

Aura Silver Resources Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three and Nine Month Periods Ended September 30, 2018
(Information as at November 29, 2018 unless otherwise noted)

INTRODUCTION

The following provides management's discussion and analysis of results of operations and financial condition for the three and nine month interim periods ended September 30, 2018 and 2017. Management's Discussion and Analysis ("MD&A") was prepared by Aura Silver Resources Inc. ("Aura" or the "Company") management and approved by the Board of Directors on November 29, 2018.

The following discussion and analysis should be read in conjunction with the Company's condensed consolidated interim financial statements for the periods ended September 30, 2018 and 2017 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for interim financial statements. The following discussion and analysis should also be read in conjunction with the Company's consolidated financial statements for the years ended December 31, 2017 and 2016 which have been prepared in accordance with IFRS for annual financial statements. All figures are presented in United States dollars (unless otherwise indicated). The consolidated financial statements include all of the assets, liabilities and expenses of the Company and its wholly-owned subsidiaries, Aura Resources Mexico S.A. de C.V. and Au Martinique Inc. ("Au Martinique", which is inactive). All intercompany balances and transactions have been eliminated upon consolidation.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain or refer to certain forward-looking statements relating but not limited to Aura Silver Resources Inc.'s expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration requirements and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Aura Silver Resources Inc. undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

NATURE OF OPERATIONS AND DESCRIPTION OF BUSINESS

The Company is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of mineral properties in North America. The Company has not determined if its properties contain mineral resources that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

Management and Director Changes

On May 23, 2018, the Company appointed Mr. Robert Johansing to its board of directors and effective June 25, 2018, Mr. Johansing was appointed President and Chief Executive Officer of the Company. It is anticipated that Mr. Johansing's appointments will enhance the Company's strategic focus to identify and evaluate new exploration projects for addition to the Company's portfolio. Additionally, Mr. Johansing has extensive knowledge of the Company's Taviče, Mexico project where he acted as lead exploration geologist and country manager during the period from 2006 to 2011. It is also anticipated that Mr. Johansing will play an instrumental role in securing a joint venture partner for the Taviče project with an objective of resuming aggressive exploration programs to follow up on significant past drilling success. Mr. Johansing has over 40 years of experience as a mining and mineral exploration geologist.

With the management appointment of Mr. Johansing, Robert Boaz ceased to be President and Chief Executive Officer of the Company.

On June 28, 2018, Robert Boaz and Nick Tintor resigned as directors of the Company.

Company Name Change and Share Consolidation

At the Special Meeting of shareholders of the Company held on November 15, 2018, Company shareholders approved the previously announced name change and consolidation of the issued and outstanding common shares of the Company on the basis of one (1) post-consolidation common share for every five (5) pre-consolidation common shares. The Company's new name will be "Aura Resources Inc."

The Company's common shares will begin trading under the new name on the TSX Venture Exchange (TSXV) on a post-consolidated basis at market open on Friday, November 30, 2018. The Company will continue to trade under the symbol "AUU" on the TSXV. It is expected that the share consolidation will reduce the number of outstanding common shares from 137,450,558 common shares to approximately 27,490,112 post-consolidation common shares on a non-diluted basis. No fractional shares will be issued with any fraction of a share rounded up to the nearest whole number if 0.5 or greater and down to the nearest whole number if less than 0.5 of a share.

Additionally, the number outstanding and exercise price of all of the Company's currently outstanding convertible securities, including warrants, compensation options and stock options will also be adjusted to give effect to the consolidation.

Gold Chain Project – Arizona, USA

On July 30, 2018, the Company announced that it had entered into a binding letter agreement for an option to acquire a 100% interest in the Gold Chain project located in Mohave County, Arizona. The project comprises 86 Bureau of Land Management lode mining claims in western Arizona, where work conducted by prior operators has indicated the property is prospective for gold. Consideration payable to earn a 100% interest in the project is payable in annual instalments over a four-year period from inception and consists

of a total of \$1.5 million in cash and 3.75 million common shares of the Company. Initial payments of \$30,000 cash and 750,000 common shares are payable under the terms of the agreement.

The vendors of the property hold a 2% net smelter return royalty (NSR) on gold and silver. The Company has the right to buy down the NSR in increments of 1% by paying the vendors the sum of \$1 million for each 1% of the NSR at any time prior to completion of the first year of commercial production.

Taviche Project – Oaxaca, Mexico

On June 8, 2009, the Company concluded a definitive option agreement with Plata Panamericana S.A. de C.V. (“Plata”, a wholly-owned subsidiary of Pan American Silver Corporation (“PanAm”)), Intrepid Mines Limited and Intrepid Minerals Corporation (collectively “Intrepid”). This definitive option agreement confirmed and superseded all prior agreements (which were entered into during 2006) for a potential joint venture with Intrepid and PanAm with respect to the Taviche properties in Oaxaca State, Mexico. The property concessions subject of the option agreement consisted of the East and West Taviche concessions and the Alma Delia concession. Under the terms of the option agreement the Company and Intrepid (the “Taviche JV”) were able to jointly earn a 70% interest in the properties by spending a minimum of \$4.0 million over five years on exploration and making option payments totalling \$790,000 over the same period. During the remainder of the five year option period with Plata, the Company and Intrepid could equally share exploration expenses and payment requirements or either party’s interest in the project would be diluted. Initially, Intrepid had the right to act as operator of the project.

