

# **ANNUAL REPORT** **2024**



**SILVER MOUNTAIN RESOURCES INC.**





# ANNUAL REPORT 2024

SILVER MOUNTAIN RESOURCES INC.

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## STATEMENT OF LIABILITY

This document provides comprehensive and accurate information about the business development of Silver Mountain Resources Inc. for the year 2024. While the Company remains accountable for its operations and disclosures, the undersigned has meticulously prepared this report, ensuring it adheres to all pertinent legal standards and requirements. The information contained herein is presented with the utmost diligence and integrity, reflecting the actual state of the Company's affairs to the best of our knowledge and belief.

Lima, April 23th, 2025



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**Luis Alvaro Espinoza Vargas**  
Chief Executive Officer

## MESSAGE FROM OUR CEO

*Dear Shareholders and Stakeholders,*

*I'm pleased to share this message with you on behalf of Silver Mountain Resources Inc. as we reflect on the past year and look ahead to the future. Leading this company has been both an honor and a challenge—one that I embrace with great enthusiasm.*

*2024 has been a year of progress and learning. We have made significant advancements in our technical studies, worked diligently to obtain key permits, and strengthened our relationships with local communities. These efforts are critical in laying a solid foundation for our future operations and reaffirming our commitment to responsible and sustainable mining. None of this would have been possible without the dedication of our team, the confidence of our investors, and the support of the communities in which we operate.*

*We know that mining is about more than just extracting resources—it's about building something lasting. Our focus remains on creating sustainable value, not just in financial terms, but also by operating with integrity, respecting the environment, and fostering positive relationships with all our stakeholders.*

*There's still much work ahead, but I am confident that we are on the right path. Thank you for being part of this journey with us. I look forward to what we will achieve together in the years to come.*

*Sincerely,*

**Luis Alvaro Espinoza Vargas**  
**Chief Executive Officer**  
**Silver Mountain Resources Inc.**



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OUR COMPANY

## SECTION I: OUR COMPANY

### 1.1. HISTORY

The mining district of Castrovirreyna has long been recognized for its rich silver deposits, with a legacy of production dating back to colonial times. Founded in 1592, the city of Castrovirreyna emerged as a hub for silver processing, attracting miners eager to extract and refine the region's abundant resources.

In 1942, **Compañía Minera Castrovirreyna (CMC)** was established with the goal of operating the **Reliquias** and **Caudalosa Grande** mines. A defining moment in the company's development came in July 1980, when the **José Picasso Perata** processing plant was authorized to begin operations with an initial capacity of **500 tons per day**. However, the downturn in silver prices and broader economic challenges led to the suspension of operations at the **Reliquias Mine** in 1992.

By 2004, efforts were underway to revive the underground **Reliquias Mine**, focusing on the rehabilitation of key vein structures, including **Sacasipuedes, Matacaballo, Mete y Saca, and Perseguida Oeste** at various levels. This initiative combined exploration drilling with the reopening of historical workings. In 2009, the adoption of **sub-level stoping** techniques allowed for large-scale mining operations, optimizing ore extraction.

CMC expanded its processing capabilities in 2010 when it secured approval to increase the **José Picasso Perata Mill's** capacity from **550 to 2,000 dry metric tonnes per day**, reinforcing its commitment to

operational efficiency. However, by 2015, another sharp decline in silver prices led to a reduction in mining production at **Reliquias**.

A pivotal moment occurred on **April 4, 2017**, when operations at both the **Reliquias Mining Unit** and the **José Picasso Perata Mill** were suspended due to financial constraints. This marked a turning point in the mine's history, ultimately leading to a restructuring of ownership and strategy.

In **June 2018**, **Sociedad Minera Reliquias S.A.C.** acquired the assets of the **Reliquias Mining Unit**, including its mining concessions and infrastructure, through a direct agreement with **Trafigura**. This acquisition set the stage for a renewed focus on revitalizing the mine's operations.

Further strengthening its asset portfolio, **Sociedad Minera Reliquias** acquired **100% ownership** of the **Lira de Plata** project in **November 2022** from **Pan American Silver**. This transaction included the historic **Lira de Plata Mine** and **14 mining concessions**, covering multiple mineralized structures with strike lengths ranging from **100 to 575 meters**, as documented by **Lewis (1964)**. This strategic expansion has reinforced the Company's long-term vision for exploration and development.

Throughout our journey, **Silver Mountain Resources Inc.** has demonstrated resilience, adaptability, and a commitment to growth despite industry challenges. Our strategic acquisitions, infrastructure rehabilitation efforts, and focus on operational expansion reflect our ambition to become a leading silver producer. Leveraging our rich mining heritage and technical expertise, we remain focused on delivering sustainable growth and creating long-term value for our stakeholders.

## 1.2. CORPORATE STRUCTURE

Silver Mountain Resources Inc. ("the Company" or "AGMR") was incorporated on January 28, 2021, under the Canada Business Corporations Act (CBCA). Initially named Roxy Mining Corp., the Company rebranded as Silver Mountain Resources Inc. on March 5, 2021, to better reflect its focus on silver mining. Later, on November 15, 2021, the Company amended its articles to implement a 10:1 share split, remove certain transfer restrictions, and grant the board of directors the authority to appoint additional members between annual meetings. On March 28, 2025, the Company further amended its articles to implement a 15:1 share consolidation (the "Consolidation"). The Company's head office is located at 82 Richmond Street East, Toronto, Ontario, Canada M5C 1P1.

Silver Mountain Resources Inc. is publicly traded on the TSX Venture Exchange (TSXV) under the symbol "AGMR", reinforcing its commitment to transparency and shareholder value. In addition to its Common Shares, the Company has issued four series of Common Share purchase warrants:

2022 Warrants ("AGMR.WT") – Issued on February 2, 2022, as part of the Company's initial public offering (IPO).

February 2023 Warrants ("AGMR.WT.A") – Issued on February 9, 2023, in connection with a bought deal offering.

November 2023 Warrants – Issued on November 10, 2023, in connection with a private placement offering

2024 Warrants ("AGMR.WT.B") – Issued on April 24, 2024, in connection with a bought deal offering.

The Company's sole subsidiary is Sociedad Minera Reliquias S.A.C. ("AGMR Peru"), a Peruvian mining company acquired through a share exchange agreement on April 8, 2021. This acquisition was a key strategic move, providing the Company with ownership of the Castrovirreyna Project (Reliquias Mine), located near Castrovirreyna, Huancavelica, Peru.

The Company holds a 99.99% ownership interest in AGMR Peru, in compliance with Peruvian General Corporate Law, which requires multiple shareholders. To meet this requirement, one share of AGMR Peru is held by Mula Mining Corp., a shareholder of the Company. This structure ensures regulatory compliance while maintaining full operational control over its Peruvian assets.

The acquisition of AGMR Peru has significantly strengthened the Company's position in the mining sector, providing a solid foundation for future growth. With a clear strategic focus on the Castrovirreyna Project, a well-structured capital base, and an experienced leadership team, the Company is well-positioned to navigate industry challenges and capitalize on new opportunities. Below is an organizational chart outlining the corporate structure and jurisdictions of the Company and its subsidiary:



This corporate structure enables us to effectively manage our operations and pursue our strategic objectives, ensuring the alignment of our subsidiary's activities with the Company's overall mission and vision.

### 1.3. STRATEGIC APPROACH

At the Company, we view mining as more than just an industry—it is an opportunity for sustainable development in an ever-changing world. Our vision and mission reflect our core philosophy and guide our efforts to create long-term value for all stakeholders.

VISION	We aspire to be a globally recognized and trusted mining company, setting new standards in silver production through responsible and innovative practices. Our goal is to maximize returns for our shareholders while fostering sustainable growth in the communities where we operate. By leveraging cutting-edge technology and deep industry expertise, we aim to solidify our presence as a leading silver producer in the Americas.
MISSION	Our mission is to integrate mining into a modern, sustainable world, creating value while minimizing environmental impact. We are committed to becoming a premier silver mining company through responsible exploration and production. By embracing the latest technologies and adhering to the highest Environmental, Social, and Governance (ESG) standards, we focus on producing high-quality silver while contributing positively to the environment and society.
STRATEGIC DRIVERS	<b>INNOVATION.</b> Leveraging advanced technology to enhance efficiency, productivity, and safety.
	<b>SUSTAINABILITY.</b> Implementing best practices to minimize environmental impact and promote ecological balance.
	<b>RESPONSIBILITY.</b> Maintaining the highest safety standards and upholding transparency and ethical business practices.
	<b>COMMUNITY ENGAGEMENT.</b> Building strong, long-term relationships with local communities and supporting their economic and social development.
	<b>VALUE CREATION.</b> Driving shareholder value through disciplined growth, operational excellence, and strategic investments.

By staying true to these principles, the Company is committed to shaping the future of silver mining—responsibly, efficiently, and sustainably.

### 1.4. MINING SITE MAP

The **Castrovirreyna Project** is strategically located in the **Huancavelica region of central Peru**, an area with a long history of silver mining. The project spans three mineral concession blocks known for their extensive **silver-rich polymetallic veins** and **gold-bearing breccias**. Despite its historical significance, the region remains **underexplored**, offering significant potential for new discoveries and resource expansion.

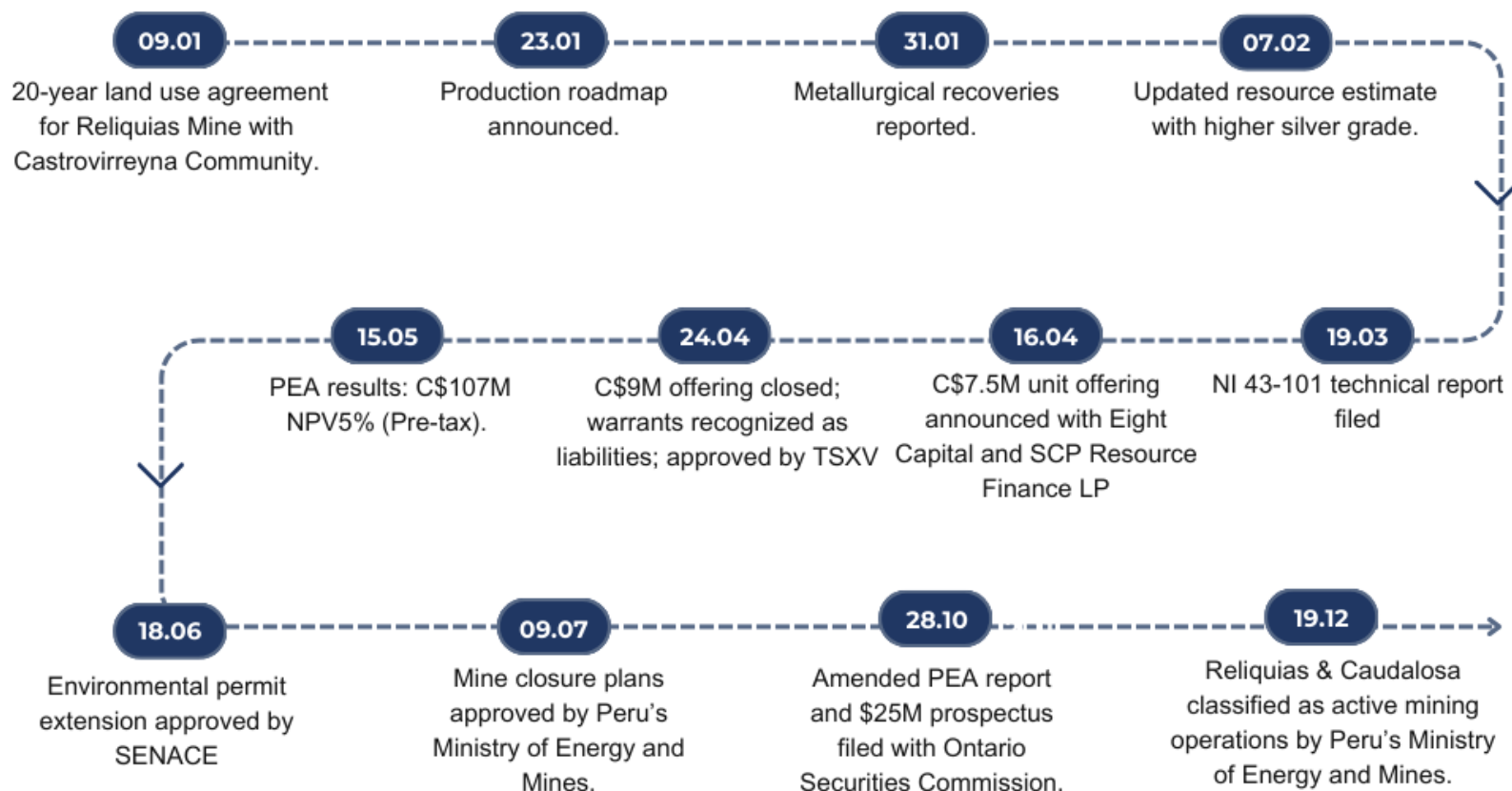
As part of our long-term strategy, **the Company** is focused on revitalizing operations at the **Reliquias underground mine**, unlocking the value of this highly prospective silver district. The project benefits from well-established infrastructure, including:

A **2,000 tonnes per day (tpd) processing plant**, designed to efficiently extract and process ore from the region.

An **operational tailings dam** with sufficient capacity to sustain operations at full throughput for at least two years.

With a strong foundation in place, **the Company** is positioned to capitalize on the Castrovirreyna Project's full potential, ensuring responsible resource development while delivering long-term value to shareholders and local communities.

