(An exploration stage business)

TIER ONE SILVER INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2024

Dated: April 23, 2025

1. HIGHLIGHTS FOR THE YEAR ENDED DECEMER 31, 2024 AND SUBSEQUENT EVENTS UP TO THE DATE OF FILING

1.1 Operational Highlights

- On October 21, 2024, Tier One Silver Inc. ("Tier One" or the "Company") reported new channel sampling results from its priority silver-gold corridors Cambaya I and Cambaya II at its flagship Curibaya project, located in Southern Peru. The Cambaya structural corridors, located in the northeast area of the property, represent highly prospective precious metals target areas, identified through extensive surface sampling. In comparison with other targets within the property, Cambaya is higher in topography, (approximately 2,400 metres ("m") above sea level), higher in stratigraphy (Toquepala volcanics) and is believed to be located in the upper part of the epithermal system due to the occurrence of more extensive high grade precious metal samples and high arsenic anomalies (>100ppm). This is accompanied by the presence of lower temperature silica and quartz vein colloform textures. The Company's recent surface exploration program was designed to expand the highly prospective precious metals targets and enhance the thesis that Cambaya sits at the preferred zone of an epithermal system. The program consisted primarily of channel sampling and mapping and was successful in delineating additional drill targets for a possible future drill program, to be planned subject to financing.

- On July 15, 2024, the Company announced that it had resumed exploration activities at its Curibaya project. The exploration program, the results of which are discussed above, was planned to cover three main project zones within the Company's high-priority silver-gold corridors that have been underexplored to date: Cambaya I, Cambaya II and the recently identified polymictic breccia in Zone 1. The program would consist of approximately two to three months of field work, including sampling and geological mapping, with the aim of expanding and defining the potential of the precious metal epithermal corridors and the porphyry target based on existing geochemical and Controlled-Source Audio-Frequency Magnetotellurics ("CSAMT") geophysical anomalies, to delineate drill targets for a possible future drill program.

- On July 3, 2024, the Company announced that it had renewed and received notarization of its social access agreement with the local Chipispaya community at its Curibaya project. The renewed agreement is effective until June 11, 2025, and allows for an extension by an additional year through assembly approval. Under the renewed agreement, Tier One committed to providing new employment opportunities and training at the project for local community members.

1.2 Corporate Highlights

- On January 3, 2025, the Company closed a non-brokered private equity placement for total gross proceeds of $388,750 in which 5,183,333 units were issued at a price of $0.075 per unit ("January 2025 Placement"). Each offered unit consisted of one common share of the Company and one full common share purchase warrant of the Company. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.15 until January 3, 2028. The Company paid aggregate cash finders' fees of $12,825 and issued 171,000 finders' warrants, with each finder's warrant exercisable on the same terms as the unit warrants. The intended use of proceeds from the private placement is to fund general working capital.

- On August 13, 2024, the Company announced the voting results for the election of its Board of Directors (the "Board") at the Annual General Meeting of Shareholders held on August 7, 2024, in Vancouver, British Columbia (the "Meeting"). The director nominees as listed in the Company's Information Circular (the "Circular") dated July 26, 2024, and SEDAR+ filed July 28, 2024, were elected as directors of the Company at the Meeting to serve until the next meeting. Shareholders also voted in favour of the Company's long-term incentive plan ("LTI Plan"), which was authorized by the Board June 11, 2024, and summarized in the Company's Circular.

- On May 29, 2024, the Company announced the engagement of two capital markets and communications firms, namely Strike Communications to assist with the creation, coordination and implementation of the Company's targeted capital markets strategy and investor relations objectives, and GRA Enterprises LLC DBA National Inflation Association to provide communications and media services.

- On April 30, 2024, the Company closed a non-brokered private equity placement for total gross proceeds of $1,484,504 in which 10,603,600 units were issued at a price of $0.14 per unit (the "April 2024 Placement"). Each offered unit consisted of one common share of the Company and one full common share purchase warrant of the Company. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.25 for a period of 12 months from the date of issuance subject to an accelerated expiry if the shares trade at a certain premium to the exercise price. The Company paid aggregate cash finders' fees of $45,037 and issued 321,691 finders' warrants, with each finder's warrant exercisable on the same terms as the unit warrants. The intended use of proceeds from the April 2024 Placement was to fund general working capital (see section 5.2 for actual use of proceeds).