On March 10, 2010, Intrepid notified the Company that it would not participate in funding the next phase of exploration for the Taviche project and, therefore, would allow its participating interest in the project to be diluted by the Company's ongoing funding of project costs. Operatorship of the project was transferred to the Company during March 2010. Intrepid has not provided further funding since this time. During the first quarter of 2016, the Company's and Intrepid's ownership interests were 73.5% and 26.5%, respectively. During February 2016, the Company acquired Intrepid's diluting interest resulting in the Company holding a 100% ownership interest in the Taviche project (see below).

During April 2012, the Company, Intrepid and Plata entered into a new agreement which supersedes the option agreement and established the ownership interests of each party in the Taviche and Alma Delia concessions and related matters. Under the terms of the new agreement the Taviche JV acquired a full 100% ownership interest in both the East Taviche and Alma Delia concessions while Plata retained a 100% ownership position in the West Taviche concession. The Taviche JV was entitled to receive a cash payment of \$2.0 million, dependent on certain sale or disposition transactions undertaken by Plata in excess of a 70% interest with respect to the West Taviche property (see below). Plata refunded the final earn-in payment of \$250,000 paid in September 2011. Additionally, the Taviche JV granted Plata a 1.5% net smelter royalty (“NSR”) as well as a right of first offer on the East Taviche and Alma Delia concessions based on certain terms and conditions. The agreement vested a 100% ownership position in East Taviche and Alma Delia with the Taviche JV.

During February 2013, the Taviche JV determined that it would not renew the Alma Delia concession in order to focus on the core project holdings at East Taviche and to reduce project land maintenance costs.

On July 24, 2013, the Company received a cash payment of \$1,309,111 from Plata. This payment was triggered by the completion of Plata’s sale of the West Taviche concession to Fortuna Silver Mines Inc. and was in accordance with the April 2012 agreement between the Taviche JV and Pan Am. The payment was comprised of the Company's pro-rata share of the total payment of \$2 million paid to the Taviche JV of \$1,412,000 net of prior concession fees of \$102,889 related to East Taviche which were reimbursable to Plata.

During February 2015, the Company completed filings with Mexican authorities to request a reduction in the size of the East Taviche concession. This reduction decreased the East Taviche concession to 986 hectares from its prior 7,470 hectares and retains the core area encompassing the Higo Blanco trend which has been the focus of the Company's exploration efforts in Mexico since 2009. The reduced concession was renamed Higo Blanco and new title documentation for the concession was issued by Mexican authorities during January 2016.

During February 2016, the Company entered into a binding letter agreement with Intrepid for the acquisition of Intrepid's 26.5% diluting joint venture interest in the Taviche project. The acquisition consolidated to 100% the Company's ownership interest in the Taviche project and eliminated a potential 1.5% NSR to Intrepid. Consideration payable for the acquisition of Intrepid's project interest comprised 1,000,000 common shares of the Company valued at \$10,958 (CDN\$15,000). The 1.5% NSR held by Plata remains in place

During April 2016, the Company was advised by Plata of its intention to assign its 1.5% NSR on the Taviche property to MacMillan Minerals Inc. pursuant to a purchase and sale agreement. MacMillan Minerals Inc. changed its name to Maverix Metals Inc. upon completion of a reverse takeover transaction during July 2016.

As at December 31, 2018, due to junior resource market conditions and the uncertainty associated with the Company's ability to retain its interest in and exploit any future economic benefit from the Taviche, Mexico project, the Company had recorded a full impairment charge with respect to prior mineral exploration property costs and deferred exploration expenditures associated with the project. Efforts to attract a joint venture partner, arrange additional financing, or other transactions for the Taviche project are on-going.

On March 26, 2018, the Company received a lapsing notice with respect to the Higo Blanco concession. This notice provided the Company with a sixty-day period to May 25, 2018 to pay concession fees in arrears in order to avoid cancellation of the concession. On May 23, 2018, the Company made a submission to the Mexican mining ministry and provided a payment of \$25,000 (MXN\$477,502). On July 26, 2018, the Company made an additional payment of \$14,030 (MXN\$267,973) to fully pay the regular concession fees in arrears.

Greyhound Project – Nunavut, Canada

During June 2006, the Company initiated its Greyhound project in the central Churchill region of Nunavut, Canada, staking 10 claims for a total of 10,451 hectares. From 2008 to 2011, the Company increased its land holdings in the Whitehills area to a total of 57 claims comprising over 55,000 hectares. During 2013 and 2014, the Company allowed a total of 37 low priority claims to lapse. Currently, the Greyhound project comprises a total of 20 claims covering approximately 19,658 hectares as two distinct claim groupings. The southwestern claim group (comprised of 13 claims totalling 13,586 hectares) is the subject of an option agreement with Agnico Eagle Mines Ltd. ("Agnico Eagle") where the Company currently has a 49% ownership interest with Agnico Eagle holding the remaining 51% interest. An application to convert the oldest 10 claims in the southwestern claim group to a mining lease has been submitted. The Company has a 100% interest in the northeastern claim group which is comprised of 7 claims totalling 6,072 hectares.

