



REYNA SILVER CORP.
(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

OVERVIEW AND INTRODUCTORY COMMENT

Reyna Silver Corp. (“Reyna” or the “Company”) is a growth-oriented junior exploration and development company listed on the TSX Venture Exchange under the trading symbol “RSLV”. The Company focuses on exploring for high-grade, district-scale silver deposits in Mexico and USA.

Reyna’s principal property is the Guigui Property in Mexico. It also holds interests in each of the Batopilas, El Durazno and Matilde mineral properties as well as having options to acquire 80% of La Chinche and 100% of La Reyna properties in Mexico. The Company also has an option to acquire 80% of the Medicine Springs property in Nevada, USA.

This MD&A is dated November 24, 2021 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the nine months ended September 30, 2021 and the Company’s audited consolidated financial statements for the year ended December 31, 2020 and the related notes thereto.

Additional information relevant to the Company and the Company’s activities can be found on SEDAR at www.sedar.com, and/or on the Company’s website at www.reynasilver.com.

MAJOR QUARTERLY OPERATING MILESTONES

Corporate update:

On June 23, 2021, the Company announced that it qualified to trade on the OTCQX® Best Market under the symbol “RSNVF”.

Properties update:

(a) *Guigui Property, Mexico*

On December 9, 2020, the Company announced initiation of a 10,000m diamond drilling program at its flagship Guigui Property in Chihuahua, Mexico. The program was focused on targeting the hypothesized intrusive source of the Santa Eulalia District, Mexico’s largest, Carbonate Replacement Deposit (CRD). Drilling was targeted on a combination of surface geological mapping and geochemical sampling, extensive legacy geophysics and Worldview III hyperspectral alteration mapping.

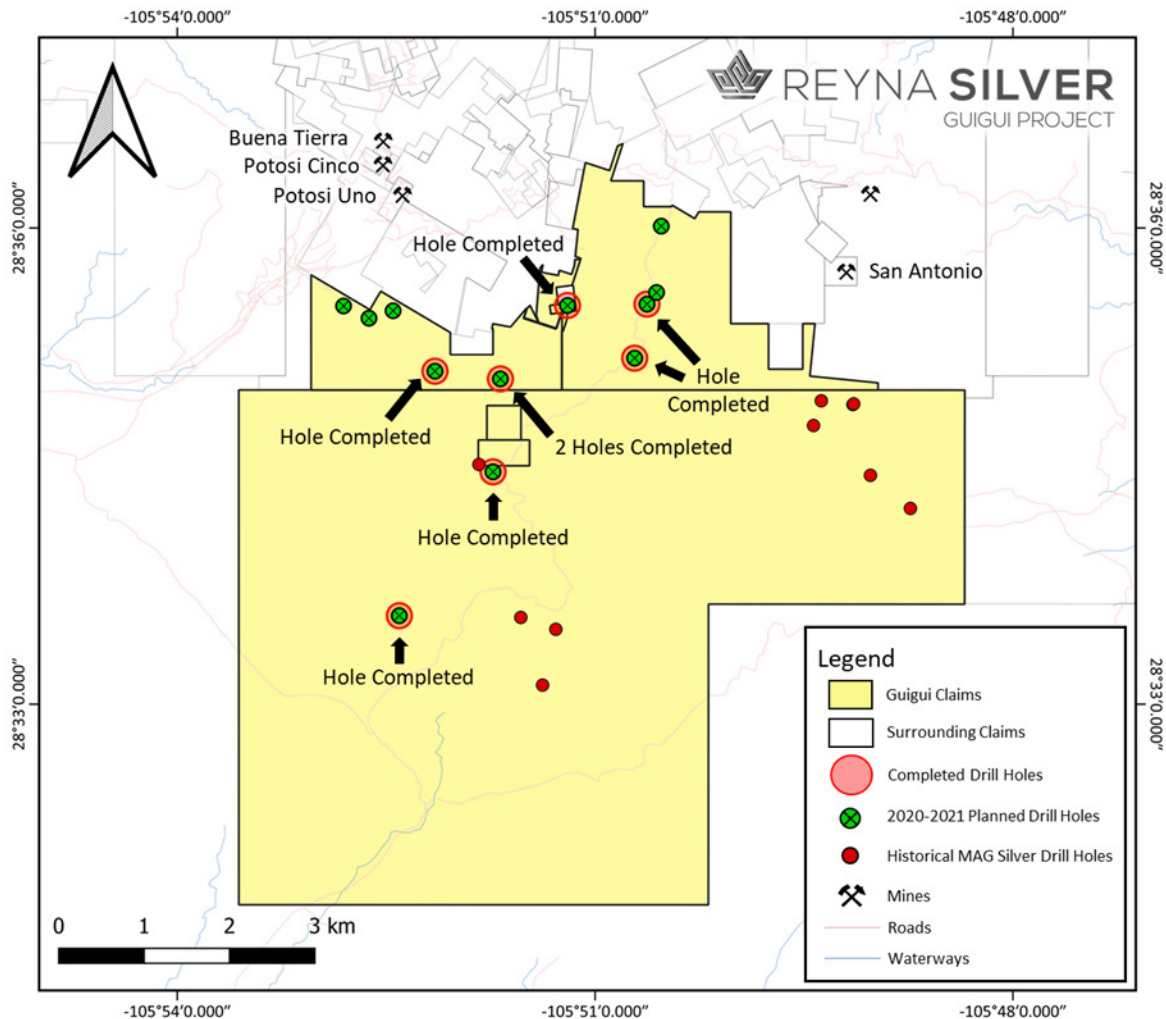
On June 29, 2021, the Company announced that it successfully commissioned a second drill rig to expand the drilling program at its Guigui Property and increase stage 1 drilling to 12,000m.



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The Company had already completed 8,000 meters of the 12,000 meters planned for this first stage of exploration and this second rig would allow the Company to speed up the completion of the entire Phase 1.

The attached map includes the locations of the drill holes that had been completed as well as the drillholes yet to be drilled.



On September 7, 2021, in conjunction with release of data for the Batopilas Property, the Company provided an update on the progress of its drill campaigns at Guigui. The initial 12,000 meters of drilling planned as part of stage 1 had been completed. Result of the full program would be published in a press release once all assay results were received. Reyna had begun stage 2 drilling. Details of stage 2 drilling would be provided with stage 1 results.

On October 28, 2021, the Company reported initial results for its 13-hole Phase 1 drilling program on the Guigui Project. Two holes cut a previously unknown rhyolitic intrusion over 200 meters thick that has extensive high-grade sulphide mineralization along its base. The most significant hole was GG21-28 which intersected 54.90 m (core length) of pervasive multi-stage



epidote skarn alteration cut by at least 4 overprinted sulphide mineralization stages. Individual sulphide stages show distinctive silver, lead, zinc, and copper grades indicative of repeated pulses of mineralizing fluids (Figure 2 and Table 1). **This combination of repeated sulphide mineralization overprinting pervasive high-temperature alteration (“skarn”) within a highly felsic intrusion strongly suggests that Hole GG21-28 lies close to the undiscovered source of the Santa Eulalia CRD system.**

The entire 54.90 m skarn zone in GG21-28 is mineralized, but there are 4 principal sulphide-rich stages starting 1300 m downhole (Table 1). The uppermost sulphide zone is silver-rich, averaging 184 g/t (5.9 oz/t) Silver over 2.3 m (core length), but this includes a 0.59 m interval of 523 g/t (16.8 oz/t) Silver. Beneath this is a higher Zinc (to 18.35% Zn) zone with distinctly lower Silver. Following a zone of weakly sulphidized skarn lies a narrow Copper-rich stage (to 1.58% Cu) with moderate Zinc. The lowest 15 m of the mineralized skarn is the most pervasively mineralized and shows consistently high Zinc (to 15.2% Zn) with relatively low Lead except for a discrete galena-rich band grading 10.5% Lead and 99 g/t Silver.

