



SILVER MOUNTAIN RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED

DECEMBER 31, 2024 AND 2023

(EXPRESSED IN UNITED STATES DOLLARS)



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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.



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

Silver Mountain Resources Inc.
Consolidated Statements of Financial Position
(Expressed in United States Dollars)

	As at December 31, 2024	As at December 31, 2023
		<i>(Represented) ⁽¹⁾</i>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,269,452	\$ 4,660,229
Restricted cash (Note 6)	263,438	267,206
Amounts receivable and other assets	84,437	66,030
Prepaid expenses	135,592	292,285
	4,752,919	5,285,750
Non-current assets		
Property, plant, and equipment (Note 7)	283,531	356,858
Exploration and evaluation costs (Note 8)	27,488,329	24,220,518
Tax credits (Note 9)	3,920,556	3,496,888
Total assets	\$ 36,445,335	\$ 33,360,014
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Amounts payable and other payables (Notes 10 & 16)	\$ 1,160,385	\$ 1,570,331
Warrant liabilities (Notes 2(q) & 11)	1,576,676	921,686
Total liabilities	2,737,061	2,492,017
Shareholders' equity		
Share capital (Note 12)	46,743,576	42,077,668
Contributed surplus (Note 13)	1,390,929	1,105,370
Deficit	(14,426,231)	(12,315,041)
Total shareholders' equity	33,708,274	30,867,997
Total liabilities and shareholders' equity	\$ 36,445,335	\$ 33,360,014

⁽¹⁾ Comparative information has been re-presented due to a retrospective change in accounting policy. Refer to Note 2(q) for more information.

Nature of operations and going concern (Note 1)
Contingencies (Note 21)
Commitments (Note 22)
Subsequent event (Note 23)

Approved on behalf of the Board:

"Timothy Loftsgard", Director

"Alfredo Plenge Thorne", Director

The accompanying notes are an integral part of these consolidated financial statements.

Silver Mountain Resources Inc.
Consolidated Statements of Net and Comprehensive Loss
(Expressed in United States Dollars)

	Year Ended December 31,	
	2024	2023
Operating expenses		
General and administrative (Note 19)	\$ 2,860,544	\$ 3,529,855
Share-based compensation (Notes 13 & 16)	285,559	383,780
Operating loss before the following items	(3,146,103)	(3,913,635)
Financial income (expenses) (Note 17)	12,857	(13,055)
Foreign exchange (loss) gain	(108,561)	129,474
Gain on expiry of warrant liabilities (Note 11)	98,301	-
Gain on settlement of payables (Note 12(b)(iv))	12,250	-
Unrealized gain on revaluation of warrant liabilities (Note 11)	1,020,066	1,200,225
Net and comprehensive loss for the year	\$ (2,111,190)	\$ (2,596,991)
Basic and diluted loss per share (Note 15)	\$ (0.09)	\$ (0.18)
Weighted average number of common shares outstanding - basic and diluted (Note 15)	22,665,255	14,833,217

The accompanying notes are an integral part of these consolidated financial statements.

Silver Mountain Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in United States Dollars)

	Year Ended December 31,	
	2024	2023
Operating activities		
Net loss for the year	\$ (2,111,190)	\$ (2,596,991)
Items not affecting cash		
Depreciation	5,569	10,073
Unrealized foreign exchange loss (gain)	3,768	(11,314)
Unrealized gain on revaluation of warrant liabilities	(1,020,066)	(1,200,225)
Currency translation effect on revaluation of warrant liabilities	(137,966)	6,793
Gain on expiry of warrant liabilities	(98,301)	-
Gain on settlement of payables	(12,250)	-
Share-based compensation	285,559	383,780
Extinguished mining rights	6,241	8,325
Changes in non-cash working capital items:		
Amounts receivable and other assets	(442,075)	(1,504,764)
Prepaid expenses	156,693	384,674
Amounts payable and other payables	360,546	(87,598)
Net cash and cash equivalents used in operating activities	(3,003,472)	(4,607,247)
Investing activities		
Exploration and evaluation cost additions	(3,849,039)	(8,885,109)
Purchase of mining concessions	(44,058)	(92,217)
Purchase of property, plant, and equipment	(4,939)	(100,282)
Restricted cash	-	(262,809)
Restricted cash returned	-	248,514
Net cash and cash equivalents used in investing activities	(3,898,036)	(9,091,903)
Financing activities		
Units issued in Offering, net of costs	-	6,551,089
Units issued in private placement, net of costs	-	3,037,301
Units issued in Prospectus Offering, net of costs	6,510,731	-
Net cash and cash equivalents provided by financing activities	6,510,731	9,588,390
Net change in cash and cash equivalents	(390,777)	(4,110,760)
Cash and cash equivalents, beginning of year	4,660,229	8,770,989
Cash and cash equivalents, end of year	\$ 4,269,452	\$ 4,660,229
Composition of cash and cash equivalents:		
Cash	\$ 4,199,820	\$ 4,589,985
Cash equivalents	69,632	70,244
	\$ 4,269,452	\$ 4,660,229
Non-cash investing items not included in cash flows:		
Depreciation capitalized to exploration and evaluation costs	\$ 72,696	\$ 135,466
Shares issued for services	66,500	-
Change in exploration and evaluation costs accrued	\$ (691,741)	\$ (485,286)

The accompanying notes are an integral part of these consolidated financial statements.

