This Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2018, prepared as of April 12, 2019, should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2018 of Silver One Resources Inc. (the "Company" or "Silver One"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts included in this MD&A are expressed in Canadian dollars unless otherwise indicated.

These documents and other information relevant to the Company's activities are available for viewing on SEDAR at www.sedar.com or on the Company's website at www.silverone.com.

COMPANY OVERVIEW

Silver One was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 8, 2007.

The Company's principal activities include the acquisition, exploration and development of mineral properties. The Company has an option agreement to acquire a 100% interest in the Candelaria Silver project (the "Candelaria Project") located in Nevada and has claims staked in eastern Nevada, including the Cherokee project ("Cherokee Project"). The Company also holds three Mexican silver projects: Peñasco Quemado in the state of Sonora, La Frazada in the state of Nayarit, and Pluton in the state of Durango.

COMPANY HIGHLIGHTS

Current highlights (including subsequent events up to April 12, 2019) include:

Investor Relations Agreement

On March 15, 2019, the Company entered into an investor relations agreement with Strata-Star Group, LLC ("Strata-Star"). Strata-Star will provide investor relations services to Silver One under an investor relations agreement (the "Investor Relations Agreement"). The Investor Relations Agreement is for a term of one year, which may be extended by written agreement of the parties.

Under the terms of the Investor Relations Agreement, Silver One has agreed to pay a monthly consulting fee of USD $7,500 per month and will grant options to purchase 200,000 common shares of Silver One at a price of $0.22 per share. The options are subject to the vesting provisions and the terms and conditions of Silver One's stock option plan. Further, Silver One may grant an option to purchase an additional 200,000 common shares of Silver One at the market price plus $0.02 per share in the next three months. The Investor Relations Agreement is subject to the acceptance of the TSX-V.

Drilling at Peñasco Quemado

In February 2019, the Company announced the commencement of a 1,000 meter diamond drill program at Peñasco Quemado to test various targets outlined by previous soil geochemical and geophysical surveys.

Issuance of shares under Option Agreement with Candelaria

On January 21, 2019, The Company issued a total of 5,827,338 shares at a deemed price of USD $1,000,000 ($1,252,878) as part of the required payments under the Option Agreement with Candelaria.

2019 Financing

On January 7, 2019, the Company closed a private placement by issuing 4,158,334 units ("Units") at a price of $0.15 per Unit for gross proceeds of $623,750. Under the private placement, each Unit consists of one common share in the capital of the Company and one-half of one share purchase warrant (each whole warrant being a "Warrant" of the Company). Each whole Warrant will entitle the holder to purchase one share at an exercise price of $0.20 per share for a period of three years from the date of the issue of the Warrants.

Restructure of Net Smelter Return Agreements

On December 17, 2018, The Company entered into agreements with First Mining Gold Corp. regarding the restructuring of the Net Smelter Return ("NSR") agreements associated with the Peñasco Quemado, La Frazada and Pluton properties that were acquired from First Mining Gold in 2016. The original NSR agreements granted to First Mining were a 2.5% NSR on each property, with a buyback of up to 1.5% for USD $ 1.0 million per property. The new NSR agreements grant a 1.5% NSR per property with a buyback of 1% for USD $500,000. On January 16, 2019, Silver One issued 250,000 common shares in the capital of Silver One as consideration for this reduction of the NSR agreements.

New high-grade silver-gold zone at the Cherokee Project in eastern Nevada
In October 2018, the Company completed sampling from select grab, chip and dump samples, collected predominantly in the southeastern section of the Cherokee project. The samples returned additional high-grade silver-gold values up to 1,895 gm/t silver and 2 gm/t gold. Ongoing mapping has outlined multiple new veins in this area measuring two kilometres by one kilometre, which better defines the southeastern portion of a much larger regional scale epithermal system extending for over 12 kilometres.

Signing of Lease/Purchase Agreement on Five Patented Claims at the Cherokee Project
In July 2018, the Company entered into a Lease/Purchase Agreement with Castelton Park LLC (“Castelton”) of Sparks, Nevada to acquire five patented claims constituting 83.5 acres (34 hectares) at its Cherokee project. These patents lie within the Company’s recently announced Cherokee claim holdings in Lincoln County located in eastern Nevada.

The terms of the Lease/Purchase Agreement include three payments over a 2-year lease, consisting of a payment for US$23,125 ($30,224) upon execution of the agreement (paid), USD $34,688 on the first anniversary and USD $34,687 on the second anniversary. This will provide Silver One with a 100%-interest in all patented claims. The Mill Claim, comprising 3.5 acres (1.4 hectares) and located 2.4 kilometres to the north of the Cherokee project, requires title verification before the final transfer to Silver One. The sum of USD $10,000 will be withheld from the second anniversary payment until title transfer to Silver One is finalized. Castelton will also receive a payment of USD $100,000 for every 7.5 million silver equivalent ounces of mineral resources calculated on the property, subject to a maximum of USD $1,000,000.

Staking at Cherokee in Lincoln County, Nevada
In July 2018, the Company expanded its portfolio of high-quality silver projects with the staking of 636 lode claims (approximately 13,000 acres or 5,200 hectares) covering a 12-kilometre long by 4-kilometre wide, structurally controlled, silver-copper-gold system in Lincoln County, Nevada.

Confirmation of historical silver grades on leach pads and stockpiles at Candelaria
In April 2018, the Company received encouraging assay results from the previously announced sonic drilling conducted on the leach pads, stockpiles and dumps on its Candelaria Project in Nevada.

Geophysical Survey Completed at Peñasco Quemado, Mexico
In April 2018, the Company announced the outlining of several geophysical targets worthy of follow-up exploration on its Peñasco Quemado project in Sonora State, Mexico.

Additional Candelaria claims acquired
In March 2018, the Company entered into an agreement to acquire 10 non-patented mineral claims located along the eastern structural projection of the Candelaria mineralized system. These claims are located immediately east of the former producing Mount Diablo open pit. Silver One has acquired these claims for the consideration of USD $10,000 plus the issuance of USD $10,000 in Silver One shares.

In May 2018, the Company expanded its ground holdings at the Candelaria property, staking and additional 416 claims to the east and south of the historic pits and heap leach pads.