Now that the general source area was located, a fully funded and permitted, two-pronged 8,000 m Phase 2 drilling program has begun working upwards and outwards from Hole GG21-28. One focus will be to trace the mineralization upwards into limestones, where silver-rich mineralization like that seen at the top of the GG21-28 intercept may be both larger and extend closer to the surface. The other focus will be to trace the sulphide mineralization and related skarn alteration sourceward where the volume of mineralization can be expected to expand.

Table 1. Skarn Zone Drilling Highlights (See Table 4 below for detailed results).

Hole ID	From (m)	To (m)	Width (m)*	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	Zones
GG-21-28	1309.60	1364.50	54.90	23.22	0.67	1.86	-	Entire skarned zone
<i>Including</i>	1309.60	1348.70	39.10	8.16	0.06	0.24	-	Intermittent mineralized zone
<i>Including</i>	1348.70	1364.50	15.80	60.51	2.19	5.85	-	Coherent mineralization zone
<i>Including with</i>	1348.70	1351.00	2.30	184.92	4.32	2.89	-	Silver zone
			0.59	523.00	3.87	0.25		
<i>Including</i>	1353.10	1355.24	2.14	50.46	1.99	11.30	-	Zinc-Lead Zone
<i>Including</i>	1358.06	1358.55	0.49	-	-	-	1.59	Copper Zone
<i>Including</i>	1358.55	1364.50	5.95	51.00	2.93	9.31	-	Zinc Zone

*True widths of the reported mineralized intervals have not been determined.

Phase 1 Drilling Program

Phase 1 drilling consisted of 13 holes (12,848.60 m total) drilled in a 3 km x 5 km area within Reyna’s 4,750 ha (47.5 km²) Guigui concession package (Figure 1). Targeting was informed by a district exploration model based on 300 years of historic underground mining, detailed surface mapping and geochemistry, airborne geophysics, and hyperspectral satellite imagery. Fifteen historic drillholes helped eliminate outlying areas from further consideration at this stage. Over

40 drill pads were permitted within the selected 1,500 ha area to seek a target expected to be approximately 1-1.5 km in diameter. Holes GG21-16 to GG21-28 comprise Phase 1 and were drilled successively counterclockwise from west to east (Figure 1). Results were modeled after each hole and targets modified based on the results. Notable results for Holes GG21-16 to GG21-27 are presented in Table 3.

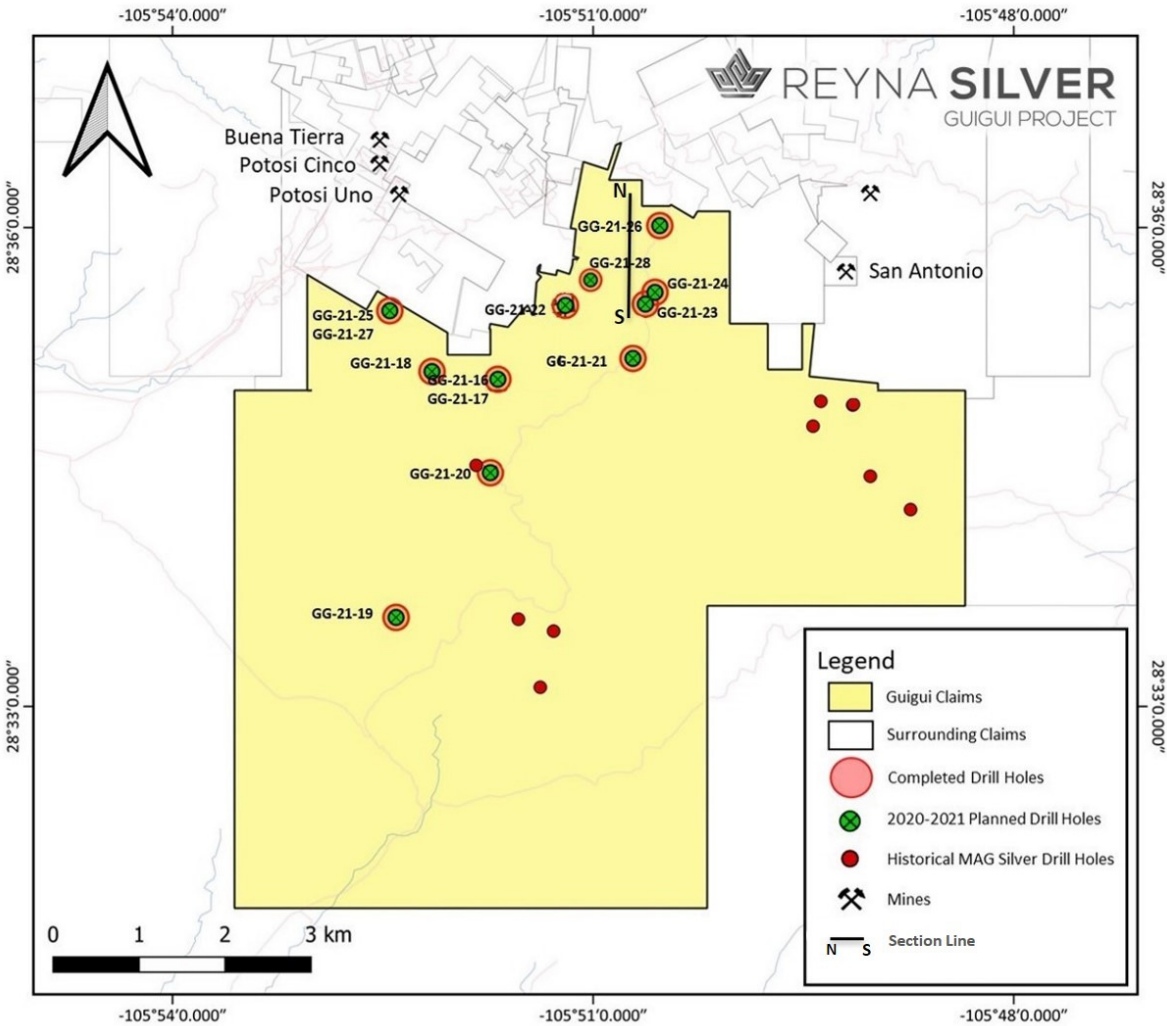


Figure 1. Map of the combined Guigui Property showing location south of the historic district mines and positions of drillholes described in this release.

