and to secure payment of such consideration, a legal mortgage in favor of Teck is recorded in the registry files of the Salvador concessions.

<u>2023 Activity and Plans</u>

Since completing its most recent surface program at Curibaya in Q4 2022, which included channel sampling at the Cambaya target as well as a CSAMT geophysical survey in the central part of the project, the Company suspended operations for Q1 which typically is the rainy season when the project can experience heavy rain and periodic flash flooding. During this time, the Curibaya camp has been in care and maintenance and the technical team has continued desktop work to review results and plan for future work programs.

The Company recently received confirmation from the Peruvian Ministry of Energy and Mines that it will not have to close the majority of the access roads and platforms that were built for the 2021 drill program under its original Ficha Técnica Ambiental ("FTA") permit. When the Company made its application for this permit exception in 2022, which significantly reduces the related reclamation costs, the community provided their formal support and in exchange the Company has committed to help fund the construction of certain community roads. The extent and timing of this funding will be negotiated as part of the renewal of the surface rights access agreement which is expected to be finalized in the coming weeks.

In Q2 2023, the Company plans to commence reconnaissance regional exploration in areas of the project that have not yet been sampled in detail. The Company also continues to analyze the data it has accumulated at the Curibaya project in order to hone its targeting and lay the groundwork for a second phase of drilling. Despite the preparations for a future drill program, which would comprise of between 2,000 – 5,000 metres to follow-up on the high-grade silver-gold epithermal mineralization defined at surface and target the two main conductive features that may relate to a porphyry system, the Company will not be in a position to execute this program until it raises sufficient capital.

During the three months ended March 31, 2023, the Company incurred $387,416 of exploration and evaluation costs on Curibaya ($627,194 for the three months ended March 31, 2022).

3.1.2 Hurricane Project

The Company's rights to the Hurricane project, which covers approximately 32,000 ha and is located 66 km north of the city of Cusco, were acquired by way of a share purchase option agreement (the "Pembrook Option") over Compañia Minera Tororume S.A.C. ("Tororume"), the Peruvian subsidiary of Pembrook Copper Corp. ("Pembrook"), that owns the Hurricane concessions. Under the terms of the Pembrook Option, Tier One has the option to acquire 90% or 100% of the shares of Tororume by making certain payments to Pembrook and by incurring certain amounts of exploration work on the Hurricane project within the five-year period measured from a defined Access Date. The Access Date was to be the earlier of October 31, 2022, or the date by which the Company secured the necessary surface rights and governmental permits to commence diamond drilling. The Access Date was later extended to October 31, 2023 (unless the drill permit is obtained first) by paying Pembrook US$75,000 as a non-refundable advance of the first annual option payment. If the Company is unable to obtain its drill permit by October 31, 2023, the Company has the ability to either terminate the option or commit to incur the first year of work expenditures in the table below (or pay them to Pembrook in lieu).

The following table outlines the required option payments, which the Company can choose to make in cash or Tier One shares (subject to TSX Venture approval), and the work expenditures required over the five year option period (starting from the Access Date).

Due Dates	Status	Option Payments (in '000 US$)	Work Expenditure (in '000 US$)
By April 28, 2021	Completed	$ 84	$ -
1st Anniversary of Access Date	Partially complete(1)	250	750
2nd Anniversary of Access Date		350	1,000
3rd Anniversary of Access Date		500	2,000
4th Anniversary of Access Date		1,000	3,000
5th Anniversary of Access Date		2,500	4,000
Total to acquire 90%		**$ 4,684**	**$ 10,750**
Payment to acquire final 10%		10,000	-
Total to acquire 100%		**$ 14,684**	**$ 10,750**

(1) US$75,000 of the option payment has been advanced and approximately US$675,182 of eligible work expenditures have been incurred in relation to the 1st anniversary requirements.

Under the Pembrook Option the Company assumes the obligation to carry all expenses until production and all exploration requirements cease once the option is exercised, which can be done at any time at Tier One's election.

