



REYNA SILVER CORP.
(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024**

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 Medicine Springs property and the optioned Gryphon Summit property in Nevada, USA, and the Guigui Property (including the contiguous La Chinche property) and the Batopilas mineral property in Mexico.

This MD&A is dated May 30, 2024 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, 2024 and the Company’s audited consolidated financial statements for the year ended December 31, 2023 and the related notes thereto.

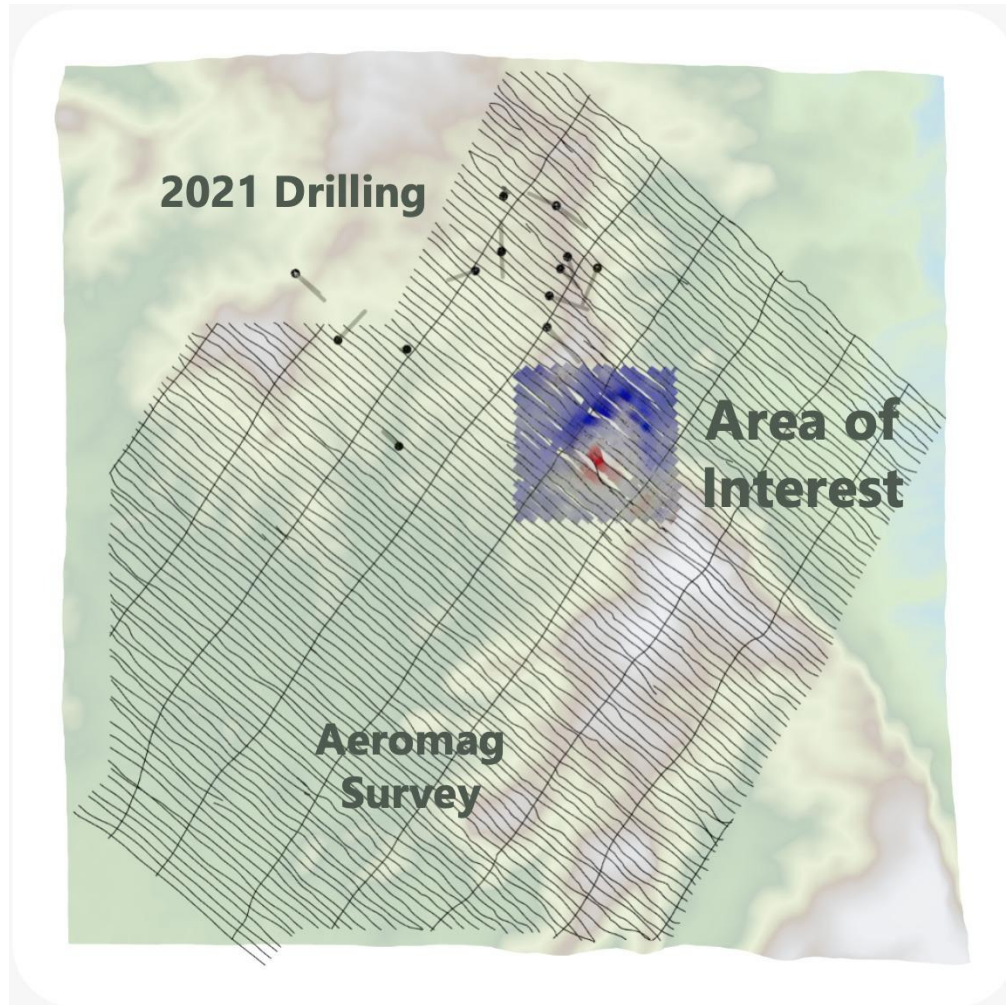
Additional information relevant to the Company and the Company’s activities can be found on SEDAR+ at www.sedarplus.ca, and/or on the Company’s website at www.reynasilver.com.