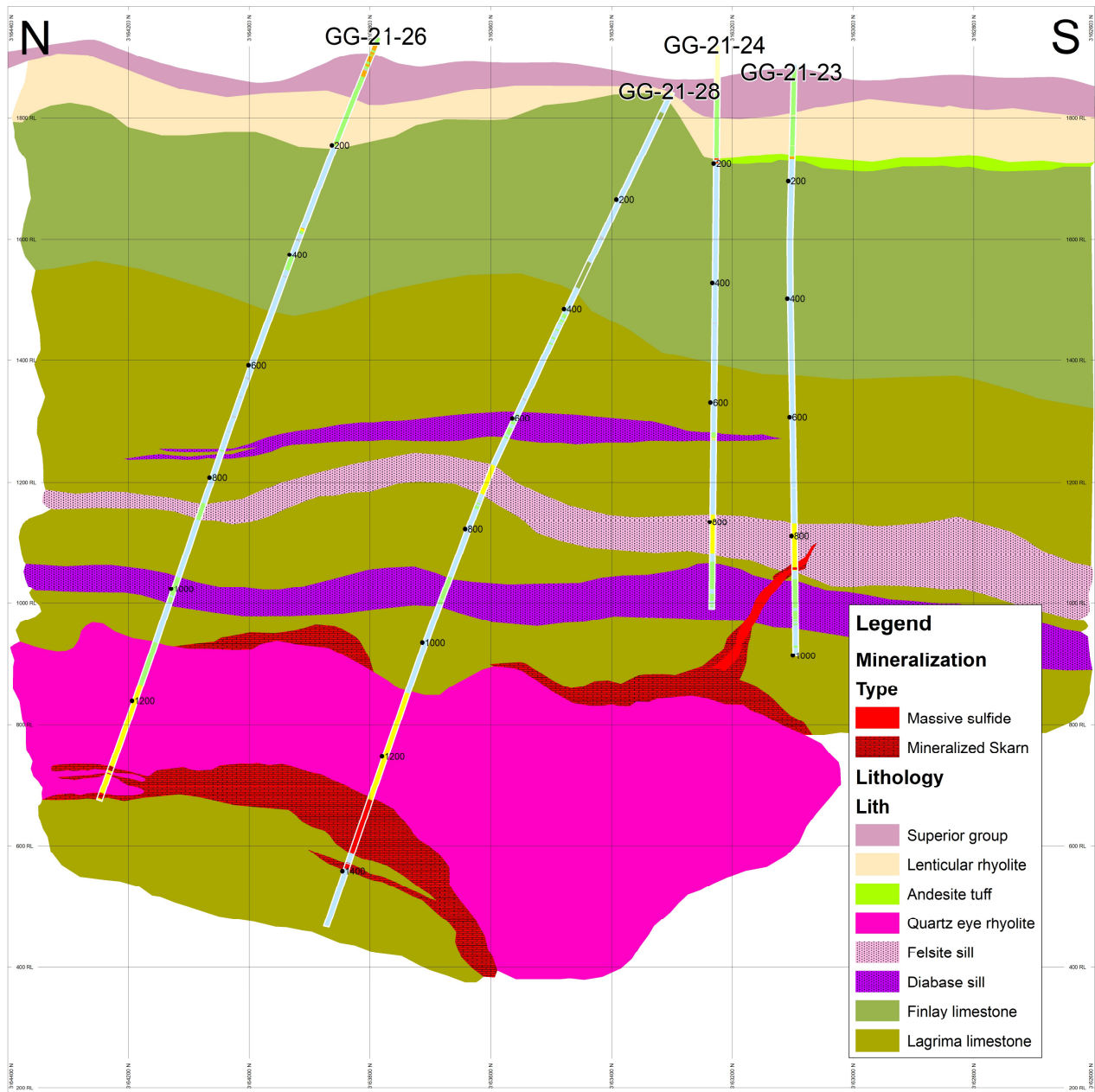


Figure 2. Geological Cross Section through the GG21-28 skarn zone showing thick mineralized skarn developed within the basal zone of the Quartz Eye Rhyolite



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Phase 1 also included 5 holes looking for distal high-grade silver mineralization in the western portions of the concession package (Figure 1 and Table 2). This includes two holes drilled in the Chinche Concession (GG21-25 and 21-27), optioned from Union Mining (See Press Release of July 2, 2020), where Union Mining cut silver-rich mineralization in Hole LCH-03. Reyna relogged and resampled the hole and the resampling reported **509 g/t (16 oz/t) Silver** over 0.25 m and 278 g/t (8.9 oz/t) Silver over 0.6 m (Table 2). The best hole within the Chinche concession in Reyna's 2021 drilling was Hole GG21-25, which reported 117 g/t (3.76 oz/t) Silver over 0.8 m (Table 2). Additional holes to test continuations of these intercepts using a man-portable rig are planned for La Chinche in Phase 2.

Table 2. La Chinche Drill Results

La Chinche						
Hole ID	From (m)	To (m)	Width (m)*	Ag (g/t)	Pb (%)	Zn (%)
GG-21-25	119.95	120.75	0.80	117.00	0.41	0.14
**LCH-03	166.60	166.85	0.25	509	0.13	0.36
	175.85	176.45	0.60	278	0.33	0.82

*True widths of the reported mineralized intervals have not been determined.

**Hole LCH-03 was drilled by United Minerals in March 2020 and re-assayed by Reyna Silver.

Phase 1 Detailed Results

Sulphide mineralized skarn was cut in three holes in the general GG21-28 area. Holes GG21-23 and GG21-26 contained the first such intercepts and progressive follow-up of those intercepts led to targeting of Hole GG21-28, the last hole in Phase 1 (Table 1 and Figure 2). The 3.87 m of mineralized skarn cut in GG21-23 (Table 3), affects a very fine-grained aphanitic rhyolite "felsite" dike that lies 300 m above the quartz-eye rhyolite porphyry intrusion that hosts the skarn cut in holes GG21-26 and GG21-28. The felsite dike is identical to the felsite dikes and sills closely associated in time and space with mineralization throughout the known parts of the district and in numerous holes in the Phase 1 program. The relationship between the felsite dikes and the quartz-eye rhyolite has not been established, but comparison with other large CRD systems, which are characterized by multiple, progressively differentiated intrusive stages, suggests they are both products of an evolved granitic magma system. The quartz-eye rhyolite has not been seen historically in the district, and is the thickest intrusion known to date anywhere in the district. The fact that the quartz eye rhyolite is highly evolved and strongly skarn altered and mineralized indicates it is probably an offshoot of an earlier, possibly pre-mineralization intrusive stage. Additionally, as it is primarily mineralized along its lower third, this suggests it may have acted as a barrier to mineralizing fluids rising along its base from a slightly younger mineralization-stage intrusive phase. Note that Holes GG21-23 and 21-24 were not drilled deep enough to reach the quartz eye rhyolite.

Table 3. Phase 1 Drill Results for Holes GG21-23 and 21-26.

Hole ID	From (m)	To (m)	Width (m)*	Ag (g/t)	Pb (%)	Zn (%)
GG-21-23	853.53	857.4	3.87	49.86	3.10	3.07
GG-21-26	1315.51	1316.57	1.06	17.55	1.10	2.40
	1327	1329.42	2.42	12.09	1.25	1.88
	1364.5	1367.95	3.45	14.55	1.78	2.96

* True widths of the reported mineralized intervals have not been determined.

The epidote skarn itself shows several important features. Most notably it shows abundant textural evidence for multiple stages of formation and brecciation, indicating extended, multi-stage formation. Next, this skarn is compositionally very similar to the skarn that affects the felsite dikes that lie at the center of zoned skarn-sulfide replacement mineralization exploited in the San Antonio mine 2 km east of the Hole GG21-28 area (Fig. 1). Epidote alteration of the San Antonio mine felsite dike is also multi-stage and shows a progressive increase towards complete alteration to skarn in the most proximal zones of the mine. A similar progression may be indicated by the detailed geochemistry from GG21-28 that shows the mineralization that cuts the skarn has elevated tin, tungsten and indium values, with punctual gold anomalies (to 0.44 g/t) (Table 1)— a very similar elemental assemblage to that seen in the most proximal parts of the San Antonio mine skarn zone. Finally, the sulfides cut the silicates but only partially replace them, which suggests a relatively distal position in the skarn zonation.

The successive sulphide stages cutting pervasive multi-stage skarn (Table 4) provide strong evidence for the passage of repeated pulses of mineralizing and altering fluids that emanated from a nearby, probably multiphase intrusive center. Additional highly felsic intrusion phases should be expected as components of that intrusive center.

Ongoing Phase 2 Exploration

Hole GG21-28 was the last hole in Phase 1 and appears to lead towards near-source alteration and mineralization associated with a style of felsic intrusion predicted by the CRD exploration model that guides our exploration. Phase 2 began in late September 2021 and is focused on tracing the mineralization in the Hole GG21-28 area towards both its source and upwards, where the silver-rich mineralization stage found at the top of the GG21-28 intercept may be both larger and continue closer to the surface. Sourceward, it remains to find the more closely mineralization-related intrusive phases and the structural plumbing that the mineralizing fluids followed from the source to Hole GG21-28.

Existing airborne geophysics shows interesting features in the area that will become targets for Phase 2, but additional, more detailed ground-based geophysics may provide more precision on where to drill. What geophysical methods to employ are under consideration in light of certain features seen in the drill core.

Only 14 of the 42 permitted holes were drilled, leaving many drill pads available for the planned and fully funded 8,000 m Phase 2 program.