As of the date of this MD&A, the Company has two-year surface access agreements with two of the five local communities surrounding the Hurricane project, which provide surface access to the Ñañohuayco, San Cipriano and Morro Culispata copper-nickel-platinum-palladium-silver prospects, the Magdalena silver prospect, and half of the Pampayeoc silver prospect. The current agreements will allow for drilling once a drill permit has been obtained and will need to be renewed in August and December of 2023. While the Company currently has access to the highest priority targets where surface exploration has been conducted, additional community agreements would be needed to gain access to other areas of the project including areas where mineralization is found to extend beyond community agreement boundaries. Such agreements are not actively being pursued at this time.

<u>2023 Plans</u>

<u>Magdalena Target Area</u>

The next phase of exploration at Magdalena, which is subject to financing, will focus on additional field work that includes soil sampling, mapping, trenching and a magnetics IP geophysical survey to evaluate the potential of identified structures and the possible magmatic source.

<u>San Cipriano and Ñañohuayco Target Areas</u>

Collectively, the San Cipriano and Ñañohuayco targets will be further advanced and refined to a drill ready stage through additional geophysics, mapping and geochemical sampling, all subject to the Company obtaining additional financing.

During the three months ended March 31, 2023, the Company incurred $113,861 of exploration and evaluation costs on the Hurricane project ($107,616 for the three months ended March 31, 2022).

3.1.3 Other Non-Material Projects

<u>Corisur Claims</u>

In 2017, the Company acquired the rights, subject to certain net smelter return royalties, to the Tacora, Tacora Sur and Andamarca concessions covering 1,300 ha through two acquisition agreements. This group of concessions makes up the Corisur claims, which are located in the border zone and therefore unconditional ownership can only be achieved by any non-Peruvian controlled entity by obtaining a Supreme Decree from the government, although the concessions can be sold to a Peruvian national at any time. No Supreme Decree is currently being sought by the Company. The Company maintains surface rights, expiring in 2024, over a portion of the claims still held.

Coastal Batholith

The Coastal Batholith project was staked primarily during the last quarter of 2020. Tier One originally screened 11,000 square km using a stream sediment survey which identified five target areas, located within the northern half of the Cretaceous porphyry and IOCG belt that hosts the Zafranel (Teck Resources), Tia Maria (Southern Copper Corp.) and Mina Justa (Minsur S.A.) deposits in the southern region of Peru. The Company's technical team believes that the same geology continues north of these deposits but that it has never been explored in a systematic manner.

After completing a more detailed review of the data gathered since staking the project, the Company decided to retain interests in what it believes are the two most prospective targets areas which cover approximately 15,000 ha and have both precious and base metal opportunities. As there is no specific exploration season for this region on the coast, the Company is able to complete work at the Coastal Batholith project year-round, and in Q1 2023, completed minor follow-up surface review and sampling.

Exploration and Evaluation Costs

On its properties that are grouped as other, namely the Coastal Batholith and Corisur claims, the Company incurred exploration and evaluation costs of $31,485 for the three months ended March 31, 2023 ($76,722 for the three months ended March 31, 2022).

3.2 Qualified persons and technical disclosures

Christian Rios, P.Geo., SVP of Exploration of the Company, is the Qualified Person with respect to the technical disclosures in this MD&A.

Curibaya CSAMT Geophysical Survey Parameters

The CSAMT survey was carried out by Quantec Geoscience Perú S.A.C., a company based in Vancouver with divisions operating in South America, including Peru. Data points were collected on grid lines-oriented NW-SE using 50 m station spacings, covering an area of approximately 4.5 km x 3.5 km. Overall, data quality is considered well above average and no stations were affected by external factors.

Results were compiled into sections, grid maps and a 3D Voxel model. Occam or Marquardt 1D Inversions are first used to invert the data to produce a smooth-layer 1-D resistivity/depth curve for each station. To avoid the effects of the near-field, some frequencies were removed.

Readings are statistically averaged based upon adjacent points to produce an associated value for each cell. Quantec Geoscience Perú S.A.C. provides high confidence in readings to a depth of at least 700 m.