Issuance of shares under Option Agreement with Candelaria
In January 2018, the Company issued a total of 2,828,636 shares at a deemed price of USD $1,000,000 as part of the required payments under the Option Agreement with Candelaria

Completion of Sonic Drill Program at Candelaria, Nevada
In January 2018, the Company completed a sonic drill program on the historic leach piles at Candelaria, Nevada. The Company also sent samples to help confirm the average historic grade of the heap leach piles and to subsequently commence metallurgical studies to determine the average grade and potential silver recoveries using various extraction scenarios.

MINERAL PROPERTIES

USA

Candelaria, Nevada, United States

The Candelaria Mine is located in central west Nevada just off the paved Highway 95, which connects Las Vegas with Reno. The past producing mine site is serviced by paved road, power and water. Reclamation of the Candelaria Mine has been ongoing since 1998. The mine dumps were re-contoured and seeded, and the heap leach piles were rinsed with fresh water and seeded. Other infrastructure has been removed, and the substantial reclamation work meets all state and federal guidelines.

The project lies within the Candelaria Mining District, historically the richest silver mining district in Nevada. Estimated production from the late 1880's to 1954 was 22 million ounces of silver. From 1874 to 1883, the Northern Belle Deposit alone produced high grade lodes averaging 1,700 – 2,000 g/t (50 – 60 oz/t) silver. Open pit mining between 1980 and 1999 resulted in the production of 47 million ounces of silver, with Kinross Gold producing approximately 13 million ounces of that between 1994 and 1999.

SSR completed a large drilling program prior to acquiring the project in 2001, and commissioned a technical resource report titled "Candelaria Project Technical Report" dated May 24, 2001 (filed on SEDAR on June 20, 2002), prepared by Pincock Allen & Holt. Historical resources as outlined in the report amount to approximately 44 million ounces of silver in the Measured and Indicated categories with an additional 82.8 million ounces of silver Inferred. See section titled "Cautionary Note on Historical Resource Estimates".

Silver One entered into a 3-year option agreement with SSR (announced on January 17 and 23, 2017) whereby Silver One issued 1,332,900 Silver One common shares worth USD $1,000,000 upon TSX-V approval of the option agreement (January 23, 2017). On January 24, 2018, the Company announced the completion its first anniversary payment to SSR Mining by issuing 2,828,636 shares at a deemed value of USD $1,000,000. On January 28, 2019, the Company announced the completion its second anniversary payment to SSR Mining by issuing 5,827,338 shares at a deemed value of USD $1,000,000. It is further obligated to issue an additional USD $1,000,000 worth of Silver One shares in January 2020 and assume the reclamation bond on the property immediately prior to exercise of the option. Upon completion of the option agreement, Silver One will have earned 100% of SSR's interest in the property, subject to a 3% net smelter returns royalty payable to Teck Resources USA on production from a certain claims group of the property and a charge of $0.01 per ton payable for waste rock dumped on certain claims.

Silver One's goal is to re-evaluate all of the resources, including potential reprocessing of silver from the historic leach pads. It will also explore for potential down-dip, high-grade extensions to the system. Drilling completed by SSR partially delineated some of these deeper targets, but the testing of their full potential has not been completed. Additionally, as indicated by historic workings throughout the area, Silver One will examine the potential for increasing the extent of the mineralized system along strike in both directions from the historic open-pits.

As announced on October 31, 2017, the Company received permitting from BLM to commence drilling of the historic leach pads at Candelaria. On January 3, 2018, the Company announced the completion the sonic drilling program on the historic heaps, stock piles and waste dumps. The Company drilled 1,110 metres in 45 holes to produce 730 samples. These samples were dried, split and a portion sent for assaying.

Assay results were reported in a news release of April 19, 2018. The results are encouraging as the head grade of the leach pads, estimated at 43 g/t, is over 3 times greater than the head grades currently being mined at the Rochester Mine held by Coeur Mining approximately 220 kilometres north of Candelaria. Further, an average cyanide soluble silver content of 56% for leach pad material and 64% for fresh material in stockpiles, combined with their respective silver grades reported, provide a promising outlook for the project.

Historic silver recoveries at Candelaria ranged from 42% to 51% of the total silver through the heap leaching ores crushed at sizes below 1 inch. Silver One believes that such recoveries may be improved by milling prior to leaching.

The Company prepared various composite samples from the heaps and stockpiles which were sent to McClelland Laboratories, Inc. in Reno, Nevada for ongoing metallurgical testing. The metallurgical results will assist in determining the best methods to potentially recover silver from the heap leach pads, stockpiles and dumps.

Preliminary metallurgical test results were announced on June 28, 2018. These results indicate that the average cyanide soluble silver content remaining in the two heap leach pads averages 56%. These results are very encouraging, considering the heaps were partially leached by Kinross and others during previous operations.
The Company is continuing its metallurgical testing to determine the most cost-effective means of potentially extracting the remaining silver from the historic leach pads.

Surface exploration to assess the mineral potential along-strike outside the areas of the old pits continues. The Company has also undertaken the process of claim consolidation through acquisitions and staking.

Cherokee, Nevada, United States

In July 2018 Silver One announced that it has expanded its portfolio of high-quality silver projects with the staking of 636 lode claims (approximately 13,000 acres or 5,200 hectares) covering a 12-kilometre long by 4-kilometre wide, structurally controlled, silver-copper-gold system in Lincoln County, Nevada. The property, known as Cherokee, hosts a series of epithermal-style veins, along with several large areas of strong silicification and associated jasperoids. Similar epithermal systems to those at Cherokee are known to host numerous gold and silver mines throughout Nevada. A total of 125 samples were collected across the property in Q2, with individual values as high as 1,162 ppm silver, 2.9% copper and over 2 ppm gold being returned from select surface dump, rock grab and rock chip samples taken along the exposed areas of these vein systems.

The Company also announced that it entered into a Lease/Purchase Agreement with Castelton Park LLC of Sparks, Nevada to acquire five patented claims covering 83.5 acres along the Cherokee vein system in July 2018. Additional sampling at Cherokee returned select sample results as high as 954 g/t silver and 4.8% copper.

Further sampling results, along the 12+ kilometre long structures were announced October 2018. A new zone called Hidden Treasure was identified in the southeastern portion of the property. Hidden Treasure lies east-southeast of the Johnnie Mine and hosts some of the highest gold values collected to date on the Cherokee property. It occurs where the high-grade Cherokee and Mojoto vein systems are interpreted to merge This intersection area of two major regional scale vein systems could be a very favourable structural host for the localization of epithermal style mineralization.