During June 2014, the Company entered into a definitive option agreement with Agnico Eagle which allows Agnico Eagle to earn an interest in 13 claims comprising the southwestern claim group of the Greyhound project. The option agreement was amended effective June 1, 2015 in order to change the timing and amounts of certain cash option payments. Under the terms of the amended option agreement, over the first three years of the agreement, Agnico Eagle had the exclusive right to earn an undivided 51% ownership interest by making a total of CDN\$210,000 in cash payments to the Company and incurring

CDN\$1,750,000 in work expenditures (or, in respect of work expenditures, at Agnico Eagle's option, by making cash payments to the Company or a combination of work expenditures and cash payments). As of June, 2017 these commitments have been fulfilled.

On May 30, 2017, the Company received the third anniversary cash option payment of \$81,761 (CDN\$110,000) from Agnico Eagle. During June 2017, the Company received a formal notice from Agnico Eagle which confirmed they had met all requirements to complete the earn-in of a 51% interest in the southwestern claim group of the Greyhound project.

Agnico Eagle had an option to increase its ownership interest in the project to 70% over a further three-year period which was exercisable for a 180-day period following June 1, 2017. This second option was not exercised and lapsed during November 2017. From June 1, 2017 forward, the 13 claims became subject of a joint operating agreement between the Company and Agnico Eagle. Future work programs are to be established by a management committee comprised of one representative from each of the Company and Agnico Eagle. If either party to the joint operating agreement fails to fund its pro-rata share of approved exploration programs its interest in the project will be diluted on a pro-rata basis.

If any party's interest in the project falls below 10% then that party will forfeit their 10% interest and in return will receive a 2% NSR. The other party may at any time purchase one-half of the NSR, namely a 1% NSR, for an amount of CDN\$2,000,000. Agnico Eagle is the operator of the project and is required to have exploration meetings with the appointed representatives of the Company.

On April 7, 2018, the Company received notice of the operating costs incurred by the operator for the period from June 1, 2017 to March 31, 2018 which total \$290,810. The Company elected not to fund its pro-rata share of these joint operating expenditures such that its interest in the Greyhound project was diluted to 45.17%. Current and future exploration programs will require additional co-funding on a quarterly basis or the Company's interest will be further diluted.

SELECTED INTERIM INFORMATION

The following table contains selected interim financial information for the three and nine month periods ended September 30, 2018 and 2017.

	Three month period ended September 30, 2018 \$ (unaudited)	Three month period ended September 30, 2017 \$ (unaudited)	Nine month period ended September 30, 2018 \$ (unaudited)	Nine month period ended September 30, 2017 \$ (unaudited)
Revenue	Nil	Nil	Nil	Nil
Total expenses	(103,409)	(141,748)	(295,450)	(337,603)
Other income	Nil	Nil	Nil	81,761
Net loss for the period	(103,409)	(141,748)	(295,450)	(255,842)
Currency translation differences	2,042	5,654	(2,947)	7,863
Total comprehensive loss for the period	(101,367)	(136,094)	(298,397)	(247,979)
Net loss per common share: - Basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
		As at September 30, 2018 (unaudited)	As at December 31, 2017	
Total assets		205,918	99,679	
Cash dividends per common share		Nil	Nil	

Total expenses were \$38,339 lower during the third quarter of 2018 when compared to the third quarter in 2017. Non-cash stock based compensation charges related to stock options were \$74,247 lower during Q3 2018 when compared to Q3 2017. These charges related to stock options granted in April 2017. This reduction in stock based compensation expense was partially offset by increased professional fees of \$14,840 relating to legal fees in Canada with respect to new property transactions and the Company's special shareholder meeting. General and administrative expenses were higher by \$18,495 during Q3 2018 when compared to Q3 2017 primarily related to higher Chief Financial Officer service fees of \$7,636 and related to higher Chief Executive Officer service fees for both the former and new Company CEOs of \$10,426. Expenses in other categories were relatively consistent when comparing the second quarter of 2018 to the same quarter in 2018.

For the nine month period ended September 30, 2018, total expenses were \$42,153 lower when compared to the same period during 2017. Promotion expenses were \$21,749 lower as an advertising and marketing contract concluded during February 2018. Additionally, promotion costs in support of the Company's financing activities during the first quarter of 2017 accounted for the remainder of higher costs during 2017. Professional fees were \$19,672 higher during the nine months ended September 30, 2018 relating to legal costs in both Canada and Mexico. General and administrative costs were \$10,379 higher primarily related

to higher Chief Executive Officer fees relating to both the former and new CEO. Non-cash stock based compensation charges related to stock options were \$51,024 lower during the nine months ended September 30, 2018 when compared to the same period during 2017. Expenses in all other categories were relatively consistent when comparing the nine month period ended September 30, 2018 to the same period during 2017.

During May of 2017, the Company received the third anniversary cash option payment of \$81,761 (CDN\$110,000) from Agnico Eagle. This amount was recorded as other income.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Mineral Exploration Properties and Deferred Exploration Expenditures

On March 26, 2018, the Company received a lapsing notice with respect to the Higo Blanco concession. This notice provided the Company with a sixty-day period to May 25, 2018 to pay concession fees in arrears in order to avoid cancellation of the concession. On May 23, 2018, the Company made a submission to the Mexican mining ministry and provided a payment of \$25,000 (MXN\$477,502). On July 26, 2018, the Company made an additional payment of \$14,030 (MXN\$267,973) to fully pay the regular concession fees in arrears. During July 2018, the Company provided an initial cash option payment of \$30,000 to the vendors of the Gold Chain, Arizona project and incurred \$15,703 related to claim renewal fees.