Table 4. Detailed assay results for the 54.9 meters mineralized skarn intercept in Hole GG21-28

om	To	Width (m)*	Ag (g/t)	Pb %	Zn %	Cu %
1309.6	1309.86	0.26	140.00	0.20	0.03	0.06
1309.86	1310.3	0.44	21.40	0.11	0.17	0.00
1310.3	1310.79	0.49	2.06	0.05	0.44	0.00
1310.79	1311.41	0.62	2.29	0.08	0.54	0.00
1311.41	1312.35	0.94	1.54	0.06	0.21	0.00
1312.35	1313.55	1.2	0.71	0.02	0.30	0.00
1313.55	1314	0.45	11.50	0.30	0.52	0.00
1314	1314.8	0.8	10.40	0.08	0.12	0.00
1314.8	1315.75	0.95	7.34	0.02	0.04	0.00
1315.75	1316.45	0.7	1.00	0.01	0.02	0.01
1316.45	1316.72	0.27	4.05	0.01	0.03	0.01
1316.72	1317.4	0.68	12.90	0.01	0.02	0.00
1317.4	1317.7	0.3	9.11	0.01	0.01	0.00
1317.7	1318.16	0.46	0.10	0.00	0.00	0.00
1318.16	1318.96	0.8	0.05	0.00	0.00	0.00
1318.96	1320.24	1.28	0.03	0.00	0.00	0.00
1320.24	1321.58	1.34	0.01	0.00	0.00	0.00
1321.58	1322.8	1.22	0.03	0.00	0.00	0.00
1322.8	1324.17	1.37	0.09	0.00	0.00	0.00
1324.17	1325.15	0.98	0.04	0.00	0.00	0.00
1325.15	1326.3	1.15	0.02	0.00	0.00	0.00
1326.3	1327.6	1.3	0.45	0.00	0.00	0.00
1327.6	1328.4	0.8	0.22	0.00	0.00	0.00
1328.4	1329.24	0.84	3.47	0.00	0.02	0.00
1329.24	1330.1	0.86	14.00	0.06	0.27	0.02
1330.1	1330.58	0.48	0.10	0.00	0.00	0.00
1330.58	1330.75	0.17	44.80	0.09	8.75	0.50
1330.75	1331.9	1.15	0.08	0.00	0.01	0.00
1331.9	1332.93	1.03	0.03	0.00	0.00	0.00
1332.93	1333.9	0.97	0.04	0.00	0.00	0.00
1333.9	1335.15	1.25	0.90	0.00	0.01	0.00
1335.15	1335.75	0.6	15.10	0.05	0.13	0.01
1335.75	1336.48	0.73	1.53	0.00	0.01	0.00
1336.48	1337.17	0.69	1.29	0.03	0.03	0.00
1337.17	1337.37	0.2	0.20	0.00	0.00	0.00
1337.37	1337.7	0.33	2.10	0.00	2.49	0.04
1337.7	1338	0.3	0.11	0.00	0.01	0.00
1338	1338.6	0.6	46.50	0.72	5.06	0.55

From	To	Width (m)*	Ag (g/t)	Pb %	Zn %	Cu %
1338.6	1339.38	0.78	63.70	0.18	0.42	0.28
1339.38	1340.21	0.83	0.96	0.00	0.04	0.00
1340.21	1341.2	0.99	13.25	0.06	0.92	0.03
1341.2	1341.86	0.66	1.78	0.02	0.04	0.00
1341.86	1342.15	0.29	1.53	0.01	0.10	0.01
1342.15	1342.47	0.32	1.48	0.01	0.18	0.00
1342.47	1342.82	0.35	4.32	0.01	0.01	0.00
1342.82	1343.32	0.5	8.43	0.19	0.06	0.01
1343.32	1343.83	0.51	10.90	0.69	0.13	0.01
1343.83	1344.91	1.08	4.59	0.06	0.07	0.02
1344.91	1345.6	0.69	53.20	0.56	0.25	0.59
1345.6	1346.75	1.15	44.20	0.09	0.32	0.14
1346.75	1348.7	1.95	0.19	0.00	0.00	0.00
1348.7	1349.29	0.59	523.00	3.87	0.25	0.15
1349.29	1350.56	1.27	65.90	5.18	3.54	0.52
1350.56	1351	0.44	75.10	7.64	4.54	0.29
1351	1352.1	1.1	19.20	0.75	3.28	0.50
1352.1	1352.6	0.5	32.80	3.16	0.28	0.00
1352.6	1353.1	0.5	2.86	0.18	0.65	0.03
1353.1	1353.77	0.67	34.70	3.09	5.03	0.03
1353.77	1354.05	0.28	27.90	1.87	2.08	0.01
1354.05	1354.66	0.61	67.90	0.65	15.70	0.47
1354.66	1355.24	0.58	61.20	2.19	18.35	0.13
1355.24	1356.17	0.93	4.93	0.14	0.50	0.01
1356.17	1357.55	1.38	16.40	0.14	0.30	0.06
1357.55	1358.06	0.51	3.36	0.06	0.39	0.01
1358.06	1358.55	0.49	105.00	0.17	2.30	1.59
1358.55	1358.98	0.43	162.00	1.68	4.84	0.03
1358.98	1359.7	0.72	39.60	2.00	10.50	0.02
1359.7	1360.05	0.35	10.40	1.65	3.43	0.00
1360.05	1360.37	0.32	48.70	4.99	13.30	0.01
1360.37	1360.66	0.29	17.95	2.21	7.27	0.00
1360.66	1360.95	0.29	28.00	3.34	7.79	0.00
1360.95	1361.45	0.5	99.50	10.75	14.65	0.00
1361.45	1362.37	0.92	29.10	3.23	8.90	0.00
1362.37	1362.93	0.56	19.75	1.32	3.15	0.00
1362.93	1364.02	1.09	37.40	1.42	10.40	0.00
1364.02	1364.5	0.48	92.40	1.73	15.20	0.05

*True widths of the reported mineralized intervals have not been determined.



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(b) Batopilas Property, Mexico

On February 4, 2021, the Company announced high-grade silver and gold results from its late 2020 surface and trench sampling program, focused on the projection of the Pastrana-Roncesvalles-Cobrizo vein zone into the northern and northeastern part of the Batopilas Project.

Highlights

- 258 trench, rock chip and soil samples were collected between October and December 2020 based on ASTER satellite image analysis and structural mapping in the previously underexplored north and northeastern parts of the district.
- Two new veins were found: One is a typical Batopilas-style native silver vein, the other is the first significant gold-rich vein encountered on the project to date.
- Notable high grade samples ranged from 305 to 42,302 g/t silver and 1.03 to 21.4 g/t gold.
- District-scale high-resolution Worldview III satellite hyperspectral imagery received subsequent to the sampling program showed distinctive alteration mineralogy coincides with both the new and long-known structures with all anomalies currently undergoing review and sampling.
- These results were combined with historic data to define targets for drilling in 2021 once permits were received.

Table 1. Silver and Gold Highlights from Q4, 2020 Batopilas Sampling Program

The full list of assays with location maps, detailed assays, and field photographs may be found on the website www.reynasilver.com.

Sample Number	Sample Type	Ag (gpt)
133164	Channel	42,306.00
133119	Channel	18,078.00
133172	Channel	6,320.00
133120	Channel	2,880.00
133117	Channel	2,060.00
133173	Channel	2,060.00
133178	Channel	1,510.00
133112	Channel	989.00
133113	Channel	841.00
133073	Channel	671.00
133108	Soil	662.00
133137	Petro	414.00
133169	Channel	405.00
133072	Channel	400.00
133071	Channel	310.00
133107	Soil	305.00

Sample Number	Sample Type	Au (gpt)
133090	Channel	21.40
133093	Channel	18.35
133248	Channel	18.30
109247	Channel	16.90
133095	Petro	16.40
133088	Dump	15.40
133091	Channel	15.20
133232	Channel	12.90
133250	Channel	12.40
109249	Channel	7.82
109251	Petro	5.71
109250	Petro	5.44
133094	Channel	3.77
133087	Dump	3.34
133249	Channel	3.24
109254	Petro	2.98
133247	Channel	2.03
109257	Petro	1.18
133080	Petro	1.13
133239	Channel	1.03
133243	Channel	1.02



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Figure 1. Map of the Batopilas Property with the identified vein traces; Circled area represents the zone of the 2020 Exploration program at the project.