Composite Chip Sampling:

Approximately 2-3 kg of rock material was collected per 1 square metre for analysis and sent to ALS Lab in Arequipa, Peru for preparation and then to Lima, Peru for analysis. All samples are assayed for gold, platinum and palladium using 30 g nominal weight fire assay with ICP-AES finish method (PGM-ICP23) and for multi-element using four acid digest ICP-AES/ICP-MS method (ME-MS61). Where MS61 results were greater or near 10,000 ppm Cu, 10,000 ppm Pb, 10,000 ppm Zn or 100 ppm Ag, the assays were repeated with ore grade four acid digest method (Cu, Pb, Zn, Ag-OG62). Where OG62 results were greater or near 1,500 ppm Ag, the assays were repeated with 30 g nominal weight fire assay with gravimetric finish (Ag-GRA21). QA/QC programs for 2022 rock samples at Hurricane using internal and lab standard and blank samples, and lab duplicates, indicate good overall accuracy and precision.

For the three months ended March 31, 2023 (In Canadian dollars, unless otherwise noted)

4. DISCUSSION OF OPERATIONS

4.1 Three months ended March 31, 2023 and 2022 (Q1 2023 vs. Q1 2022)

During the three months ended March 31, 2023, the Company reported a loss of $1,472,436 compared to a loss of $2,079,555 for the comparable period in 2022. Significant variances within operating expenses and other expenses, which in combination resulted in the $607,119 decrease in the current period's loss, are discussed as follows:

- Exploration and evaluation costs in Q1 2023 decreased to $532,762 from $811,532 in Q1 2022. Costs in Q1 2022 were higher than the current period as the Company's technical team focused on analysis of the 2021 drill results to update the geological model and aid in targeting. Permitting, environmental and community activities were also on-going and the camp was kept on care and maintenance in anticipation of returning for a planned follow up program later in the year. In comparison, after a smaller 2022 surface program, Q1 2023 activity levels were quite limited. The decrease in the current period costs demonstrates the Company's ability to reduce its use of the Universal Mineral Services Ltd. ("UMS Canada" see section 7.1) shared personnel, and thereby the related costs, in a less active period.
- Fees, salaries, and other employee benefits decreased to $375,344 in Q1 2023 from $663,380 in Q1 2022. The decrease is primarily driven by the reduction in share-based payments from $324,635 in Q1 2022 to $51,219 in the current period, as the expense recognized in relation to the 2021 share option grants, being the only grants to date, decreases each quarter.
- Marketing and investor relations cost in Q1 2023 decreased from $412,545 to $305,861. Q1 2022 costs were higher primarily as a result of the Company's investor outreach and communication programs ongoing during the quarter to help communicate the results from the 2021 drill campaign to the market.

4.2 Summary of Quarterly Results

Quarter ended	Interest Income	Net loss	Comprehensive loss	Net loss per share
March 31, 2023	**$ 14,695**	**$ 1,472,436**	**$ 1,473,366**	**$ 0.01**
December 31, 2022	23,465	1,592,730	1,610,414	0.01
September 30, 2022	15,822	2,175,146	2,094,360	0.02
June 30, 2022	4	1,891,955	1,859,790	0.01
March 31, 2022	-	2,079,555	2,098,818	0.02
December 31, 2021	-	4,992,679	5,015,335	0.04
September 30, 2021	-	5,698,335	5,665,023	0.05
June 30, 2021	-	3,830,214	3,866,342	0.03

During the last eight quarters, the Company's net loss has ranged between $1,472,436 and $5,698,335. Quarterly losses are closely correlated to the level of exploration activity in any given quarter, which can fluctuate significantly since the Company substantially reduces activities during the rainy season and pending financings. Additionally, the Company incurs expenditure on administrative activities, professional fees, investor relations outreach and communications, and regulatory compliance, all of which are required as a public company to maintain its public listings and to promote the Company's activities in the market. These expenses fluctuate to a significant degree depending on the funding opportunities available to the Company to pursue exploration.

Costs in Q2 2021 were high in relation to the Company's initial listing on the TSX Venture and OTCQB exchanges. Losses in the second half of 2021 continued to increase in relation to the Curibaya drill program, which commenced late in Q2 2021, and was completed in Q4 2021 with final results analysis being performed in Q1 2022. In Q2 2022, activities were limited while the Company worked to complete the 2022 Private Placement, and once programs were funded and undertaken in Q3 2022, losses again rose due to the increased activity levels. Once programs were complete the projects were put into care and maintenance and the work shifted to desktop data analysis and again costs, and the resulting loss, decreased in Q4 2022 and further in Q1 2023.

