



Cascada Silver Corp.

Management's Discussion & Analysis

**For the Six Months Ended
December 31, 2021**

Cascada Silver Corp.
Interim Management Discussion & Analysis
For the Six Months Ended December 31, 2021
Dated: November 29, 2021

Introduction

The following interim management's discussion & analysis ("**MD&A**") of Cascada Silver Corp. (the "**Company**") has been prepared to provide material updates to the Company's business operations, liquidity and capital resources.

This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. The MD&A of the Company's operating results and financial condition for the six months ended December 31, 2021 should be read in conjunction with the Company's audited consolidated financial statements for the period from August 25, 2020 (incorporation) to June 30, 2021 and the Company's unaudited condensed interim consolidated financial statements for the six months ended December 31, 2021. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Information contained herein is presented as of November 29, 2021, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the Company's website at <https://www.cascadasilver.com> or from www.sedar.com.

Notice of No Auditor Review of Unaudited Condensed Consolidated Financials Statements.

In accordance with National Instrument 51-102, the Company discloses that the unaudited condensed interim consolidated financial statements for the six months ended December 31, 2021 were prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

Caution Regarding Forward Looking Statements

This MD&A contains forward-looking statements, including predictions, projections and forecasts. Forward-looking statements include, but are not limited to: plans for the evaluation of exploration properties; the success of evaluation plans; the success of exploration activities; mine development prospects; and, potential for future metals production. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "planning", "expects" or "does not expect", "continues", "scheduled", "estimates", "forecasts", "intends", "potential", "anticipates", "does not anticipate", or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: changes in economic parameters and assumptions; all aspects related to the timing of exploration activities and receipt of exploration results;

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the interpretation and actual results of current exploration activities; changes in project parameters as plans continue to be refined; the results of regulatory and permitting processes; future metals price; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; labour disputes and other risks of the mining industry; the results of economic and technical studies; delays in obtaining governmental approvals or financing or in the completion of exploration; as well as those factors disclosed in the Company's publicly filed documents.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

NI 43-101 Technical Disclosure

The Qualified Person, as defined by National Instrument 43-101 of the Canadian Securities Administrators, for the Company's exploration activities is Sergio Diaz, a resident of Santiago, Chile. Mr. Diaz is a Public Registered Person for Reserves and Resources N° 51, in Chile and is also registered in the Colegio de Geólogos de Chile under N° 315.

Description of Business

The Company was incorporated under the Ontario Business Corporations Act on August 25, 2020. On October 2, 2020, the Company continued its incorporation to the province of British Columbia.

The Company is in the business of exploration and evaluation of mineral properties. The address of the Company's corporate office and principal place of business is 25 Adelaide Street East, Suite 1900, Toronto, Ontario, Canada.

The Company's common shares began trading on the Canadian Securities Exchange on March 12, 2021 under the symbol "CSS".

Overall Performance

The Company is an exploration stage issuer engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. As such, the Company has not had any revenues since inception. The Company does not expect to generate any revenues in the foreseeable future. The Company expects to continue to incur expenses as work is performed to review, explore and develop mineral properties.

The Company is in the process of acquiring and exploring mineral properties and has not yet determined whether the mineral properties contain reserves that are economically recoverable. The Company's future performance is largely tied to the outcome of future exploration and the overall financial markets.

The recoverability of minerals from the Company's mineral properties is dependent upon, among other things, the discovery of economically recoverable reserves, the Company's ability to obtain necessary financing to continue to explore and develop its property, and upon future profitable production. Uncertainty in financial markets may lead to difficulties in raising funds. As a result, the Company may have difficulties raising equity financing for the purposes of exploration and development of the Company's mineral properties, without unduly diluting the interests of Company's current shareholders.

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Results of Operations

	Three Months Ended Dec. 31, 2021	Three Months Ended Dec. 31, 2020	Six Months Ended Dec. 31, 2021	Period from August 25, 2020 to Dec. 31, 2020
	\$	\$	\$	\$
Expenses				
Consulting fees	150,468	-	263,319	-
General and administrative	15,740	27,178	97,548	27,178
Professional fees	39,074	11,590	46,286	107,481
Transfer agent	10,662	8,307	13,778	8,307
Filing fees	2,598	500	5,043	500
Share-based payments	57,300	-	57,300	-
Investor relations	1,050	26,666	3,749	26,666
Exploration expenses	74,331	-	205,900	-
Foreign exchange gain	9,183	55,399	(34,378)	55,417
Interest income	(368)	(930)	(829)	(930)
Net loss for the period	360,038	128,710	657,716	224,619

Consulting fees relate to services provided by key management – the agreements were effective April 2021 thus a greater portion has been expensed in the current period. The professional fees, transfer agent expenses and filing fees relate to general corporate matters and accounting services. Exploration expenses relate to the Company's property activities in South America. The foreign exchange gain is associated with holding US dollar cash balances as the Canadian dollar weakened vis à vis the US dollar. Stock-based compensation was recorded on October 15, 2021 on the grant of 2,225,000 stock options exercisable for three years at \$0.05 per share. Generally expenses were lower in the prior periods as the Company worked towards the completion of its initial public offering.