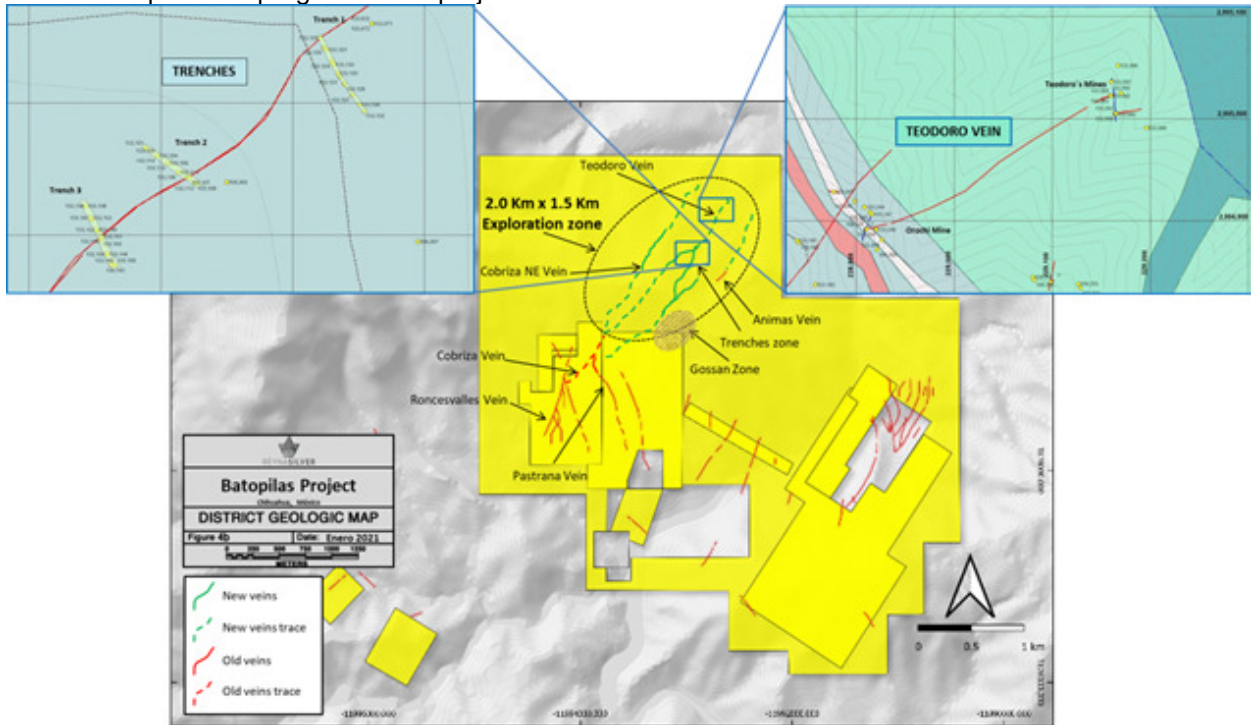
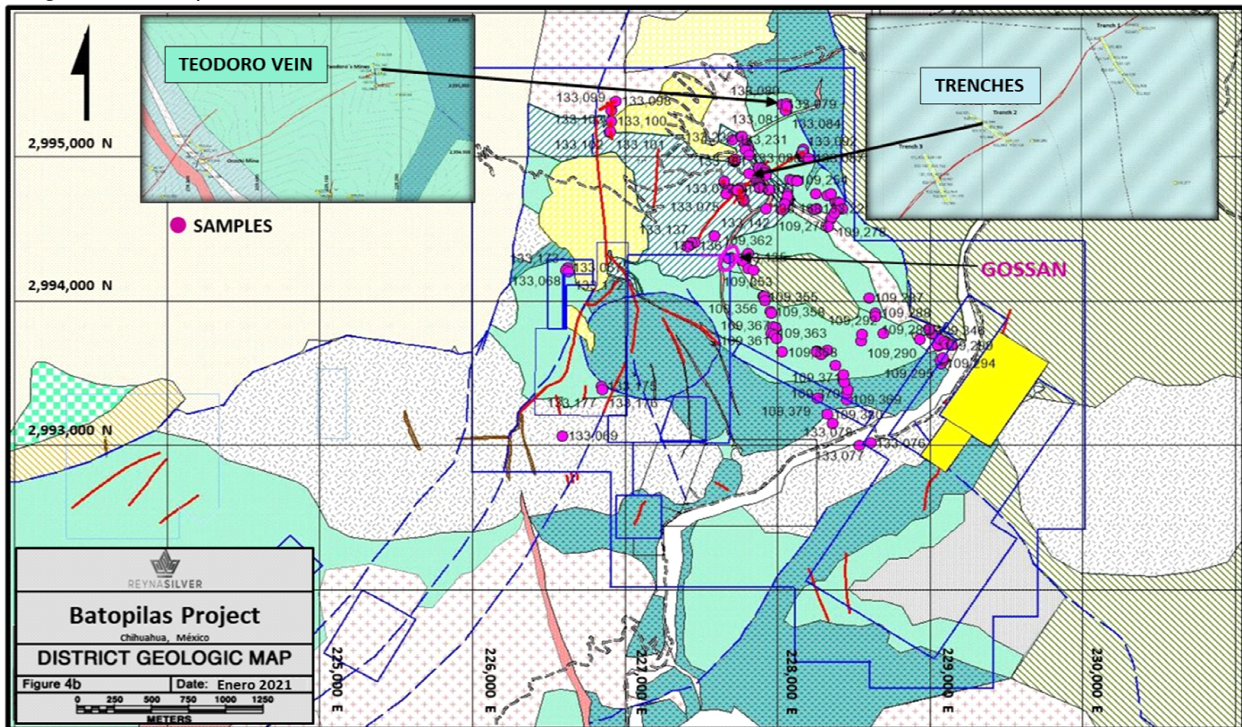


Figure 2. Geological Map of the Batopilas Project area and the sampling locations of the 2020 Exploration Program at Batopilas.