In addition to the trends discussed above in relation to the quarterly losses, the Company also recognized impairment charges in Q4 2021 related to the Emilia project and in Q2 2022 upon relinquishing a portion of the Coastal Batholith and Corisur projects. The impairment charges resulted in increased losses during those periods.

For the three months ended March 31, 2023 (In Canadian dollars, unless otherwise noted)

4.3 Summary of Project Costs

During the three months ended March 31, 2023, the Company incurred $nil of mineral property additions and $532,762 in exploration and evaluation costs on its projects.

Mineral property interests	Curibaya	Hurricane	Other	Total
Balance as at December 31, 2021	$ 1,322,051	$ 235,616	$ 988,764	$ 2,546,431
Mineral property additions	213	129,128	797	130,138
Mineral property impairment	-	-	(102,352)	(102,352)
Recognition of provision for site reclamation and closure	21,524	-	-	21,524
Currency translation adjustment	54,902	3,939	58,011	116,852
Balance as at December 31, 2022	**$ 1,398,690**	**$ 368,683**	**$ 945,220**	**$ 2,712,593**
Recognition of provision for site reclamation and closure	2,101	-	-	2,101
Currency translation adjustment	(716)	(48)	(768)	(1,532)
Balance as at March 31, 2023	**$ 1,400,075**	**$ 368,635**	**$ 944,452**	**$ 2,713,162**

Exploration and evaluation expenditures	Curibaya	Hurricane	Other	Total
Surface exploration	$ 108,665	$ 32,290	$ 8,338	$ 149,293
Camp and project support	149,507	2,091	-	151,598
Concession holding	24,525	33,971	12,477	70,973
Permitting, environmental and community	94,920	40,143	10,421	145,484
Share-based payments	9,799	5,366	249	15,414
Total for the three months ended March 31, 2023	**$ 387,416**	**$ 113,861**	**$ 31,485**	**$ 532,762**

4.4 Future operations

Future operations will be aimed at further progressing exploration primarily at Curibaya and, as funds permit, at Hurricane. With the funds from the 2023 Private Placement, the Company plans to commence regional surface work to cover unexplored areas of the Curibaya property and start preparations to undertake its second drill program of between 2,000 - 5,000 m to test both the Cambaya target area and the recently identified porphyry targets. At Hurricane, the Company plans to conduct additional surface work, including geophysics, mapping and geochemical sampling, to get to a drill ready stage while concurrently progressing the drill permitting process.

The ability of the Company to fund Curibaya drilling and Hurricane work programs will be subject to raising additional funds through the sale of common shares. While the Company has been successful at raising capital in the past, there can be no assurance that the Company will be able to raise sufficient funds to finance its planned programs and make its required option payments under the Hurricane Option Agreement.

5. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

5.1 Financial position and liquidity

	March 31, 2023	December 31, 2022
Cash	**$ 610,115**	$ 1,553,349
Amounts receivable	**13,443**	18,100
Mineral property interests	**2,713,162**	2,712,593
Other assets	**793,794**	947,875
Current liabilities	**(1,165,312)**	(808,653)
Non-current liabilities	**(210,049)**	(265,888)

As at March 31, 2023, the Company had cash of $610,115 and working capital of $54,087 ($1,553,349 and $1,499,672, respectively, as at December 31, 2022). None of the Company's cash is restricted. Contractual obligations as at March 31, 2023, relate to accounts payable and accrued liabilities totalling $794,354 (December 31, 2022 - $539,806) and the Company has a current provision of $370,958 (December 31, 2022 - $268,847) recorded in relation to constructive obligations it has at its projects for reclamation and closure activities. Additionally, the Company has certain commitments related to the premises it occupies on a shared basis under the UMS Canada lease obligation disclosed in Note 5 of the financial statements.

During the three months ended March 31, 2023, the Company used cash of $957,765 in operating activities compared to $1,592,418 during the comparative period in 2022. The lower cash outflow in the 2023 quarter was primarily the result of the lower activity level, specifically exploration and marketing, as discussed above. Q1 2023 cash flow was also positively impacted by changes in working capital as the Company made efforts to conserve its treasury.

During the three months ended March 31, 2023, the Company generated cash from investing activities of $14,695 compared to using $594 during the comparative period in 2022. The cash inflow in the current period was a result of earning interest on funds held in a new bank account set up in Q3 2022.