During the nine month period ended September 30, 2018, the Company incurred general field costs of \$4,522 with respect to the Taviche project and geology costs of \$4,815 related to the Gold Chain, Arizona project.

Since June 2014, direct field exploration programs at Greyhound have been funded by Agnico Eagle under the terms of the option agreement.

Taviche – Mexico Property

Higo Blanco Prospect / Early Exploration

Reconnaissance activities in the East Taviche and Alma Delia concessions during 2007 and 2008 delineated a corridor of northwest-trending gold and silver-bearing quartz-sulfide-carbonate veins, vein breccia and stockwork lenses. In proximity to where these vein systems intersect the underlying Cretaceous limestone, a zone of extensive silicification includes areas of silver-gold-bearing jasperoid (a siliceous replacement of the carbonate sedimentary strata). The Higo Blanco prospect is a series of jasperoid occurrences over a strike length of approximately 7 kilometres. Follow-up mapping and sampling in 2008 enabled the Taviche JV to define several drill targets, initially within a small portion (~2 kilometres) of the overall strike length of the vein/jasperoid complex.

Further sampling at Higo Blanco revealed a very large Au-Ag-Sb (gold, silver, antimony) anomaly associated with a major NW-trending zone referred to as the Mezcal structure.

During the period from mid 2009 to 2011, four phases of drilling were completed comprising a total of approximately 7,925 metres of diamond drilling in 35 holes with some silver contents in excess of 300 grams/tonne (g/t) encountered in 9 of the 22 holes, and gold contents in excess of 0.5 g/t encountered in 14 of the holes. During March 2010, the Company initiated a Phase III drilling program to follow up on the encouraging initial results obtained in 2009 drilling. This drilling extended the silver and gold targets.

Higo Blanco National Instrument 43-101 Technical Report

During September 2011, a National Instrument 43-101 (“43-101”) technical report entitled “*Taviche Project, Resource Estimate and Preliminary Economic Assessment for the Higo Blanco Project*” was finalized. The 43-101 Report included an initial resource estimate and a mineral potential estimate for Higo Blanco as follows.

Inferred Resource Estimate

The 43-101 report provides estimates of an Inferred silver resource of 865,000 tonnes at a grade of 119 g/t for 3.3 million ounces of contained silver and an Inferred gold resource of 3.3 million tonnes at a grade of 0.51 g/t for 54,000 ounces of contained gold. The resource estimate is based on intercepts from 14 drill holes undertaken by the Company with core lengths ranging from 63.5 metres to 161.6 metres. The intercept values for gold and silver provided have been weighted and summed as a global estimation of grade within a geometric envelope referred to as the ‘deposit’.

Mineral Potential Estimate

Additionally, the 43-101 Report includes an estimation of “Mineral Potential” located near or within its seven kilometre-long by 300 metre-wide Higo Blanco jasperoid-altered area on the East Taviche and the former Alma Delia concession which the Company has since dropped. This exploration target mineral inventory is estimated to be between 6.0 million and up to 29.0 million ounces of silver (2 to 6 million tonnes at a grade of 100 to 150 g/t) and between 108,000 and up to 450,000 ounces of gold (10 to 20 million tonnes at a grade of 0.4 to 0.7 g/t).*

**** Note that the potential quantity and grade is conceptual in nature, there has been insufficient exploration to date to define this as a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.***

2014 / 2015 Soil Survey and Spatiotemporal Geochemical Hydrocarbon Analysis

During June of 2014, the Company initiated an extensive soil sampling program across a 5 kilometre-long portion of the Higo Blanco trend. Analysis of these samples yielded sizeable anomalous zones characterized by Spatiotemporal Geochemistry Hydrocarbon (“SGH”) analysis by Actlabs, a fully certified analytical lab in Ancaster, Ontario. During the fall of 2014, an infill sampling program was conducted across the main anomalies to better define their shape and extent. All samples, from phase 1 and 2, were then analyzed using SGH analysis.

One of the SGH pods identified by the survey results is coincident with the Company’s silver resource as defined by the 43-101 report. None of the additional identified pods have been prospected or drill tested. Additionally, at the northern end of the Higo Blanco trend located 3 kilometres from the resource, there is a strong gold anomaly with an adjacent and overlapping silver target but both are interpreted to be deeper. Neither has been mapped, trenched or drill tested.

During August 2015, the Company announced the findings of a compilation of all new and existing geochemical and geophysical data outlining drill targets exhibiting good mineral potential.

Dr. James M. Franklin, PhD, FRSC, P. Geo., a director of the Company, is Aura’s qualified person (as defined by National Instrument 43-101) for the Taviche, Mexico property and has reviewed and approved the scientific and technical information contained in this document.

Greyhound Project – Nunavut, Canada

Property Background

In June 2006, the Company acquired a precious and base metals prospect known as the Greyhound project in the central Churchill region of Nunavut based on historical assays from prospecting with samples assaying 1,480 and 3,080 g/t Ag from other exploration companies that were supervised by our project geologists.