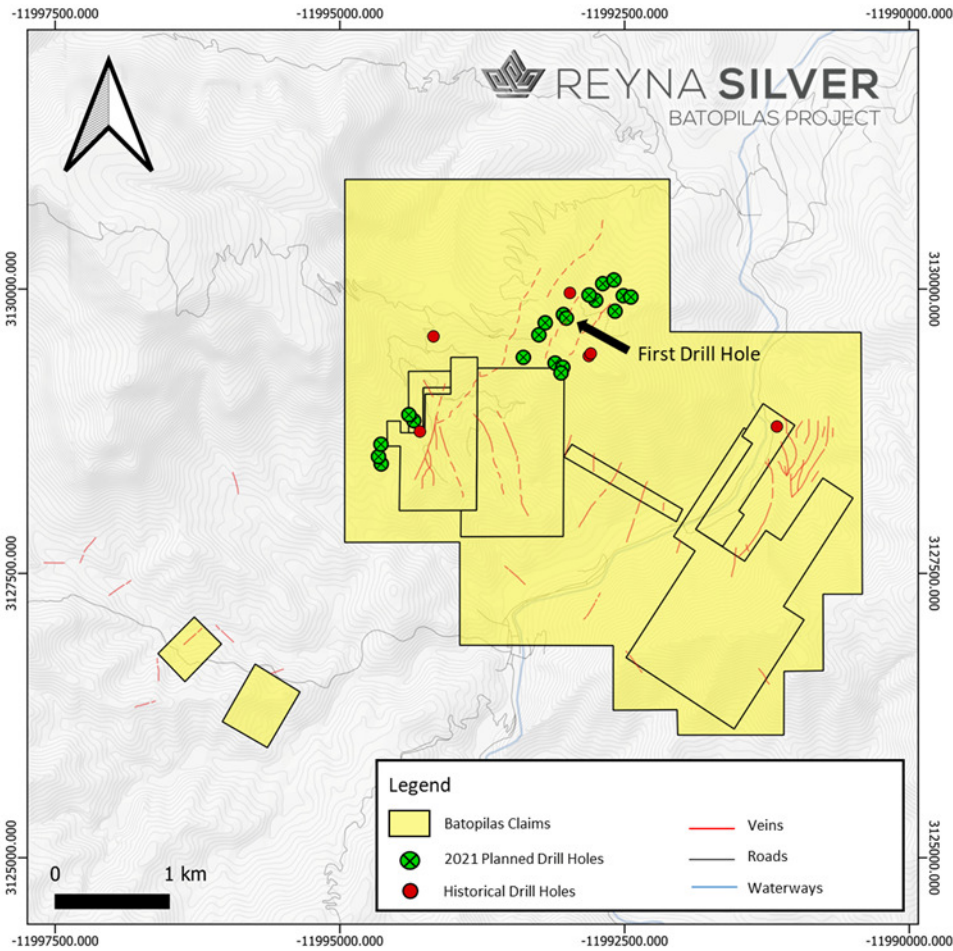


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On May 26, 2021, the Company announced that permits had been received and that drilling at Batopilas was set to begin the second week of June. The drill program follows the targets established by Reyna’s technical team in the spring exploration campaign which discovered multiple extensions to the 30 known veins in the district, as well as two new veins with multiple high-grade silver and gold sample results of up to 43,306 g/t Ag and 21.4 g/t Au.

On June 30, the Company announced that it started a 10,000-meter drill campaign at Batopilas.

The attached map includes the location of the planned drill holes.



On September 7, 2021, the Company announced that approximately 2,500 meters of drilling had been completed out of the planned 10,000 meters for stage 1.

On September 8, 2021, the Company reported results from the first seven holds totaling 1,095 meters of its 10,000-meter stage 1 drilling program at Batopilas. The first five holes (BA21-29 to BA21-33) were targeted beneath exploration trenches cut in 2020 that revealed vein structures carrying coarse native silver typical of the Batopilas district (see Figure 4 below). Holes BA21-34



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and 35 were drilled along the Teodoro Vein where 2020 trench sampling found high-grade gold values not previously encountered in the district (See press release of February 4, 2021).

Highlights

- Hole BA21-30**, the second hole drilled, successfully cut a native silver bearing vein (see Figure 3) approximately 35 meters beneath the best of the 2020 trenches. BA21-30 reported **3.2 m (core length) grading 3.03 g/t gold and 703 g/t silver, including 0.20 m (core length) of native silver grading 10,565 g/t silver and 0.85 m (core length) grading 8.74 g/t gold**. This result is significant as it is a newly discovered native silver vein 2 km NE of the Cobriza vein, a historically mined native silver vein with similar orientation and alignment (see Figure 3). This vein extension was discovered through our trenching program in late 2020 and this is the first time the area has been drilled.
- Hole BA21-34**, the sixth hole drilled in the campaign, and the first hole ever drilled in the Teodoro Vein Gold Zone, was targeted 25 m beneath the surface expression of a gold-bearing vein found in our late 2020 trenching program. The intercept from 45.7 to 45.95 meters (**1.50 m core length) reported 4.88 g/t gold and 10.67 g/t silver, including an internal interval of 0.25 m (core length) grading 28.7 g/t gold and 59 g/t silver**.

Highlights of the assay results of the program to date are presented below in Table 2. A full list of assays with location maps and field photographs may be found on Reyna's website www.reynasilver.com.

Table 2. Highlights of Initial Stage 1 Batopilas Drilling

Hole #	From m	To m	Core Width* m	Au g/t	Ag g/t
BA21-29	NSV**				
BA21-30	36.35	39.55	3.20	3.03	703.00
including	36.35	37.20	0.85	8.74	8.40
including	38.80	39.00	0.20	0.31	10,565.50
BA21-31	112.25	114.85	2.60	1.53	0.34
BA21-32	64.60	66.80	2.20	2.33	4.55
including	65.35	66.00	0.65	5.15	2.30
BA21-33	175.10	176.00	0.90	0.33	1.60
BA21-34	45.00	46.50	1.50	4.88	10.67
including	45.70	45.95	0.25	28.70	59.00
BA21-35	66.20	67.20	1.00	0.25	2.40

*Core length in hole, True Thickness indeterminate

** NSV = No Significant Values

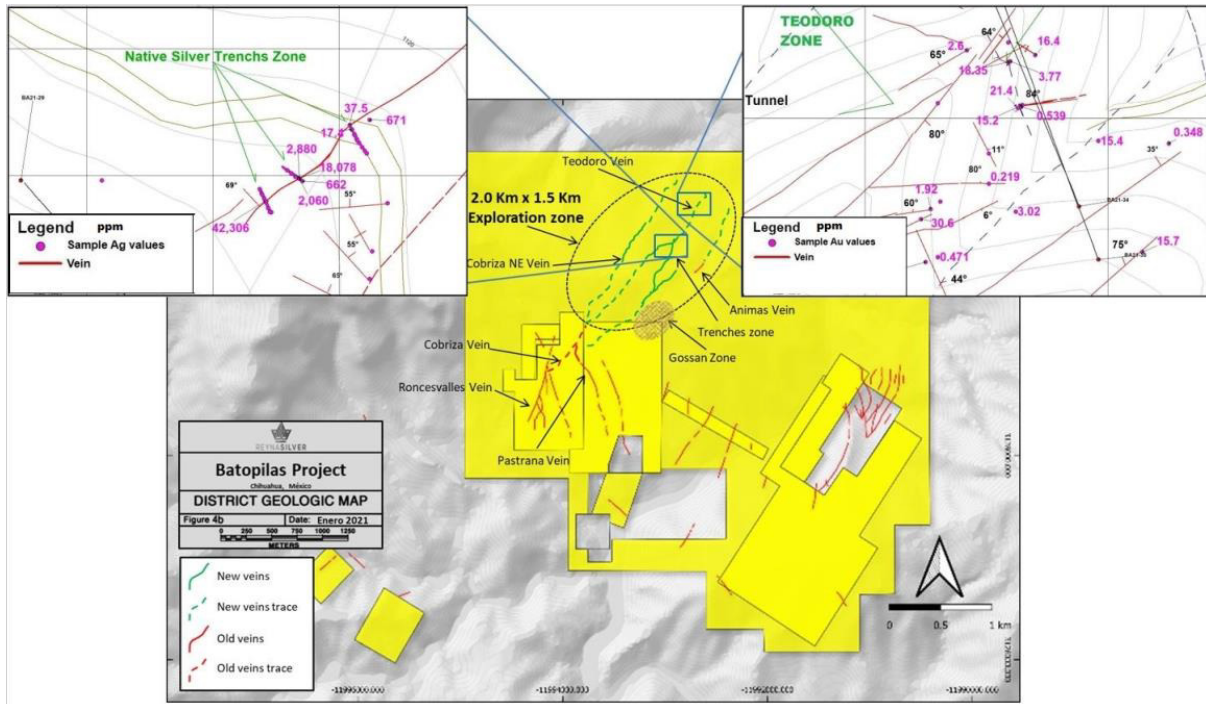


Figure 3. Map of the Batopilas Property with the identified vein traces; Circled area represents the area of the current focus of the exploration program.