During the three months ended March 31, 2023 and 2022, cash provided by financing activities was $nil. However, on April 21, 2023, the Company announced that it closed on a first tranche of the 2023 Private Placement for gross proceeds of $1.4 million.

The limited cash reserve at Q1 2023 is a result of the cyclical nature of the Company's business thus far. As reflected in its relatively limited operating history, the Company has followed a cycle of raising funds in Q2, completing exploration programs in Q3 and Q4, receiving results in the following Q1 (when activities are suspended due to the rainy season in Peru) and then again raising capital in Q2. As of the date of this MD&A, 2023 has also followed this trend with the announcement of the 2023 Private Placement in Q2 2023.

The Company requires approximately $3.3 million annually to cover corporate overhead costs in addition to funds required to undertake exploration activities, the amount of which is dependent on the size and extent of the planned program. In the two and a half years that the Company has operated, spending has fluctuated substantially based on levels of activity and as previously mentioned, the Company has the ability to reduce its overhead costs in periods of lower activity by reducing its use of UMS Canada services.

Despite having some ability to limit its expenditures, the Company has incurred operating losses to date and does not generate operating revenue to support its activities. With no source of operating revenue, there can be no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. The ability to continue as a going concern remains dependent upon the Company's ability to obtain the financing necessary to continue to fund its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and expose the Company to liquidity risk being the risk that it will have difficulty in meeting obligations associated with its financial liabilities. While the Company has recently completed the first tranche of the 2023 Private Placement and has sufficient cash on hand to discharge its current financial liabilities as they become due over the near term, it will require additional funding to continue operations for the coming year.

5.2 Capital Resources

On April 21, 2023, the Company announced the closing of the first tranche of the 2023 Private Placement for gross proceeds of $1.4 million through the issuance of 5,622,000 equity units (each a share and a share purchase warrant). The Company intends to use the net proceeds from the offering to resume exploration and prepare for drilling at the Curibaya project and for general working capital purposes. The Company has received an extension from the TSXV to close the 2023 Private Placement no later than June 2, 2023.

On August 26, 2022, the Company announced that it had obtained the receipt for its final shelf prospectus (the "Shelf Prospectus") filed with the securities commissions in each of the provinces and territories of Canada. The Shelf Prospectus is intended to provide the Company with financing flexibility as it allows the Company to qualify the distribution of up to $100,000,000 of common shares, warrants, subscription receipts, units, debt securities, or any combination thereof, from time to time over the 25-month period that the Shelf Prospectus remains effective. The specific terms of any future prospectus offerings of securities will be set forth in one or more shelf prospectus supplements, each of which will be filed with the applicable Canadian securities regulatory authorities in connection with any such offering. The Shelf Prospectus can be found under the Company's SEDAR profile at www.sedar.com.

For the three months ended March 31, 2023 (In Canadian dollars, unless otherwise noted)

On June 16, 2022, the Company closed a non-brokered private placement (the "2022 Private Placement") for gross proceeds of $6.2 million through the issuance of 13,736,026 units (each a share and a share purchase warrant). The Company's intended use of the net proceeds from the 2022 Private Placement was to fund continued exploration at the Company's portfolio of mineral projects in Peru, primarily Curibaya, and for general working capital. A reconciliation of the net proceeds and the funds used as of March 31, 2023, is as follows:

	Number of common shares		Proceeds
Units issued at $0.45 per unit	13,736,026	$	6,181,212
Share issuance costs			(177,197)
Net proceeds		$	6,004,015
Actual use of proceeds			
Surface exploration at the Curibaya project			2,326,632
Exploration activities at other projects			704,541
General working capital			2,362,727
Funds remaining at March 31, 2023		$	610,115

6. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements. Earn-in arrangements are not viewed as off-balance sheet arrangements, and there are no other commitments held by the Company at the balance sheet date other than as disclosed in Note 5 to the financial statements.

7. RELATED PARTY TRANSACTIONS

7.1 UMS Canada and Universal Mineral Services Peru

UMS Canada is a shared service provider company in which the Company holds a 25% equity interest, with the remaining 75% balance being shared equally by three other junior resource explorers. UMS Canada provides head office premises, administrative, geological, accounting and other advisory services to the Company on a cost recovery basis.