MAJOR QUARTERLY OPERATING MILESTONES

Exploration activities

(a) Guigui Property (Mexico)

The Company's CRD exploration model indicates that the intrusive source and proximal mineralized skarn for the system remain to be found. In late 2023, the Company contracted ExploreTech to apply their proprietary Artificial Intelligence (AI) approach to model existing geophysical data specifically to augment surface-based geological work to locate that intrusive source beneath extensive, but thin, pre-mineral volcanic rock cover. In January 2024, the Company released results from ExploreTech's Artificial Intelligence (AI) optimization of existing geophysical data from the Guigui Project (See Press Release from January 22, 2024). ExploreTech's proprietary AI algorithms highlight a strong, multi-layered magnetic anomaly southeast of the 0.5 sq. kilometre sulphide-mineralized skarn footprint identified in 2022 drilling (See Press Release from April 7, 2022). The results reinforce existing geological thinking that the intrusive source for the district lies in that area and greatly enhances the area's potential (Figure 1). Pads to drill the target are already permitted and accessible.



(b) Medicine Springs Property (Nevada, USA)

The Optionors and the Company agreed to amend the underlying option agreement pursuant to amending agreements dated March 30, 2023, September 14, 2023, November 10, 2023 and January 31, 2024. Per the terms of the amended option agreement, in order to exercise the option and acquire a 100% interest in the property, the Company is required to fulfill the following:

- (i) Make a cash payment of US \$150,000 to the Optionors within 3 days of the execution of the amendment dated March 30, 2023 (paid);
- (ii) Make a cash payment of US \$150,000 to the Optionors on or before September 15, 2023 (paid);
- (iii) Pay to the Optionors an amendment fee in the aggregate amount of US \$5,000 (paid);
- (iv) Make a cash payment of US \$150,000 to the Optionors on or before March 1, 2024 (paid);
- (v) Make a cash payment of US \$150,000 to the Optionors on or before October 1, 2024;



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- (vi) Make a cash payment of US \$225,000 to the Optionors and issue to the Optionors such number of common shares of the Company having a market value equal to US \$300,000 on or before February 1, 2025;
- (vii) Make a cash payment of US \$150,000 to the Optionors on or before October 1, 2025;
- (viii) Incur 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 (Incurred);
- (ix) Paying such amount as is required to maintain the mineral claims included in the property in good standing on or before July 15, 2023 (paid).

The Company recently ran an aerial Magneto Telluric (MT) survey at Medicine Springs that revealed a conductive anomaly underlying the altered and silicified carbonates that yielded the strongest surface copper geochemical anomaly in the project area (See Press Release of January 22, 2024). This combination of anomalies is interpreted as reflecting a possible intrusive center hidden under alluvial cover just northeast of the reconnaissance drilling area. This target will be included in the next round of drilling on the property.

(c) Gryphon Summit Property (Nevada, USA)

The Gryphon Summit Gold, Silver and critical metals project came with 39 kilometres of IP, 17 kilometres of CSAMT and NSAMT, gravimetric, hyperspectral, and lidar-like surveys. The Company has contracted ExploreTech, whose AI approach has already been applied to the Guigui Project (See Press Release of January 22, 2024) to apply their AI capability to quickly process these large datasets. This is expected to enable Reyna Silver's technical team to optimize the incorporation of these geophysics datasets into its 2024 drilling program. Targeting will focus on the intrusion-centered porphyry-CRD mineralization, the Carlin-type and the stratabound nickel mineralization that previous work indicates overlap on the property.

In April 2023, a team composed of eight experienced CRD and Carlin Gold geologists spent 12 days systematically reviewing and relogging all of the existing core (23 holes) drilled historically on the property prior to this summer's field mapping and drilling programs. The team confirmed and revised the historical stratigraphic assignments and documented mineralization and alteration features typical of both CRD and Carlin style gold mineralization. Finally, the team considered and prioritized the initial drill targets for the 2024 summer drilling program. Most of the chosen targets can be readily drilled from existing permitted pads.