The Greyhound property is located north of the community of Baker Lake, Nunavut and south of Agnico Eagle's Meadowbank Gold Mine which has been in commercial operation since 2010. An all-weather road to the Meadowbank Mine from Baker Lake crosses portions of the Greyhound property enhancing the project's infrastructure and setting the project apart from many exploration projects in the north.

Effective June 1, 2017, Agnico Eagle completed the earn-in of a 51% interest in the southwestern claim group of the Greyhound property in accordance with the option agreement entered into during June 2014. On April 7, 2018, the Company received notice of the operating costs incurred by the operator for the period from June 1, 2017 to March 31, 2018 which totaled \$290,810. The Company elected not to fund its pro-rata share of these joint operating expenditures such that its interest in the Greyhound project was diluted to 45.17%. Details of the definitive option agreement with Agnico Eagle are set out on page 3 and 4 of this MD&A.

Aura Silver Exploration Programs 2006 - 2013

From 2006 to 2009, several airborne geophysical surveys were flown. Samples collected in 2007 contained up to 2.4% zinc (Zn), 1.02% copper (Cu), 8.1% lead (Pb), 10g/t gold (Au) and 51 g/t silver (Ag) highlighting the potential for discovery of VMS (volcanogenic massive sulphide) deposits. In 2008, grab samples from float and subcrop near Aura Lake contained up to 4.1% Cu, 13.4% Zn, 8% Pb, 2,700 g/t Ag and 28 g/t Au and to the northeast of Aura Lake samples from a series of boulders contained up to 18.5% Zn and 9.2% Cu.

In spite of the prospective surface samples, the Company announced negative preliminary results of drilling and prospecting in 2010 for VMS deposits and redirected its future program towards gold and silver. In 2010, the Company announced assay results from surface rock samples with gold contents as high as 28.2 g/t while silver contents are up to 5,380 g/t. Seven samples contain an average grade of 14.8 g/t Au (range from 0.3 to 28.8 g/t) and in the nearby area, carbonate quartz veins associated with alkaline dykes have an average grade of 1,472 g/t Ag (range from 21 to 5,380 g/t).

The 2011 fieldwork consisted of a multi-phase exploration program including prospecting and geological mapping, detailed soil sampling, ground geophysical surveying and diamond drilling. The 2011 drilling was conducted in two phases focused in the South Aura Lake area and later at the northeast claim group but results were not encouraging and no significant assay results were encountered.

Also during 2011, the Company contracted for an interpretative study referred to as Spatiotemporal Geochemical Hydrocarbon ("SGH") to unravel anomalous trends in the entire area and to pinpoint drill targets by geochemical means. The potential sources of high-grade gold boulders and subcrop samples (up to 28 g/t) and high-grade silver (up to 5,380 g/t) are thought to be in close proximity to Aura Lake due to the grouping of the high-grade surface showings in this area. In a review dated November 2017, Agnico Eagle acknowledged that their interpretation of the source of high-grade gold lies to the south of Aura Lake.

Agnico Eagle Exploration and Drill Programs 2014 to 2017

The 2014 exploration program conducted by Agnico Eagle consisted of surface sampling, as well as a drill program designed to explore coincident structural and conductive targets. The highlight of these programs was the confirmation of the presence of high-grade gold, silver and copper sulphide occurrences located within the Greyhound property with the highest gold sample returning 15.5 g/t; the best silver sample returning 3,850 g/t; and, copper samples assayed up to 3.3%. As expected the highest gold / silver values occurred primarily south of Aura Lake while the highest copper value is to the northeast of Aura Lake at the Dingo zone showing. The diamond drilling program consisted of 7 holes (894 metres) and tested various structural and conductive targets across the property. This program did not intersect economically significant precious metal values.

In 2015, Agnico Eagle initiated Phase 2 drilling and other exploration programs. Drilling was completed by September and comprised a total of 1,557 metres in 8 holes.

The best hole (GHD15-017) located east of Aura Lake discovered a stockwork with an intersection of greater than 25 metres of silicification and quartz-carbonate veining within mafic volcanics. Of particular note is that the last 1.5 metres of the 195 metre length of core contains 6.41 g/t gold. In addition, one other hole (GHD15-012) located in the Dingo area intersected 3.31 g/t Au over 2.7 metres (includes 1.5 metres of 5.68 g/t Au). No other significant gold mineralization was intersected in other holes drilled. Follow up of the results of GHD15-017 was carried out during 2017 and failed to enlarge the area of mineralization.

A geophysical survey (IP) was recommended to cover the area east and north of GHD15-017 in order to confirm the extent and strength of this potentially highly mineralized stockwork zone. Grab samples in the Dingo area contain up to 14.6 g/t gold.

Additionally, during the 2015 field season Agnico Eagle completed a land survey of the boundaries of 10 claims forming part of the core southwestern Greyhound project claims in order to support registration of the claims as a mining lease. Final submission of this survey and application for lease was submitted to authorities during March 2016. Final approval by Government authorities is anticipated but remains pending.

In 2016, a property-wide ground magnetic (MAG) geophysical survey was completed to better interpret structural features known to host gold ore deposits. Additionally, extensive mapping and prospecting within the area of the MAG survey was conducted. Results were positive, with eight assays over 2.0 g/t Au and three samples over 10.0 g/t Au. Values as high as 15.6 g/t Au (18.93 g/t) were found in sulphide-rich quartz veins in mafic volcanics. In all, 10 assays reported grades in a range exceeding 1.0 g/t.