Cherokee is an emerging silver exploration target located approximately 75 kilometres south of the historic Pioche mining district. From 1869 to present, there have been over 6 million tons mined in the Pioche area producing in excess of 1 million ounces of gold, 20 million ounces of silver, 7 million pounds of copper, 350 million pounds of lead and 700 million pounds of zinc. Production was initially from gold-silver-copper veins and later from underlying carbonate-hosted replacement-type mineralized bodies. Mineralization at Cherokee is best characterized as epithermal in nature and is hosted in sedimentary and volcanic rocks, which is geologically similar to the past producing mineralized systems at Pioche.

Silver One's near-term objective is to continue surface exploration to evaluate large areas of this property that remain untested. The medium-term goal will be to prioritize drill targets to potentially extend known mineralized areas both at depth and along-strike from the exposed veins.

Mexico

Peñasco Quemado, Sonora, Mexico

Peñasco Quemado, is located in northern Sonora, 60 kilometres south of the town of Sasabe on the US-Mexican border and comprises 3,746 hectares in seven concessions.

A 2006 drilling program outlined a historical measured and indicated resource of 2.57 million tonnes at a grade of 117 g/t Ag for a silver resource of 9.63 million ounces (Technical Report filed on SEDAR on Jan. 9, 2017). The silver mineralization is associated with manganese oxides and barite in a near surface shallow westerly dipping zone of polymictic conglomerate in the northern part of the deposit and in stockwork quartz and manganese oxides in a rhyolite dome in the southern part of the deposit. See "Cautionary Note on Historical Resource Estimates". The historical resource has been traced along a 450m strike length and drilling to date has been relatively shallow, less than 100m deep, mainly focused on the silver-bearing conglomerate.

Soil sampling over the entire property was conducted in late 2016 with results announced on March 1, 2017. Highly anomalous soil values in manganese and barium along with lead and zinc are associated with the historic resource area and extend the potentially mineralized system for an additional 2.6 kilometres to the southeast. As well, a second large anomalous area was outlined by the soil program in the western area of the property, an exploration target area that has never been systematically explored.

The geochemical results at Peñasco Quemado are very encouraging as they put in perspective a much larger upside potential to the property than was previously understood. These two standout exploration targets defined by highly anomalous zinc, lead, barium and manganese values not only extend the prospective strike length of the mineralized system from the 450 meters associated with the Historic Resource to over 3,000 meters, but the association with strongly elevated zinc and lead values suggests the possible presence of other buried zinc and lead +/- silver bearing mineralized systems at depth. This geochemical signature bears strong similarities to the silver-manganese oxide and deeper zinc-lead-silver sulphide deposits currently being successfully evaluated by South32 Ltd. at their Hermosa and Taylor projects located in SW Arizona, approximately 125 kilometres northeast of Peñasco Quemado. Further exploration is clearly warranted.

The Company has also completed a controlled-source audio-frequency magnetotellurics ("CSAMT") geophysical survey over the property. Results were announced on April 12, 2018. Four main CSAMT's low resistivity anomalies have been delineated, which significantly expand the exploration potential within and outside the historic resource area previously outlined by Micon International for Silvermex Resources Ltd. in 2006. This geophysical survey was very successful in identifying potential for down-dip, westward extensions to the historic resource area that have never been drilled. It also outlined new areas of low resistivity that are associated with strong to moderate zinc, lead and/or copper in soil geochemical signatures. The CSAMT further identified deep zones of low resistivity which suggest wide channelways for potential mineralizing solutions.

In February 2019, the Company announced the commencement of a 1,000 meter diamond drill program at Peñasco Quemado to test various targets outlined by previous soil geochemical and geophysical surveys.

La Frazada, Nayarit, Mexico

La Frazada is located approximately 300 kilometres northwest of Guadalajara and hosts silver-rich epithermal veins with base metals. The 299-hectare exploration concession lies within the western foothills of the Sierra Madre Occidental. Access is good, being only a few kilometers from the main coastal highway with average elevations less than 200m above sea level.

La Frazada was mined in the late 1890's by an English company, with the Mexican revolution effectively stopping all activity by 1910. A small ornate smelter stack is all that remains of that early historical production. Two parallel quartz veins with galena and sphalerite have been traced for over 1800m along strike and host mineralization in three known mineralized shoots. A 2008 NI 43-101 Technical Report (filed on SEDAR on Jan. 9, 2017) calculated a historical measured and indicated resource totaling 583,000 tonnes at 250 g/t Ag, 0.87% Pb, and 2.44% Zn; historical inferred resources are an additional 534,000 tonnes at 225 g/t Ag, 0.92% Pb, and 2.62% Zn. These resources are near surface and within the existing mine workings. See "Cautionary Note on Historical Resource Estimates".

A property wide soil sampling program was completed in late 2016, with results announced on March 1, 2017. The results reveal lead-zinc-copper and antimony anomalies that correlate with known mineralized veins. Portions of the veins however, do not show contrast with background values. The tropical weather of Frazada has leached silver and to some extent other elements such as zinc and copper that are more easily detectable in dry weather. Thus, the vein is not easily visible with the soil geochemistry. Despite such limitations, certain elements are useful to identify the veins and delineate extensions of the mineralized trends. Antimony, for example, roughly correlates with the Jabalina East vein. Lead, zinc and copper roughly correlate with the Frazada vein in the eastern part of the property and indicate that the vein extends an additional 300 meters to the west.

A drilling program targeting deeper levels of the projected ore shoots has never been undertaken, but could appreciably add to the resource. Additional resources could also exist along strike, outside the areas of the underground workings. For more detailed information, please review the NI 43-101 report.

At December 31, 2018 and 2017, impairment indicator tests were performed by reviewing the individual property for impairment indicators. The impairment tests performed determined that the recoverable amount exceeded the carrying amount of the property as at December 31, 2018 and 2017, and that no impairment was required.

Pluton, Durango, Mexico

Pluton is a 6,534-hectare property comprised of 3 contiguous exploration concessions. It is strategically located within the historic "Ojuela-Mapimi Mining District" and lies along the eastern front of the Sierra Madre Oriental in northern Durango.

At December 31, 2018 and 2017, impairment indicator tests were performed. The impairment indicator test as at December 31, 2018 determined that no impairment was required. As at December 31, 2017, an impairment indicator test was performed by reviewing the individual property for impairment indicators. It was identified that there were indicators of impairment and that an impairment test was required on Pluton, primarily as a result of low historical exploration expenditures and lack of budgeted or planned expenditures. The impairment tests resulted in the carrying value at December 31, 2017 exceeding the recoverable amount of $31,000. This resulted in a writedown on the property of $1,069,799.