## 1.5. OUR 2024



## 1.6. OUR HUMAN TALENT

Our people are at the heart of our success. As of **December 31, 2024**, we have a dedicated team of approximately **16 full-time employees** and **1 specialized consultants/contractors**, bringing our total workforce to **17 professionals** committed to driving our strategic vision forward.

Our team brings together a diverse range of skills and expertise, playing a vital role in every aspect of our operations—from **technical studies and resource development** to **environmental sustainability and community engagement**. Their dedication, knowledge, and innovative spirit are essential to our goal of becoming a **leading silver mining company**.

We are committed to fostering a **culture of collaboration, innovation, and continuous improvement**, ensuring that our employees have the tools and opportunities they need to thrive. Through professional development programs, strong ethical standards, and a steadfast focus on safety, we empower our workforce to achieve operational excellence.

## Our People Strategy

We prioritize four key areas to strengthen our team and support long-term growth:

- **Talent Development:** We invest in our employees through targeted training programs, mentorship, and career advancement opportunities to cultivate the next generation of industry leaders.
- **Diversity and Inclusion:** We believe that a diverse and inclusive workforce fosters innovation, creativity, and stronger decision-making, reflecting the communities in which we operate.
- **Health and Safety:** We uphold rigorous health and safety standards across all operations, ensuring the well-being of our employees and creating a secure work environment.
- **Stakeholder Engagement:** We build strong, transparent relationships with employees, consultants, local communities, and other stakeholders, fostering trust and mutual success.

As we expand our operations and pursue new opportunities, our **team remains our most valuable asset**—driving sustainable mining practices, operational excellence, and long-term value creation for all stakeholders.

## 1.7. CAPITAL STRUCTURE

Shares Outstanding	368.7 M
Stock Options	15.3 M
Warrants	134.3 M
Fully Diluted Shares	518.3 M

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of Class B non-voting common shares (the "Non-Voting Shares"). As of December 31, 2024, there were 368,716,180 Common Shares issued and outstanding, and no Non-Voting Shares issued. Below is a summary of the rights, privileges, restrictions, and conditions attached to the Common Shares and Non-Voting Shares, as well as other outstanding securities of the Company. On March 28, 2025, the Company completed the Consolidation, consolidating its issued and outstanding shares on a 15:1 basis. Unless otherwise stated, all per share numbers provided in this annual report are presented on a pre-Consolidation basis.

### Common Shares

All Common Shares rank equally in terms of voting rights and participation in the distribution of the Company's assets upon liquidation, dissolution, or winding-up. Each Common Share carries the

right to one vote on all matters submitted to a vote of the shareholders, except for meetings at which only holders of another class or series of shares are entitled to vote. Holders of Common Shares receive notice of, and have the right to attend and vote at, all shareholder meetings. In the event of the liquidation, dissolution, or winding-up of the Company, or any other distribution of the Company's assets among its shareholders for the purpose of winding up its affairs, holders of Common Shares will be entitled to receive all remaining assets on a pro rata basis after the Company has paid all of its liabilities.

### Non-Voting Shares

Non-Voting Shares do not carry voting rights, meaning holders do not have the right to receive notice of, attend, or vote at shareholder meetings, except as required by the CBCA. However, Non-Voting Shares are entitled to receive dividends as declared by the Board of Directors. The Board has the discretion to declare dividends on any class of shares, giving priority to or excluding any other class of shares. In the event of the Company's liquidation, dissolution, or winding-up, holders of Non-Voting Shares, subject to the rights of any other class of shares, are entitled to share equally, share for share, in the distribution of the Company's assets.

## Warrants

The Company also has outstanding warrants, which provide holders the right to purchase Common Shares under specified conditions. Common Share purchase warrants issued on February 9, 2023, in connection with a bought deal offering are listed on the TSXV under the symbol "AGMR.WT.A". Additionally, Common Share purchase warrants issued on April 24, 2024, are listed on the TSXV under the symbol "AGMR.WT.B".

The Company has outstanding warrants, which provide holders the right to purchase Common Shares under specified conditions. There are three categories of warrants currently outstanding:

- 87,638,928 warrants with an exercise price of CAD 0.135, issued on April 24, 2024.
- 31,095,000 warrants with an exercise price of USD 0.09, issued on November 10, 2023.
- 15,525,000 warrants with an exercise price of CAD 0.45, issued on February 9, 2023.

These warrants offer a mechanism for raising capital and potentially provide value to shareholders by enabling warrant holders to participate in the Company's equity.

In addition to Common Shares, Non-Voting Shares, and warrants, the Company may issue other securities, including preferred shares, options, and other financial instruments. These securities are issued under terms and conditions that the Board of Directors determines are in the best interests of the Company and its shareholders.



# 2

**BOARD OF  
DIRECTORS &  
MANAGEMENT  
TEAM**

## SECTION II: BOARD OF DIRECTORS AND MANAGEMENT TEAM

The leadership of the Company is built on a foundation of expertise, integrity, and strategic vision. The following table outlines key details about our directors and executive officers, including their names, residences, positions within the Company, and professional backgrounds over the past five years.

Our Board of Directors plays a critical role in overseeing corporate governance, guiding our strategic direction, and ensuring the highest standards of accountability. Directors serve until the next Annual General Meeting of Shareholders, unless they choose to resign or are removed by shareholder vote. Directors are elected on an annual basis and will retire at the conclusion of the next meeting unless re-elected.

Name and Residence	Position	Since	Occupation (Last Five Years) <sup>(1)</sup>
<b>Julio Jose Arce Ortiz</b> <sup>(2)(4)(6)(7)</sup> <i>Lima, Peru</i>	Director	Jan 2021	Former trader at Trafigura Beheer BV.
<b>Alfredo Plenge Thorne</b> <sup>(2)(3)(4)(5)(6)(7)</sup> <i>Lima, Peru</i>	Director	Jan 2021	Former CEO at Corporacion Minera and former CFO and Minerals Marketing Manager at Sociedad Minera El Brocal.
<b>Jose Vizquerra</b> <sup>(3)(4)(5)(7)</sup> <i>Ontario, Canada</i>	Director and Chairman	Jan 2021	President, CEO, and a director of O3 Mining Inc. and Executive Vice President of Strategic Development and director at Osisko Mining Inc
<b>Juan Carlos Ortiz</b> <sup>(4)(5)(6)(7)</sup> <i>Lima, Peru</i>	Director	Jun 2022	VP Operations (COO) at Cia de Minas Buenaventura SAA
<b>Timothy Loftsgard</b> <sup>(2)(3)(4)(7)</sup> <i>Ontario, Canada</i>	Director	Jun 2023	Managing Director and Head of Lazard Canada.

<b>W. John DeCooman Jr.</b> <sup>(4)(7)</sup> <i>Colorado, USA</i>	Director	Jan 2024	President and CEO of Sweetwater Royalties Senior Vice President for Business Development and Strategy at SSR Mining
<b>Gerardo Fernandez</b> <sup>(4)(7)</sup> <i>Ontario, Canada</i>	Director	Jun 2024	Chief Development Officer of Allied Gold Corporation and former Senior Vice President of Corporate Development & Investor Relations of Yamana Gold Inc
<b>Alvaro Espinoza</b> <i>Lima, Peru</i>	CEO	Mar 2023	Former CEO at Cautivo Mining Inc, CFO at Coripuno SAC
<b>Alejandra Soto</b> <i>Lima, Peru</i>	CFO	Jul 2023	Former CFO at Alpayana and Head of finance of Nexa Resources

### Notes:

- (1) The information as to principal occupation, business or employment of the respective nominees is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Member of the compensation committee of the Board (the "Compensation Committee").
- (3) Member of the audit committee of the Board (the "Audit Committee").
- (4) Member of the operations and development committee of the Board (the "Operations and Development Committee").
- (5) Member of the corporate governance committee of the Board (the "Corporate Governance Committee").
- (6) Member of the sustainable development committee of the Board (the "Sustainable Development Committee").
- (7) Lead independent director.

As of the date of this Annual Report, the directors and executive officers of the Company collectively hold, directly or indirectly, or exercise control over 76,594,544 Common Shares. This represents approximately 20.8% of the total outstanding Common Shares, excluding the potential impact of any convertible securities they may hold.

These figures are based on disclosures provided by the directors and executive officers through The System for Electronic Disclosure by Insiders (SEDI), ensuring transparency and regulatory compliance.

The meaningful ownership stake held by our leadership team underscores their confidence in the Company's long-term growth potential and commitment to delivering value for all shareholders.

## 2.1. BOARD COMMITTEES

Silver Mountain Resources Inc. has established **five standing committees** to support effective governance and strategic oversight:

- Audit Committee
- Compensation Committee
- Corporate Governance Committee
- Operations Committee
- Sustainable Development Committee

These committees play a vital role in **ensuring the Company operates efficiently, transparently, and in alignment with best practices.**

- **The Audit Committee** oversees the **financial reporting process**, internal controls, and audit functions. It ensures the integrity of the Company's financial statements and compliance with legal and regulatory requirements.

- **The Compensation Committee** is responsible for **developing and reviewing compensation policies** for directors and executive officers. Its goal is to **attract and retain top talent** while aligning executive pay with the Company's strategic objectives and shareholder interests.
- **The Corporate Governance Committee** ensures the Company adheres to **strong corporate governance standards**. This includes developing governance policies, monitoring compliance, and overseeing the **nomination process for board members**.
- **The Operations Committee** provides oversight of the **Company's operational activities and growth initiatives**. It evaluates and guides strategies related to **project execution, resource allocation, and operational efficiency**.
- **The Sustainable Development Committee** focuses on integrating **responsible and sustainable practices** into the Company's operations. It ensures that environmental, social, and economic considerations are embedded in decision-making and stakeholder engagement.

Each committee plays a critical role in **strengthening governance, driving performance, and supporting the Company's long-term success.**



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## BUSINESS STRATEGY

## SECTION III: BUSINESS STRATEGY

### SUMMARY

The Company is focused on the acquisition, exploration, and development of high-value precious metal properties, with its flagship asset being a 99.99% ownership stake in AGMR Peru. This structure complies with Peruvian General Corporate Law, which requires at least two shareholders. As a result, the Company owns all but one share, with the remaining share held by Mula Mining Corp., a shareholder in the Company.

Since its inception, the Company has dedicated its resources to developing the Castrovirreyna Project, securing capital to finance its operations, and ensuring a strong financial position for continued growth. Backed by an experienced Board of Directors and management team, as well as a highly skilled exploration and development team, the Company is well-positioned to establish profitable, high-grade underground mining operations.

### 3.1. SPECIALIZED SKILL AND KNOWLEDGE

The successful execution of the Company's operations relies on a high degree of specialized skills and industry-specific expertise. This requirement becomes even more critical as the Company advances the development of its underground mining operation at the Castrovirreyna Project, with the potential to expand into additional mining ventures in the future.

Given the technical complexity of these projects, the Company depends on a team of highly qualified professionals with deep knowledge in key disciplines, including geology, engineering, mine planning, metallurgical processing, project management, mine operations, risk management, and socio-environmental compliance.

Recognizing the importance of attracting and retaining exceptional talent, the Company is committed to offering competitive remuneration and comprehensive compensation packages that reflect industry standards and reward expertise. This strategic approach not only ensures that the Company secures the highly skilled workforce necessary to drive its operations forward but also fosters long-term commitment and professional growth among its employees. By investing in top-tier professionals, the Company reinforces its ability to achieve operational excellence, maintain efficiency, and meet its ambitious exploration and development objectives. This emphasis on expertise and talent acquisition is fundamental to sustaining the Company's competitive position in the mining sector and ensuring continued progress across all facets of its projects.

### 3.2. COMPETITIVE CONDITIONS

The exploration and mining of precious metals take place within an intensely competitive industry, where companies must navigate a landscape dominated by well-established players with significant financial strength, advanced technological capabilities, and extensive operational experience. The Company operates in this dynamic environment alongside numerous competitors, including large multinational mining firms that have the resources to secure prime

mineral properties and execute large-scale exploration and development projects. The presence of these well-capitalized entities presents an ongoing challenge, as it can limit the availability of attractive mining assets and, in some cases, place the Company at a relative disadvantage when seeking to expand its portfolio.

The Company's ability to successfully acquire and develop new mineral properties will be a key determinant of its long-term growth and competitive positioning. In particular, the advancement of the Castrovirreyna Project remains central to its strategy, serving as both a cornerstone of current operations and a catalyst for future expansion. To remain competitive, the Company must continue to optimize its operational efficiencies, enhance its technical expertise, and structure favorable agreements with third parties to secure critical assets and resources.

Beyond the acquisition of mineral properties, the Company faces additional competitive pressures in securing essential inputs such as raw materials, equipment, skilled labor, and transportation capacity. The availability and cost of these resources are influenced by broader industry trends, economic conditions, and supply chain constraints, all of which can impact operational efficiency and project timelines. To navigate these challenges effectively, the Company remains focused on strategic planning, fostering strong supplier relationships, and maintaining agility in its decision-making processes. For a comprehensive discussion on the competitive landscape and associated risks, refer to the section titled "Risk Factors."

### 3.3. CYCLES

Operating continuously in the high-altitude Andean region presents a set of unique and demanding challenges that require careful planning and adaptive strategies. The region's extreme weather conditions, including seasonal variations, heavy rainfall, and occasional logistical disruptions, necessitate a well-structured operational framework to ensure continuity and efficiency throughout the year. The Company has meticulously developed its business and operational strategies to mitigate these challenges, incorporating risk management measures to sustain productivity and maintain the safety and well-being of its workforce. Despite these proactive efforts, certain operational risks inherent to the geographical and climatic conditions of the region remain unavoidable. A detailed analysis of these risks can be found in the section titled "Risk Factors."