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 consolidated financial statements and results of operations of the Company as at December 31, 2024 (the "financial statements") and for the year then ended.

This MD&A should be read in conjunction with the financial statements of the Company. All financial information has been prepared in accordance with IFRS accounting standards 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 April 23, 2025.

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; and changes to government regulation, in particular Peruvian.

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; 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 Peruvian 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, and its inability to pay dividends; the continued involvement of the key management team and the Company's ability to secure the specialized skill and knowledge necessary to operate in the mining industry; relations with and potential demands and claims by local communities and non-governmental organizations, including indigenous populations and affected local communities with whom the Company is 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 the Company has 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, including its Annual Information Form, is available on SEDAR+ at www.sedarplus.ca 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 copper deposits in South America. The primary focus of the Company is on its 100% owned Curibaya project, located in Southern Peru, which consists of approximately 17,000 hectares (ha) approximately 48 km north-northeast of the provincial capital, Tacna, accessible by road.

Figure 1 – Location of Tier One's Curibaya property 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.

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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 a community agreement covering a portion of the Curibaya project, which is effective until June 11, 2025, and allows for an extension by an additional year through assembly approval.

3.1 Peruvian projects

3.1.1 Curibaya Project

The Curibaya property is currently 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>2024 Activity and Plans</u>

On June 11, 2024, the Company renewed and received notarization of its social access agreement with the local Chipispaya community, which is effective until June 11, 2025, and allows for an additional one-year extension and the recommencement of surface work and drilling.

During Q3 2024, the Company completed a surface exploration program at Curibaya which focused on the Company's high-priority silver-gold corridors, Cambaya I and Cambaya II, that have been underexplored to date and are both within the current drill permitted area. The Cambaya structural corridors, located in the northeast area of the property, represent highly prospective precious metals target areas, identified through extensive surface sampling.

The program was designed to expand the highly prospective precious metals targets and enhance the thesis that Cambaya sits at the preferred zone of an epithermal system. The program consisted primarily of channel sampling and mapping and was successful in delineating additional drill targets for a future drill program. At Cambaya I, 48 samples were taken from 10 trenches in 200m x 200m areas. At Cambaya II, 53 samples were taken from 17 trenches, in 250m x 500m areas. The table below reflects highlights from the exploration work:

Channel ID		From (m)	To (m)	Length (m)	AgEQ (g/t)	Ag (g/t)	Au (g/t)
24CRT-164		1	2	1	158.7	151.5	0.09
	Incl.	**1**	**1.5**	**0.5**	**291.2**	**280.0**	**0.14**
24CRT-167		**0.5**	**2**	**1.5**	**3233.7**	**3095.6**	**1.72**
	Incl.	**1**	**1.5**	**0.5**	**9280.4**	**8950.0**	**4.13**
24CRT-168		1	1.5	0.5	229.8	185.0	0.56
24CRT-169		0.5	1.5	1	170.5	161.7	0.11
	Incl.	**0.5**	**1**	**0.5**	**305.6**	**292.0**	**0.17**
24CRT-172		**1**	**1.5**	**0.5**	**392.4**	**262.0**	**1.63**
24CRT-173		**0.5**	**1**	**0.5**	**258.6**	**233.0**	**0.32**

Internals >= 75ppm AgEQ
Metal price used for Eq calculations: Ag US$25/oz, Au US$2,000oz. AgEq figures are before any reduction for metallurgical recoveries

The Company has identified 20 drill pad locations and anticipates that the next phase of drilling will comprise between 2,000 – 5,000m, from 5 of the identified drill pads, to follow-up on the high-grade silver-gold epithermal mineralization defined at surface. Despite having a drill plan in place, the Company will not be in a position to execute its second phase of drilling at the Curibaya project until it raises sufficient capital, at which point it will commence work to implement the required infrastructure and mobilize equipment to site, before resuming drilling activities.

