



REYNA SILVER CORP.
(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

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 the USA.

Reyna’s principal properties are the Guigui Property (including the contiguous La Chinche property) in Mexico and Medicine Springs property in Nevada, USA. It also holds interests in each of the Batopilas, La Durazno and Matilde mineral properties as well as optioned La Reyna properties in Mexico.

This MD&A is dated May 26, 2023 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 three months ended March 31, 2023 and the Company’s audited consolidated financial statements for the year ended December 31, 2022 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

Properties update:

On May 2, 2023, the Company announced an update on its 2023 exploration programs at Batopilas, Medicine Springs and Guigui. Results from the previous drilling programs at each project triggered further studies as part of the reiterative process implicit in advancing strategic district-scale targeting. The work on all three projects resulted in new targets for drilling this year.

Batopilas

The Reyna team looks forward to resuming drilling once the final combining of historical data, drill results, geophysical surveys and detailed follow-up work is complete. The preliminary plan is to drill a minimum of 3,000m; logistical preparations are underway and drilling should commence in the coming weeks.

Medicine Springs

An early-stage Carbonate Replacement Deposit (“CRD”) project, Medicine Springs has the potential to hold the full CRD-Porphyry continuum. Reconnaissance drilling in 2022 successfully determined that critical elements necessary to form a large, high-grade CRD existed within the



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4,831 ha project in Elko Co, Nevada. The project now shows 11 of the 13 key features associated with large, high-grade CRDs; subsequent work continues to affirm Medicine Springs has potential as a major CRD district.

The results from the reconnaissance drilling highlighted that Medicine Springs has the potential for scalable, high-grade mineralization and deserves expanded ongoing exploration. Considering the positive results from the widely spaced initial drilling, the exploration team determined that an airborne geophysical survey will help map important aspects of the system framework at depth and beneath cover. That survey will be flown soon to aid in refining the drill targets for the minimum 3,000m 2023 drilling program, expected to begin this summer.

Guigui

Following the significant findings from Phase 1 and Phase 2 drilling programs, the exploration team is using the new information to ground-truth existing data, especially mapping and geophysics. They determined that a more detailed geophysical study was needed, so an NSAMT survey (Natural Source Audio MagnetoTellurics) was recently executed. The team awaits the final interpretations to integrate into the developing drill-target model for Phase 3 Drilling Program this year. In addition, the Company is pleased to be participating in the University of British Columbia's, **MDRU "Carbonate Footprints Research Study"**. This project focuses on identifying important exploration vectors in Carbonate-hosted deposits and has already been used to make or enhance discoveries elsewhere. The Reyna team looks forward to collaborating with researchers alongside MAG Silver, Eldorado Gold, Anglo-American, and Rio Tinto.

(a) Medicine Springs Property (Nevada, USA)

On January 17, 2023, the Company reported high-grade silver results from the initial four-hole, 1850m, Phase 1 reconnaissance drilling program at Medicine Springs. This is the first time Medicine Springs has been drilled under a modern district-scale/ore-systems approach, so the Company spaced their holes widely (1.75km) at the Golden Pipe, Silver Butte, and Silver King Target areas to determine broad system parameters (Figure 1).

- The three deep holes cut **400-750m of high potential carbonate host rocks** (Fig. 3).
- **The first hole (MS22-001) cut the best mineralization, which reported 2.4m (drilling thickness) grading 1,021 grams/tonne (32.6 oz/T) Silver.**
- Hole MS22-002, drilled **1.75 km** to the southwest in the previously undrilled Silver Butte area, cut 7.4m (drilling thickness) averaging 186 g/t (**5.9 oz/T**) Ag plus 3.7% Pb and 1.0% Zn, including **4.7m of 274 g/t (8.7 oz/T) Ag plus 5.6% Pb and 1.5% Zn** (Table 1).

Table 1. Highlight Table from Phase 1 Drilling.