In addition to physical and logistical challenges, the Company operates within a market highly sensitive to price fluctuations, particularly in the case of silver. The demand for and market value of silver are subject to significant volatility, influenced by global economic conditions, supply chain dynamics, monetary policies, and geopolitical events. As a result, price variations can directly affect the Company's financial performance, impacting revenue projections, operational planning, and long-term investment strategies. To navigate this uncertainty, the Company continuously monitors market trends and employs financial planning measures to enhance resilience against price swings. For further insights into the potential impact of silver price volatility on the Company's operations and financial outlook, please refer to "Risk Factors."

### 3.4. RESTRUCTURING TRANSACTIONS

Since its inception, the Company has undertaken only one major restructuring transaction: the acquisition of AGMR Peru. This acquisition represented a strategic milestone, significantly strengthening the Company's asset base and enhancing its exploration and development capabilities in the precious metals sector. By integrating AGMR Peru into its operational framework, the Company expanded its portfolio of mining assets, reinforcing its position in the industry and aligning with long-term growth objectives.

The acquisition process involved a thorough evaluation and alignment of corporate structures, resource allocations, and strategic priorities to ensure a seamless transition. This integration was carefully planned to optimize operational efficiencies, leverage synergies, and enhance the Company's overall performance. The transaction was executed with a clear focus on maximizing shareholder value and establishing a solid foundation for future expansion within a highly competitive mining landscape.

As of the current financial year, the Company has not initiated or proposed any further restructuring activities. Instead, management remains focused on optimizing its existing asset base, particularly AGMR Peru, to drive operational efficiency and long-term value creation. At this time, there are no immediate plans for additional restructuring, allowing the Company to maintain a stable and disciplined approach to executing its business strategy while reinforcing its commitment to sustainable growth.

### 3.5. BANKRUPTCY PROCEEDINGS

The Company and its subsidiaries have never been subject to any bankruptcy, receivership, or similar legal proceedings, whether voluntary or involuntary. This unblemished track record extends over the past three financial years, underscoring the Company's financial stability, prudent management, and commitment to maintaining a strong fiscal foundation.

The absence of bankruptcy or insolvency proceedings highlights the effectiveness of the Company's financial planning, risk management, and operational discipline. By adhering to sound financial practices and maintaining a proactive approach to mitigating financial risks, the Company continues to ensure its ability to meet obligations, fund ongoing operations, and pursue its strategic objectives without financial distress. This disciplined financial oversight provides investors and stakeholders with confidence in the Company's long-term sustainability and resilience in navigating market challenges.

### 3.6. ENVIRONMENTAL PROTECTION

The Company remains fully committed to environmental stewardship and adheres to all applicable environmental regulations governing its exploration, development, construction, and operational activities. This commitment is a fundamental pillar of the Company's corporate strategy, reflecting its dedication to responsible and sustainable mining practices.

Throughout the fiscal year ending December 31, 2024, the Company has effectively managed its environmental obligations, ensuring compliance with evolving regulatory standards while integrating environmental best

practices into its operational framework. The financial and operational impact of meeting these requirements has been minimal, demonstrating the Company's proactive approach to environmental management.

Environmental compliance efforts are comprehensive and include continuous monitoring, regular reporting, and proactive updates to align with regulatory changes. The Company actively seeks to minimize its environmental footprint, implement resource-efficient processes, and foster strong relationships with local communities by prioritizing environmental responsibility. Through these initiatives, the Company not only safeguards natural resources but also strengthens its social license to operate, reinforcing its reputation as a responsible corporate citizen in the mining sector.

### 3.7. RISK FACTORS

The Company is exposed to various risks and uncertainties that may impact its operations, financial performance, and long-term viability. These risks include industry-specific challenges as well as broader economic and geopolitical factors that could influence business conditions. While the Company takes proactive measures to manage and mitigate risks, it is important to recognize that some factors remain beyond its control and may affect its ability to achieve its strategic objectives.

Among the key risks faced by the Company are fluctuations in commodity prices, regulatory and permitting challenges, operational risks inherent to mining activities, geopolitical uncertainties, and competitive pressures within the precious metals sector. Additionally, external factors such as

global economic downturns, supply chain disruptions, and environmental regulations could also present potential challenges.

It is essential to acknowledge that the risks outlined in this section are not exhaustive. Additional risks, including those not currently known to the Company or considered immaterial at present, may also emerge and impact business performance. Should these risks materialize, they could adversely affect the Company's financial condition, liquidity, operational results, and growth prospects, potentially undermining its ability to execute its strategic initiatives.

Investing in the Company's securities carries a high degree of risk and should be approached with careful consideration. These investments may not be suitable for all investors, particularly those who require immediate liquidity or seek low-risk financial instruments. Investors should assess their financial capacity to absorb potential losses and conduct thorough due diligence before making investment decisions. A detailed analysis of the Company's risk factors can be found in the most recent Annual Information Form (AIF), which should be reviewed alongside the information provided in this section to gain a comprehensive understanding of the potential risks associated with the Company's business operations.

### 3.8. RISKS RELATED TO THE COMPANY AND TO MINERAL EXPLORATION AND DEVELOPMENT

- Estimating Mineral Resources is risky
- Challenges in Securing Financing for Commercial Production
- Potential Delays in Obtaining Permits for Proposed Drill Programs

- Unrecognized Environmental or Compliance Issues Related to Historical Operations
- Potential tariffs and the risks associated with global financial markets
- Uncertainty in Future Silver Prices and Its Impact
- Commercial viability may not be achieved even with an acceptable silver price
- The Company currently depends on a single mineral property
- The Company is subject to foreign operations risks
- The Company is subject to the Peruvian legal system
- Risks related to ILO Convention 169 compliance
- Geological, hydrological and climatic events could suspend mining operations or increase costs
- Estimates of Capital and Operating Costs May Exceed Actual Costs
- Inadequate infrastructure may constrain development and mining operations
- Fluctuations in the market prices and availability of commodities and equipment affect the Company's business
- The successful development and operation of the Castrovirreyna Project depends on the skills of the Company's management and teams
- Mining operations are very risky
- Operations during mining cycle peaks are more expensive
- The success of the Company depends on its relationships with local communities
- The loss of surface rights would be material and adverse

- The Company may fail to comply with the law or may fail to obtain or renew necessary permits and licenses
- Compliance with socio-environmental regulations can be costly
- Social and environmental activism can negatively impact exploration, development and mining activities
- Competition with other mining companies is intense
- A failure to maintain satisfactory labour relations can adversely impact the Company
- Negative cash flow from operations and need for additional financing
- The Company's insurance coverage may be inadequate and result in losses
- Currency fluctuations can result in unanticipated losses
- Conflicts of interest could result in suboptimal decisions being made by the Company
- Future acquisitions may require significant expenditures or dilution and may result in inadequate returns
- The Company is dependent on information technology systems
- The Company may be subject to costly legal proceedings
- The Company will incur increased costs as a result of complying with the reporting requirements, rules and regulations affecting public issuers.

An aerial photograph of a vast, rugged mountain range. The terrain is characterized by steep, rocky slopes in shades of brown, tan, and grey. A winding road or path is visible, snaking through the lower valleys. In the distance, a small, calm body of water is nestled between the peaks. The sky is a clear, pale blue. A dark blue rectangular overlay is positioned on the right side of the image, containing the page number and title.

# 4

## EXPLORATION AND GROWTH

## SECTION IV: EXPLORATION AND GROWTH

### 4.1. OPERATIONS MINE

AGMR Peru holds ownership of two principal underground mining assets: the Reliquias and Caudalosa mines. These historically significant mines have a legacy of mining activities spanning from 1951 to 2016, with a strong track record of producing silver, zinc, lead, gold, and copper. Over the years, these operations have demonstrated substantial output, with production levels between 2009 and 2014 averaging more than 1 million ounces of silver and approximately 3,000 ounces of gold annually. Notably, in 2012 alone, the mines yielded an average of 1.4 million ounces of silver and around 4,000 ounces of gold, processed as a bulk concentrate. The predominant mining methods implemented during these years included sub-level stoping and conventional cut-and-fill techniques, ensuring efficient extraction while maintaining operational safety.

The Reliquias underground mine is situated approximately 10 kilometers southwest of the existing processing plant, providing a strategic advantage in terms of logistics and operational efficiency. Access to the mine is facilitated through a well-developed ramp system, a vertical shaft, and multiple transport levels, allowing for smooth material handling and workforce movement. The mineralization within Reliquias consists primarily of silver-rich sulfides and sulfosalts near the upper levels, transitioning into increased concentrations of base metals at greater depths.

Similarly, the Caudalosa mine has historically been a major producer of silver-rich sulfides and sulfosalts, with additional mineralization including galena, sphalerite, and minor copper sulfides. Its geological characteristics align closely with Reliquias, presenting continued opportunities for exploration and resource expansion.

Both mines exhibit considerable exploration potential, with promising opportunities at depth and along the lateral extensions of known vein systems that were previously mined. Particularly noteworthy are the Meteysaca, Perseguida, Sacasipuedes, and Matacaballo veins, where mineralization remains open both laterally and at depth. These geological conditions make the project an attractive prospect for further underground exploration and development, enhancing the long-term production outlook.

Following an extensive exploration and drilling campaign at the Reliquias underground mine in 2022, the Company officially announced, on April 12, 2023, the release of a National Instrument (NI) 43-101 Mineral Resource Estimate. This estimate, based on data collected up until December 15, 2022, underscores the substantial resource potential of Reliquias and serves as a critical milestone in the mine's development strategy. The findings from this report provide a robust foundation for future mine planning, operational expansion, and production enhancement initiatives, reinforcing the Company's commitment to maximizing the value of its assets.

## NI 43-101 TECHNICAL REPORT MINERAL RESOURCE ESTIMATE FOR THE RELIQUIAS MINE

The Reliquias mine has undergone extensive exploration, yielding valuable insights into its mineral resource potential. The latest NI 43-101 Mineral Resource Estimate serves as an authoritative assessment of the mine's mineral inventory, ensuring transparency and compliance with industry standards. The results of this technical report, summarized in the accompanying table, provide key metrics that will guide the next phases of development, optimize operational efficiencies, and inform future investment and production strategies.

This assessment highlights the mine's continued viability and long-term production potential, reinforcing AGMR Peru's position as a significant player in the precious metals mining sector. Moving forward, the Company remains committed to advancing the exploration and development of its mining assets, leveraging cutting-edge geological and engineering expertise to unlock further value from its operations.

As AGMR Peru continues to refine its operational strategies, the Company remains committed to implementing advanced exploration techniques and state-of-the-art mining technologies to optimize resource recovery and enhance operational efficiency. By integrating modern geological modeling and high-precision drilling methodologies, AGMR Peru aims to further delineate and expand its known mineral resources, ensuring a sustainable long-term production pipeline. Additionally, the Company actively evaluates strategic partnerships and investment opportunities that could accelerate development timelines and enhance overall project economics. With a steadfast focus on responsible mining practices,

AGMR Peru is dedicated to maintaining environmental stewardship and fostering positive relationships with local communities, reinforcing its commitment to sustainable growth in the mining sector.

Resource	Grades						Contained Metal				
	Volume	Silver	Gold	Zinc	Lead	Copper	Silver	Gold	Zinc	Lead	Copper
	<i>kt</i>	<i>g/t</i>	<i>g/t</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>Moz Ag</i>	<i>Koz Au</i>	<i>Mlb Zn</i>	<i>Mlb Pb</i>	<i>Mlb Cu</i>
Measured	221	162.4	0.55	3.03%	1.95%	0.28%	1.2	3.8	14.8	9.5	1.4
Indicated	1054	129.1	0.39	3.16%	2.08%	0.34%	4.4	13	73.5	48.4	7.8
<b>M&amp;I</b>	1275	135	0.42	3.14%	2.06%	0.33%	5.5	17	88.3	57.9	9.2
Inferred	1706	126.7	0.43	2.96%	1.84%	0.28%	7	23	112	69.1	10.7

Please refer to the technical report entitled Amended and Restated NI 43-101 Technical Report: Preliminary Economic Assessment, Reliquias Mine" dated October 28, 2024 and effective May 15, 2024 (the "Technical Report") which is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.agmr.ca](http://www.agmr.ca).

From 2023 through the present in 2024, no exploration activities have been carried out at the Caudalosa mine. The historical mineral resources associated with this site are outlined in the table below. While these resources have not been independently verified, they are considered to be of sufficient quality to inform future exploration initiatives and potential mining operations.

## HISTORICAL RESOURCE ESTIMATE – CAUDALOSA PROJECT<sup>1</sup>

Category	Grades						Contained Metal				
	Mass	Silver	Zinc	Lead	Copper	AgEq	Silver	Zinc	Lead	Copper	AgEq
	kt	oz/t	%	%	%	Oz/t	Moz Ag	Mlb Zn	Mlb Pb	MlbCu	MozAgEq
Inferred	1,549	14.43	2.80%	2.79%	2.12%	24.63	22.35	95.6	95.3	72.4	38.1

(1) Disclosure of Historical Estimates Historical Resources Estimates are not Mineral Reserves or Resources and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimates. Information as of July 2019 Source: Sociedad Minera Reliquias SA, the information is based on RM-Master Pro Quality, C. Rodriguez, Abr19; RM-Master Pro Quality, C. Rodriguez, Jul19 The QP considers that the Historical Resources Estimate is relevant for the proper understanding of the Project and additional exploration including drilling could be needed to verify the historical estimate as current mineral resources A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; and The issuer is not treating the historical estimate as current mineral resources or mineral reserves

## 4.2. EXPLORATION PROPERTIES

### RELIQUIAS

In December 2021, AGMR Peru initiated an ambitious exploration campaign aimed at expanding its resource base and refining the geological understanding of its key assets. This extensive program successfully concluded in September 2023, marking a significant milestone in the Company's commitment to unlocking the full potential of its mineral resources.

