



(An exploration stage business)

TIER ONE SILVER INC.

Management's Discussion & Analysis
For the three months ended March 31, 2021

Dated: May 17, 2021

Tier One Silver Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations
for three months ended March 31, 2021 (In Canadian dollars, unless otherwise noted)

1. HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND THE PERIOD UP TO MAY 17, 2021

1.1 Corporate Highlights

- Tier One has applied to list its common shares on the TSX Venture Exchange (TSXV) and while the application remains under review as of the date hereof, the Company has been advised by TSXV that its principal project the Curibaya project, meets TSXV listing requirements and the technical report is in appropriate form.
- On March 2, 2021, Tier One announced it had increased and completed its previously announced non-brokered private placement of 13,454,463 common shares (the "Shares") at an offering price of \$1.00 per Share for net proceeds of \$13,141,813 (the "Offering") net of fees, costs and commissions. The Offering was limited to accredited investors and other investors who are eligible to purchase Shares exempt from prospectus and registration requirements. The Company intends to use the net proceeds from the Offering to fund the upcoming drill program at the Curibaya project, continued exploration at the Company's portfolio of projects and for general working capital.
- On January 13, 2021, it was announced that Peter Dembicki had been appointed President, Chief Executive Officer, and Director. Accordingly, Shawn Wallace resigned as President and Chief Executive Officer and remains a Director of the Company.

1.2 Operational highlights

- On April 28, 2021, the Company entered into a share purchase option agreement with Pembroke Copper Corp. ("Pembroke") to acquire Pembroke's Peruvian subsidiary, Compañía Minera Tororume S.A.C. ("Tororume"), which owns the Hurricane Silver project located in southeastern Peru. Hurricane Silver covers approximately 25,640 hectares, has numerous high-grade silver showings and is located approximately 66 kilometres ("km") north of the city of Cusco.
- On April 27, 2021, the Company announced that it had terminated a 2016 option agreement in respect of two mineral concessions within a larger project area known as Huilacollo, located in southern Peru. Tier One retains a strong land position within the area; these concessions will now be referred to as the Corisur claims.
- On January 12, 2021, the Company entered into an option agreement to acquire 100% of the Emilia property in southern Peru, which will be treated as an asset acquisition. The project represents a porphyry – iron oxide copper-gold ("IOCG") opportunity and is located by the coast approximately 80 km southwest from Arequipa and 7 km west from National Highway 15 with access to infrastructure.
- On January 20, 2021, the Company announced that it received its Ficha Técnica Ambiental ("FTA" or "Environmental Permit") from the Peruvian Ministry of Energy and Mines for the Curibaya project. The FTA allows the Company to drill up to 40 holes from 20 platforms over a 473-hectare area, which is within the 20 square km mineralized alteration zone where high-grade vein corridors have recently sampled up to 298 kg/t silver and 14.1 g/t gold.

< Refer to the section 2.1 for cautionary wording concerning forward-looking information >

2. DATE AND FORWARD-LOOKING STATEMENTS

This MD&A of Tier One has been prepared by management to assist the reader to assess material changes in the consolidated financial statements and results of operations of the Company as at March 31, 2021, and for the three month period then ended.

This MD&A reviews the financial results of the Company for the three months ended March 31, 2021. Commentary is made on the results for the period under review.

This MD&A should be read in conjunction with the condensed consolidated interim financial statements of the Company and related notes thereto as at and for three months ended March 31, 2021 and 2020. The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board ("IASB"). IFRS include International Accounting Standards ("IAS") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). All financial information has been prepared in accordance with IFRS and all dollar amounts presented are Canadian dollars unless otherwise stated.

Tier One Silver Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for three months ended March 31, 2021 (In Canadian dollars, unless otherwise noted)

The effective date of this MD&A is May 17, 2021.