The company is currently for partners to advance or acquire the Property. Exploration targets at Pluton are silver-lead-zinc carbonate replacement deposits, which may lie beneath the shallow alluvial cover. Geological, geophysical and geochemical surveys carried throughout the property delineate five main target areas. Limited drilling conducted in 2011 partially tested some of the targets intersecting narrow structures between 0.5m to 1.2 meters wide, with up to 6.5% Zn, 3% Pb, 0.47 g/t Au and 23 g/t Ag in clastic and hornfels rock formations that overlay favourable limestones. Deeper holes are warranted to test potential high-grade silver manto-chimney deposits in limestones at depth.

Cautionary Note on Historical Resource Estimates

Historical Resource Estimate on Peñasco Quemado

Silvermex completed a NI 43-101 Technical report outlining the following historical resource estimate as set forth below.

Resource Category (Underground)	Mineral Type	Tonnes (Mt)	Ag (g/t)	Ag (Moz)
Measured	Oxides	0.12	152	0.60
Indicated	Oxides	2.44	115	9.03
Total M + I	Oxides	2.57	117	9.63
Inferred	Oxides	0.10	41	0.13

Silvermex Resources Limited reported in a technical report titled "Updated NI 43-101 Technical Report and Resource Estimate for the Peñasco Quemado Silver Property" dated March 9, 2007 (filed on SEDAR on March 16, 2007), prepared by William J. Lewis and James A. McCrea, the above historical mineral resource estimate. The historical mineral resource estimate used "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", which are categories set out in NI 43-101. Accordingly, the Company considers these historical estimates reliable as well as relevant as it represents a target for exploration work by the Company. The data base for the historical resource estimate consisted of 24 reverse circulation holes from a 1981/82 program, 17 reverse circulation holes from a 2006 program and 8 diamond drill holes from a 2006 drill program. Assay data was available for all 49 of the drill holes and 12 trenches. The mineral resource estimate used a kriging estimation method to establish ore zones with a cut-off grade of 30 g/t Ag and assay's capped at 700 g/t Ag. Resource blocks were estimated by ordinary kriging with samples within a search radius of 25 meters classified as a measured mineral resource, within 47 meters classified as an indicated mineral resource and within 70 meters classified as an inferred mineral resource. As required by NI 43-101, CIM definitions (August, 2004) were used to classify mineral resources with the classification of each kriged ore block dependent upon the number of penetrating holes. An in-situ block density of 2.50 t/cu meter was assigned the ore blocks. The qualified person has not done sufficient work to classify the historical estimate as a current mineral resource therefore the Company is treating these historical estimates as relevant but not current mineral resources.

Historical Resource Estimate on La Frazada Property

A NI 43-101 Technical Report prepared for Silvermex Resources Ltd. ("Silvermex") outlined a historical measured resource comprised of 2.54 million ounces, averaging 260 g/t silver, a historical indicated resource comprised of 2.16 million ounces, averaging 241 g/t silver, and a historical inferred resource comprised of 3.86 million ounces of silver, averaging 225 g/t silver.

Resource Category	Tonnes (Mt)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (Moz)	Au (oz)	Pb (Mlb)	Zn (Mlb)	Cu (Mlb)
Measured	0.30	260	0.20	0.88	2.36	2.54	1,900	5.86	15.78	0.63
Indicated	0.28	241	0.14	0.86	2.52	2.16	1,300	5.30	15.50	0.55
Total M+ I	0.58	251	0.17	0.87	2.44	4.70	3,200	11.16	31.28	1.18
Inferred	0.53	225	0.17	0.92	2.62	3.86	3,100	10.86	30.77	1.05

Silvermex Resources Limited reported in a technical report titled "Technical Report and Preliminary Resource Estimate for the La Frazada Silver Property, El Zopilote Mining District, Nayarit, Mexico) dated November 24, 2008 (amended January 19, 2009) (filed on SEDAR on February 18, 2009), prepared by William J. Lewis, the *above historical mineral resource estimate. The historical mineral resource estimate used "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", which are categories set out in NI 43-101. Accordingly, the Company considers these historical estimates reliable as well as relevant as it represents a target for exploration work by the Company. The data base for the historical resource estimate consisted of 729 samples; 233 belonging to the La Jabalina West vein, 384 to the La Frazada vein and 112 samples corresponding to the La Jabalina East-Tiro Real vein. The mineral resource estimate used a block model method with a cut-off grade of 80 g/t Ag, 0.75% Pb and 1% Zn. The qualified person has not done sufficient work to classify the historical estimate as a current mineral resource therefore the Company is treating these historical estimates as relevant but not current mineral resources.*

Historical Resource Estimate on Candelaria Project

SSR reported in a technical report titled "Candelaria Project Technical Report" dated May 24, 2001 (filed on SEDAR on June 20, 2002), prepared by Mark G. Stevens, P.G., of Pincock Allen & Holt, the historical mineral resource estimate shown in the table below.

Candelaria Project							
Historical Resource Estimate							
Area/Type	Classification	Tons	Factored Ag Grade (opt Ag_{total})	Sol. Au Grade (opt $Au_{soluble}$)	AqEq Grade (opt $AgEq_{total}$)	Ag Ounces (Ag_{total})	Aq Equiv. Ounces ($AqEq_{total}$)
Mount Diablo	Measured	3,391,000	4.44	0.004	4.67	15,054,000	15,838,000
	Indicated	10,231,185	2.84	0.003	3.01	29,005,000	30,796,000
	Subtot. M + Ind	13,623,000	3.23	0.003	3.42	44,060,000	46,633,000
Mount Diablo	Inferred	5,191,000	2.12	0.003	2.30	11,015,000	11,939,000
Northern Belle		9,162,000	2.26	0.002	2.37	20,661,000	21,714,000
Leach Pads		37,328,000	1.29	---	1.29	48,153,000	48,153,000
L.G. Stockpiles		4,000,000	0.75	---	0.75	3,000,000	3,000,000
	Subtot. Inf.	55,681,000	1.49	0.002	1.52	82,829,000	84,806,000

Notes
1) Lode resources tabulated at a 0.5 opt $Ag_{soluble}$ cut-off grades, with only Ag_{total} shown in this table.
2) Leach pads and low grade stockpile resources tabulated for entire accumulation of material.
3) Total silver grades factored from soluble silver grades using regression formulas developed by Snowden.
4) Silver equivalent grade includes the contribution from the gold grade (soluble) using an Ag:Au equivalency ratio of 57.8:1.