The exploration efforts in 2022 included the drilling of 11,573.55 meters using HQ (96 mm) diameter core and 2,724.70 meters using NQ (75.7 mm) diameter core. Building on this foundation, the 2023 campaign expanded drilling activities with an additional 8,843.15 meters using HQ, 1,869.05 meters using NQ, 2,813.45 meters employing BQ (60 mm) diameter core, and 308.95 meters executed with Packsack equipment. These drilling methodologies were strategically chosen to accommodate varying geological conditions and optimize data collection.

Over the course of 2023, the Company successfully completed a total of 95 boreholes, amounting to 14,953.40 meters of drilled core. Of these, 50 boreholes utilized small, adaptable BQ-sized equipment, which proved highly effective for navigating narrow and structurally complex areas, while the remaining 45 boreholes were conducted using HQ/NQ diameters to ensure comprehensive geological assessment and robust data acquisition.

The primary objective of this extensive drilling program was to enhance the geological model by defining key structural features and identifying potential extensions of mineralized veins and tensional structures. This approach plays a crucial role in refining resource estimation and guiding future development and production strategies.

From the BQ drilling boreholes alone, a total of 1,358 samples were collected, consisting of 1,090 primary samples and 268 control samples. These samples are essential for detailed geochemical and mineralogical analyses, ensuring that resource estimates are accurate, reliable, and aligned with industry best practices. The wealth of data gathered through this campaign not only strengthens the Company's understanding of the Reliquias deposit but also reinforces its long-term strategy for resource development and operational growth.

Vein	Channels Sample BQ	QAQC	Total
Ayayay	146	34	180
Matacaballo	167	41	208
Pasteur	164	40	204
Perseguida	66	17	83
Pozorico	172	40	212
Sacasipuedes	88	23	111
Vulcano	106	22	128
Metseysaca	181	51	232
<b>Total</b>	<b>1,090</b>	<b>268</b>	<b>1,358</b>

From the HQ and NQ drilling boreholes conducted, a total of 4,068 samples were collected, comprising 3,426 primary samples and 642 control samples. The primary objective of these drilling activities was to intercept and delineate key structural features, including the Matacaballo, Metseysaca, Perseguida, Sacasipuedes, Natividad, Ayayay, Pasteur, Pozorico, Vulcano, and Beatita X structures.

Vein	Drilling Sample HQ/NQ	QAQC	Total
Vulcano	1,132	207	1,339
Sacasipuedes	1,129	209	1,338
Perseguida	1,066	205	1,271
Pasteur	99	21	120
<b>Total</b>	<b>3,426</b>	<b>642</b>	<b>4,068</b>

This extensive exploration campaign reflects AGMR's unwavering commitment to maximizing the potential of its mineral assets and creating long-term value for its stakeholders. The data and insights generated through these efforts will serve as a critical foundation for shaping future exploration and development strategies, reinforcing the Company's position for sustained growth and success within the mining sector.

Throughout 2023, the Company conducted a series of complementary exploration activities at the Reliquias mine, including channel sampling, density sampling, and detailed geological mapping of the main vein structures across multiple mine levels. These initiatives were designed to refine geological interpretations, improve resource estimation accuracy, and identify additional mineralization opportunities.

Additionally, rigorous Quality Assurance and Quality Control (QA/QC) protocols were implemented, ensuring the reliability and integrity of the collected data. The systematic application of these procedures strengthens confidence in resource evaluations and supports the Company's strategic planning for future mining operations. By integrating these detailed assessments with the broader exploration program, AGMR continues to enhance its geological knowledge base and optimize the potential of the Reliquias deposit.

Vein	UG Mine Samples	QAQC	Total
Metseysaca	1,777	288	2,065
Matacaballo	1,121	185	1,306
Beatita	608	96	704
Pasteur	486	78	564
Sacasipuedes	430	71	501
Vulcano I	367	61	428
Vulcano	365	57	422
Perseguida	348	57	405
Pozo Rico	145	24	169
Sorpresa	135	23	158
Ayayay	55	9	64
Grima	43	7	50
Vulcano II	30	4	34
Ramal	25	4	29
Vetilleo	25	4	29
Ramal Perseguida	18	2	20
Ramal SCS	7	1	8
<b>Total</b>	<b>5,985</b>	<b>971</b>	<b>6,956</b>

## CASTROVIRREYNA

The Castrovirreyna exploration area, situated northwest of the Reliquias mine, encompasses a total of 313 hectares and exhibits notable continuity with key mineralized vein systems, including Sacasipuedes,

Metseysaca, Perseguida, and Beatita. This geological continuity presents a highly prospective target for further exploration and resource expansion.

The surface outcrops within the study area are characterized by a sequence of pseudo-stratified porphyritic andesites, lapilli tuffs, and tuffaceous breccias containing polymictic clasts. These formations are geologically classified within the Neogene age, specifically the Miocene period (23.03 million years ago), and are attributed to the Caudalosa Formation, as documented by Salazar & Landa (1993). The observed hydrothermal alterations in the area include propylitic, argillic, sericitic, and silicic zones, particularly at the structural contacts between the mineralized veins and the surrounding host rock. These alterations serve as key indicators of potential mineralization and provide valuable insights into the geological processes that have influenced ore deposition.

From a structural perspective, the region is defined by two principal lineament systems. The first is a northwest-oriented system associated with sinistral movement and east-west compressional forces. The second is also a northwest-trending system, but it is linked to north-south extensional forces. Structural kinematic analyses suggest that the primary NE-SW oriented veins, such as Matacaballo, were formed during an extensional tectonic phase, as evidenced by their considerable vein thickness and distinct banded and crustiform textures. These formations were likely influenced by the regional dynamics of the Chonta Caldera, which exerted a NE-SW directed magmatic flow. Conversely, the NW-SE oriented veins, including Perseguida, Metseysaca, and Beatita, developed during a tensional event, which resulted in narrower vein structures.

The geological characteristics and structural controls within the Castrovirreyna exploration area underscore its strong potential for mineralization. The continuity of historically significant vein systems, combined with evidence of extensive hydrothermal activity and favorable structural conditions, positions this project as a key target for future exploration and resource development initiatives.

The following main structures have been identified:

- The Erika Vein
- The Meteysaca Vein
- The Perseguida Vein
- The Beatita Vein
- The Victoria Vein
- The Nueva Vein
- The Teresa Vein
- The Teresa II Vein
- The San Pablo Vein

## UCHUPUTO SECTOR

The Uchuputo Sector represents a highly prospective exploration target located approximately 2 kilometers from the Company's current operating zone. Spanning a total area of 131 hectares, the sector has been the focus of systematic geological assessment, with exploration activities covering approximately 80 hectares. The remaining northwest portion of the area remains underexplored, presenting further opportunities for future assessment and potential resource expansion.

The geological framework of the Uchuputo Sector is characterized by a sequence of volcanoclastic deposits, primarily composed of porphyritic andesites and lapilli tuffs, displaying a structural orientation of N200°/17°. Notably, a subvolcanic feature exhibiting andesitic-porphyritic characteristics has been identified within the area, providing additional insight into the geological processes that have shaped the region's mineralization.

Hydrothermal alterations observed within the Uchuputo Sector include propylitic, argillic, and silicic alterations, which are spatially associated with structural contacts between mineralized veins and the surrounding host rock. These alteration patterns are critical indicators of potential mineralization and suggest a strong correlation between structural controls and ore deposition.

Structurally, the area is defined by five northeast-trending sub-parallel structures and one northwest-trending structure. The mineralization within Uchuputo is primarily associated with NW-trending structures, which exhibit notable similarities to the Yahuarcocha target, further supporting the sector's exploration potential. Mineralized zones are characterized by the presence of massive quartz, crustiform quartz, alternating bands of light and dark gray silica, fine disseminated pyrite, and sporadic occurrences of chalcopyrite.

The Uchuputo Sector's structural complexity, hydrothermal alteration patterns, and mineralization style underscore its strong potential for further exploration. Continued geological mapping, sampling, and targeted drilling programs will be instrumental in refining the understanding of this promising area, with the ultimate goal of delineating

new mineral resources and contributing to the Company's long-term growth strategy.

The six main identified structures are as follows:

- Karolina Vein
- Katherine Vein
- María Vein
- Julia Vein
- Elsa Vein
- Rosa Vein

## LIRA DE PLATA

As part of the ongoing exploration efforts at the Lira de Plata Project, systematic sampling of historical dumps was conducted to assess the potential for economic mineralization and to identify the most prospective structures within the area. Over the past year, a total of 365 samples were collected, providing valuable insights into the distribution and grade of mineralized material. Based on this sampling, the estimated ore tonnage within the dumps is approximately 2,800 tons, with a calculated Net Smelter Return (NSR) of \$140.38 per ton. To ensure accuracy and reliability in the analysis, 59 of the collected samples were designated as control samples, supporting a robust quality assurance and quality control (QA/QC) framework.

The insights gained from this preliminary sampling program serve as a foundation for further geological assessment and potential resource delineation. Moving forward, the Company aims to integrate these findings into a broader exploration strategy, incorporating additional

geological mapping, geophysical surveys, and potential drill testing to unlock the full value of the Lira de Plata Project.

## DORITA

The Dorita Block remains a central focus within the Company's exploration portfolio, given its promising geological characteristics and extensive historical mining activity. Our exploration initiatives have covered an area exceeding 14 km<sup>2</sup>, encompassing detailed geological mapping, systematic rock and soil sampling programs, and the identification of high-priority targets for future drilling. This methodical approach ensures a comprehensive understanding of the region's mineralization trends and structural controls, laying the groundwork for efficient and targeted resource expansion.

As part of our fieldwork, underground channel sampling was conducted within accessible historical mine workings, providing critical data on ore continuity, grade distribution, and potential economic viability. The Dorita Block includes multiple mining concessions that host former small-scale underground operations, where high-grade polymetallic veins rich in silver, lead, zinc, and copper were historically exploited. These operations, previously under the control of CMC, ceased in the late 1980s due to economic and operational challenges. However, recent assessments, coupled with advancements in exploration techniques and mining technology, indicate that significant untapped potential remains within these vein systems.

A major milestone for the project was achieved on September 1, 2023, when the Company secured approval for the Dorita Environmental Impact Statement. This regulatory approval authorizes the execution of 21 drilling

platforms over a five-year period, paving the way for extensive exploration and resource validation. This accomplishment not only accelerates the Company's exploration agenda but also reflects a strong commitment to environmental responsibility and regulatory compliance.

Looking ahead, the Company is actively exploring strategic partnerships to enhance operational efficiency and accelerate the development timeline. By leveraging the expertise and resources of a suitable partner, the project can advance more effectively toward production readiness. Additionally, securing social approval remains a top priority. Engaging with local communities and stakeholders is essential to fostering mutual benefits, ensuring long-term project sustainability, and maintaining a responsible approach to resource development.

The ongoing exploration at the Dorita Block aligns with the Company's broader strategy of delineating substantial mineral resources and strengthening its position within the mining sector. The anticipated outcomes of this exploration campaign include the identification of high-grade ore zones, refined geological models, and improved resource confidence. These advancements are expected to drive long-term shareholder value and reinforce the Company's growth trajectory.

In summary, the Dorita Block represents a high-potential asset with the ability to deliver significant value through strategic exploration, responsible development, and collaborative partnerships. The Company's proactive approach to environmental and social governance further enhances the project's long-term viability, aligning with its commitment to sustainable and responsible mining practices.

### 4.3. PRELIMINARY ECONOMIC ASSESSMENT HIGHLIGHTS

The Preliminary Economic Assessment (PEA) serves as a critical evaluation of the economic potential and viability of the Company's mining projects. This assessment provides an in-depth analysis of key financial and operational metrics, offering stakeholders valuable insights into the anticipated economic performance of the projects under review.

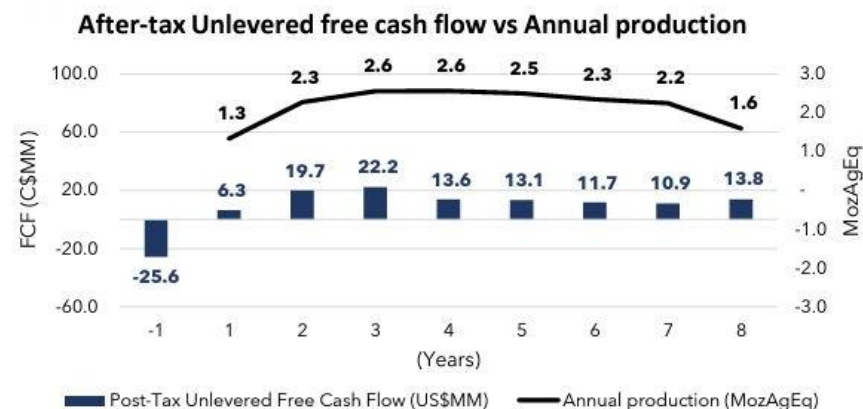
The PEA highlights encompass a range of financial indicators, including projected capital expenditures (CAPEX), operating costs (OPEX), net present value (NPV), internal rate of return (IRR), and payback period. These metrics help assess the financial feasibility of the project and provide a foundation for future investment decisions. Additionally, the assessment incorporates key production parameters such as expected ore tonnage, average grades, recovery rates, and annual production estimates.