During the year ended December 31, 2024, the Company incurred $933,669 of exploration and evaluation costs on Curibaya ($1,588,899 for the year ended December 31, 2023).

3.1.2 Hurricane

On October 20, 2023, the Company gave notice to Pembrook Copper Corp. ("Pembrook") that it was terminating the share purchase option agreement (the "Hurricane Option") which provided the Company the option to acquire Pembrook's Peruvian subsidiary, Compañia Minera Tororume S.A.C. ("Tororume"), which owned the Hurricane project located approximately 66 km north of the city of Cusco in southeastern Peru. As a result, during the year ended December 31, 2023, the Company impaired all previously capitalized costs and there are no remaining costs capitalized in relation to this project on the statement of financial position as at December 31, 2024.

During the year ended December 31, 2024, the Company recorded an expense recovery in the amount of $123,854 related to the reversal of a provision that had been recorded for estimated final costs to complete the termination of the Hurricane Option, which termination is now complete. No further material costs are anticipated.

The Company incurred $nil of exploration and evaluation expenses on the Hurricane project during the year ended December 31, 2024 ($263,445 for the year ended December 31, 2023).

3.1.3 Other Non-Material Projects

Corisur claims

The Corisur claims, covering approximately 1,300 ha, consisted of the Tacora, Tacora Sur and Andamarca concessions which are located in the Peru designated border zone, and as a result unconditional ownership could only be achieved in the future by obtaining a Supreme Decree. During the year ended December 31, 2024, the Company made the decision to relinquish the non-core Corisur project; consequently, the Company recorded an impairment charge of $881,622 to write off all capitalized costs associated with these claims.

During the year ended December 31, 2024, the Company reversed a provision and recorded an expense recovery in the amount of $162,473 (US$120,000). The provision had been recorded in 2021 in relation to anticipated final costs for the orderly closure of the Huilacollo option and permit, all of which have been completed. No further material costs are anticipated.

Coastal Batholith

The Coastal Batholith is a wholly-owned project on the Pacific Ocean coast of Peru acquired through staking and covers approximately 3,500 ha after relinquishing many of the concessions in each of 2022 and 2023 to retain only what the Company considers the most prospective areas. All costs related to the staking of the Coastal Batholith project were impaired in 2023 as the plan for this early stage, non-core asset was uncertain then, and still is, and therefore, as at December 31, 2024, the balance remains $nil.

Exploration and evaluation costs incurred on other properties

On the Company's properties that are grouped as other, which included the Coastal Batholith and Corisur claims, the Company recorded net exploration and evaluation expenses of $13,444 during the year ended December 31, 2024 ($58,411 for the year ended December 31, 2023). In both the years ended December 31, 2024, and 2023, the Company recorded a reversal of the prior year's validity fees that had been accrued for the concessions that were subsequently relinquished.

3.2 Qualified person 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.

<u>2024 Channel Sampling – Curibaya</u>

Analytical samples were taken from each 0.5-1.0 metre interval of channel floor resulting in approximately 2-5 kg of rock chips material per sample. Collected samples were sent to ALS Lab in Arequipa, Peru, for preparation and then to ALS Lima, Peru for analysis. All samples are assayed using 30 g nominal weight fire assay with atomic absorption finish (Au-AA25) and multi-element four acid digestion ICP-AES/ICP-MS method (ME-MS61). Where MS61 results were greater or near 10,000 ppm Cu, 10,000 ppm Pb or 100 ppm Ag the assay was repeated with ore grade four acid digestion method

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(Cu, Pb, Ag-OG62). Where OG62 results were greater or near 1500 ppm Ag the assay was repeated with 30 g nominal weight fire assay with gravimetric finish (Ag-GRA21). QA/QC program for 2024 channel samples using internal standard and blank samples; field and lab duplicates indicate good overall accuracy and precision.