The historical mineral resource estimate used "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", which are categories set out in NI 43-101. Accordingly, Silver One considers these historical estimates reliable as well as relevant as it represents key targets for exploration work by Silver One. The data base for the historical resource estimate:

(1) on the Mount Diablo Deposit consisted of 538 drill holes by previous owners and 10 drill holes by SSR. For drill holes that were twinned, the author used the lower of the two values assigned to the original holes. The mineral resource estimate used a kriging estimation method to establish ore zones with a cut-off grade of 0.5 opt Ag. Ordinary kriging

was used to interpolate grades in the block model. The block models were set up with block dimensions of 25 feet by 25 feet in plan and 10 feet in height. The maximum search range used in the higher-grade zone was 235 feet, in the lower grade zone it was 1,000 feet and in the background zone it was 350 feet. Block models more than 300 feet from the nearest composite only constituted 3 percent of the total number of estimated blocks and were assigned to an inferred category,

(2) on the Northern Belle Deposit consisted of 226 drill holes by previous owners, of which a portion of these holes were duplicated for the Mount Diablo Deposit database. The mineral resource estimate used a kriging estimation method to establish ore zones with a cut-off grade of 0.5 opt Ag. The mineral resource estimate used multiple indicator kriging to interpolate grades in the block model. Block models were set up with block dimensions of 50 feet by 50 feet in plan and 20 feet in height. The maximum search range used in the higher-grade zone was 85 feet, in the intermediate-grade zone was 120 feet and the lower-grade zone was 140 feet and in the lower undifferentiated material below the current pit topography was 260 feet. Block models more than 300 feet from the nearest composite only constituted 3 percent of the total number of estimated blocks and were assigned to an inferred category;

(3) on the Leach Pads consisted of 24,633,000 tons located on Leach Pad 1 and 12,695,000 on Leach Pad 2. The estimate for Leach Pad 1 is based on the fact that silver production indicates 51.5% of total silver was recovered by heap leaching operation, while 81.2% of the soluble silver contact was recovered. Further, the estimate for Leach Pad 2 is based on the fact that silver production indicates 42.4% of total silver was recovered by heap leaching operation, while 71.3% of the soluble silver content was recovered;

(4) on the Low Grade Stockpile is based on limited and incomplete data and documentation. Material placed on the on the stock piles ranged from 0.5 to 0.65 opt Ag,

To the knowledge of Silver One, there is no new data available since the calculation of the above historical resource estimate and no additional work has been done to upgrade or verify the historical resource estimate. The qualified person has not done sufficient work to classify the historical estimate as a current mineral resource therefore Silver One is treating these historical estimates as relevant but not current mineral resources.

SELECTED ANNUAL INFORMATION

The following is a summary of selected audited financial information of the Company for each of the last three fiscal years:

	2018	**2017**	**2016[1]**
	$	**$**	**$**
Total revenues	-	-	-
Net loss	(1,619,818)	(3,062,646)	(1,102,421)
Net loss per share (basic and diluted) [2]	(0.02)	(0.04)	(0.02)
Total assets	12,735,077	11,976,255	8,980,178
Total liabilities	550,073	582,918	65,451

1 The year ended December 31, 2016 covers a 14-month period.
2 The basic and diluted loss per share calculations result in the same amount due to the anti-dilutive effect of outstanding stock options and warrants.

SUMMARY OF QUARTERLY RESULTS

Three months ended ($)	December 31 2018[2]	September 30 2018[2]	June 30 2018[2]	March 31 2018[2]
Revenues	-	-	-	-
Net loss	(345,689)	(365,748)	(484,756)	(423,625)
Net loss per share – (basic and diluted)[3]	(0.00)	(0.00)	(0.00)	(0.00)
Total assets[4]	12,735,077	12,081,911	12,578,925	12,839,502

Three months ended ($)	December 31 2017[1]	September 30 2017[2]	June 30, 2017[2]	March 31, 2017[2]
Revenues	-	-	-	-
Net loss	(1,817,590)	(473,548)	(434,160)	(337,348)
Net loss per share - (basic and diluted)[3]	(0.02)	(0.01)	(0.01)	(0.00)
Total assets	11,976,255	9,118,736	9,496,874	10,001,652

1 The net loss for the quarter ended December 31, 2017 is mostly due to the write-down of the Pluton property during the quarter of $1,069,799.

2 The net losses for the quarters ended March 31, 2017, June 30, 2017, September 30, 2017, March 31, 2018, June 30, 2018, September 30, 2018, and December 31, 2018 result from corporate activities in connection with the acquisition of KCP, the Option Agreement on the Candelaria Project, and staking and work on the properties in Eastern Nevada.

3 The basic and diluted loss per share calculation results in the same value due to the net loss, and resulting anti-dilutive effect of outstanding options and warrants, or due to there being no options outstanding.

RESULTS OF OPERATIONS

<u>Year ended December 31, 2018</u>

During the year ended December 31, 2018, the Company reported a net loss of $1,619,818 or $0.02 per share compared to a loss of $3,062,646 or $0.04 per share for the year ended December 31, 2017. The most significant expenses of variance to prior periods are as follows:

Consulting fees of $173,523 (2017 – $155,120)
The increase in consulting fees during the year ended December 31, 2018 is the result of more consulting hours spent on general business matters of the Company during the period compared to the prior year period.

Exploration and evaluation of $11,027 (2017 – $294,213)
The decrease in exploration and evaluation during the year ended December 31, 2018 is due to the exploration inactivity in Mexico, and low-cost reconnaissance work performed on the Cherokee project in 2017 before the claims were staked. As the properties were not staked as at December 31, 2017, the expenditures during the prior year period were expensed. The work performed on those properties during the year ended December 31, 2018 has been capitalized to mineral properties.

Filing and listing fees of $26,714 (2017 - $59,624)
During the year ended December 31, 2017 the Company paid filing fees related to the Candelaria Option Agreement entered into during the period. This resulted in increased filing and listing fees in the prior year period compared to the current year period.

Salaries and benefits of $308,840 (2017 - $256,896)
During the year ended December 31, 2018, salaries and benefits includes fees paid to the Company's President and CEO as well as to an investor relations employee. The investor relations employee was added to payroll during the third quarter of 2017 year and therefore only one quarter of this employee's salary was included in the year ended December 31, 2017.