Beyond financial considerations, the PEA also evaluates key technical and operational aspects, including mining methods, processing strategies, and infrastructure requirements. Sensitivity analyses are conducted to account for fluctuations in metal prices, operating costs, and other external factors that may impact the project's overall profitability and risk profile.

The following tables present a detailed breakdown of the key findings from the PEA, offering a transparent overview of the economic and operational outlook for the project. These results serve as an essential reference point for stakeholders, guiding strategic decision-making and helping to optimize the long-term development of the Company's mining assets.

## PEA HIGHLIGHTS AND MAIN RESULTS

	After-tax	Pre-tax
NPV@5% (C\$ million)	<b>C\$85</b>	<b>C\$107</b>
NPV@5% (US\$ million)	<b>US\$63</b>	<b>US\$79</b>
IRR (%)	51%	57%
Payback period (years)	1.5	1.8
Initial Capex	US\$24.8 million	
Sustaining capex	US\$32.3 million	
LOM tonnage processed	2,351 kt	
Avg. annual production	2.2 Moz AgEq*	
AISC	17 US\$/Oz AgEq	



### Sensitivity analysis

		Ag (\$/oz)								
		18			24			30		
		NPV @5%	IRR	Payback	NPV @5%	IRR	Payback	NPV @5%	IRR	Payback
		C\$MM	%	yrs	C\$MM	%	yrs	C\$MM	%	yrs
Au (\$/oz)	2,113	56	35%	2.4	87	52%	1.8	118	69%	1.5
	1,921	54	33%	2.5	85	51%	1.8	116	68%	1.5
	1,729	52	32%	2.5	83	50%	1.9	114	67%	1.5

\*Silver equivalent (AgEq) grades are calculated using metal prices of: silver US\$24/oz., gold US\$1921/oz, copper US\$8951/tm, lead US\$2072/tm and zinc US\$2690/tm. Silver equivalent grade is calculated as  $Ag\_Eq(oz/t) = (Ag(oz/t) + (Au(g/t) * 1.65) + (Cu(\%) * 1.80) + (Pb(\%) * 0.88) + (Zn(\%) * 0.81))$ . Metal recoveries have been applied in the silver equivalent value calculation



# 5

## ENVIRONMENTAL AND SAFETY MANAGEMENT

## SECTION V: ENVIRONMENTAL AND SAFETY MANAGEMENT

### 5.1. ENVIRONMENTAL MANAGEMENT

The Company is deeply committed to responsible environmental stewardship, integrating sustainable practices into its operational framework to minimize environmental impacts and uphold ecological integrity. Through a proactive approach, the Company has implemented a series of environmental management strategies designed to mitigate risks, promote conservation, and ensure compliance with regulatory requirements.

#### 1. ENVIRONMENTAL COMMITMENTS



AGMR prioritizes the protection and preservation of the ecosystems surrounding its mining operations. As part of this commitment, the Company has developed and implemented a range of initiatives aimed at preventing, mitigating, and restoring environmental disturbances. These initiatives align with best industry practices and regulatory guidelines, ensuring responsible resource extraction and long-term sustainability.

The key environmental management strategies include:

- **Erosion Control Measures:** Implementation of preventive actions to reduce soil degradation caused by wind and water runoff, preserving land stability and minimizing sedimentation in nearby water bodies.
- **Water Management Strategies:** Comprehensive measures for the treatment and disposal of industrial, domestic, and contact water,

ensuring compliance with water quality standards and reducing contamination risks.

- **Air Quality Mitigation:** Deployment of dust suppression systems, including spray irrigation on slopes and road watering programs, to minimize particulate matter emissions and improve air quality in and around the project sites.
- **Site Remediation and Rehabilitation:** Execution of environmental restoration programs to rehabilitate disturbed areas, restoring ecological balance and reducing long-term environmental footprints.

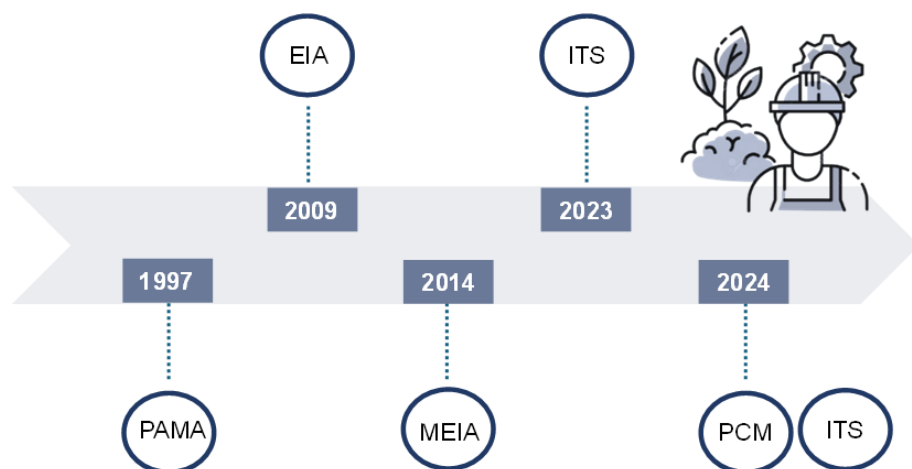
Through these initiatives, the Company reaffirms its dedication to responsible mining, balancing economic development with environmental sustainability.

#### 2. ENVIRONMENTAL MANAGEMENT INSTRUMENTS

In 2024, AGMR successfully obtained approval for six (06) Environmental Management Instruments (IGA). These regulatory approvals play a critical role in ensuring environmental compliance, enhancing operational sustainability, and reinforcing the Company's commitment to minimizing environmental impacts. The approved IGAs facilitate the implementation of environmentally responsible mining practices while aligning operations with evolving regulatory frameworks.

The approval of these instruments underscores AGMR's ongoing efforts to integrate environmental considerations into every stage of its exploration, development, and production activities. By continuously refining its environmental management approach, the Company remains dedicated

to maintaining a harmonious balance between industrial progress and environmental preservation.



Notes:

- EIA - Environmental Impact Statement
- MEIA - Environmental Impact Statement Modification
- PCM - Mine Closure Plan
- PAMA - Environmental Management and Adjustment Program
- ITS - Supporting Technical Report

### 3. ENVIRONMENTAL MONITORING AND SURVEILLANCE

AGMR has implemented a comprehensive Environmental Monitoring and Surveillance Program designed to systematically assess and track the condition of various environmental components. This program ensures compliance with Environmental Quality Standards (EQS) and Maximum Permissible Limits (MPLs) while also supporting proactive risk management. Through continuous assessment, the Company aims to maintain the integrity of surrounding ecosystems and reinforce its commitment to responsible environmental stewardship.

In addition to regulatory monitoring, the Company conducts internal assessments to verify the efficiency and reliability of its environmental controls. These evaluations help identify potential risks, optimize mitigation strategies, and uphold the highest operational and environmental standards.

To ensure accuracy and transparency, environmental monitoring is performed quarterly by an INACAL-accredited laboratory. The designated laboratory collects and analyzes environmental samples in accordance with the monitoring stations outlined in the approved Environmental Management Instruments (IGA), including the Environmental Impact Assessment (EIA), Modified Environmental Impact Assessment (MEIA), and Technical Support Report (ITS). The results from these assessments are compiled into reports and submitted to the Environmental Assessment and Oversight Agency (OEFA) for regulatory compliance.



The table below provides a summary of the environmental monitoring activities conducted throughout the year, categorized by monitoring type and frequency across four quarters (Q1–Q4):

Environmental Monitoring	Number of Environmental Monitoring Stations			
	Q1	Q2	Q3	Q4
Air Quality Monitoring	8	8	8	8
Soil Quality Monitoring	6	6	6	6
Effluent Monitoring	6	4	1	2
Ambient Noise Quality Monitoring	0	0	0	2
Surface Water Quality Monitoring	17	15	11	13
Under Water Quality Monitoring	0	0	2	2
Hydrobiological Monitoring	15	14	11	13
Biological Monitoring	8	0	8	0
Total	60	47	47	45

In addition to these monitoring activities, piezometers are strategically installed to evaluate groundwater levels and detect potential leaks. These instruments play a crucial role in water management, helping to prevent contamination, ensure compliance with environmental standards, and enhance overall water resource management.

AGMR’s robust environmental monitoring system reflects its proactive approach to minimizing ecological impact and fostering sustainable mining practices. By continuously analyzing environmental data and refining its mitigation strategies, the Company ensures long-term environmental responsibility and regulatory compliance.



#### 4. PARTICIPATORY MONITORING

AGMR recognizes the importance of **transparency, collaboration, and community engagement** in its environmental management practices. As part of this commitment, the Company has implemented a **Participatory Monitoring Program**, which actively involves **local communities, authorities, and key stakeholders** in the oversight and assessment of environmental impacts.

This initiative serves multiple purposes:

- **Enhancing Transparency:** By directly engaging local stakeholders, AGMR ensures open communication and fosters trust regarding environmental performance and compliance.
- **Strengthening Community Relations:** The active participation of communities helps align mining activities with local expectations, addressing concerns proactively and reinforcing AGMR's commitment to responsible operations.
- **Leveraging Local Knowledge:** Community members often have valuable insights into environmental changes in their surroundings. Their observations complement technical monitoring efforts, contributing to a more comprehensive understanding of potential impacts.
- **Promoting Inclusive Decision-Making:** Involving stakeholders in environmental oversight fosters a shared sense of responsibility and ensures that implemented measures reflect both **regulatory requirements and community priorities**.

Through **regular participatory monitoring events**, AGMR facilitates open discussions on environmental findings, shares monitoring results, and incorporates feedback into its sustainability strategies. These collaborative efforts **reinforce responsible mining practices**, ensuring that AGMR not only meets but exceeds environmental standards while **building long-term, mutually beneficial relationships with local communities**.



Staff Training	Monitoring Development	Results Presentation
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## 5. ENVIRONMENTAL SUPERVISION

Environmental supervision plays a **critical role** in AGMR's environmental management framework, ensuring that all mining activities are conducted **sustainably, responsibly, and in full compliance with environmental regulations**. This proactive approach enables the Company to **identify, prevent, and mitigate** potential environmental impacts, reinforcing its commitment to operational excellence and ecological stewardship.

Key aspects of AGMR's environmental supervision strategy include:

- **Regulatory Compliance:** Continuous oversight ensures adherence to national and international environmental regulations, industry best practices, and internal environmental policies.
- **Impact Prevention and Mitigation:** Through systematic inspections and evaluations, potential environmental risks are identified early, allowing for timely corrective measures to minimize negative impacts.
- **Operational Efficiency and Best Practices:** Environmental supervision helps optimize resource use, reduce waste, and implement innovative solutions that enhance sustainability across all mining operations.

- **Stakeholder Accountability:** By ensuring that all departments and contractors comply with environmental standards, AGMR fosters a culture of responsibility and sustainability within its workforce and supply chain.

By integrating **regular inspections, audits, and real-time monitoring systems**, AGMR's environmental supervision program serves as a **foundation for sustainable mining**, safeguarding natural ecosystems while supporting the Company's long-term operational success.



## 6. ENVIRONMENTAL MANAGEMENT PLAN

AGMR has developed a comprehensive Environmental Management Plan (EMP) designed to ensure that all mining operations are conducted sustainably, responsibly, and in full compliance with environmental regulations. This structured approach focuses on preventing, mitigating, and managing environmental impacts while promoting continuous improvement in environmental performance.

### Key Components of the Environmental Management Plan:

- **Regulatory Compliance and Best Practices:** The EMP aligns with national and international environmental standards, ensuring that AGMR adheres to legal obligations and industry-leading sustainability practices.

- **Risk Prevention and Impact Mitigation:** The plan includes proactive strategies to **identify and address potential environmental risks**, minimizing the ecological footprint of mining operations.
- **Monitoring and Reporting:** Regular environmental assessments, audits, and real-time monitoring systems are integrated into the plan, ensuring transparency and accountability in environmental performance.
- **Community Engagement and Social Responsibility:** AGMR prioritizes open dialogue with local communities, ensuring that environmental initiatives align with stakeholder concerns and promote shared benefits.

### Waste Management: A Circular Approach to Sustainability

A key pillar of the Environmental Management Plan is **sustainable waste management**, particularly in the handling of organic waste from mining camps and dining facilities. AGMR has implemented a **composting program** that converts organic waste into **nutrient-rich compost**, which is then used for the **restoration and maintenance of green areas** around its operations.

This initiative reflects AGMR's commitment to:

- **Circular Economy Principles** – Reducing waste generation and maximizing resource efficiency.
- **Ecosystem Restoration** – Enhancing biodiversity and soil health through compost application.
- **Sustainable Operational Practices** – Integrating eco-friendly waste management solutions into daily mining activities.

By continuously improving its environmental management strategies, AGMR demonstrates a strong commitment to sustainability, ensuring that its mining operations minimize environmental impact while contributing positively to surrounding ecosystems and communities.



For waste that cannot be reused or repurposed, AGMR has implemented a state-of-the-art sanitary landfill equipped with a high-density polyethylene (HDPE) geomembrane-lined disposal cell. This advanced containment system is specifically designed to prevent leachate infiltration, thereby protecting soil and water resources from contamination.



Hazardous waste, on the other hand, is stored in the Temporary Storage Facility for Hazardous Industrial Waste (DRIP), where it is managed for final disposal through a Solid Waste Operator Company (EO-RS).



Regarding general waste segregation, AGMR follows the color code established by the NTP 090.058.2019 standard to ensure the proper classification of paper and cardboard, non-reusable waste, glass, metals, plastics, hazardous waste, and organic waste. This process is carried out in Reliquias and Caudalosa Grande, respectively.