4. DISCUSSION OF OPERATIONS

4.1 Three months ended December 31, 2024 and 2023 (Q4 2024 vs. Q4 2023)

During the three months ended December 31, 2024, the Company reported a loss of $832,804 compared to a loss of $1,041,762 for the comparable period in 2023. Significant variances within operating expenses and other expenses, which in combination resulted in the $208,958 decrease in the current period's loss, are discussed as follows:

- Exploration and evaluation costs in Q4 2024, decreased to $343,646 from $431,818 in Q4 2023. Exploration activities were minimal in each of the two periods and both periods benefited from the expenditure reduction initiatives that were implemented in 2023 and continued throughout 2024, which included the relinquishing of the Company's non-core properties, right sizing of the technical team and minimizing the camp at Curibaya to base levels for periods of inactivity.

- Fees, salaries, and other employee benefits of $226,734 in Q4 2024 were lower than the $335,682 incurred in Q4 2023 driven partially by the decline in share-based payments included therein which went from $62,521 in Q4 2023 to $9,172 in the current quarter. Further cost savings were realized again due to expenditure reduction initiatives which included adjusting the administrative headcount both in Peru and Canada in Q4 2023 and furthermore in 2024.

- Marketing and investor relations expenses in Q4 2024 increased to $155,775 from $54,184 in Q4 2023, mainly due to the engagement of two capital markets and communications firms in Q2 2024 to assist with the creation, coordination and implementation of the Company's targeted capital markets, investor relations and communications strategies and objectives.

- Office and administration costs in Q4 2024 decreased to $46,754 from $72,363 in Q4 2023 primarily due to the corporate team's move to remote working following the sublease of the shared office space by UMS Canada.

4.2 Year ended December 31, 2024 and 2023 (YTD 2024 vs YTD 2023)

During the year ended December 31, 2024, the Company reported a loss of $3,684,190 compared to a loss of $5,479,356 for 2023, reflecting a decrease of $1,795,166. Significant variances for the comparable year are generally driven by the aforementioned cost reduction efforts implemented throughout 2023 and continued into 2024, which resulted in lower expenses for the 2024 year as a whole. Other factors that impacted the loss for the 2024 year, were as follows:

- the recognition of a mineral property impairment on the Corisur concessions of $881,622 compared to a mineral property impairment of $430,747 in 2023 which primarily related to the Hurricane Option termination;
- the $286,327 expense recovery of the Huilacollo and Hurricane option termination costs; and
- the impairment of a piece of equipment which stopped working in 2024.

4.3 Summary of Quarterly Results

Quarter ended	Interest income	Loss for the period	Comprehensive loss for the period	Net loss per share
December 31, 2024	**$ 2,246**	**$ 832,804**	**$ 812,510**	**$ 0.00**
September 30, 2024	10,527	840,323	845,237	0.00
June 30, 2024	11,619	664,113	666,575	0.00
March 31, 2024	8,207	1,346,950	1,326,548	0.01
December 31, 2023	5,196	1,041,762	1,035,521	0.01
September 30, 2023	11,238	1,601,030	1,598,427	0.01
June 30, 2023	11,271	1,364,128	1,389,882	0.01
March 31, 2023	14,695	1,472,436	1,473,366	0.01

During the last eight quarters, the Company's net loss has ranged between $664,113 and $1,601,030. Quarterly losses are closely correlated to the level of exploration activity in any given quarter, which can fluctuate significantly. Additionally, the Company incurs expenditures on administrative activities, professional fees, corporate outreach and communications, and regulatory compliance, to support its exploration activities, 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.

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In addition to the quarterly loss trends discussed above, the Company also recognized impairment charges in Q2 2023 upon dropping additional Coastal Batholith claims, in Q3 2023 as related to the termination of the Hurricane Option, in Q4 2023 in relation to its investment in UMS Peru, in Q1 2024 after the decision was made to relinquish the remaining Corisur claims, and again in Q4 2024 in relation to its decommissioning of equipment. Beyond the fluctuations driven by activity levels, the impairment charges resulted in increased losses during those periods.