2.1 Forward-looking statements and risk factors

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, the estimation of mineral reserves and resources, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of deposits, success of exploration activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate", "believe", "estimate", "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; general economic conditions; public health crises such as the COVID-19 pandemic and other uninsurable risks; actual results of current exploration activities and unanticipated reclamation expenses; fluctuations in prices of gold and other commodities; fluctuations in foreign currency exchange rates; increases in market prices of mining consumables; possible variations in mineral resources, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates; as well as other factors.

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.

The operations of the Company are speculative due to the high-risk nature of its business which is the exploration of mining properties. For a comprehensive list of the risks and uncertainties facing the Company, please see "Risk Factors" in the former parent company, Fury Gold Limited's ("Fury Gold") most recent annual information form ("AIF"). These are not the only risks and uncertainties that Tier One faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Readers should refer to the risks discussed in the Fury Gold's AIF and MD&A for the year ended December 31, 2020, and subsequent continuous disclosure filings with the Canadian Securities Administrators available at www.sedar.com. These documents are for information purposes only and not incorporated by reference in this MD&A. Additional information relating to the Company and its operations can also be found on the Company's web site at www.tieronesilver.com. For discussion regarding the former parent company, refer to the SEDAR profile for Fury Gold.

3. DESCRIPTION OF THE BUSINESS

The Company is focussed on creating significant value for shareholders through the exploration and potential discovery of world-class silver and gold deposits in southwest Peru. The main focus of the Company is the 100% owned Curibaya project, which consists of approximately 11,000 hectares and is located approximately 48 km north-northeast of the provincial capital, Tacna, accessible by road.

At the date of this document, the Company also has the following properties in addition to the flagship Curibaya project:

- the Hurricane Silver project which covers approximately 25,600 hectares and is located 66 km north of the city of Cusco.
- the Emilia project, which consists of 1,400 hectares and is located approximately 80 km southwest from Arequipa, 7 km west from National Highway 15;

Tier One Silver Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for three months ended March 31, 2021 (In Canadian dollars, unless otherwise noted)

- the Coastal Batholith claims, comprised of five target areas on the coast of Peru, totaling 41,000 hectares it is a low altitude project located approximately 180 km north of Lima, near the Pan-American Highway; and
- the Corisur claims (previously referred to as Huilacollo), which is comprised of several non-contiguous claims with a total land position of 13,865 hectares, located 52 km from Tacna.

The Company's technical and management teams have a track record of successfully monetizing assets for all stakeholders and local communities in which it operates. The Company conducts itself to the highest standards of corporate governance and social responsibility. As a normal part of the exploration process, Tier One enters into access and use agreements with local communities surrounding its projects. The process of securing such agreements requires achieving local community consensus and can be challenging, however positive dialogue continues with the communities and management believes that agreements will continue to be maintained and updated, although there can be no certainty at this time about their timing or extent.

3.1 Impacts of COVID-19

The situation in Canada and Peru with respect to the management of COVID-19 remains fluid and permitted activities are subject to change; the Company is continually reviewing the situation along with provincial and government guidelines and allowing work to be undertaken as long as it is confident that its employees are safe to do so.

While the disruptions resulting from the pandemic caused only a minor delay in the Company's planned goals for 2021, mainly related to its inability to conduct field programs in Peru since the lockdown was mandated, management was still able to continue with much of its planned activity. During the first quarter, the Company advanced minor road access and camp infrastructure projects at Curibaya. As the situation surrounding COVID-19 continues to develop daily, the Company will continue to monitor the situation closely and respond appropriately.

3.2 Peruvian projects

3.2.1 Curibaya

The Curibaya property is comprised of approximately 11,000 hectares situated in a copper porphyry belt that hosts some of Peru's largest porphyry deposits. Tier One inherited ownership of the Curibaya project and relating obligations from the former parent company, Fury Gold. Tier One has a 100% interest in the Curibaya concession, which was acquired in 2015, 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 Compañía 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.