Share-based payments of $260,008 (2017 - $380,784)
The decrease in share-based payments is the result of more options being granted during the 2017 year.

Shareholder communications of $414,371 (2017 - $359,034)
The increase in shareholder communications is the result of increased marketing and promotional activities as the Company increases activity.

Travel and related costs of $181,610 (2017 - $256,046)
Travel and related costs decreased during the period due to a decrease in travel to the Company's properties.

Three months ended December 31, 2018
During the three months ended December 31, 2018, the Company reported a net loss of $345,689 or $0.00 per share compared to a loss of $1,817,590 or $0.02 per share for the three months ended December 31, 2017. The increased loss was primarily due to the impairment of the Pluton property of $1,069,799 in the prior year. Other than this, the most significant expenses of variance to prior periods are as follows:

Consulting fees of $47,573 (2017 – $36,593)
The increase in consulting fees during the three months ended December 31, 2018 is the result of a consultant's fees accrued in 2017 that did not provide consulting services during the three months ended December 31, 2018.

Exploration and evaluation of $867 (2017 – $19,330)
The decrease in exploration and evaluation during the three months ended December 31, 2018 is due to the exploration inactivity in Mexico, and low-cost reconnaissance work performed on the Cherokee project in 2017 before the claims were staked. As the properties were not staked as at December 31, 2017, the expenditures during the prior year quarter were expensed. The work performed on the properties during the three months ended December 31, 2018 has been capitalized to mineral properties.

Share-based payments of $54,657 (2017 - $241,162)
The decrease in share-based payments is the result of more options being granted during the 2017 year.

Shareholder communications of $56,318 (2017 - $226,411)
The decrease in shareholder communications is the result of increased marketing and promotional activities as the Company increases activity.

Travel and related costs of $48,340 (2017 - $70,456)
Travel and related costs decreased during the period due to a decrease in travel to the Company's properties.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net working capital including cash
As at December 31, 2018, the Company had $328,714 in cash, $700,000 in short-term investments, and working capital of $673,803, compared to cash of $301,030, short-term investments of $3,600,000, and working capital of $3,688,122 at December 31, 2017. The decrease in working capital of $3,014,319 was primarily due to the Company's net loss of $1,619,818, and mineral property expenditures of $1,923,971, offset by non-cash items included in the net income such as share-based payments of $260,008 and depreciation of $15,807, as well as funds received from share subscriptions of $292,500 and from the exercise of options of $13,500.

Operating activities
Cash used in operating activities for the year ended December 31, 2018 was $1,239,754 compared to cash used of $1,800,348 in the year ended December 31, 2017. This change relates to the decrease in net loss during the period, offset by the higher non-cash items such as share-based payments and write-down of mineral property in the prior year.

Investing activities
Cash provided by investing activities for the year ended December 31, 2018 was $961,438 compared to cash used of $4,585,687 in the year ended December 31, 2017. The cash provided by investing activities increased

mostly due to the cash out of short-term investments of $2,900,000, partially offset by the increase in mineral property expenditures incurred during the period of $989,610.

Financing activities
Cash provided by financing activities for the year ended December 31, 2018 was $306,000 compared to cash provided of $4,263,731 in the year ended December 31, 2017. The decrease in cash provided by financing activities related mostly to the private placement during 2017 with gross proceeds of $4,300,000.

Capital expenditures
The capital expenditures of the Company during the year ended December 31, 2018 included cash mineral property expenditures of $1,503,447 (2017 - $902,236) on the Company's properties in the US, and $153,557 on the Company's Mexican properties (2017 - $370,095), and $266,967 on mineral property expenditures included in accounts payable (2017 - $337,970).

Liquidity and capital resources
As at December 31, 2018, the Company had a working capital of $673,803. The Company has not yet put into commercial production any of its mineral properties and as such has no operating revenues or cash flows. Accordingly, the Company is dependent on the equity markets as its sole source of operating working capital, and the Company's capital resources are largely determined by the strength of the junior resource capital markets, by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to it.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of the Company's directors and officers, and any companies associated with them. The Company incurred the following charges during the years ended December 31, 2018 and 2017:

	2018	2017
	$	$
Consulting fees	179,265	158,208
Professional fees	44,861	51,803
Salaries and benefits	243,795	243,735
Share-based payments	69,220	-

Consulting fees include amounts paid to Raul Diaz, a director of the Company, for geological consulting services.

Professional fees include amounts paid to Malaspina Consultants Inc., a company in which the Company's CFO, Carmen Amezquita Hernandez, is an associate.

Salaries and benefits include amounts paid to Greg Crowe, President and Chief Executive Officer of the Company.

Share-based payments include options granted to officers and directors.

As at December 31, 2018, directors, officers or their related companies owed the Company $91,619 (December 31, 2017 - $34,385) and were owed $30,000 (December 31, 2017 - $31,818) in respect of services. The amounts due to related parties are unsecured, non-interest-bearing and due on demand.

Key management includes directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

FINANCIAL INSTRUMENTS

Classification of financial instruments

The Company's financial instruments consist of cash, short-term investments, receivables, accounts payable and accrued liabilities. The Company classifies its cash, short-term investments and receivables as financial assets at amortized cost. The Company classifies its accounts payable and accrued liabilities as financial liabilities at amortized cost.

The classification of the financial instruments as well as their carrying values as at December 31, 2018 and December 31, 2017 is shown in the table below

At December 31, 2018	Amortized cost (Financial Assets)	Amortized cost (Financial Liabilities)	Total
	$	$	$
Financial assets			
Cash	328,714	-	328,714
Short-term investments	700,000	-	700,000
Receivables	130,820		130,820
Total financial assets	1,159,534	-	1,159,534
Financial liabilities			
Accounts payable and accrued liabilities	-	222,281	222,281
Total financial liabilities	-	222,281	222,281

At December 31, 2017	Amortized cost (Financial Assets)	Amortized cost (Financial Liabilities)	Total
	$	$	$
Financial assets			
Cash	301,030	-	301,030
Short-term investments	3,600,000	-	3,600,000
Receivables	122,066		122,066
Total financial assets	4,023,096	-	4,023,096
Financial liabilities			
Accounts payable and accrued liabilities	-	539,703	539,703
Total financial liabilities	-	539,703	539,703

Note that the fair values approximate the carrying values due to their short-term nature.