4.4 Summary of Project Costs

During the year ended December 31, 2024, the Company incurred $947,113 in exploration and evaluation costs on its projects and recorded an impairment charge of $881,622 after making the decision to relinquish the Corisur claims.

Mineral property interests	**Curibaya**	**Hurricane**	**Other**	**Total**
Balance as at December 31, 2022	$ 1,398,690	$ 368,683	$ 945,220	$ 2,712,593
Mineral property addition	1,671	-	-	1,671
Mineral property impairments	-	(368,643)	(62,104)	(430,747)
Recognition of provision for site reclamation and closure	(3,453)	-	-	(3,453)
Currency translation adjustment	(20,746)	(40)	(21,905)	(42,691)
Balance as at December 31, 2023	$ 1,376,162	$ -	$ 861,211	$ 2,237,373
Mineral property impairment	**-**	**-**	**(881,622)**	**(881,622)**
Recognition of provision for site reclamation and closure	**(2,969)**	**-**	**-**	**(2,969)**
Currency translation adjustment	**75,419**	**-**	**20,411**	**95,830**
Balance as at December 31, 2024	**$ 1,448,612**	**$ -**	**$ -**	**$ 1,448,612**

Exploration and evaluation costs (recovery)	**Curibaya**	**Other**	**Total**
Surface exploration	$ 224,945	$ -	$ 224,945
Camp and project support	240,959	-	240,959
Concession holding	171,333	(20,074)	151,259
Permitting, environmental and community	280,587	33,518	314,105
Share-based payments	15,845	-	15,845
Total for the year ended December 31, 2024	**$ 933,669**	**$ 13,444**	**$ 947,113**

4.5 Future Operations

Resources have been and will continue to be primarily directed at continuing progress at Curibaya. The Curibaya project is drill ready and once sufficient capital has been raised, the Company plans to initiate drilling activity. Initial work will be comprised of construction of access roads and drill platforms. The Company's second drill program is expected to consist of between 2,000 - 5,000m to test the Cambaya target area. The Company estimates that this work would cost between $2.5 and $5.0 million.

While the Company believes there are multiple opportunities at the significantly unexplored Curibaya project, having relinquished its non-core properties, the Company is also actively reviewing other resource projects in South America with a longer-term goal of selectively rebuilding a pipeline of prospects for future exploration.

On January 3, 2025, the Company closed the January 2025 Placement, raising $388,750 by issuing 5,183,333 units at $0.075 per unit. While the Company has been successful in raising capital in the past, its ability to pay government concession fees to maintain its current mineral properties, including approximately $193,540 due in June 2025, and to fund Curibaya drilling and other work programs, including potential future project acquisitions, will depend on raising additional funds through the sale of common shares. There can be no assurance that the Company will be able to raise sufficient funds to finance its future plans, including the retention of its principal concessions.

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5. SELECTED ANNUAL INFORMATION

	December 31, 2024	December 31, 2023	December 31, 2022
Loss for the year	**$ 3,684,190**	$ 5,479,356	$ 7,739,386
Comprehensive loss for the year	**3,650,870**	5,499,800	7,663,382
Basic and diluted loss per share	**0.02**	0.04	0.06
Total assets	**1,959,001**	3,664,104	5,231,917
Total non-current liabilities	**(500,193)**	(249,025)	(265,888)

The Company is an expenditure-based mineral exploration and evaluation business and did not generate revenues from operations during the years presented above and does not anticipate generating revenues in the foreseeable future. See Discussion of Operations for factors that have caused the year-to-year variation between YTD 2024 and YTD 2023 in the loss and loss per share data.

6. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

6.1 Financial position and liquidity

	December 31, 2024	December 31, 2023
Cash	**$ 171,294**	$ 825,589
Amounts receivable	**31,562**	48,535
Current other assets	**206,945**	393,021
Non-current other assets	**100,588**	159,586
Mineral property interests	**1,448,612**	2,237,373
Current liabilities	**(955,829)**	(1,030,294)
Non-current liabilities	**(500,193)**	(249,025)

As at December 31, 2024, the Company had cash of $171,294 (December 31, 2023, $825,589) and a working capital deficit of $546,028 (December 31, 2023, working capital surplus of $236,851). None of the Company's cash is restricted.