Additional rock sampling programs within the defined vein corridors that are situated above the recently identified chargeability and magnetics geophysical anomalies, were conducted by the Company. Results from these programs continue to demonstrate the presence of high-grade silver and gold mineralization, with samples up to 298 kg/t silver (298,590 g/t silver) and 14.1 g/t gold. Vein sampling is aiding in drill targeting, ensuring drill holes are placed in zones with the highest grade mineralization and vein density. See press releases dated February 4, 2021, January 20, 2021, December 15, 2020, and February 28, 2020, for full results from the Company's surface programs at Curibaya.

3.2.2 Corisur Claims (previously Huilacollo)

The Huilacollo epithermal property was comprised of five concession areas covering approximately 3,300 hectares of intense hydrothermal alteration. Tier One inherited the rights to the Huilacollo property from Fury Gold pursuant to the Transaction described in the Company's consolidated financial statements for the year ended December 31, 2020. The property included two concessions, Huilacollo 1 and Huilacollo 2, over which Tier One had an option agreement with a local Peruvian company, Inversiones Sol S.A.C. (the "Huilacollo option").

On April 24, 2021, the Company, through its subsidiary, Corisur, gave notice to terminate the Huilacollo option – effectively releasing the Huilacollo 1 and Huilacollo 2 concessions. The three Corisur Border Zone concessions, Tacora, Tacora Sur, and Andamarca, remain under the control and ownership of the Company (conditional on receipt of a Supreme Decree). Furthermore, the area also includes a group of additional concessions covering 12,565 hectares. Altogether, the total remaining land position is 13,865 hectares and will be referred to as the Corisur Claims.

The Corisur Claims are located within the Border Zone situated within 50 km of the Peruvian-Chilean border. As a non-resident-owned company, Corisur's right to ultimately exploit these licenses or register its interests require approval

Tier One Silver Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for three months ended March 31, 2021 (In Canadian dollars, unless otherwise noted)

from the Peruvian government in the form of a Supreme Decree. The Company is currently evaluating the exploration potential of this land package. The termination of the Huilacollo Option relieves the Company of certain option payment and work expenditure obligations related to the two surrendered concessions, however, Tier One still maintains the surface rights agreement, which was prepaid and expires in 2024. The termination of the option agreement has resulted in a mineral property impairment; further details follow below.

3.2.3 Other

The Company recently added the Emilia project as noted earlier in this MD&A, and paid US\$150,000 upon executing the transaction. In order to exercise the option, Tier One must make cash payments as follows:

Due Dates	Property Payments (in '000 US\$)
Effective Date (January 12, 2021)	150
June 18, 2021	125
December 18, 2021	125
December 18, 2022	600
December 18, 2023	1,300
December 18, 2024	2,300
December 18, 2025	5,400
Total	10,000

The Company is required to incur work expenditures totaling US\$100,000 within the first year and US\$240,000 in the second year. The amount increases to US\$800,000 should Tier One utilize diamond drilling processes.

The Coastal Batholith project was staked during the last quarter of 2020 and early 2021. The Coastal Batholith is comprised of five target areas on the coast of Peru, totaling 41,000 hectares, with both precious and base metal opportunities. Tier One screened 11,000 square km using a stream sediment survey to identify the five target areas, which are 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 the same geology continues north of these deposits but has never been explored in a systematic manner.

3.3 Qualified persons and technical disclosures

Michael Henriksen, P. Geo., Chief Operating Officer of Tier One, is the Qualified Person with respect to the technical disclosures in this MD&A.

3.4 Climate related risks

The Company acknowledges the impact of climate change on the weather patterns at its projects, particularly at the Curibaya project which is in the southern coastal desert region of Peru including very poorly vegetated plateaus and low hills to mountainous topography. The region is occasionally incised by mainly southwest flowing river systems, and the weather in the area is typical of high-altitude terrain at this latitude, where annual temperature fluctuations are limited. Daytime temperatures are typically cooler during the months of May to September with a rainy season generally extending from November to April. Significant rainfall events are known to occur, and in early 2020 a particularly bad period of rainfall led to flooding which temporarily restricted access to the project. When undertaking activities, the Company is committed to taking all reasonable steps to mitigate climate related risks.