Financial and capital risk management

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign currency risk, interest rate risk, credit risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Discussions of risks associated with financial assets and liabilities are detailed below:

a) Foreign currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Mexico and a portion of the Company's expenses are incurred in Canadian dollars ("CAD"), US dollars ("USD"), and Mexican Pesos ("MXN"). A significant change in the currency exchange rates between the Canadian, US and Mexican currencies, could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

As at December 31, 2018, the Company is exposed to currency risk on the following financial assets and liabilities denominated in USD and MXN. The sensitivity of the Company's net earnings due to changes in the exchange rate between the USD and MXN against the Canadian dollar is included in the table below in Canadian dollar equivalents:

	USD amount	MXN amount	Total
	$	$	$
Cash	17,878	5,147	23,025
Accounts payable and accrued liabilities	(82,646)	(2,986)	(85,632)
Net exposure	(64,768)	2,161	(62,607)
Effect of +/- 10% change in currency	(6,477)	216	

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a cash loss is limited as the Company's liabilities are non-interest bearing. The Company considers this risk to be immaterial.

c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks and financial institutions as well as accounts receivables from the Company's sublease of the office space. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company considers credit risk with respect to its cash to be immaterial as cash is mainly held through large Canadian financial institutions. The Company considers credit risk with respect to its accounts receivables to be immaterial as amounts are due from companies with management that are well-known to the Company.

d) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities. Accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies with the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

a) Functional currency

The functional currency for each of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency involves certain judgements to determine the primary economic environment of an entity and this is re-evaluated for each new entity following an acquisition, or if events and conditions change.

b) Impairment of mineral properties
Expenditures on mineral properties are capitalized. The Company makes estimates and applies judgment about future events and circumstances in determining whether the carrying amount of a mineral property exceeds its recoverable amount. The recoverability of amounts shown as mineral properties and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties. Management reviews the carrying values of its mineral properties on an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's mineral properties may not be recoverable and there is a risk that these costs may be written down in future periods.

c) Determining if an acquisition is a business combination or an asset acquisition
With each acquisition, the Company has to determine whether it should be accounted for as a business combination or an asset acquisition. As dictated by IFRS 3, *Business Combinations*, the components of a business must include inputs, processes and outputs. Management has assessed its acquisitions and has concluded that each did not include all the necessary components of a business. As such, they have been recorded as asset acquisitions, being the purchase of mineral properties and/or working capital.

d) Determining amount and timing of rehabilitation costs
Management must determine if_estimates of the future costs the Company will incur to complete the rehabilitation work is required to comply with existing laws, regulations and agreements in place at each exploration site. Actual costs incurred may differ from those amounts estimated. Future changes to environmental laws and regulations could increase the extent of rehabilitation work required by the Company. Management determined at the date of the statement of financial position that no material rehabilitation provisions were required under IAS 37, *Provisions, Contingent Liabilities, and Contingent Assets*.

e) Going concern
In preparing these consolidated financial statements on a going concern basis, as is disclosed in Note 1 of the Company's consolidated financial statements, Management's critical judgment is that the Company will be able to meet its obligations and continue its operations for the next twelve months.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on the Company's consolidated financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

a) Deferred income taxes
Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period that includes the enactment date. The recognition of deferred

income tax assets is based on the assumption that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

b) Share-based payments
Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and are expensed to the statement of loss and comprehensive loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility, expected life of the option, risk free interest rates, and forfeiture rates. Changes in these input assumptions can significantly affect the fair value estimate.

c) Impairment of mineral properties
The Company applies significant estimates when performing impairment tests on mineral properties. The significant estimates applied in determining the recoverable amount of La Frazada includes estimates of consideration that could be received for the La Frazada property based on historical negotiations with potential purchasers and market observations made by the Company's management. Should these estimates prove to be incorrect, this could result in material differences in the Company's impairment testing and conclusions reached therein.

CHANGES IN ACCOUNTING POLICIES

Changes in accounting policies – IFRS 9

The Company adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

a) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39	New classification IFRS 9
Cash	amortized cost	amortized cost
Short-term investments	amortized cost	amortized cost
Accounts receivable	amortized cost	amortized cost
Reclamation deposit	amortized cost	amortized cost
Accounts payable and accrued liabilities	amortized cost	amortized cost

The Company did not restate prior periods as there was no impact at the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018.

b) Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income (loss).

c) Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

d) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets.

Changes in accounting policies – IFRS 15

The adoption of IFRS 15 *Revenue from contracts with customers* did not have an impact on the Company's consolidated financial statements.

ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

The following new standard has been issued but not yet applied:

IFRS 16 – Leases. IFRS 16 Leases will replace IAS 17 Leases

In January 2016, the IASB issued IFRS 16, *Leases* and its associated interpretive guidance–, ("IFRS 16") which will replace IAS 17, *Leases*. The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to current accounting practice. The standard will be effective for annual periods beginning on or after January 1, 2019 and either a full retrospective or a modified retrospective approach can be applied.

Upon adoption of IFRS 16, the Company will record a right-of-use asset, with an associated lease liability, on the consolidated statement of financial position as at January 1, 2019. The right-of-use asset and liability will be unwound over the term of the lease giving rise to an interest expense and depreciation charge, respectively. Currently the Company's operating lease relates to the rental of office space.

SECURITIES OUTSTANDING

Authorized share capital: The Company can issue an unlimited number of common shares with no par value.

	Expiry date	Exercise Price	Number	
Issued and Outstanding Common Shares as at April 12, 2018				107,632,921
Options	August 5, 2021	$0.05	4,217,496	
	August 31, 2021	$0.33	615,000	
	April 27, 2022	$0.58	575,000	
	June 15, 2022	$0.57	200,000	
	October 4, 2022	$0.45	200,000	
	October 24, 2022	$0.45	200,000	
	January 8, 2023	$0.45	150,000	
	May 17, 2023	$0.40	1,390,000	
	March 15, 2022	$0.22	200,000	
Warrants	October 23, 2020	$0.60	5,375,000	
	January 7, 2019	$0.20	2,079,167	
Fully Diluted				122,834,584

Escrow shares

Pursuant to the regulatory requirements as at December 31, 2018, 652,500 issued and outstanding common shares were held in escrow under the CPC Escrow Agreement (December 31, 2017 - 1,305,000). Under the CPC Escrow Agreement, 2,175,000 shares were to be held in escrow, with 10% of the shares released on the issuance of the Final Exchange Bulletin on August 4, 2016 (the "Initial Release"), and an additional 15% to be released every 6 months following the Initial Release.