As at December 31, 2024, the Company had current liabilities, due to be paid within 12 months, consisting of accounts payable and accrued liabilities totaling $955,829 which include 2024 Curibaya government concession fees and 2023 penalty fees, due by June 30, 2025, totaling $193,540. Penalties are legislated fees payable to the government, in the event that the Company does not expend the government mandated minimum investment amount on exploration properties. In the case that adequate amounts are expended on the exploration properties and the minimum investment is met, penalty fees are eliminated. In each of 2023 and 2024; the Company did not meet the minimum investment expenditures in three of its concessions and therefore, penalties have been accrued in relation to those concessions in those years.

The Company has non-current accrued liabilities related to 2024 concession penalty fees associated with its Curibaya project totaling $106,143 which are due by June 30, 2026. In addition, the Company has a non-current reclamation and closure provision of $394,050 and certain commitments in relation to its share of the UMS Canada lease obligation as disclosed in Note 6 of the financial statements.

During the year ended December 31, 2024, the Company used cash of $2,280,839 in operating activities compared to $4,253,417 during the comparative period in 2023. The lower cash outflow during 2024 was primarily the result of the lower activity level, specifically exploration and related support costs, as discussed above.

During the year ended December 31, 2024, the Company generated cash from investing activities of $32,599 compared to $40,729 during the comparative period in 2023. The cash inflow in both periods was related to interest earned on cash balances.

During the year ended December 31, 2024, cash provided by financing activities was $1,591,250 compared to $3,485,937 in the year ended December 31, 2023. The cash inflow during 2024 related primarily to the April 2024 Placement but also included $50,000 from share options exercised and $163,584 in proceeds from share subscriptions received for the private equity placement that closed in January 2025.

Capital markets have been challenging in recent years for junior exploration companies hence during this time the Company has made significant efforts to minimize and contain expenditures. As of the date of this MD&A, the Company currently projects to require $1.2 million annually to cover corporate compliance and overhead costs, $0.1 million for corporate communications and marketing, and $0.8 million for project related costs to maintain its Curibaya project, permits and community relationships in good standing. The estimated annual cash requirements outlined above, do not include the funds required to undertake exploration activities, the amount of which is dependent on the size and extent of the planned program(s).

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Despite having some ability to limit and contain 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 and exploration programs, 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 been successful in completing financings in the past, as at December 31, 2024, the Company did not have sufficient cash on hand to discharge its financial liabilities as they become due and will require additional funding to continue operations for the upcoming year.

6.2 Capital Resources

On April 30, 2024, Tier One completed the April 2024 Placement for gross proceeds of $1,484,504. The intended use of proceeds from the April 2024 Placement was to fund general working capital. A reconciliation of the net proceeds and a summary of how the funds have been used as of December 31, 2024, is as follows:

	Number of common shares		**Proceeds**
Units issued at $0.14 per unit	10,603,600	$	1,484,504
Share issuance costs			(93,870)
Net proceeds		$	1,390,634
Actual use of proceeds – 2024			
Expenditures on the Curibaya project			(682,519)
General working capital			(622,621)
Expenditures on other projects and project investigation			(77,784)
Proceeds remaining at December 31, 2024		**$**	**7,710**
Proceeds from securities pending to be issued, net of costs			**163,584**
Cash balance at December 31, 2024		**$**	**171,294**

On December 15, 2023, the Company closed a private equity placement for total gross proceeds of $985,100 through the issuance of 9,851,000 equity units (each $0.10 unit consists of a common share and a share purchase warrant exercisable at $0.25 for a two-year period from the date of issuance). The Company's intended use of net proceeds was for general working capital purposes. A reconciliation of the net proceeds and a summary of how the funds were used as of December 31, 2024, is as follows:

	Number of common shares		**Proceeds**
Units issued at $0.10 per unit	9,851,000	$	985,100
Share issuance costs			(40,165)
Net proceeds		$	944,935
Actual use of proceeds – 2023			
Expenditures on the Curibaya project			(26,872)
General working capital			(83,802)
Expenditures on other projects and project investigation			(8,672)
Proceeds remaining at December 31, 2023		$	825,589
Actual use of proceeds – 2024			
Expenditures on the Curibaya project			(244,838)
General working capital			(533,085)
Expenditures on other projects and project investigation			(47,666)
Proceeds remaining at December 31, 2024		**$**	**-**

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7. 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 6 to the financial statements in respect of future lease payments on the UMS Canada shared office.

8. RELATED PARTY TRANSACTIONS

Related party transactions, as defined by IFRS, are those with entities over which the Company has control or significant influence and with key management personnel, being persons having the authority and responsibility for planning, directing, and controlling the Company. Due to the Company having a 25% and 50% ownership interest in UMS Canada and UMS Peru, respectively, they are classified as related parties. For avoidance of doubt the following are not "related party transactions" as defined by the Canadian Securities laws in relation to protection of minority shareholders (Multi-lateral Instrument 61-101).

8.1 Universal Mineral Services Canada and Universal Mineral Services Peru

Universal Mineral Services Ltd. ("UMS Canada") is a shared service provider company in which the Company holds a 25% equity interest which it acquired for nominal consideration, with the remaining 75% balance being shared equally by three other non-related junior resource explorers certain of which have some directors in common. UMS Canada provides 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 in the past provided administrative and geological services to Corisur S.A.C and Magma Minerals S.A.C. and to the Peruvian subsidiary of a non-related company. 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. During Q4 2023, UMS Peru stopped providing services to the Company and is now in the process of being wound up.

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.

		Years ended December 31,		
		2024		2023
Exploration and evaluation	**$**	**17,593**	$	504,113
General and administration		**454,473**		944,450
Marketing and investor relations		**-**		46,692
Project investigation		**1,642**		78,700
Total transactions for the year	**$**	**473,708**	$	1,573,955

As at December 31, 2024, $157,109 (December 31, 2023 - $86,215) was included in accounts payable and accrued liabilities and $65,237 (December 31, 2023 - $60,486) in prepaid expenses, deposits and other relating to transactions with UMS Canada. Including the initial deposit of $150,000 advanced to UMS Canada for working capital purposes, the Company had a net deposit balance of $58,128 with UMS Canada as at December 31, 2024.

As at December 31, 2024, the Company had a working capital deposit with UMS Peru in the amount of $62,426 (US$47,200, unchanged from December 31, 2023). The amount was written down to $nil as at December 31, 2023 as it was not expected to be recovered. However, as at December 31, 2024, the Company reinstated $35,973 (US$25,000) based on the funds available in UMS Peru after the wind-up process had been substantially completed, and subsequent to year end, these funds were repaid to the Company.

8.2 Key management compensation

In addition to the transactions disclosed above, the Company provided or accrued the following compensation to key management members, being its three executives, of which one is a Board Director, and five (six until August 7, 2024) non-executive independent directors:

		Years ended December 31,		
		2024		2023
Salary and benefits provided to executives	**$**	**593,510**	$	783,029
Non-executive directors' fees		**177,683**		185,154
Share-based payments		**88,479**		172,329
Total for the year	**$**	**859,672**	$	1,140,512

The Company's Chief Financial Officer provides services, on a less than full-time basis, under a secondment employment arrangement between the Company and UMS Canada. As at December 31, 2024, the Company had an accounts payable balance with all key management personnel of $242,752 ($122,058 as at December 31, 2023).

The Company grants options to certain UMS employees, including key management personnel of the Company. The Company recognized share-based payments of $29,554 for the year ended December 31, 2024, in respect of share options granted to UMS employees ($96,467 for the year ended December 31, 2023).

9. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in conformity with IFRS accounting standards 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.