Universal Mineral Services Peru S.A.C. ("UMS Peru") is a company incorporated under Peruvian law, which provides administrative and geological services to Corisur S.A.C and Magma Minerals S.A.C. and to the Peruvian subsidiary of Coppernico Metals Inc, which is one of the three other companies that shares the services of UMS Canada. In order to comply with Peruvian transfer pricing rules, UMS Peru charges its services at cost plus a markup of 5% for administrative services and 7% for geological services.

All transactions have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Three months ended March 31,			
		2023		2022
Exploration and evaluation	**$**	**151,701**	$	292,401
General and administration		**280,452**		230,199
Marketing and investor relations		**21,672**		383
Project investigation		**5,990**		5,543
Total transactions for the year	**$**	**459,815**	$	528,526

As at March 31, 2023, $160,844 (December 31, 2022 - $58,068) was included in accounts payable and accrued liabilities and $170,000 (December 31, 2022 - $220,000) in prepaid expenses and deposits relating to transactions with UMS Canada.

As at March 31, 2023, $63,876 (December 31, 2022 - $nil) was included in prepaid expenses and deposits relating to transactions with UMS Peru.

For the three months ended March 31, 2023 (In Canadian dollars, unless otherwise noted)

7.2 Key management compensation

In addition to the transactions disclosed above, the Company provided the following compensation to key management members, being its three executives, of which one is a Board Director, and six non-executive directors:

	Three months ended March 31,	
	2023	2022
Salary and benefits provided to executives	**$ 131,494**	$ 222,255
Fees paid to non-executive directors	**34,841**	58,943
Share-based payments	**37,934**	186,879
	$ 204,269	$ 468,077

The Company's Chief Financial Officer provides services under a secondment employment arrangement between the Company and UMS Canada. As at March 31, 2023, $27,905 of executive salaries and director fees had been deferred and were included in accounts payable. These amounts have since been paid in full.

The Company issues options to certain UMS employees, including key management personnel of the Company. The Company recognized share-based payments of $25,090 for the three months ended March 31, 2023 in respect of share options issued to UMS employees ($159,383 for the three months ended March 31, 2022).

8. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the consolidated financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

In preparing the Company's financial statements, the Company applied the significant accounting estimates and judgements disclosed in Note 3 of its audited consolidated financial statements for the year ended December 31, 2022.

9. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

As disclosed in Note 2(f) of the financial statements, the Company has reviewed new and revised accounting pronouncements that are effective for periods after December 31, 2022, and noted that these do not have an impact the financial statements of the Company.

Certain new accounting standards and interpretations have been issued but are not yet effective and they have not been early adopted. The Company is currently assessing the new and amended standards, which are not expected to have a material impact on the Company's consolidated financial statements.

10. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at March 31, 2023, the Company's financial instruments consist of cash, amounts receivable, deposits, as well as accounts payable and accrued liabilities, which are classified as and measured at amortized cost. The fair values of these financial instruments approximate their carrying values due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk and currency risk. Details of the primary risks that the Company is exposed to are laid out in Note 9 to the Company's financial statements.

11. OTHER REQUIRED DISCLOSURES

11.1 Proposed transactions

As at March 31, 2023 and as at the date of this MD&A, the Company had no proposed and pending transactions.

For the three months ended March 31, 2023 (In Canadian dollars, unless otherwise noted)

11.2 Capital structure

The capital structure of the Company is as follows:

Authorized: Unlimited number of common shares

The following common shares, share options and share purchase warrants were outstanding as at March 31, 2023 and May 25, 2023:

	As at May 25, 2023	As at March 31, 2023
Common shares	145,152,923	139,530,923
Share options	7,185,625	7,185,625
Share purchase warrants	19,533,345	13,736,026

11.3 Disclosure controls and procedures

As defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The consolidated financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out therein.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, have evaluated the design of the Company's disclosure controls and procedures and the design of internal controls over financial reporting as required by Canadian securities laws, and have concluded that such procedures are adequate to ensure accurate and complete disclosures in public filings.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com under Tier One Silver Inc.'s profile.

On behalf of the Board of Directors,

"Peter Dembicki"
Peter Dembicki
President, Chief Executive Officer and Director
May 25, 2023