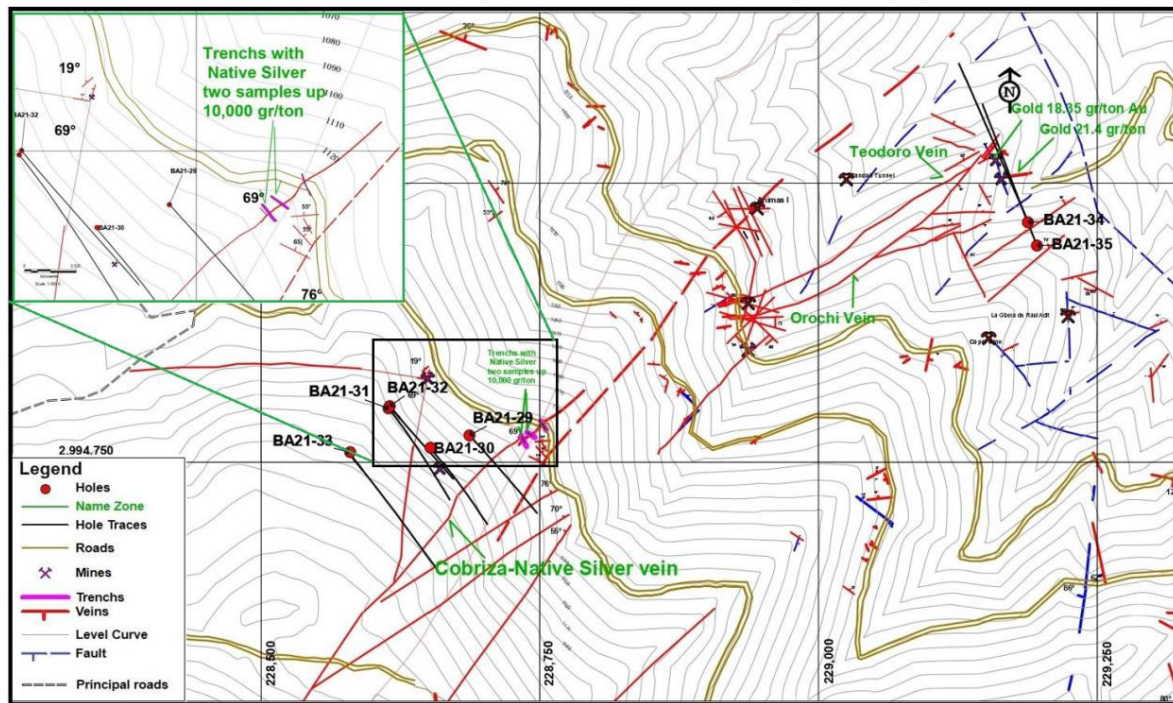


Figure 4. Map of the first seven drill holes of the Stage 1 drilling program at Batopilas. Five holes (BA21-29 to BA21-33) were targeted beneath exploration trenches with native silver samples (lower left portion)

of the map). Two holes (BA21-34 and 35) were drilled along the Teodoro Vein where trench sampling found high gold values (upper right portion of the map).

(c) Trudeau Gold Property (Quebec, Canada)

On March 8, 2021, the Company sold the Trudeau Gold property in Quebec to Beyond Minerals Ltd. (“Beyond Minerals”). Beyond Minerals is a non-reporting, Manitoba based company. The sale price received by the Company is 1,000,000 shares of Beyond Minerals and a 1.0% NSR.

As of September 30, 2021, these shares were valued at \$100,000.

(d) Medicine Springs Property (Nevada, USA)

On June 9, 2021, the Company announced that it added 450 unpatented Federal mineral claims covering 3,642 hectares to its Medicine Springs Property. Medicine Springs shows many of the earmarks of a significant Carbonate Replacement Deposit (CRD) similar to the Santa Eulalia District in Chihuahua Mexico which hosts Reyna’s Guigui Project. Combined with the original 149 claims (1,189 ha) optioned in 2020 from Northern Lights Resources Corp. (CSE: NLR) (see press release of October 5, 2020) the property now consists of 599 contiguous claims covering 4,831 hectares, which covers the expanded limits of recognized mineralization and alteration, making it a complete district scale project in a prime mining region.

The property expansion stems from Reyna’s early recognition that structurally-controlled, multistage CRD-style mineralized jasperoids extend well beyond the original claim block optioned from Northern Lights. With the new claims, Reyna believes the entire system is covered by shallow alluvium. A systematic property-wide mapping and selective jasperoid sampling program was undertaken to determine the limits of the system and where its center (or centers) lie. This orientation sampling phase is complete (assays pending) and a Lidar-like survey to facilitate mapping is being contracted. The results will be combined into Reyna’s recently compiled GIS model with existing (and possibly additional) Magnetic and NSAMT geophysics for drill targeting.

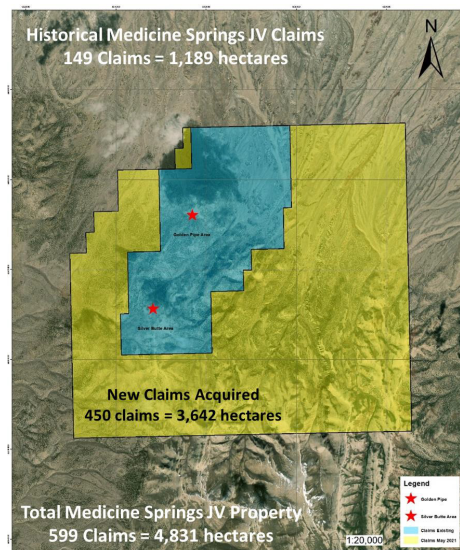


Figure 5. Medicine Springs Joint Venture Mineral Claims



(e) El Durazno Property

On July 19, 2021, the Company signed an option agreement with Reyna Gold Corp (“Reyna Gold”), a private company with directors in common. The Company agreed to grant to Reyna Gold the exclusive option to acquire up to a 51% interest in the El Durazno Property. Pursuant to the agreement:

- Reyna Gold must pay the sum of \$20,000 within 10 days of execution of this agreement (received);
- Assume all tax and work obligation requirements under the Mexican Mining Law;
- Incur at least \$500,000 of Expenditures on the El Durazno property before July 19, 2025.

QUARTERLY FINANCIAL CONDITION

Capital Resources

On June 22, 2020, the Company completed a non-brokered private placement by issuing 7,298,134 units (“Unit”) at a price of \$0.83 per Unit for gross proceeds of \$6,057,451. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a 24-month period at a price of \$1.25, expiring on June 22, 2023.

In connection with the private placement, the Company paid a total of \$371,482 cash finder’s fee and issued 446,978 finder’s warrants, each of which is exercisable into one Unit at a price of \$0.83 for a period of 24 months, expiring on June 22, 2023. Another \$120,205 was also included as share issue costs.

In addition to the private placement that the Company completed in June 2021, the Company also increased its capital with a total of 212,500 advisor options, 57,138 finder’s warrants and 2,201,743 warrants being exercised at prices ranging from \$0.20 to \$0.90 during the nine months ended September 30, 2021.

The Company intends to use the net proceeds from the private placement and the exercise of advisor options, finder’s warrants and warrants for the exploration of the Company’s Guigui, Batopilas, La Reyna and La Chinche projects in Mexico, as well as for Medicine Spring property in USA, and for general working capital purposes.

On April 30, 2021, the Company issued 699,666 common shares toward partial annual compensation to seven advisors and consultants of the Company. The share compensation was based on a 20-day volume weighted average price of \$1.00 per share.

During the nine months ended September 30, 2021, 502,400 options were granted to its consultants with an exercise price of \$1.03 expiring on January 12, 2026 and 130,000 options to a consultant with an exercise price of \$1.00 expiring on March 30, 2024.

Subsequent to September 30, 2021, 137,500 warrants were exercised with an exercise price at \$0.45 and 245,000 warrants were exercised with an exercise price at \$0.75.



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The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from warrants, finders' warrants, advisors' options and options, along with the planned developments within the Company are sufficient to carry out its activities throughout 2021. The Company would consider future equity financings if such financings are beneficial to the Company. If the market conditions change, the Company will make adjustment to its budgets accordingly.

Liquidity

As at September 30, 2021, the Company had a working capital of \$11,013,760 (December 31, 2020 – \$11,074,505). With respect to working capital, \$10,910,976 was held in cash and cash equivalents (December 31, 2020 – \$11,294,878). The decrease in cash was mainly due to (a) operating expenses including exploration expenses totaling \$6,867,846; (b) exploration and evaluation assets expenditures of \$151,066; while being offset by (c) net proceeds of \$6,635,010 from the issuance of shares.