QUARTERLY FINANCIAL CONDITION

Capital Resources

On February 26, 2024, the Company completed the first tranche of a non-brokered private placement by issuing 13,934,367 units ("Unit") at a price of \$0.12 per Unit for gross proceeds of \$1,672,124. On March 6, 2024, the Company completed the second tranche of a brokered private placement by issuing 20,642,276 Units for gross proceeds of \$2,477,073 and on March 13, 2024, the Company completed the third and final tranche of a brokered private placement by issuing 3,756,691 Units for gross proceeds of \$450,803. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.20 until February 26, 2027 for the first tranche,



until March 6, 2027 for the second tranche, and until March 13, 2027 for the third tranche. Under the residual value approach, \$69,672 was assigned to the warrant component of the Units.

In connection with the three tranches of the private placements, the Company paid a total of \$269,464 cash finder's fee and issued the following compensation warrants exercisable into one common share at a price of \$0.12 for a period of 3 years: 926,336 compensation warrants until February 26, 2027, 1,080,490 compensation warrants until March 6, 2027, and 238,712 compensation warrants until March 13, 2027. The value of the compensation warrants was determined to be \$133,752 calculated using the Black-Scholes option pricing model. Another \$73,553 paid in cash was also included as share issue costs.

On May 3, 2024, the Company completed the first tranche of a non-brokered private placement by issuing 9,078,750 units ("Unit") at a price of \$0.16 per Unit for gross proceeds of \$1,452,600, and on May 9, 2024, the Company completed the second tranche of a brokered private placement by issuing 1,987,500 Units for gross proceeds of \$318,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.24 until May 3, 2026 for the first tranche and until May 9, 2026 for the second tranche. Under the residual value approach, \$45,394 was assigned to the warrant component of the Units.

In connection with the private placement, the Company paid a total of \$117,222 cash finder's fee, issued 597,013 compensation warrants, each of which is exercisable into one common share at a price of \$0.16 until May 3, 2026 and issued 135,625 compensation warrants, each of which is exercisable into one common share at a price of \$0.16 until May 9, 2026.

Subsequent to March 31, 2024, 45,000 finder's warrants were exercised at the price of \$0.12.

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 2024. 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, 2024, the Company had a working capital of \$2,954,336 (December 31, 2023 – working capital deficiency of \$407,686). With respect to working capital, \$2,974,294 was held in cash and cash equivalents (December 31, 2023 – \$96,110). The increase in cash was mainly due to (a) net proceeds of \$4,299,557 from the issuance of shares; while being offset by (b) operating expenses including exploration expenses totaling \$1,205,896; and (c) exploration and evaluation assets expenditures of \$215,477.



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Operations

For the three months ended March 31, 2024 compared with the three months ended March 31, 2023:

The Company's exploration expenses amounted to \$204,124 (2023 - \$638,105), a decrease of \$433,981.

Excluding the non-cash foreign exchange loss of \$9,696 (2023 - \$305), the Company's administrative expenses amounted to \$443,510 (2023 - \$599,146), a decrease of \$155,636 mainly due to: (a) legal fees of \$4,250 (2023 - \$96,101); (b) marketing and shareholders communication of \$172,096 (2023 - \$207,831); (c) office of \$16,784 (2023 - \$34,181); and (d) transfer agent, listing and filing fees of \$16,695 (2023 - \$40,439); while being offset by (e) consulting fees of \$81,863 (2023 - \$70,831) as the Company has been closing monitoring its use of cash.

The other major item for the three months ended March 31, 2024, compared with March 31, 2023, was:

- property investigation costs of \$18,821 (2023 - \$37,602).

During the three months ended March 31, 2024, the Company reported a loss of \$676,151 (2023 - \$1,275,158), a decrease of \$599,077.

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 1,188,681 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 26, 2024 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, 2024:

	Issued and outstanding	
	March 31, 2024	May 30, 2024
Common shares outstanding	188,570,004	199,681,254
Options	4,834,900	4,834,900
Warrants	71,983,497	83,049,747
Finder’s warrants	5,007,834	5,695,472
Warrants associated with Finder’s warrants	2,165,692	2,165,692
Fully diluted common shares outstanding	272,561,927	295,427,065

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



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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.