### Treatment of domestic and industrial wastewater

Ensuring access to clean and safe water is a fundamental priority for AGMR. The company has made significant investments in modern water treatment infrastructure, reinforcing its commitment to environmental sustainability and community well-being.

In 2022, AGMR successfully commissioned a Drinking Water Treatment Plant (PTAP), designed to provide a reliable and safe water supply for workers and local populations. By 2024, this facility continues to operate efficiently, ensuring consistent access to high-quality drinking water in compliance with health and environmental standards.

To responsibly manage mining effluents, AGMR operates two state-of-the-art Industrial Wastewater Treatment Plants. These facilities play a critical role in:

- Treating mining effluents before discharge, ensuring minimal environmental impact.
- Complying with stringent environmental regulations, safeguarding water sources and ecosystems.
- Promoting sustainable water management through continuous monitoring and process optimization.

In 2024 alone, AGMR successfully treated 1,916,116 m<sup>3</sup> of water across its treatment plants, significantly contributing to the protection of natural water resources and reinforcing its commitment to responsible mining practices.

Through these initiatives, AGMR prioritizes water conservation, pollution prevention, and sustainable operations, ensuring that its mining activities align with environmental best practices and support surrounding communities.

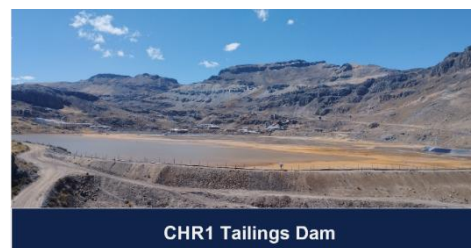


## Management of Non-Contact Water



Mining activities involve proper management of non-contact water from runoff and various water bodies. Maintaining channels is essential to ensure the efficiency and durability of infrastructure, preventing deterioration issues.

## Management of Contact Water



Environmental management of contact water is a critical part of environmental management. Contact water may contain harmful elements for the environment, underscoring the importance of responsible management. By implementing proper regulation and prevention measures, we can minimize the risks associated with this type of water. This not only protects the environment and human health but also ensures the long-term sustainability of our operations.

## Remediation and Management of Green Areas



In 2024, AgMR has made significant progress in its commitment to environmental responsibility and sustainability. As part of this effort, remediation plans have been implemented to address impacted areas, reaffirming the company's dedication to environmental protection and the well-being of the communities where it operates.

## 5.2. OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

At AGMR, safety and occupational health are fundamental pillars of our operations. We are fully committed to fostering a safe and healthy work environment, ensuring that all employees operate under the highest safety standards. Our objective is to eliminate workplace accidents, injuries, and occupational illnesses through the strict implementation of policies, procedures, and risk mitigation strategies.

To achieve this, we enforce comprehensive Safe Work Procedures (SWPs) and adhere to industry best practices that effectively minimize risks in both underground and surface operations. Through continuous monitoring, proactive hazard identification, and preventive measures, we maintain a strong safety culture across all operational areas.

### Safety Performance and Achievements in 2024

Our unwavering commitment to workplace safety has delivered remarkable results. As of 2024:

- Zero fatal or incapacitating accidents reported.
- Zero frequency, severity, and accident rate recorded.

This outstanding performance is a direct result of:

- Strict enforcement of safety protocols and SWPs
- Regular safety drills and emergency preparedness exercises
- Continuous oversight and prompt corrective action implementation

## Risk Management and Safety Enhancements

To further strengthen our safety management system, we conducted a comprehensive risk assessment, identifying 14 critical risks associated with both current operations and future developments. This proactive approach has allowed us to:

- Establish and refine safety standards and control measures to mitigate potential hazards.
- Enhance supervision involvement in safety management, ensuring high performance and accountability at all levels.
- Promote a culture of continuous improvement, where safety is ingrained in daily operations.

By embedding safety excellence into our corporate values, AGMR remains steadfast in its mission to protect the well-being of all employees while maintaining the highest standards of operational integrity and risk management.

Nº	Indicators	Cumulative 2024
1	Total Number of Workers (Average)	80
2	Man-Hours Worked	177,760
3	Incidents	0
4	Dangerous Incidents	0
5	Minor Accidents	0
6	Incapacitating Accidents	0
7	Fatal Accidents	0
8	Accidents with Property Damage	0
9	Lost Days	0



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**SOCIAL &  
LEGAL  
MANAGEMENT**

## SECTION VI: SOCIAL AND LEGAL MANAGEMENT

At AGMR, we are committed to developing our operations within a socially harmonious framework, fostering mutual respect, trust, and long-term collaboration with local communities. Our goal is to leave a positive and lasting legacy that enhances quality of life and contributes to the sustainable development of future generations.

<b>VISION</b>	To be recognized as a benchmark for local development, driving progress through a Territorial Approach that integrates economic, social, and environmental sustainability.
<b>MISSION</b>	To work collaboratively with communities, authorities, and stakeholders to close socio-economic gaps, enhance quality of life, and promote peaceful, productive, and sustainable coexistence within our area of influence.

In 2024, we expanded our engagement efforts, successfully involving not only the two local communities within our direct area of influence but also district, provincial, and regional political authorities, along with key state institutions. This multi-stakeholder approach has allowed us to align efforts for the collective benefit of the population.

Our social management initiatives have focused on key development areas, incorporating an intercultural and gender-sensitive approach to ensure inclusive and equitable progress.

### 6.1. HEALTH AND NUTRITION

AGMR actively contributes to local health initiatives, working closely with the Local Coordination Instance (IAL) led by the Santa Ana District Municipality. A primary focus has been combating child malnutrition and anemia, addressing critical public health concerns affecting the community's well-being.

As part of our healthcare support strategy, we have:

- Participated in the implementation of health posts in the Santa Rosa Annex and Centro Santa Ana Annex, both within the Salcca Santa Ana Peasant Community.
- Facilitated the recategorization of healthcare facilities, ensuring they meet the standards set by the Regional Health Directorate (DIRESA), improving access to essential medical services.



"Donation of materials for the improvement of infrastructure at the Santa Rosa Annex Health Post."



*"Financial contribution for the management payment of recategorization and donation of construction materials for the infrastructure improvement of the Santa Ana Health Post"*

## 6.2. EDUCATION

Recognizing the transformative power of education, AGMR has established strategic partnerships and developed programs that enhance educational access and quality for students within our area of influence.

Key initiatives include:

- Formal cooperation agreements with UGEL Castrovirreyna and the Castrovirreyna Higher Technological Institute, fostering academic growth and technical training opportunities.
- Psychopedagogical workshops designed for parents and students across multiple educational institutions, supporting mental well-being, academic performance, and family engagement in learning.
- Distribution of school supplies, ensuring that students have the resources needed to succeed, reinforcing educational equity and expanding learning opportunities.

Through these education-focused efforts, we aim to empower the next generation, equipping them with the skills and knowledge necessary to drive sustainable development within their communities.



*"Signing of the cooperation agreement with the I.E.T. Castrovirreyna"*



*"Psychopedagogical workshops with children and parents"*



*"Signing of the interinstitutional cooperation agreement with the UGEL of Castrovirreyna"*



*"Delivery of school supplies benefiting our two communities within the area of influence"*

The development of operations at AGMR will serve as a catalyst for job creation, generating employment opportunities that will contribute to the economic and social well-being of the surrounding communities. As part of our commitment to sustainable and inclusive development, we will prioritize—though not exclusively—the hiring of local labor, fostering the growth of the regional economy and ensuring that the benefits of our operations extend directly to the people in our area of influence.

Currently, our local workforce is actively engaged in environmental conservation initiatives, participating in programs designed to enhance their skills and competencies. By investing in training and capacity-building, we not only equip individuals with valuable technical knowledge but also empower them to take an active role in preserving their natural surroundings. This initiative aligns with our broader goal of strengthening community resilience, fostering a culture of environmental stewardship, and improving the overall quality of life for local residents.

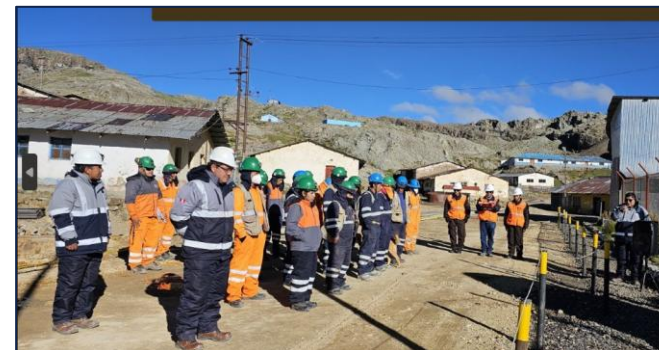
Beyond employment, our approach seeks to establish a long-term impact, ensuring that the knowledge and skills acquired through these programs enable sustained professional growth and open pathways for economic diversification. By integrating environmental awareness with workforce development, we are reinforcing a shared responsibility for the region's sustainability while simultaneously enhancing livelihoods and creating a more inclusive and self-reliant community.



*"Training of our local collaborators in environmental monitoring"*



*"Daily inductions"*



*"Awareness-raising through cultivating values"*

### 6.3. SOCIAL AND PRODUCTIVE DEVELOPMENT

We have signed cooperation agreements with the Provincial Municipality of Castrovirreyna, with whom we have opened the access road between the annexes of Cruzpata and Recio, improved the drinking water system in the annexes of Pucacancha and Pacococha, and are currently working on a project to build the road connecting the annexes of Recio (Community of Castrovirreyna) and Santa Rosa, sector Vacahuasi (Community of Sallica Santa Ana). This road will be a crucial commercial corridor for the economic development of both our communities within the area of influence.

At AGMR, we are committed to fostering sustainable social and economic growth in the communities within our area of influence. Through strategic partnerships and collaborative initiatives, we actively contribute to improving infrastructure, strengthening local economies, and preserving cultural traditions.

#### Infrastructure and Economic Development

We have established cooperation agreements with the Provincial Municipality of Castrovirreyna, leading to significant infrastructure

improvements that enhance accessibility and connectivity for local communities:

- **Road Development:** We successfully opened an access road connecting the annexes of Cruzpata and Recio, improving mobility and facilitating the transportation of goods and services.
- **Drinking Water System Improvements:** We enhanced the water supply systems in the annexes of Pucacancha and Pacococha, ensuring better access to clean water for residents.
- **Key Commercial Corridor:** We are currently working on a major road project linking the annex of Recio (Community of Castrovirreyna) with Santa Rosa, sector Vacahuasi (Community of Salcca Santa Ana). This road will serve as a crucial commercial corridor, significantly boosting economic activities and improving the quality of life for both communities.

### **Strategic Planning for Sustainable Development**

In line with national planning requirements set by CEPLAN (National Center for Strategic Planning), we have developed the Concerted Development Plans for the Communities of Castrovirreyna and Salcca Santa Ana. These plans provide a structured framework to guide future development efforts, ensuring that growth initiatives align with community priorities and long-term sustainability goals.

### **Humanitarian Support and Emergency Response**

We recognize the vulnerability of our communities to natural disasters and unforeseen challenges. In response to the devastating forest fires that resulted in significant livestock losses, we collaborated with multiple stakeholders to provide critical humanitarian assistance, including:

- Distribution of alpacas, veterinary medicines, and food aid to affected families.
- Coordination with local authorities and institutions, including the Salcca Santa Ana Community, District Mayor, Sub-Prefect, Deputy Governor, Agro Rural, DIRCANS, the Health Network, and the general population, to ensure a comprehensive response that effectively addressed the community's needs.
  - Cultural Engagement and Community Integration
  - We actively support and participate in the cultural and social life of our communities, reinforcing our commitment to respecting and preserving local traditions. Our involvement includes:
- Farmers' Day celebrations, honoring the agricultural heritage of our communities.
- Vicuña Chaccu, a traditional gathering and shearing of vicuñas across different annexes.
- Anniversaries and religious festivals, strengthening community bonds and cultural identity.
- Community assemblies and meetings, fostering open dialogue and collaboration.
- Christmas campaigns, bringing joy and solidarity to families during the holiday season.
  - Commitment to Social Inclusion and Equity
  - We place a strong emphasis on respecting the cultural diversity of the communities surrounding our operations. We acknowledge and support local governance structures, traditions, and social dynamics, ensuring that our presence fosters a harmonious and mutually beneficial relationship between the company, the government, and the local population. Our initiatives are designed to promote:

- Equity and social inclusion, ensuring that all community members benefit from development programs.
- Equal opportunities, empowering individuals to access resources and improve their livelihoods.
- Strengthened community relations, creating spaces for dialogue, collaboration, and shared growth.

Through these efforts, we reaffirm our commitment to sustainable and inclusive development, ensuring that our operations contribute positively to the long-term well-being and prosperity of our communities.



*"Training for the Anniversary Celebration of the Castrovirreyna Peasant Community"*



*"Vicuña Chaccu in the Annexes of CC Salcca Santa Ana"*



*"Religious festival at Centro Santa Ana"*

#### 6.4. MAIN ACHIEVEMENTS OF THE AREA

Throughout the year, we have made significant progress in strengthening relationships with local communities, securing strategic agreements, and ensuring regulatory compliance to facilitate the successful execution of our projects. These accomplishments reflect our commitment to fostering social harmony, collaborative development, and transparent stakeholder engagement.

##### Strengthening Community Relations

- **Restoration of Community Dialogue:** We successfully reestablished relationships with all annexes of the surrounding communities, including San Genero, which had initially distanced itself due to the absence of a formal contract between the company and the parent community. With renewed engagement, members of San Genero are now open to dialogue and collaboration.
- **Social Contribution Agreement with Pacococha:** We formalized a Social Contribution Agreement with the annex of Pacococha,

Community of Castrovirreyna, ensuring joint efforts in project development while maintaining social peace throughout the project's execution.