Operations

For the three months ended September 30, 2021 compared with the three months ended September 30, 2020:

The Company's exploration expenses amounted to \$2,466,115 (2020 - \$223,437), an increase of \$2,242,678 as a result of the Company being more active in its exploration work on its properties in Mexico, including Guigui, Batopilas and La Chinche properties as well as its Medicine Springs property in USA. The Company received \$20,000 (2020 – \$Nil) from an optionee for the El Durazno property.

Excluding the share-based payment of \$65,405 (2020 - \$Nil) and foreign exchange gain of \$113,747 (2020 – foreign exchange loss of \$35,604), the Company's administrative expenses amounted to \$497,116 (2020 - \$599,775), a decrease of \$102,659 mainly due to: (a) consulting of \$40,306 (2020 - \$157,015); (b) legal of \$16,254 (2020 - \$101,588); while being offset by the increase in marketing and shareholders communication of \$217,931 (2020 - \$125,223). During fiscal 2021, the Company was a publicly listed company with administrative expenses to support the exploration activities; while during fiscal 2020, the Company was working on getting itself listed on the TSX Venture Exchange.

During the three months ended September 30, 2021, the Company reported a loss of \$2,894,870 (2020 – \$849,758), an increase of \$2,045,112, mainly due to the exploration work on its exploration properties.

For the nine months ended September 30, 2021 compared with the nine months ended September 30, 2020:

The Company's exploration expenses amounted to \$5,067,122 (2020 - \$529,945), an increase of \$4,537,177 as a result of the Company being more active in its exploration work on its properties in Mexico, including Guigui, Batopilas and La Chinche properties as well as its Medicine Springs property in USA. The Company received \$20,000 (2020 – \$Nil) from an optionee for the El Durazno property.

Excluding the share-based payment of \$400,009 (2020 - \$47,345) and foreign exchange loss of \$70,475 (2020 - \$126,035), the Company's administrative expenses amounted to \$1,448,979 (2020 - \$1,702,355), a decrease of \$253,376 mainly due to: (a) consulting of \$208,426 (2020 - \$590,534); (b) legal of \$44,051 (2020 - \$350,905); while being offset by the increase in (c) marketing and shareholders communication of \$561,461 (2020 - \$358,404) and (d) management and director fees of \$360,000 (2020 - \$252,250). During fiscal 2021, the Company was a publicly listed company with administrative expenses to support the exploration activities; while during fiscal 2020, the Company was working on getting itself listed on the TSX Venture Exchange.

The other major item for the nine months ended September 30, 2021, compared with September 30, 2020, was:

- Write-down of investment of \$713,596 (2020 - \$Nil).

During the nine months ended September 30, 2021, the Company reported a loss of \$7,674,027 (2020 - \$2,396,157), an increase of \$5,277,870, mainly due to the exploration work on its exploration properties.

SIGNIFICANT RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the nine months ended September 30, 2021

	Cash payments	Shares issued	Share-based payments	Total
Jorge Ramiro Monroy ⁽¹⁾ Chief Executive Officer, Director	\$ 225,000	\$ -	\$ -	\$ 225,000
Michael Wood ⁽²⁾ Chief Financial Officer, Director	\$ 90,000	\$ -	\$ -	\$ 90,000
Peter Jones ⁽³⁾ Director	\$ 18,750	\$ -	\$ -	\$ 18,750
Alex Langer ⁽⁴⁾ Director	\$ 15,000	\$ -	\$ -	\$ 15,000
Evaristo Trevino ⁽⁵⁾ Director	\$ 11,250	\$ -	\$ -	\$ 11,250
Ariel Navarro - Vice President of Exploration of the Company	\$ -	\$ 33,333	\$ -	\$ 33,333
TOTAL:	\$ 360,000	\$ 33,333	\$ -	\$ 393,333



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For the nine months ended September 30, 2020

	Cash payments	Shares issued	Share-based payments	Total
Jorge Ramiro Monroy ⁽¹⁾ Chief Executive Officer, Director	\$ 163,000	\$ -	\$ -	\$ 163,000
Michael Wood ⁽²⁾ Chief Financial Officer, Director	\$ 76,000	\$ -	\$ -	\$ 76,000
Peter Jones ⁽³⁾ Director	\$ 6,250	\$ -	\$ 8,355	\$ 14,605
Alex Langer ⁽⁴⁾ Director	\$ 5,000	\$ -	\$ -	\$ 5,000
Alex Tsang ⁽⁶⁾ Former Chief Financial Officer	\$ 2,000	\$ -	\$ 8,355	\$ 10,355
Sandy Chim ⁽⁷⁾ Former director	\$ -	\$ -	\$ 8,355	\$ 8,355
TOTAL:	\$ 252,250	\$ -	\$ 25,065	\$ 277,315

- (1) Jorge Ramiro Monroy's cash payments as the Chief Executive Officer were paid through Emerging Markets Capital Limited.
- (2) Michael Wood became the director of the Company effective June 3, 2020 and the Chief Financial Officer effective July 6, 2020. Mr. Wood's cash payments as the Chief Financial Officer were paid through Reyna Silver Hong Kong Limited and Athena Jade Limited.
- (3) Peter Jones became the director of the Company effective June 3, 2020.
- (4) Alex Langer's director fee was paid to his company Andros Capital Corp.
- (5) Evaristo Trevino became the director of the Company effective September 21, 2020.
- (6) Alex Tsang became the Chief Financial Officer of the Company effective June 3, 2020 and resigned effective July 6, 2020.
- (7) Sandy Chim became the director of the Company effective June 3, 2020 and resigned effective September 21, 2020.

Related party transactions and balances:

Amounts in due to related parties:	Services for:	For the		As at	As at
		nine months ended	September 30	September 30,	December 31,
		2021	2020	2021	2020
Emerging Capital Markets ⁽¹⁾	Management fee	\$ 225,000	\$ 163,000	\$ -	\$ -
Reyna Silver Hong Kong Limited ⁽²⁾	Management fee	60,000	76,000	-	-
Athena Jade Limited ⁽³⁾	Management fee	30,000	-	-	-
Andros Capital Corp. ⁽⁴⁾	Management fee and consulting fee	15,000	5,000	-	-
Total		\$ 330,000	\$ 244,000	\$ -	\$ -

- (1) Jorge Ramiro Monroy is the managing director of this private company.
- (2) Michael Wood and Jorge Ramiro Monroy are the sole directors of this private company.
- (3) Michael Wood is the sole director of this private company.
- (4) Alex Langer is the owner of this private company.



COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

The Company is committed to issue a total of 1,401,667 common shares to its directors, officers and consultants over the next 12 months for consulting and geological consulting services.

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

RISK FACTORS

In our MD&A filed on SEDAR April 30, 2021 in connection with our annual financial statements (the “Annual MD&A”), we have set out our discussion of the risk factors which we believe are the most significant risks faced by the Company. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company’s outstanding share data as at September 30, 2021:

	Issued and outstanding	
	September 30, 2021	November 24, 2021
Common shares outstanding	100,555,718	100,938,218
Options	2,884,585	2,884,585
Warrants	26,355,820	25,973,320
Finder's warrants	2,035,327	2,035,327
Warrants associated with Finder's warrants	590,591	590,591
Fully diluted common shares outstanding	132,422,041	132,422,041

QUALIFIED PERSON

Dr. Peter Megaw, Ph.D., C.P.G., is the Company's Qualified Person under NI 43-101, reviewing the technical aspects of the exploration projects described herein and supervises the design and conduct of the exploration programs and the verification and quality assurance of analytical results. Dr. Megaw is not independent as he and/or companies with which he is affiliated hold Net Smelter Royalties on the Guigui and Batopilas Projects that predate Reyna Silver acquiring them.



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Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.