A new gold showing was located eight kilometres northeast of Aura Silver's main target at Aura Lake, and was named the Gilmore prospect. This prospect area measures 500 by 360 metres in size. Also during 2016, the highest grade of 15.6 g/t Au (18.93 g/t) was sampled from a quartz vein containing copper and lead mineralization. In addition, another significant high-grade sample assaying 13.26 g/t Au was reported. Two diamond drill holes into this zone in 2017 failed to confirm surface mineralization.

In October 2016, the Company announced that the drilling program anticipated during 2016 would be postponed until the Spring of 2017. The final water license required to initiate drilling was delayed and only received in late Fall of 2016.

The Spring 2017 drilling program commenced in April 2017 with the first phase comprising eight holes completed by the end of May. Agnico Eagle undertook a second phase of drilling comprised of two additional holes during July 2017 to follow up on encouraging results from the first phase. In total, the 2017

drilling program comprised 2,262 metres within ten drill holes; 8 around Aura Lake and 2 on the Gilmore vein.

Close to the south end of Aura Lake where past prospecting uncovered surface samples containing gold up to 28 g/t, hole GHD17-023 targeted a magnetically interpreted structural target and intersected quartz veining assaying 3.3 g/t Au over a core length of 3.0 metres (from 94 to 97 m) which included a shorter interval of 1.8 metres assaying 5.42 g/t Au. Deeper in the hole were several intersections of gold mineralization: from 100 to 109.5 metres assaying from 0.2 to 0.45 g/t Au; at 138 metres 1.38 g/t Au over 1.5 metres; and at 179.3 metres 0.993 g/t Au over 1.7 metres. Shorter holes were drilled on either side of GHD17-023 which both intersected similar quartz veins suggesting that the mineralization in GHD17-023 was not isolated but may form part of a quartz vein system within a large siliceous, sulfide-bearing, sericite alteration zone. Hole GHD17-026 hit 1.202 g/t Au over 3.6 metres (62.2 to 65.8 m) including 0.8 metre of 4.92 g/t Au at 63.5 metres. Hole GHD17-027 intersected 0.197 g/t Au from 38.2 to 41.3 metres (3.1 m) and 0.94 g/t Au at 42.1 metres. This is the first time in a drill program on the property that continuity of mineralization has been established.

In the northeastern portion of the claim group, a long, linear quartz vein was traced over 1.7 kilometres in strike length. Prior grab samples collected from this vein, referred to as the Dingo zone, assayed from 1.18 g/t Au up to 126 g/t Au (unverified) and 96.6 to 356 g/t Ag. West of this vein a gossanous copper rich stringer zone assayed 0.896 g/t Au in one grab sample. The copper gossan zone target has not been drilled and further IP geophysical surveys, prospecting and diamond drilling are recommended.

The 2017 field program also included a rock sampling survey conducted on a small area to the northwest of Aura Lake and confirmed the presence of the gold anomaly found in previous prospecting campaigns. Samples taken in this area have returned anomalous Au values with one sample returning 2.1 g/t gold and two samples returning 0.55 g/t gold and 0.59 g/t gold respectively. An iron formation has been mapped in the area which has been affected by the presence of a major fold hinge and faulting. Additional work in this northwest zone is ongoing in 2018 and includes detailed mapping and an induced polarization geophysical survey followed by drilling.

Cumulative expenditures incurred by Agnico Eagle for Greyhound project exploration totaled approximately CDN\$1,846,000 as at May 31, 2017. This level of expenditures exceeded the minimum expenditure requirement of CDN\$1,750,000 required under the option agreement. Expenditures incurred relating to the initial Spring 2017 drilling program were approximately CDN\$575,000 while prior expenditures were CDN\$1,271,000. Since June 2014, direct field exploration programs at Greyhound have been funded by Agnico Eagle under the terms of the option agreement as detailed above.

On May 30, 2017, the Company received the third anniversary cash option payment of \$81,761 (CDN\$110,000) from Agnico Eagle. During June 2017, the Company received formal notice of Agnico Eagle's exercise of the first option to complete the earn-in of a 51% interest in the Greyhound project. This notice included confirmation of meeting the exploration expenditure requirements and all other conditions under the option agreement.

During the 2018 field season, Agnico Eagle undertook surface mapping, induced polarization ("IP") geophysical surveys, till sampling and drilling on two newly defined targets. This work was focused primarily on gold targets at two distinct areas around Aura Lake. The first target is to the southwest of the lake and the second is north of the lake and to the northwest. Detailed reporting of 2018 results is pending.

As at September 30, 2018, the Company's interest in the Greyhound project was 45.17%. If the Company elects not to fund, or is unable to fund current or future expenditures, its interest in the Greyhound project would be further diluted.

Dr. James M. Franklin, PhD, FRSC, P. Geo., a director of the Company, is Aura's qualified person (as defined by National Instrument 43-101) for the Greyhound, Nunavut property and has reviewed and approved the scientific and technical information contained in this document.