### Regulatory Compliance and Project Approvals

- We obtained all necessary permits required for exploration, geological mapping, sampling, and other essential activities, enabling smooth project progression while adhering to regulatory standards.
- We collaborated with the Environmental Department to implement participatory environmental monitoring, ensuring the successful completion of activities without community opposition. This initiative reinforced transparency and strengthened local trust in our environmental stewardship.

### Institutional Partnerships and Resource Mobilization

- We established an Institutional Cooperation Agreement with the Castrovirreyna Higher Technological Institute and UGEL Castrovirreyna, allowing us to jointly secure funding from external sources, including the regional government, ministries, NGOs, and international cooperation agencies. This initiative aims to channel additional resources for community benefit, particularly in education and skills development.

### Ongoing Stakeholder Engagement

- We maintain a **constant and proactive relationship with the Regional Government of Huancavelica**, working closely with its various management offices to align efforts and address local needs.

- Our outreach extends to a broad network of stakeholders, including:

- Provincial and District Municipalities
- Directors of key public institutions, such as the Health Network, Agrorural, Agricultural Agency, UGEL, Reniec, Social Programs, and National Police
- Government representatives, including the Prefecture and Subprefectures

These engagements facilitate bilateral alliances for project execution, enabling us to effectively respond to local demands while ensuring sustainable and inclusive development.

By achieving these milestones, we reinforce our commitment to responsible business practices, community well-being, and long-term social sustainability. Our efforts continue to focus on building trust, fostering economic opportunities, and ensuring the success of our operations in alignment with local and regional development objectives.



*"Implementation of Psychopedagogical Workshops in different Educational Institutions"*



*"Community engagement with members of the different peasant communities in our area of influence"*



"Participation in various traditional activities in our communities"



"Donation of supplies to children in the catechism of the Castrovirreyna church"



"Inauguration of the Phytotoldo in the Caudalosa Grande Annex"



"Participation in community assemblies at the Recio Annex"



"Meeting with parents in the Educational Institutions of the Communities"



"Training workshop on 'Alpaca Fiber Production Chain'"



"Execution of the access road between the annexes of Recio and Cruzpata"



"Interaction with different social actors in our communities"



"Psychopedagogical workshops in the Educational Institutions of the annexes in our Area of Influence"



"Participation in the Farmers' Day celebration"



"II Regional Meeting of Social Development Managers"



"Meeting with various authorities"



*"Participation in the Vicuña Chaccu: Integration with the Community"*



*"Care for the elderly and vulnerable populations"*

*"Christmas Campaign 2024"*



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## FINANCIAL RESULTS

## SECTION VII: FINANCIAL RESULTS

### 7.1. Independent Auditor's Report



Tel: (604) 688-5421  
Fax: (604) 688-5132  
www.bdo.ca

BDO Canada LLP  
Royal Centre, 1065 West Georgia Street  
1100, P.O. Box 11101  
Vancouver, British Columbia  
V6E 3P3

#### Independent Auditor's Report

To the Shareholders of Silver Mountain Resources Inc.

##### Opinion

We have audited the consolidated financial statements of Silver Mountain Resources Inc. and its subsidiaries (the Company), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of net and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively "IFRS Accounting Standards").

##### Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company has changed its method of classifying liabilities as current or non-current as of January 1, 2023 due to the adoption of amendments to IAS 1, *Presentation of Financial Statements*, and included the presentation of the statement of financial positions as of January 1, 2023.

##### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred losses from inception and has an accumulated deficit of \$14,296,591 at December 31, 2024. For the year ended December 31, 2024, the Company incurred a net loss of \$1,981,550. The Company expects to incur further losses in the exploration of its mineral properties, funding of which is dependent on the Company being able to draw down on its current cash, maintain cost control measures and raise additional capital. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of



our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

##### Assessment of impairment indicators on Exploration and Evaluation Assets ("E&E Assets")

###### Description of the key audit matter

At each reporting date, management assesses the Company's E&E Assets for indicators of impairment in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*. This assessment involves judgment, including whether the rights to tenure for the areas of interest are current, and the Company's ability and intention to continue to evaluate and develop the area of interest. We have therefore considered this a Key Audit Matter due to the judgment involved in the assessment of indicators of impairment.

Please refer to Notes 2(f) and 2(g) to the consolidated financial statements for the Company's E&E Assets accounting policy and Note 3 which details the critical judgments used in assessing the impairment of E&E assets.

###### How the key audit matter was addressed in the audit

Our audit procedures included but were not limited to:

- Obtained and reviewing management's assessment of impairment indicators under IFRS 6,
- Obtained an understanding of the current exploration program and any associated risks through discussions with management and review of technical reports,
- Assessed that the Company's right to tenure for the areas of interest are current, which included obtaining supporting documentation and performed title search for the mining licenses,
- Considered the Company's ability and intention to continue to evaluate the area of interest, which included performing an assessment of the Company's cash flow forecast models, discussions with management as to the intentions and strategy of the Company, and comparison of these to other audited information.

##### Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mark Zastre.

*BDO Canada LLP*

Chartered Professional Accountants

Vancouver, British Columbia

April 23, 2025

## 7.2. Balance Sheet

As of	As of Dec	As of Dec	24YE vs 23YE	
	31. 2024	31. 2023	US\$M	%
	US\$M	US\$M	US\$M	%
<b>Current Assets</b>				
Cash and cash equivalents	4.3	4.7	-0.4	-8%
Restricted Cash	0.2	0.2	0.0	-1%
Amounts receivable	0.1	0.1	0.0	0%
Prepaid expenses	0.1	0.3	-0.2	0%
<b>Total Current Assets</b>	<b>4.7</b>	<b>5.3</b>	<b>-0.6</b>	<b>-10%</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	0.3	0.4	-0.1	-21%
Exploration and evaluation costs	27.5	24.2	3.3	13%
Tax credits	3.9	3.5	0.4	12%
<b>Total Current Assets</b>	<b>31.7</b>	<b>28.1</b>	<b>3.6</b>	<b>13%</b>
<b>Total Assets</b>	<b>36.4</b>	<b>33.4</b>	<b>3</b>	<b>9%</b>
<b>Current Liabilities</b>				
Amounts payable and other payables	1.2	1.6	-0.4	-26%
Warrant Liability	1.6	0.9	0.7	78%
<b>Total Liabilities</b>	<b>2.8</b>	<b>2.5</b>	<b>0.3</b>	<b>10%</b>
<b>Shareholder's Equity</b>				
Share capital	46.7	42.1	4.6	11%
Contributed surplus	1.4	1.1	0.3	26%
Deficit	-14.4	-12.3	-2.1	17%
<b>Total Shareholder's Equity</b>	<b>33.7</b>	<b>30.9</b>	<b>2.8</b>	<b>9%</b>

## 7.3. Profits & Loss

	Year End December 31			
	2024	2023	24 V 23	
	US\$M	US\$M	US\$M	%
<b>Operating Expenses</b>				
G&A	-2.9	-3.5	0.6	-19%
Share based Compensation	-0.3	-0.4	0.1	-26%
<b>Operanting Loss</b>	<b>-3.2</b>	<b>-3.9</b>	<b>0.7</b>	<b>-20%</b>
Financial Expenses	0.0	0.1	-0.1	-184%
FX Gain (Loss)	0.1	0.0	0.1	100%
Realized gain on disposal of property, plant and equipment	0.0	0.0	0.0	100%
Unrealized gain on revaluation of warrant liability	1.0	1.2	-0.2	-15%
<b>Net &amp; Comprehensive Loss</b>	<b>-2.1</b>	<b>-2.6</b>	<b>0.5</b>	<b>0%</b>

## 7.4. Cash Flow

	Year End December 31			
	2024	2023	24 V 23	
	US\$M	US\$M	US\$M	%
<b>Operating Activities</b>				
Net Loss of the Period	-2.1	-2.6	0.5	-19%
Non-Cash Items	-1.0	-0.8	-0.2	21%
Changes in WK Items	0.1	-1.2	1.3	-106%
<b>Total Operating Activities</b>	<b>-3.0</b>	<b>-4.6</b>	<b>1.6</b>	<b>-35%</b>
<b>Investing Activities</b>				
Exploration cost additions	-3.8	-8.9	5.1	-57%
Purchase of mining concessions	0.0	-0.1	0.1	-52%
PP&E (net)	0.0	-0.1	0.1	-95%
<b>Total Investing Activities</b>	<b>-3.8</b>	<b>-9.1</b>	<b>5.3</b>	<b>-58%</b>
<b>Financing Activities</b>				
Proceeds from issuance of shares in Offering (net)	6.5	6.6	-0.1	-1%
Proceeds from issuance of shares in IPO (net)	0.0	3.0	-3.0	-100%
<b>Total Financing Activities</b>	<b>6.5</b>	<b>9.6</b>	<b>-3.1</b>	<b>-32%</b>
<b>Net Change in Cash</b>	<b>-0.4</b>	<b>-4.1</b>	<b>3.8</b>	<b>-90%</b>
<b>Beginning Cash Balance</b>	<b>4.7</b>	<b>8.8</b>	<b>-4.1</b>	<b>-47%</b>
<b>Total Ending Cash Balance</b>	<b>4.3</b>	<b>4.7</b>	<b>-0.3</b>	<b>-8%</b>

## 7.5. Analysis and comments on the Financial Statements

Accounting standards define a financial instrument as any financial asset and liability of a company, considering as such cash, accounts receivable, and accounts payable, among others.

In the opinion of management, the fair value of its financial instruments is not significantly different from their respective carrying amounts as at December 31, 2024 and 2023. Therefore, the disclosure of such information does not affect the consolidated financial statements on those dates.

The following are the amounts of financial assets and liabilities in the consolidated statements of financial position, classified by category:

	As at December 31, 2024			As at December 31, 2023		
	At fair value through profit or loss	At amortized cost	Total	At fair value through profit or loss	At amortized cost	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,269,452	\$ -	\$ 4,269,452	\$ 4,660,229	\$ -	\$ 4,660,229
Restricted cash	263,438	-	263,438	267,206	-	267,206
Amounts receivable and other assets	-	84,437	84,437	-	66,030	66,030
	<b>\$ 4,532,890</b>	<b>\$ 84,437</b>	<b>\$ 4,617,327</b>	<b>\$ 4,927,435</b>	<b>\$ 66,030</b>	<b>\$ 4,993,465</b>
<b>LIABILITIES</b>						
Amounts payable and other payables	\$ -	\$ 1,160,385	\$ 1,160,385	\$ -	\$ 1,570,331	\$ 1,570,331
Warrant liabilities	1,576,676	-	1,576,676	921,686	-	921,686
	<b>\$ 1,576,676</b>	<b>\$ 1,160,385</b>	<b>\$ 2,737,061</b>	<b>\$ 921,686</b>	<b>\$ 1,570,331</b>	<b>\$ 2,492,017</b>

## Fair value hierarchy

To increase the consistency and comparability of fair value measurements, a fair value hierarchy has been established that classifies the input data of valuation techniques used to measure fair value into three levels:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and will be used without adjustment to measure fair value whenever available; and

Level 2: The information is different from the quoted prices included in Level 1. Other techniques are used by which all the data that have a significant effect on the registered fair value are either directly (i.e. as prices) or indirectly (i.e. derived from prices) observable; and

Level 3: Techniques that use data that are not based on observable market data (unobservable inputs) and significantly affect fair value.

The carrying amount of cash and cash equivalents corresponds to its fair value. The Company considers that the carrying amount of amounts receivable and amounts payable and other payables is similar to their fair values due to their maturity in the short-term. As of December 31, 2024, the Company did not hold financial instruments recorded at fair value that would require classification within the fair value hierarchy, except for warrant liabilities (Level 1).

## Risk management policies

The Company's activities expose it to a variety of financial risks. The main risks that may adversely affect the Company's financial assets and liabilities, as well as its future cash flows, are liquidity, credit, and exchange rates. The Company's risk management program tries to minimize potential adverse effects. Management is aware of the existing market conditions and, based on its knowledge and experience, reviews, agrees, and controls risks, following the policies approved by the Board of Directors.

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

### Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Company controls the required liquidity through proper management of the maturities of assets and liabilities in such a way as to achieve a match between the flow of financing, future income, and future payments.

The following table shows the maturities of financial liabilities at their nominal value:

As at December 31, 2024	Less than one year	More than one year	Total
Amounts payable and other payables	\$ 1,160,385	\$ -	\$ 1,160,385

As at December 31, 2023	Less than one year	More than one year	Total
Amounts payable and other payables	\$ 1,570,331	\$ -	\$ 1,570,331

## Credit risk

The Company's financial assets potentially exposed to concentrations of credit risk consist mainly of bank deposits, amounts receivable and tax credits receivable. The Company reduces the probability of significant concentrations of credit risk because it maintains its deposits and places its cash investments in well-established financial institutions and limits the amount of exposure to credit risk in any of the financial institutions. The Company also believes that the risk of loss related to amounts receivable and tax credits receivable is minimal.

## Exchange risk

Most transactions are made in U.S. dollars. Exposure to exchange rates comes from some supplier invoices and amounts receivable in Soles, and cash and cash equivalents balances in Canadian dollars. In the consolidated statements of financial position, these items are presented at the end-of-period exchange rate.

To mitigate exposure to foreign exchange risk, cash flows denominated in non-functional currencies are continually reviewed. In general, when the amounts to be paid for purchases in Soles exceed the amount available in that currency, a currency exchange operation is carried out.