Selected Quarterly Information

A summary of selected information for each of the quarters presented below is as follows:

Period Ended	Net Loss (\$)	Per Share (\$)	Total Assets (\$)
December 30, 2021 (1)	(360,038)	(0.01)	1,823,139
September 30, 2021 (2)	(297,678)	(0.01)	2,079,560
June 30, 2021 (3)	(1,235,776)	(0.04)	2,642,798
March 31, 2021 (4)	(423,440)	(0.02)	4,044,245
December 30, 2020 (5)	(213,629)	(0.00)	4,184,398
September 30, 2020 (6)	(10,990)	(0.00)	224,193

1. Net loss of \$360,038 consisted primarily of: consulting fees of \$150,468; exploration expenditures of \$74,331; and stock-based compensation of \$57,300 on the grant of stock option on October 15, 2021. All other expenses related to general working capital purposes or foreign exchange gains and losses.

2. Net loss of \$297,678 consisted primarily of: consulting fees of \$112,851; exploration expenditures of \$131,569; and general and administrative expenses of \$81,808. All other expenses related to general working capital purposes.

3. Net loss of \$1,235,776 consisted primarily of: write-off of exploration assets of \$1,168,147. All other expenses related to general working capital purposes

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4. Net loss of \$423,440 consisted primarily of: share-based payments of \$174,200; professional fees of \$153,746. All other expenses related to general working capital purposes

5. Net loss of \$213,629 consisted primarily of: professional fees of \$96,481 associated with the Company's initial public offering and investor relation expenses of \$26,666. All other expenses related to general working capital purposes

6. Expenses were limited as the Company was incorporated on August 25, 2020.

The Company has not had any revenue or paid any dividends.

Liquidity and Capital Resources

As at December 31, 2021, the Company had working capital of \$1,755,326.

As at December 31, 2021, the Company has significant cash on hand to meet its relatively limited operational expenditures. Given that there are no active exploration projects at this time, there are no major planned exploration expenditures in the immediate future.

Share Capital

As described in note 6 to the Company's unaudited condensed interim consolidated financial statements for the six months ended December 31, 2021, the Company share capital is as follows:

	Common Shares
Common shares issued June 30, 2021 and December 31, 2021	64,660,100
Warrants @ \$0.15 expiring March 11, 2024	64,660,000
Broker warrants @ \$0.10 expiring September 11, 2022	3,591,200
Options @ \$0.15 expiring March 30, 2024	3,625,000
Options @ \$0.05 expiring October 15, 2024	2,225,000
Fully diluted common shares	138,761,300

Related Party Transactions

Key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel include Directors and officers.

During the six months ended December 31, 2021, key management were paid management fees of \$184,324.

Off-Balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements as at December 31, 2021 or as of the date of this MD&A.

Proposed Transactions

As of the date of this MD&A, there were no proposed transactions.

Economic Conditions

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- global commodity prices;
- demand for gold and the ability to carry out mineral exploration;
- the severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- availability of government supplies, such as water and electricity;
- purchasing power of the Canadian dollar; and
- ability to obtain funding.

At the date of this MD&A, the Canadian federal government and provincial governments and South American federal governments have not introduced measures that have significantly impeded the Company's operational activities. Management believes the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the Company's financial results and condition in future periods.

Subsequent Events

There were no subsequent events to the date of this MD&A.

Disclosure Controls and Procedures

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and MD&A as at December 31, 2021. Although certain weaknesses such as lack of segregation of duties are inherent with small office operations, management has implemented certain controls such as frequent reviews and regular preparations of reconciliations of transactions and budgets to ensure absence of material irregularities. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to it in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the annual filings. The disclosure controls and procedures are designed to ensure effective information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Limitations of Controls and Procedures

It must be recognized that any implemented system of disclosure controls and procedures or internal controls over financial reporting can only provide reasonable and not absolute assurance that the objectives of the control system are met. While designing such control systems, resource constraints cannot be

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ignored and the benefits of controls must be considered relative to their costs. All control systems are subject to limitations and as such, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. Breakdowns within the system can occur due to simple human error or mistakes. Furthermore, controls can be circumvented by individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Risk Factors

The Company is engaged in mineral exploration and related activities which, by their nature, are speculative due to the high-risk nature of the business and the present stage of its properties. The Company's operations and financial performance are subject to the normal risks of mineral exploration and are subject to various factors which are beyond the control of the Company. The Company is engaged in mineral exploration activities which, by their nature, are speculative due to the high-risk nature of the Company's business. Consequently, the Company's common shares should be considered a highly speculative investment due to the nature of the Company's business. Such risk factors could materially affect the Company's future financial results and could cause actual results and events to differ materially from those described in forward-looking statements and forward-looking information relating to the Company or the business, property or financial results, any of which could cause investors to lose part or all of their investment in the Company.

Please refer to the section entitled "Risk Factors" in the Company's filing statement dated March 11, 2021 and filed under the Company's issuer profile on www.sedar.com.