Hole	From (m)	To (m)	Length* (m)	Ag (g/t)	Pb (%)	Zn (%)
MS22-001	190.5	192.92	2.4	1,021	0.04	0.04
MS22-002	73.91	81.38	7.4	186	3.7	1.0
<i>including</i>	75.29	80.01	4.7	274	5.6	1.5

*Core length in hole, true thickness not yet determinable.

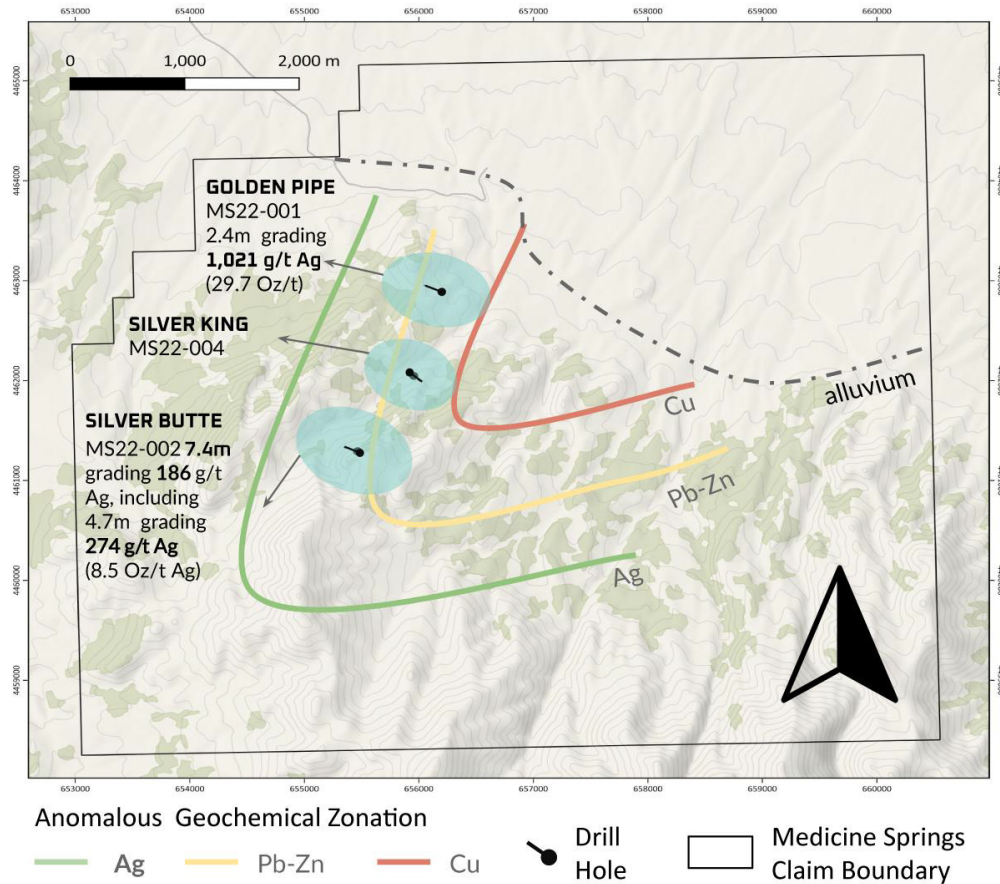


Figure 1. Map of Medicine Springs Project with drill hole location and projections in black. The distance from MS22-001 to MS22-002 is 1.75km, and about 900m to MS22-004. Target areas -Golden Pipe, Silver King, and Silver Butte- are denoted in blue. Anomalous Geochemical Zones identified during the Jasperoid Selective Sampling Survey are in green for Ag, yellow for Pb-Zn, and red for Cu (See [Press Release from January 10, 2022](#)).