Operations in foreign currencies are carried out at the available spot exchange rates. The Company has exposure to Peruvian Soles and Canadian dollars.

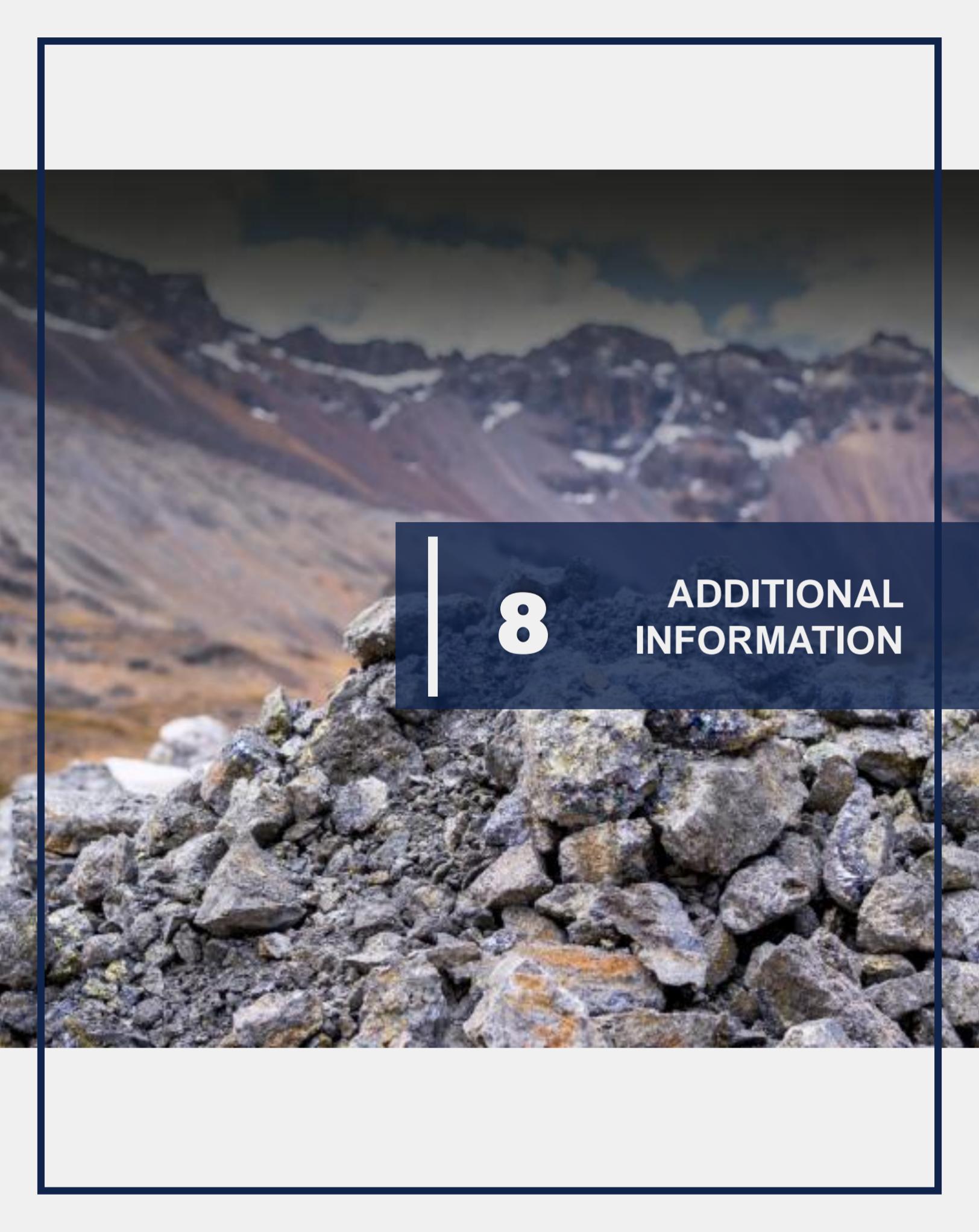
The financial assets and liabilities in Soles and Canadian dollars are as follows:

	As at December 31, 2024	As at December 31, 2023
Cash and cash equivalents	\$ 1,242,994	\$ 1,380,952
Amounts receivable and other assets	3,969,408	40,248
Prepaid expenses	-	31,504
Amounts payable and other payables	(705,024)	(634,592)
Warrant liabilities	(1,576,676)	(921,686)
<b>Net (liabilities) assets</b>	<b>\$ 2,930,702</b>	<b>\$ (103,574)</b>

As of December 31, 2024 and 2023, management has decided to assume the exchange risk generated by this position. Therefore, it has not carried out hedging operations with derivative products. During the year ended December 31, 2024, the Company recorded a net foreign exchange difference loss of \$108,561 (year ended December 31, 2023 - \$129,474).

A sensitivity analysis of the profit or loss for the years ended December 31, 2024 and 2023 has been carried out with respect to the effect of a reasonably possible variation in the exchange rate of the Soles and Canadian dollars on financial assets and liabilities denominated in that currency, considering that all other variables will remain constant. If the Soles and Canadian dollars exchange rate had increased or decreased with respect to the functional currency according to the percentages in the table below, these would have been the effects on the Company's loss before income tax:

Year Ended December 31, 2024		Year Ended December 31, 2023	
Percentage change in exchange rate	Effect on profit or loss for the year	Percentage change in exchange rate	Effect on profit or loss for the year
+ 5	\$ 146,535	+ 5	\$ (5,179)
- 5	\$ (146,535)	- 5	\$ 5,179



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**ADDITIONAL  
INFORMATION**

## SECTION VIII: ADITONAL INFORMATION

### 8.1. CORPORATE HIGHLIGHTS

- On **January 9, 2024**, the Company announced and signed a 20-year agreement with the Castrovirreyna community granting use of land for the planned restart of the Reliquias mine.
- On **January 23, 2024**, the Company provided a shareholder announcement that delineates a roadmap for production. It outlines the achievements of 2023 and the upcoming milestones for 2024.
- On **January 24, 2024**, the Company announced the appointment of W. John DeCooman Jr. as director and Gerardo Fernandez as board advisor.
- On **January 31, 2024**, the Company announced metallurgical recoveries and concentrate grades from its Reliquias project Peru.
- On **February 7, 2024**, the Company announced the doubling of contained silver content with higher grade and increased tonnage in the measured and indicated categories in an updated mineral resource estimate at its Reliquias project, Peru.
- On **February 22, 2024**, the Company granted stock options to certain directors, officers and employees of the Company to purchase up to 6,800,000 class A common shares in the capital of the Company (each, a “Common Share”), exercisable at a price of \$0.10 per share and expiring February 22, 2028.
- On **March 19, 2024**, the Company filed a NI 43-101 Technical Report for a previously announced updated mineral resource estimate at the Reliquias project.

- On **April 16, 2024**, the Company announced that it had entered into an agreement pursuant to which Eight Capital and SCP Resource Finance LP would offer for sale up to 68,200,000 units of the Company on a best-efforts basis at a price of C\$0.11 per unit, for aggregate gross proceeds of up to C\$7,502,000. Each unit to be comprised of one Common Share and one warrant, with each warrant to entitle the holder to acquire an additional Common Share for a period of 48 months, at an exercise price of \$0.135.
- On **April 19, 2024**, the Company announced that it had upsized the April 2024 Prospectus Offering (as defined below).
- On **April 24, 2024**, the Company closed its prospectus offering of 81,818,500 units of the Company (“Units”) at a price of \$0.08 (C\$0.11) per Unit (the “Prospectus Offering Price”), for gross proceeds of \$6,564,626 (C\$9,000,035) (the “April 2024 Prospectus Offering”). The Company also issued an additional 5,820,428 Units at the Prospectus Offering Price for additional gross proceeds of \$466,996 (C\$640,247) in connection with the partial exercise of the over-allotment option.  
Each Unit is comprised of one Common Share and one Common Share purchase warrant. Each warrant is exercisable into one Common Share at a price of \$0.10 (C\$0.135) per Common Share and expires on April 24, 2026.  
The Company received net proceeds of \$6,344,422 (C\$8,698,196) net of underwriters' commissions of \$392,325 (C\$537,873) and other costs of \$294,875 (C\$404,213).
- On **April 24, 2024**, the Company announced that the TSXV had accepted for listing 87,638,928 Common Share purchase warrants

for trading on the TSXV. Such warrants were issued pursuant to a prospectus supplement dated April 18, 2024.

- On **May 15, 2024**, the Company announced the results of a Preliminary Economic Assessment (PEA) for its Reliquias Project in Peru. The PEA indicates that Reliquias is a robust silver and base metals project with a Pretax NPV 5% of C\$107 million.
- On **June 18, 2024**, the Company announced that Peru's National Authority for Environmental Certification (SENASE) had approved the extension of the main environmental permit (or EIA-d) for its 100% owned Reliquias Mine, Caudalosa Mine and all their components in central Peru.
- On **June 26, 2024**, the Company announced that it had filed an independent technical report prepared in accordance with NI 43-101 supporting the previously announced preliminary economic assessment for the Company's 100% owned Reliquias Mine in central Peru.
- On **July 09, 2024**, the Company announced that Peru's Ministry of Energy and Mines had approved the Reliquias and Caudalosa Mine Closure Plans, a key milestone permit needed to commence production in this historic mining district located in central Peru.
- On **July 16, 2024**, the Company announced that Gerardo Fernandez had been elected as a director at the annual general meeting of shareholders held on June 27, 2024.
- On **September 18, 2024**, the Company announced that it had entered into shares for services agreements with each of its directors, pursuant to which, such directors will receive all or a portion of their director fees for the period from July 1, 2024, to June

30, 2025 (including any accrued fees as of July 1, 2024) in Common Shares.

- On **October 28, 2024**, the Company announced that as a result of a continuous disclosure review by staff of the Ontario Securities Commission, the Company filed (i) an amended and restated preliminary economic assessment for its Reliquias Mine in central Peru dated October 28, 2024 and with an effective date of May 15, 2024 (the "Amended Technical Report"), and (ii) a material change report disclosing certain information in respect of the Company's Chief Operating Officer to supplement the Company's annual information form for the year ended December 31, 2023. Additionally, on October 28, 2024, the Company's final base shelf prospectus was filed and approved by the Ontario Securities Commission. It is now available on SEDAR+ and authorizes the Company to raise up to \$25 million.
- On **December 19, 2024**, the Company announced that it has received confirmation from Peru's Ministry of Energy and Mines that the Company's Reliquias Mine and Caudalosa Plant have been officially classified as ongoing mining operations. This significant designation represents the final governmental approval required for the Company to restart production and processing operations.

## 8.2. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and its subsidiaries, or the industry in which they operate to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All statements contained herein that are not clearly historical in nature are forward-looking, and the words such as “plan”, “expected”, “estimate”, “target”, “targeted”, “anticipated”, or “believe” or similar expressions (including negative and grammatical variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “can”, “would”, “should”, “might”, “shall” or “will” be taken, occur or be achieved and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements in this annual report include, but are not limited to, statements with respect to: relating to the Company’s strategic plans, goals, and corporate objectives, including anticipated mine development and production timelines; exploration and development activities, including planned drilling campaigns, resource expansion, and feasibility assessments; economic and operational projections, including those set forth in the Company’s Preliminary Economic Assessment (PEA); expectations regarding permits, approvals, and environmental certifications; expected financial performance, capital expenditures, and financing activities; forecasts of silver, gold, zinc, lead, and copper

production and resource estimates; assumptions regarding commodity prices, recovery rates, and operating costs; potential acquisitions, partnerships, or restructuring activities; and the Company’s ability to secure community agreements and maintain constructive stakeholder relations.

All forward-looking statements and information reflect the Company’s beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management’s expectations regarding future activities, results of operations, performance, future capital, and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. By its nature, forward-looking information involves numerous assumptions, inherent risks, and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. Factors which could cause future outcomes to differ materially from those set forth in the forward-looking statements include, but are not limited to: risks relating to the financial markets and general economic environment; the Company’s ability to raise any necessary additional capital on reasonable terms to advance the development of the project and pursue planned exploration; risks related to the future prices of silver and other metal prices; risks related to the timing and results of exploration and drilling programs; the accuracy of any mineral resource estimates; the metallurgical characteristics of projects being suitable for mineral production; the successful operation of projects; production costs; the accuracy of budgeted exploration and development costs and

expenditures; the price of other commodities such as fuel, future currency exchange rates and interest rates; risks associated with operating conditions, including whereby the Company is able to operate in a safe, efficient, and effective manner; political and regulatory stability; the Company's ability to receive governmental and third-party approvals, licences and permits on favourable terms; the Company's ability to obtain required renewals for existing approvals, licences, and permits and obtaining all other required approvals, licences and permits on favourable terms; sustained labour stability; stability in financial and capital goods markets; availability of equipment; the Company's ability to build and maintain good working relationships with local communities; no assurance of active or liquid market; volatility in market price of the Common Shares; the Company's broad use of net proceeds from an offering; dilution risks related to additional issuances of Common Shares; the Company's decision to not pay dividends on the Common Shares to-date; risks related to the inability to enforce of judgments against non-resident directors of the Company; and as further described under the heading "Risk Factors" in this annual report.

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 to differ from those anticipated, estimated or intended. Although the forward-looking statements contained in this annual report are based upon what the Company's management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements.

The Company disclaims any intention or obligation to revise forward-looking statements whether as a result of new information, future developments, or otherwise, except as required by law. All forward-looking statements are expressly qualified in their entirety by this cautionary statement. 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 unanticipated actions, events or results. 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. The reader is cautioned not to place undue reliance on forward-looking statements.



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