DISCLOSURE OF CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the annual consolidated financial statements for the year ended December 31, 2018 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109 the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

Financing risks
The Company has incurred significant losses since inception. The continued operations of the Company are dependent on its ability to generate future cash flow and obtain additional financing. The Company has traditionally financed its cash requirements through the issuance of common shares. If the Company is unable to generate cash from operations or obtain additional financing its ability to continue as a going concern could be impeded.

Exploration and development
Resource exploration is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Company's mineral properties and there is no certainty that the expenditures made by the Company in the exploration of its mineral properties or otherwise will result in discoveries of commercially recoverable quantities of minerals. The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Although the discovery of an ore body may result in substantial rewards, few properties explored are ultimately developed into producing mines. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

There is no assurance that the Company's mineral properties possess commercially mineable bodies of ore. The Company's mineral properties are in the exploration stage as opposed to the development stage and has no known body of economic mineralization. The known mineralization of the properties has not been determined to be economic ore and there can be no assurance that a commercially mineable ore body exists on the properties. Such assurance will require completion of final comprehensive feasibility studies and, possibly, further associated exploration and other work that concludes a potential mine is likely to be economic. In order to carry out exploration and development programs of any economic ore body and place it into commercial production, the Company may be required to raise substantial additional funding.

Title of mineral properties
There is no assurance that the Company's title to its properties will not be challenged. Title to and the area of mineral properties may be disputed. While the Company has diligently investigated title to its properties, it may be subject to prior unregistered agreements or transfers or indigenous land claims to which title may be affected. Consequently, the boundaries may be disputed.

Option agreements
The Company is currently earning some of its interests in its mineral properties through option agreements and acquisition of title to the property is only completed when the option conditions have been met. These conditions generally include making option payments and incurring exploration expenditures on the properties. If the Company does not satisfactorily complete its option conditions in the time frame laid out in the option agreement, the Company's title to the mineral property will not vest and the Company will have to write-down the previously capitalized costs related to that property.

Unknown environmental risks for past activities

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. However, no assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Political regulatory risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

FORWARD-LOOKING INFORMATION

The Company's condensed interim consolidated financial statements for the year ended December 31, 2018, and this accompanying MD&A, contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations up to the date of the MD&A.

Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms acceptable to the Company and the ability of third-party service providers to deliver services in a timely manner. Some of these risks and uncertainties are identified under the heading **"RISKS AND UNCERTAINTIES"** as disclosed elsewhere in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise except as required by securities law. 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.

OUTLOOK

Silver One's aim is to become a premier silver exploration and development company. The Company has an option agreement with SSR to acquire 100% of their interest in the past silver producing Candelaria Mine in Nevada. The company also holds three high-quality Mexican silver projects acquired from First Mining Finance. These properties include Peñasco Quemado in the state of Sonora, La Frazada in the state of Nayarit, and Pluton in the state of Durango. In 2017, the company initiated a regional exploration program in eastern Nevada. Work conducted to date has identified several highly-prospective target areas, four of which have been staked, and in July 2018, Silver one also entered into a Lease/Purchase Agreement to acquire five patented claims at its Cherokee project in eastern Nevada.

Ultimately, the Company's goal is to add shareholder value through identifying, acquiring, and exploring silver properties. In 2019, the Company intends to grow through further potential acquisitions of companies and/or properties, and organically through the continued exploration of its current mineral property holdings.

QUALIFIED PERSONS

Greg Crowe, P. Geo, President, CEO and Director of the Company, is a Qualified Person as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects, and is responsible for the review of technical information in the MD&A.

OTHER INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com or on the Company's website at www.silverone.com.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE – MINERAL PROPERTY EXPENDITURES

	Balance December 31, 2018	Additions December 31, 2018	Balance December 31, 2017
	$	$	$
USA			
Candelaria			
Option payments - shares	2,578,800	1,245,900	1,332,900
Acquisition costs - shares	12,944	12,944	-
Acquisition costs - cash	13,088	13,088	-
Consulting fees	365,722	247,579	118,143
Drilling	228,911	9,169	219,742
Field supplies and other costs	60,915	17,526	43,389
Laboratory and analysis fees	247,217	228,257	18,960
Land payments	389,107	257,267	131,840
Staking and survey costs	100,779	63,697	37,082
Travel and accommodation fees	89,135	37,315	51,820
Currency translation adjustment	338,209	338,209	-
	4,424,827	2,470,951	1,953,876
Eastern Nevada			
Consulting fees	230,380	175,988	54,392
Field supplies and other costs	6,634	5,963	671
Laboratory and analysis fees	8,008	8,008	-
Land payments	491,124	364,741	126,383
Staking and survey costs	134,349	44,526	89,823
Travel and accommodation fees	40,314	30,323	9,991
Currency translation adjustment	68,129	68,129	-
	978,938	697,678	281,260
USA total	5,403,765	3,168,629	2,235,136
Mexico			
La Frazada			
Acquisition costs	2,086,202	-	2,086,202
Consulting fees	20,252	2,887	17,365
Laboratory and analysis fees	8,150	-	8,150
Land payments	9,739	6,414	3,325
Travel and accommodation fees	6,174	-	6,174
Field supplies and other costs	3,440	-	3,440
Currency translation adjustment	66,050	176,660	(110,610)
	2,200,007	185,961	2,014,046
Peñasco Quemado			
Acquisition costs	3,194,966	-	3,194,966
Consulting fees	79,839	24,249	55,590
Field supplies and other costs	8,906	-	8,906
Laboratory and analysis fees	14,978	-	14,978
Land payments	180,570	107,278	73,292
Geophysics	112,416	7,923	104,493
Travel and accommodation fees	26,505	2,798	23,707
Currency translation adjustment	124,605	296,560	(171,955)
	3,742,785	438,808	3,303,977
Pluton			
Acquisition costs	1,091,245	-	1,091,245
Consulting fees	2,167	659	1,508
Land payments	65,290	-	65,290
Warehouse and storage costs	2,786	1,349	1,437
Impairment	(1,069,799)	-	(1,069,799)
Currency translation adjustment	(55,886)	2,795	(58,681)
	35,803	4,803	31,000
Mexico total	5,978,595	629,572	5,349,023
Mineral properties total	11,382,360	3,798,201	7,584,159