Tier One Silver Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for three months ended March 31, 2021 (In Canadian dollars, unless otherwise noted)

4. DISCUSSION OF OPERATIONS

Three months ended March 31, 2021 and 2020 (Q1 2021 vs. Q1 2020)

During the three months ended March 31, 2021, the Company reported a loss of \$2,963,974 compared to a loss of \$403,836 for the same period in 2020. Significant variances within operating expenses and other expenses, which in combination resulted in the \$2,560,138 increase in the current period's loss, are discussed as follows:

Operating expenses

- The termination of the Huilacollo Option, discussed above, led to \$1,689,719 impairment of the mineral property held relating to the previously capitalized costs in the Huilacollo 1 and 2 concessions. There was no impairment recognized in respect of the Company's mineral property interests during the comparative period.
- Exploration and evaluation costs in Q1 2021 were \$525,946 compared to \$316,617 in Q1 2020, an increase of \$209,329, as activities on the Curibaya project continued during the quarter.
- The comparative information provided for Q1 2020 derives from carve-out financial statements prepared for the business of Curibaya; certain costs were not incurred during this comparative period. This includes fees, salaries, and other employee benefits, marketing and investor relations, and regulatory and transfer agent, as these costs were carried by the former parent, Auryn Resources Inc (now Fury Gold). The costs incurred in Q1 2021 relate to corporate management team, corporate directors and investor communications.
- Legal and professional fees were \$140,177 in Q1 2021 compared to \$11,897 in Q1 2020, representing an increase of \$128,280 largely as a result of being a separate corporate entity. Tier One is a reporting issuer incurring audit and review fees, as well as legal and other professional costs, including those relating to the listing application to the TSXV Exchange.
- Office and administration costs increased \$71,765 from \$19,950 in Q1 2020 to \$91,715 in Q1 2021, as Tier One completed the spin-out from Fury Gold and became a separate entity.
- Project investigation costs were \$4,947 in Q1 2021, as the Company evaluated new projects for exploration potential. Those costs directly related to the evaluation of the Hurricane Silver project were capitalized to deferred acquisition costs and will be transferred to mineral properties in the second quarter upon recognition of the acquisition of the option arrangement.

Summary of Project Costs

During the three months ended March 31, 2021, the Company incurred \$207,789 of mineral property additions and \$525,946 in exploration and evaluation costs on its projects.

Mineral property interests	Curibaya	Huilacollo	Other	Total
Balance as at December 31, 2019	\$ 976,259	\$ 2,261,291	\$ -	\$ 3,237,550
Mineral property additions	20,031	337,475	171,887	529,393
Currency translation adjustment	(9,579)	(63,747)	(5,708)	(79,034)
Balance as at December 31, 2020	\$ 986,711	\$ 2,535,019	\$ 166,179	\$ 3,687,909
Mineral property additions	2,917	4,816	200,057	207,789
Mineral property impairment	-	(1,689,719)	-	(1,689,719)
Currency translation adjustment	(12,059)	(29,567)	(3,452)	(45,078)
Balance as at March 31, 2021	\$ 977,569	\$ 820,549	\$ 362,784	\$ 2,160,901

Tier One Silver Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations
for three months ended March 31, 2021 (In Canadian dollars, unless otherwise noted)

Exploration and evaluation costs	Curibaya	Huilacollo	Other	Total
Camp cost, equipment and field supplies	\$ 27,164	\$ -	\$ 34,095	\$ 61,259
Geological consulting services	50,949	5,207	14,825	70,981
Permitting, environmental and community costs	21,026	155	18,936	40,117
Concession holding costs	50,818	18,455	92,456	161,729
Salaries and wages	64,128	5,119	50,426	119,672
Geophysical analysis	11,800	-	20,826	32,626
Aircraft & travel	18,678	-	20,874	39,562
Total for the three months ended March 31, 2021	\$ 244,573	\$ 28,936	\$ 252,438	\$ 525,946

Future operations and 2021 expenditure forecast

Following the completion of the Transaction in October 2020, Tier One is in the process of applying list its shares for public trading on the TSXV Exchange and has raised sufficient financing for the purpose of advancing exploration work on Curibaya, continued exploration at the Company's portfolio of projects and general working capital.