Gold Chain Project – Arizona, USA

Property Background

On July 30, 2018, the Company announced that it had entered into a binding letter agreement for an option to acquire a 100% interest in the Gold Chain project located in Mohave County, Arizona. The project comprises 86 Bureau of Land Management lode mining claims in western Arizona, where work conducted by prior operators has indicated the property is prospective for gold. Consideration payable to earn a 100% interest in the project is payable in annual instalments over a four-year period from inception and consists of a total of \$1.5 million in cash and 3.75 million common shares of the Company. The vendors of the property hold a 2% net smelter return royalty (NSR) on gold and silver. The Company has the right to buy down the NSR in increments of 1% by paying the vendors the sum of \$1 million for each 1% of the NSR at any time prior to completion of the first year of commercial production.

The Gold Chain project consists of several mineralized exposures over five kilometres (composed of epithermal-style gold mineralization). Some of these exposures were mined on a limited scale prior to 1940 and were explored by several companies during the 1980s. Mineralization occurs along a low-angle unconformity or detachment fault where mid-Tertiary volcanics rest directly on Precambrian rocks. The gold-bearing rock is characterized by quartz-calcite veinlets or stockwork in silicified and hematized volcanics in the hangingwall of the detachment fault. Several analogous deposits have been productive in the region. Historical records reveal that drilling identified oxidized conditions extending to at least 100 metres below the surface, a condition favourable for gold recovery by leaching. The Company has commenced historical data compilation and is planning field studies necessary for the construction of geologic and geochemical models which are required for the design of a drill program.

Mr. Robert Johansing, MSc, P.Geo., Chief Executive Officer and a director of the Company, is Aura's qualified person (as defined by National Instrument 43-101) for the Gold Chain project and has reviewed and approved the scientific and technical information contained in this document.

Expenses

Total expenses for the three month period ended September 30, 2018 were \$103,409 (Q3 2017 – \$141,748). Total expenses were \$38,339 lower during the third quarter of 2018 when compared to the third quarter in 2017. Non-cash stock based compensation charges related to stock options were \$74,247 lower during Q3 2018 when compared to Q3 2017. These charges related to stock options granted in April 2017. This reduction in stock based compensation expense was partially offset by increased professional fees of \$14,840 relating to legal fees in Canada with respect to new property transactions and the Company's special shareholder meeting. General and administrative expenses were higher by \$18,495 during Q3 2018 when compared to Q3 2017 primarily related to higher Chief Financial Officer service fees of \$7,636 and related to higher Chief Executive Officer service fees for both the former and new Company CEOs of \$10,426. Expenses in other categories were relatively consistent when comparing the second quarter of 2018 to the same quarter in 2018.

Total expenses for the nine month period ended September 30, 2018 were \$295,450 (nine months ended September 30, 2017 – \$337,603). For the nine month period ended September 30, 2018, total expenses were \$42,153 lower when compared to the same period during 2017. Promotion expenses were \$21,749 lower as an advertising and marketing contract concluded during February 2018. Additionally, promotion

costs in support of the Company's financing activities during the first quarter of 2017 accounted for the remainder of higher costs during 2017. Professional fees were \$19,672 higher during the nine months ended September 30, 2018 relating to legal costs in both Canada and Mexico. General and administrative costs were \$10,379 higher primarily related to higher Chief Executive Officer fees relating to both the former and new CEO. Non-cash stock based compensation charges related to stock options were \$51,024 lower during the nine months ended September 30, 2018 when compared to the same period during 2017. Expenses in all other categories were relatively consistent when comparing the nine month period ended September 30, 2018 to the same period during 2017.

During May of 2017, the Company received the third anniversary cash option payment of \$81,761 (CDN\$110,000) from Agnico Eagle. This amount was recorded as other income.

Net Loss and Net Loss per Common Share

Net loss for the three month period ended September 30, 2018 was \$103,409 (Q3 2017 – \$141,748) and basic and diluted loss per common share was \$0.00 (Q3 2017 – \$0.00). Net loss for the nine month period ended September 30, 2018 was \$295,450 (nine months ended September 30, 2017 – \$255,842) and basic and diluted loss per common share was \$0.00 (nine months ended September 30, 2017 – \$0.00).

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2018, the Company held cash of \$51,724 (December 31, 2017 – \$89,541) and had working capital deficiency of \$140,070 (December 31, 2017 – deficiency of \$6,102). Existing funds on hand at September 30, 2018 will not be sufficient to conduct or co-fund exploration on the Company's projects, to maintain its Taviche, Mexico property concession in good standing and to continue operations during the coming year. The Company will require additional funding to be able to advance and retain mineral exploration property interests and to meet ongoing requirements for general operations.

During June 2018, the Company closed a private placement financing issuing 9,334,000 units at CDN\$0.03 per unit for gross proceeds of \$216,555 (CDN\$280,020). During January 2017, the Company closed a private placement financing, in two tranches, issuing a total of 14,285,714 units for gross proceeds of \$379,973 (CDN\$500,000) (see details below under *private placement financings*).

Agnico Eagle has funded exploration at the Greyhound project under the terms of the option agreement established during June 2014 up until their earn-in on June 1, 2017. The Company is required to co-fund its pro-rata share of ongoing exploration costs for the Greyhound project or its ownership interest will be diluted. On May 30, 2017, the Company received the third anniversary cash option payment of \$81,761 (CDN\$110,000) from Agnico Eagle. No additional cash option payments remain payable under the agreement with Agnico Eagle.