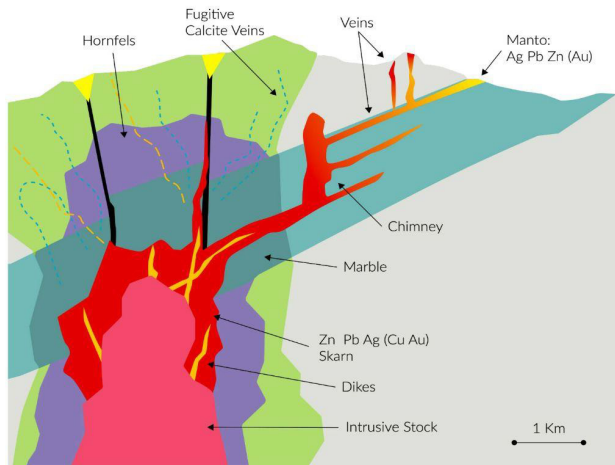
About Medicine Springs

Medicine Springs exhibits many of the key features associated with large, high-grade Carbonate Replacement Deposits (“CRDs”) (See [Press Release from January 10, 2022](#)) (See Figure. 2). Phase 1 Drilling program was designed to test certain key features of the project’s overall framework to verify project potential. These included:

- Stratigraphy - determining the thickness of potentially favorable carbonate host rocks (Figure. 3)
- Structure - testing to depth the structures that control the well-zoned, mineralized jasperoids.
- Zoning - determining broad-scale zoning and vectors towards the source of mineralizing fluids.
- Oxidation - identifying the depth of oxidation and transition to sulphides.
- Geophysics - ground-truthing geophysical anomalies with 3D geological data.

Medicine Springs

☑ CRD INITIAL CHECKLIST



Features common to all large known CRD deposits

- ☑ Location - Main Street CRD/Porphyry belt
- ☑ Location- Top of carbonate section (room to grow)
- ☑ Ag (+400 g/t), Au, Zn, Pb, Cu, +Mn, As, W...
- ☑ Multiple mineralization and alteration stages
- ☑ Large scale zoning
- ☑ Presence of Felsite dikes
- ☑ Presence of Skarn
- ☑ Discordant geometry (= not syngenetic)
- ☑ Replacement mineralization
- ☑ High iron sphalerite
- ☐ Pyrite pseudomorphs after pyrrhotite
- ☑ Molybdenum mineralization
- ☐ Granitic Stock Contact Skarn = Target

After Megaw, 1988, 1998, 2020

Megaw, et al., 1996, 1998, 2020

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Figure 2. The Medicine Springs project exhibits 11 of 13 key features on the “CRD Checklist”. High-iron sphalerite was identified for the first time in drill core, bringing the total to 11. These indicate a long-lived, multistage, replacement mineralization system may be present.

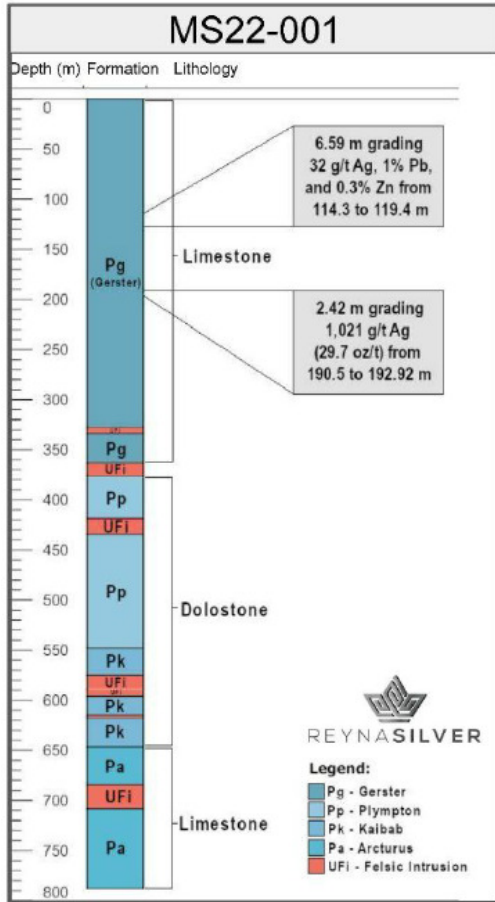


Figure 3. Drill hole section of Hole MS22-001. A thick section of Carbonate rocks, one of the key ingredients of a Carbonate Replacement Deposit, dominated the 787.9m hole. Multiple, felsic intrusions of differing compositions were also identified in the hole, an indication of a multi-phase system and another key feature of CRDs (See Fig. 2).