As mentioned above, the Company completed a \$13 million non-brokered private placement financing in March 2021. The Company continues community relations and is advancing the remaining routine permitting work at Curibaya, following the receipt of the FTA drill permit earlier in 2021. In addition to advancing regional targets, the Company plans to complete an initial 5,000-metre drill program with the potential to increase to a 12,000-metre drill program with the current treasury, subject to results observed. The Company also plans to continue reconnaissance exploration work programs at the Emilia, Coastal Batholith, and Hurricane Silver projects.

5. SUMMARY OF QUARTERLY RESULTS

Three months ended	Net loss	Comprehensive loss
	\$	\$
March 31, 2021	2,963,974	3,007,733
December 31, 2020	1,643,203	1,837,903
September 30, 2020	1,000,734	1,065,446
June 30, 2020	256,774	372,808
March 31, 2020	371,784	120,754
December 31, 2019	659,631	715,240
September 30, 2019	275,981	244,797
June 30, 2019	536,328	596,362

During the last eight quarters, the Company's net loss has ranged between \$256,774 and \$2,963,974. Historically, the largest losses were generally recorded in the second and fourth quarters in 2019 due to the timing of option payments, which typically occur in the second quarter, and the Company's summer exploration programs, which occur during the fourth quarter. As a result of delays due to COVID-19, the Company resumed exploration activities during June 2020 and continued its program for the rest of the year. Furthermore, the Company incurred additional expense in the fourth quarter of 2020 and first quarter of 2021 arising from the corporate restructuring and initiation of the listing application process.

Tier One Silver Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations
for three months ended March 31, 2021 (In Canadian dollars, unless otherwise noted)

6. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

	March 31, 2021	December 31, 2020
Cash	\$ 14,113,780	\$ 2,729,338
Accounts receivable	19,239	13,471
Mineral property interests	2,160,901	3,687,909
Current liabilities	447,245	483,774

The Company did not have any restricted cash nor did it have long-term liabilities at March 31, 2021 and December 31, 2020. The working capital balance at March 31, 2021 was \$13,971,496 (December 31, 2020: \$2,407,358). Contractual obligations as at March 31, 2021 are reflected in the table below and include accounts payable and accrued liabilities of \$447,245.

Contractual Obligations as of March 31, 2021	Payment terms	Amount
Accounts payable and accrued liabilities	Immediately	\$ 447,245
Total		\$ 447,245

During the three months ended March 31, 2021, the Company used cash of \$1,542,738 in operating activities compared to \$332,856 during the comparative period in 2020. The cash outflow during 2021 was higher than the cash outflow in 2020 due to the higher exploration activity on the Curibaya project as detailed above, as well as working capital cash outflows relating to incurring acquisition costs relating to the Hurricane Silver project, and prepayments for marketing campaigns.

During the three months ended March 31, 2021, the Company used cash in investing activities of \$207,789 whereas \$231 was used in the same period in 2020. This increase was primarily due to the initial payment on the Emilia option arrangement for approximately \$190,000 (US\$150,000) as well as other eligible capitalized costs.

Funding from the non-brokered private placement financing was received during the three months ended March 31, 2021. During the three months ended March 31, 2021, the Company received \$13,141,813 compared to \$307,210 during the comparative period in 2020, from its former parent company, Fury Gold to conduct its operations. The spin out from Fury Gold was completed in October 2020.

Management expects its cash-on-hand will be sufficient to pursue its activities for the next twelve months.

Capital Resources

The Company held cash of \$14,113,780 at March 31, 2021. Working capital was \$13,971,496 at March 31, 2021. As of the date of this MD&A, Tier One is in the process of applying to list its shares for trading on the TSXV Exchange.

7. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize 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.

Tier One Silver Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations
for three months ended March 31, 2021 (In Canadian dollars, unless otherwise noted)

8. TRANSACTIONS WITH RELATED PARTIES

8.1 Related party transactions

All transactions with related parties 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,	
	2021	2020
Universal Mineral Services Ltd.		
Exploration and evaluation costs	\$ 54,378	\$ 71,533
Fees, salaries and other employee benefits	86,302	-
Legal and professional fees	6,445	-
Marketing and investor relations	20,128	-
Office and administration	80,176	-
Project investigation costs	358	-
Total transactions for the year	\$ 247,787	\$ 71,533

Universal Mineral Services Ltd., ("UMS") is a private company with certain directors and officers in common with Tier One. UMS provides geological, financial and transactional advisory services as well as administrative services to the Company on an ongoing, cost recovery basis. Having these services available through UMS, on an as needed basis, allows the Company to maintain a more efficient and cost-effective corporate overhead structure by hiring fewer full-time employees and engaging outside professional advisory firms less frequently. The agreement has an indefinite term and can be terminated by either party upon providing due notice.

During the three months ended March 31, 2021, \$nil (March 31, 2020 – \$40,448) of share-based compensation and \$nil (March 31, 2020 - \$40,378) of exploration and evaluation expenditures from Fury Gold were allocated to the Company, respectively.

Fury Gold uses the fair value method of accounting for all share-based payments. The fair value of the share-based options granted up to the date of the Transaction were estimated using the Black-Scholes option valuation model with the following weighted average assumptions:

	Three months ended March 31, 2020
Risk-free interest rate	1.78%
Expected dividend yield	Nil
Share price volatility	64%
Expected forfeiture rate	0%
Expected life in years	4.52

The risk-free interest rate assumption is based on the Government of Canada benchmark bond yields and treasury bills with a remaining term that approximates the expected life of the share-based options. The expected volatility assumption is based on the historical and implied volatility of Fury Gold's common shares. The expected forfeiture rate and the expected life in years are based on historical trends.

After the close of the Transaction, there was no further allocation of stock-based compensation. The Company did not have any outstanding share options and share purchase warrants as at March 31, 2021.

8.2 Related party balances

As at March 31, 2021, \$100,544 (December 31, 2020 - \$96,293) was included in accounts payable and \$100,000 (December 31, 2020 - \$50,000) was in prepaids and deposits relating to transactions with UMS.

There was \$nil (December 31, 2020 - \$84,000) included in accounts payable and accrued liabilities owed to Fury Gold related to the closing cash pursuant to the Transaction.

Tier One Silver Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations
for three months ended March 31, 2021 (In Canadian dollars, unless otherwise noted)

8.3 Key management compensation

In addition to the transactions disclosed above, the Company provided the following compensation to key management members, being its executives and directors:

	Three months ended March 31, 2021
Salary and benefits provided to executives	\$ 160,753
Directors fees paid to non-executive directors	53,305
	\$ 214,058

9. SUBSEQUENT EVENTS

On April 12, 2021, the Company announced a grant of 7,715,000 share options to employees, officers and directors and consultants. The options are exercisable at \$1.00, will vest over two years and expire in five years from the date of grant. On April 29, 2021, the Company granted an additional 200,000 share options with the same terms.

On April 24, 2021, the Company gave notice to terminate the Huilacollo option agreement, as discussed in section 3.2.2 above.

On April 28, 2021, the Company entered into a Share Purchase Option Agreement with Pembroke Copper Corp. ("Pembroke") to acquire Pembroke's Peruvian subsidiary, Compañía Minera Tororume S.A.C. ("Tororume"), which owns the Hurricane Silver project located in southeastern Peru. Hurricane Silver covers approximately 25,640 hectares and is located approximately 66 km north of the city of Cusco.