The Company continues to pursue potential joint ventures for its properties which would allow partners to earn in to a portion of the Company's projects utilizing their own capital over time. Such joint venture arrangements are believed to limit shareholder dilution while allowing the Company and its shareholders to benefit from any success generated by the joint venture exploration programs. However, there is no assurance that the Company will be successful in negotiating additional joint ventures or other transactions or that the terms would be acceptable.

Private placement financings

During June 2018, the Company closed a private placement financing issuing 9,334,000 units at CDN\$0.03 per unit for gross proceeds of \$216,555 (CDN\$280,020). Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one

common share of the Company at a price of CDN\$0.05 per share for a period of 36 months following the date of issuance. In connection with this private placement, the Company paid finders' fees of \$7,409 (CDN\$9,600) and issued 320,000 compensation options. Each compensation option entitles the finder to acquire a unit (having the same features as described above) at an exercise price of \$0.05 per unit and is exercisable for 36 months from the date of issuance.

During January 2017, the Company closed a private placement financing, in two tranches, issuing a total of 14,285,714 units at CDN\$0.035 per unit for gross proceeds of \$379,973 (CDN\$500,000). The Company applied for, and received, approval from the TSX Venture Exchange for a waiver from the five-cent minimum price requirement. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of CDN\$0.05 per share for a period of 36 months following the dates of issuance. In connection with this private placement, the Company paid finders fees of CDN\$11,071 and issued 316,309 compensation options. Each compensation option entitles the finder to acquire a unit at an exercise price of \$0.05 per unit and is exercisable for 36 months from the dates of issuance.

The Company has financed its operations from inception to date primarily through the issuance of equity securities. The Company is dependent on raising additional funds in order to finance future exploration programs and to meet requirements for administrative and other operating costs. The Company's operations do not generate cash flows except for cash option payments potentially payable under exploration partnership agreements. Currently, no future cash payments are payable under existing partnership agreements. The Company's financial success is dependent on its ability to discover economically viable mineral deposits on its properties. The mineral exploration process can take many years and is subject to a number of factors many of which are beyond the Company's control (see *Risks and Uncertainties*).

Contractual Obligations

The Company does not currently have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments.

OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, warrants, compensation options and stock options as at November 29, 2018, September 30, 2018 and December 31, 2017 is as follows:

	November 29, 2018	September 30, 2018	December 31, 2017
Common shares	137,450,558	137,450,558	128,116,558
Warrants	27,119,714	27,119,714	25,435,714
Compensation options	636,309	636,309	316,309
Compensation option warrants	636,309	636,309	316,309
Stock options	5,500,000	5,500,000	8,800,000
Fully diluted shares outstanding	171,342,890	171,342,890	162,984,890

The share consolidation to be implemented effective November 30, 2018 will reduce the number of outstanding common shares from 137,450,558 common shares to approximately 27,490,112 post-consolidation common shares. No fractional shares will be issued with any fraction of a share rounded up to the nearest whole number if 0.5 or greater and down to the nearest whole number if less than 0.5 of a share.

Additionally, the number outstanding and exercise price of all of the Company's currently outstanding convertible securities, including warrants, compensation options and stock options will also be adjusted to give effect to the consolidation. On a fully diluted basis, the Company expects to have approximately 34,268,578 shares outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. Details relating to financial instruments and risk management associated with credit risk, liquidity risk, currency risk and interest rate risk are disclosed in note 12 to the Company's consolidated annual financial statements for the years ended December 31, 2017 and 2016.

PROPOSED TRANSACTIONS

As is typical of the mineral exploration and development industry, the Company periodically reviews potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. Timely disclosure of such transactions is made as soon as reportable events arise.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. The most significant items requiring the use of management estimates and valuation assumptions are related to the recoverable value of mineral exploration properties and deferred exploration expenditures; the valuation of all liability and equity instruments including flow-through share premiums, warrants, compensation options and stock options; and, the ability of the Company to continue as a going concern.

Details with respect to critical accounting estimates, judgments and estimation uncertainties are disclosed in note 2 to the consolidated interim financial statements for the three and nine month periods ended September 30, 2018 and 2017.

NEW ACCOUNTING STANDARDS

Standards that are not yet effective or adopted early

IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* (IFRS 9) which replaces International Accounting Standard (IAS) 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial

asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. IFRS 9 also introduces additional changes relating to financial liabilities and aligns hedge accounting more closely with risk management.

The Company adopted IFRS 9 effective January 1, 2018. There was no impact from this adoption on the Company's results of operations, financial position, and disclosures.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Investment in the natural resource industry in general, and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved. These factors are discussed more fully in the annual Management's Discussion and Analysis dated April 24, 2018 which is filed on SEDAR.

OTHER INFORMATION

Other information relating to the Company may be found on the SEDAR website at www.SEDAR.com.

CORPORATE INFORMATION

Directors and Officers

Robert Johansing, BSc., MSc. – President, CEO and Director

W. William Boberg, MSc., P. Geo. – Independent Director

James M. Franklin, PhD, FRSC, P. Geo. – Independent Director

John McNeice, CA, CPA – Chief Financial Officer and Corporate Secretary

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Corporate Banker

Royal Bank of Canada, Ottawa, Canada

Transfer Agent

TSX Trust Company, Toronto, Canada