The rock formations are part of the Permian Park City Group. The Gerster and Arcturus Formations are predominantly limestone. The Plympton and Kaibab Formations are dominated by dolostone.

Table 2. Detailed Major Intercepts

Hole number	From (m)	To (m)	Length (m)	Ag (g/t)	Pb (%)	Zn (%)
MS22-001	114.30	119.46	6.59	32	1.0	0.3
<i>including</i>	114.30	115.21	0.91	52	1.0	0.1
<i>including</i>	116.23	117.81	1.58	71	1.0	0.8
<i>including</i>	117.96	118.57	0.61	38	0.6	0.6
MS22-001	190.50	192.92	2.42	1,021	0	0
<i>including</i>	190.50	191.87	1.37	1,140	0	0
<i>including</i>	191.87	192.92	1.05	866	0	0
MS22-002	73.91	81.38	7.47	186	3.7	1
<i>including</i>	75.29	77.72	2.43	241	5.1	1.7
<i>including</i>	77.72	80.01	2.29	310	6.1	1.3
MS22-004	19.12	20.82	1.70	53	1.7	0
<i>including</i>	19.12	20.00	0.88	42	1.4	0
<i>including</i>	20.00	20.82	0.82	64	2.1	0



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On April 24, 2023, the Company announced that it reached an agreement to amend the terms of the option agreement previously between the optionors and Northern Lights Resources Corp. (“NLR”).

The Amendment amends these obligations as follows:

	Option Agreement	Amendment
Cash Consideration (\$)	<ol style="list-style-type: none"> 1. US\$25,000 within 30 days of approval by the Canadian Stock Exchange 2. US\$50,000 on or before December 31, 2020 3. US\$100,000 on or before December 31, 2021 4. US\$150,000 within 30 days of Phase 4 start date 5. US\$200,000 within 30 days of Phase 5 start date 6. US\$425,000 within 30 days of Phase 6 start date 7. US\$150,000 (in lieu of equity consideration) on or before December 31, 2023 	<ol style="list-style-type: none"> 1. US\$150,000 mandatory cash payment within 3 days of execution of Amendment (paid on February 28, 2023) 2. US\$200,000 mandatory cash payment on or before September 15, 2023 3. US\$400,000 on or before February 1, 2024 4. US\$125,000 on or before February 1, 2025
Equity Consideration (\$)	<ol style="list-style-type: none"> 1. US\$50,000 within Phase 2 period 2. US\$50,000 on or before December 31, 2021 	<ol style="list-style-type: none"> 1. US\$100,000 on or before February 1, 2024 (the “Consideration Shares”)
Minimum Work Commitment on Property (\$)	<ol style="list-style-type: none"> 1. US\$950,000 on or before December 31, 2022 2. US\$500,000 within 12 months of Phase 4 start date 3. US\$500,000 within 12 months of Phase 5 start date 4. US\$750,000 on or before December 31, 2023 	<ol style="list-style-type: none"> 1. Make such additional expenditures on the development of the Property such that the total aggregate expenditures on the Property is not less than US\$2,700,000 on or before December 31, 2023
Mineral Claim Fees	<ol style="list-style-type: none"> 1. US\$24,800 on execution of Option Agreement 2. US\$25,503 on or before August 1, 2020 	<ol style="list-style-type: none"> 1. Such amount as is required to maintain the mineral claims included in the Property in good standing on or before July 15,

		2023
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The Amendment and the issuance of the Consideration Shares remain subject to the approval of the TSX Venture Exchange.