Under the terms of the Share Purchase Option Agreement, Tier One has the option to acquire 90% or 100% of the shares of Tororume. In order to acquire 90%, Tier One has up to five years, from the date it secures the access agreement for the surface rights and permits ("Access Date"), to make the following option exercise payments and assumes an obligation to carry all expenses until production.

Due Dates	Option Payments (in '000 US\$)	Work Expenditure (in '000 US\$)
By April 28, 2021	84	-
1 st Anniversary of Access Date	250	750
2 nd Anniversary of Access Date	350	1,000
3 rd Anniversary of Access Date	500	2,000
4 th Anniversary of Access Date	1,000	3,000
5 th 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

Exploration requirements cease once the option is exercised, which can be done at any time at Tier One's election. Tier One also has the right to make option payments in cash or Tier One shares, subject to any required stock exchange approvals.

Tier One Silver Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for three months ended March 31, 2021 (In Canadian dollars, unless otherwise noted)

10. CRITICAL ACCOUNTING 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 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.

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

10.1 Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events, which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

The Company does not have any provisions recorded as at March 31, 2021 and December 31, 2020.

10.2 Reclamation obligations

Management assesses its reclamation obligations annually and when circumstances suggest that a material change to the obligations may have occurred. Significant estimates and assumptions are made in determining the provision for rehabilitation and site restoration, as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent, the timing and the cost of reclamation activities, regulatory change, cost increases, and changes in discount rates. Those uncertainties may result in actual expenditure differing from the amounts currently provided. The provision at the reporting date represents management's best estimate of the present value of the future reclamation costs required. Changes to estimated future costs are recognized in the statement of financial position by adjusting the reclamation asset and liability.

As the Company's projects are in early-stage exploration, management estimated the provision to be \$nil as at March 31, 2021 and December 31, 2020.

10.3 Share-based compensation

During the three months ended March 31, 2021, \$nil (March 31, 2020 - \$40,448) of share-based compensation from the Fury Gold was allocated to the Company. There was no further allocation of stock-based compensation after September 30, 2020. In April, 2021, after end of the quarter under review, the Company issued incentive share options.

10.4 Income taxes

The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and to apply those findings to the Company's transactions.

10.5 Deferred tax assets and liabilities

Management judgment and estimates are required in assessing whether deferred tax assets and deferred tax liabilities are recognized in the consolidated statements of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. These judgments and assumptions are subject to risk and uncertainty and changes in circumstances may alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the consolidated statements of financial position and the benefit of other tax losses and temporary differences not yet recognized. The Company's deferred tax assets and liabilities were determined using a future income tax rate of 27% in Canada and 29.5% in Peru.

Tier One Silver Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations
for three months ended March 31, 2021 (In Canadian dollars, unless otherwise noted)

11. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company confirms that it has adopted and continued the same accounting policies that were disclosed in the consolidated financial statements for the year ended December 31, 2020 and 2019.

12. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at March 31 2021, the Company's financial instruments consist of cash, accounts receivable, deposits, accounts payables and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

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

13. OTHER REQUIRED DISCLOSURE

13.1 Capital structure

The capital structure of the Company is as follows:

Authorized: Unlimited number of common shares

Number of common shares issued and outstanding as at May 17, 2021: 125,794,897

Number of common shares issued and outstanding as at March 31, 2021: 125,794,897

Number of share purchase options outstanding as at May 17, 2021: 7,915,000

Number of share purchase options outstanding as at March 31, 2021: nil

13.2 Disclosure controls and procedures

Details relating to disclosure controls and procedures, and internal control over financial reporting, are disclosed in the Company's MD&A for the year ended December 31, 2020.

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's management is responsible for establishing and maintaining effective internal control over financial reporting. All internal control systems have inherent limitations and may become ineffective because of changes in conditions. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

During the quarter ended March 31, 2021, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

On behalf of the Board of Directors,

"Peter Dembicki"

Peter Dembicki

President, Chief Executive Officer and Director

May 17, 2021