Critical accounting judgments exercised in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency to be the Canadian dollar, while the functional currency of its Peruvian subsidiaries is the United States dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

ii) Economic recoverability and probability of future economic benefits of mineral property interests

Management has determined that the acquisition of mineral properties and related costs incurred, which have been recognized on the consolidated statements of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

iii) Indications of impairment of assets

Impairment testing is done at the cash generating unit level and judgment is involved in assessing whether there is any indication that an asset or a cash generating unit may be impaired. The assessment of the impairment indicators involves the application of a number of significant judgments and estimates to certain variables, including metal price trends, exploration plans for properties and the results of exploration and evaluation to date.

iv) 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.

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

i. 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.

ii. 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 site reclamation and closure, as there are numerous factors that will affect the ultimate liability that becomes 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 expenditures 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.

iii. Share-based compensation

The Company determines the fair value of share options granted using the Black-Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the option. Changes in these inputs and the underlying assumption used to develop them can materially affect the fair value estimate.

iv. 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.

10. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Application of new and revised accounting standards

The Company adopted the following new accounting standards and amendments to accounting standards, effective January 1, 2024:

On January 23, 2020, and October 31, 2022, the IASB issued amendments to IAS 1 to clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period and that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. For liabilities with covenants, the amendments clarify that only covenants with which an entity is required to comply on or before the reporting date affect the classification as current or non-current. The adoption of the amended Standard, effective January 1, 2024, did not impact the financial statements of the Company.

On September 22, 2022, the IASB issued amendments to IFRS 16 to add subsequent measurement requirements for sale and leaseback transactions, particularly those with variable lease payments. The amendments require the seller-lessee to subsequently measure lease liabilities in a way such that it does not recognize any gain or loss relating to the right of use it retains. The adoption of the amended Standard, effective January 1, 2024, did not impact the financial statements of the Company.

On May 25, 2023, the IASB issued amendments to IAS 7 requiring entities to provide qualitative and quantitative information about their supplier finance arrangements. In connection with the amendments to IAS 7, the IASB also issued amendments to IFRS 7 requiring entities to disclose whether they have accessed, or have access to, supplier finance arrangements that would provide the entity with extended payment terms or the suppliers with early payment terms. The adoption of the amended Standard, effective January 1, 2024, did not impact the financial statements of the Company.

Standards issued but not yet effective

On April 9, 2024, the IASB issued a new standard, IFRS 18 Presentation and Disclosure in Financial Statements, to improve the reporting of financial performance. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. IFRS 18 replaces IAS 1 Presentation of Financial Statements and will be effective for annual reporting periods beginning on or after 1 January 2027, and is to be applied retrospectively, with early adoption permitted. The Company is in the process of assessing the impact of this new accounting standard on the consolidated financial statements.

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On May 30, 2024, the IASB issued Amendments IFRS 9 and IFRS 7 which clarify the date of initial recognition or derecognition of financial liabilities, including financial liabilities that are settled in cash using an electronic payment system. The amendments also introduce additional disclosure requirements to enhance transparency regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently assessing the impact, if any, of the amendments on the consolidated financial statements.

11. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at December 31, 2024, 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 the current 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 further laid out in Note 14 to the Company's financial statements.

12. OTHER REQUIRED DISCLOSURES

12.1 Proposed transactions

As at December 31, 2024, and as at the date of this MD&A, the Company had no material proposed or pending transactions, notwithstanding, the Company is actively reviewing other resource projects in South America with a longer-term goal of selectively rebuilding a pipeline of prospects for future exploration.

12.2 Capital structure

The capital structure of the Company consists of:

Authorized: Unlimited number of common shares

The following common shares, share options and share purchase warrants were outstanding as at December 31, 2024, and at the date of this MD&A:

	As at December 31, 2024	As at date of M&DA
Common shares	171,049,523	176,232,856
Share options	9,895,000	9,895,000
Share purchase warrants	45,551,397	40,064,890

12.3 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.sedarplus.ca under Tier One Silver Inc.'s profile.

On behalf of the Board of Directors,

"Peter Dembicki"
Peter Dembicki
President, Chief Executive Officer and Director
April 23, 2025