QUARTERLY FINANCIAL CONDITION

Capital Resources

On February 13, 2023, the Company completed the first tranche of a non-brokered private placement by issuing 16,666,000 units (“Unit”) at a price of \$0.30 per Unit for gross proceeds of \$4,999,800 and on February 23, 2023, the Company completed the second tranche of a non-brokered private placement by issuing 10,039,720 units (“Unit”) at a price of \$0.30 per Unit for gross proceeds of \$3,011,916. Each Unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.40 until February 13, 2026 for the first tranche and until February 23, 2026 for the second tranche. Under the residual value approach, \$667,643 was assigned to the warrant component of the Units.

In connection with the private placement, the Company paid a total of \$527,833 cash finder’s fee, issued 1,166,620 compensation warrants, each of which is exercisable into one Unit at a price of \$0.30 until February 13, 2025 and issued 686,572 compensation warrants, each of which is exercisable into one Unit at a price of \$0.30 until February 23, 2025. Each Unit consists of one common share and one common share purchase warrant. Each warrant will then entitle the holder to purchase one additional common share at a price of \$0.40 until February 13, 2026 for the first tranche and until February 23, 2026 for the second tranche. The value of the compensation warrants was determined to be \$202,094 calculated using the Black-Scholes option pricing model. Another \$300,748 was also included as share issue costs.

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 2023. 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 March 31, 2023, the Company had a working capital of \$7,445,562 (December 31, 2022 – \$1,809,623). With respect to working capital, \$7,878,698 was held in cash and cash equivalents (December 31, 2022 — \$2,024,660). The increase in cash was mainly due to (a) net proceeds of \$7,354,831 from the issuance of shares; while being offset by (b) operating expenses including exploration expenses totaling \$1,191,247; and (c) exploration and evaluation assets expenditures of \$309,546.



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Operations

For the three months ended March 31, 2023 compared with the three months ended March 31, 2022:

The Company's exploration expenses amounted to \$638,105 (2022 - \$1,032,266), a decrease of \$394,161.

Excluding the share-based payment of \$Nil (2022 - \$1,739) and foreign exchange loss of \$305 (2022 - \$20,394), the Company's administrative expenses amounted to \$636,748 (2022 - \$573,765), an increase of \$62,938 mainly due to: (a) legal fees of \$96,101 (2022 - \$11,344); (b) consulting fees of \$70,831 (2022 - \$35,935); and (c) property investigation expenses of \$37,602 (2022 - \$Nil) as the Company incurred these expenses to support the exploration program. The increases in the various administrative expenses were offset by the decrease in management and director fees of \$120,000 (2022 - \$239,999) because during fiscal 2022, the Company issued 155,843 common shares toward partial annual compensation to five directors and officers of the Company.

During the three months ended March 31, 2023, the Company reported a loss of \$1,275,158 (2022 - \$1,628,164), a decrease of \$353,006.

SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there was no significant transaction between related parties other than the normal course of business.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

The Company is committed to issue a total of 1,245,824 common shares to its directors, officers and consultants over the next 9 months for consulting and geological consulting services.

On December 16, 2022, the Company entered into a Collaborative Research Agreement with the University of British Columbia pursuant to which the Company is required to make the payments as follows:

- \$31,000 on the Effective date of the agreement (paid);
- \$31,000 on the first anniversary of the Effective date; and
- \$31,000 on the second anniversary of the Effective date.

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 14, 2023 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 March 31, 2023:

	Issued and outstanding	
	March 31, 2023	May 26, 2023
Common shares outstanding	150,111,670	150,111,670
Options	4,014,900	4,014,900
Warrants	37,299,230	37,299,230
Finder's warrants	3,209,274	3,209,274
Warrants associated with Finder's warrants	2,389,181	2,389,181
Fully diluted common shares outstanding	197,024,255	197,024,255

QUALIFIED PERSON

Dr. Peter Megaw, Ph.D., C.P.G., is the Company's Qualified Person, reviewing the technical aspects of exploration projects described herein and is responsible for 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.

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.