Silver Mountain Resources Inc.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in United States Dollars)

	Share Capital		Contributed		
	Number	Amount	Surplus	Deficit	Total
Balance, December 31, 2022	12,427,990	\$ 34,286,247	\$ 746,040	\$ (9,912,552)	\$ 25,119,735
Units issued in Offering, net of costs (Note 12(b)(i))	2,070,000	4,924,172	-	-	4,924,172
Shares issued in private placement, net of costs (Note 12(b)(ii))	4,146,000	2,867,249	170,052	-	3,037,301
Share based compensation (Note 13)	-	-	383,780	-	383,780
Stock options forfeited	-	-	(194,502)	194,502	-
Net loss for the year	-	-	-	(2,596,991)	(2,596,991)
Balance, December 31, 2023	18,643,990	\$ 42,077,668	\$ 1,105,370	\$ (12,315,041)	\$ 30,867,997
Units issued in Prospectus Offering, net of costs (Note 12(b)(iii))	5,842,595	4,599,408	-	-	4,599,408
Shares issued for services (Note 12(b)(iv))	94,493	66,500	-	-	66,500
Share based compensation (Note 13)	-	-	285,559	-	285,559
Net loss for the year	-	-	-	(2,111,190)	(2,111,190)
Balance, December 31, 2024	24,581,078	\$ 46,743,576	\$ 1,390,929	\$ (14,426,231)	\$ 33,708,274

The accompanying notes are an integral part of these consolidated financial statements.

Silver Mountain Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in United States Dollars)

1. Nature of operations and going concern

Silver Mountain Resources Inc. (the "Company" or "AGMR") is incorporated under the Business Corporation Act (Ontario). The Company is primarily in the business of acquiring, exploring, and developing mines and mineral deposits; with the specific focus to develop the Castrovirreyna Project in Huancavelica, Peru. The address of the Company's corporate office and principal place of business is 82 Richmond Street East Toronto, Ontario, M5C 1P1. The common shares of the Company commenced trading on the TSX Venture Exchange (the "TSXV") on February 2, 2022 under the symbol "AGMR", on the OTCQB Venture Market on June 16, 2022 under the symbol "AGMRF", and on the Lima Stock Exchange on July 18, 2022 under the symbol "AGMR".

These consolidated financial statements have been prepared on the assumption that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of business.

The Company has incurred losses since inception and has an accumulated deficit of \$14,426,231 at December 31, 2024 (December 31, 2023 - \$12,315,041). For the year ended December 31, 2024, the Company incurred a net loss of \$2,111,190 (2023 - \$2,596,991). The Company expects to incur further losses in the exploration, evaluation and development of its mineral properties.

As the Company is in the exploration stage, the Company's ability to continue as a going concern and fund its exploration and development activity for at least the next twelve-month period is dependent on the Company being able to draw down on its current cash, maintain cost control measures and raise additional capital. The Company has had success raising capital in the past as disclosed in Note 12. The ability to continue as a going concern remains dependent on the Company's capacity to obtain the additional financing necessary to continue to fund its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

These consolidated financial statements of the Company for the year ended December 31, 2024 were approved and authorized for issue by the Board of Directors on April 23, 2025.

2. Material accounting policy information and basis of presentation

(a) Statement of compliance

These consolidated financial statements have been prepared 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).

The preparation of financial statements in compliance with adopted IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Company's management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the consolidated financial statements and their effect are disclosed in Note 3.

(b) Basis of preparation

These consolidated financial statements have been prepared on an accrual basis, except for cash flow information and are based on historical costs, modified where applicable for financial instruments measured at fair value. These financial statements are presented in U.S. dollars, which is the functional currency of the Company and its subsidiary.

Silver Mountain Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in United States Dollars)

2. Material accounting policy information and basis of presentation (continued)

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its 99.99%-owned subsidiary, Sociedad Minera Reliquias S.A.C. ("AGMR Peru"), which was acquired on May 7, 2021 in conjunction with the RTO Transaction. Pursuant to Peruvian General Corporate Law requirements that a Peruvian company have more than one shareholder, in September 2021, the Company issued 1 common shares in AGMR Peru for PEN 1.00 to a shareholder of the Company. Because this non-controlling interest in AGMR Peru is not material, it has not been recorded in the Company's consolidated financial statements.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

(d) Foreign currency transactions

Functional currency and presentation currency

To express its consolidated financial statements, the Company has determined its functional currency, based on the main economic environment where it operates, which fundamentally influences the determination of the prices of the goods and services it acquires. These consolidated financial statements are presented in U.S. dollars, which is in turn, the functional currency and the presentation currency of the Company and its subsidiary. All transactions are measured in the functional currency, and on the contrary, foreign currency is anything other than the functional currency.

(e) Property, plant, and equipment, and accumulated depreciation

Property, plant, and equipment are presented at their acquisition cost minus accumulated depreciation and, if any, the accumulated amount of impairment losses. The carrying amounts of property, plant, and equipment are depreciated to their estimated residual values over the estimated useful lives of the specific assets concerned or the estimated life-of-mine ("LOM"), if shorter. The major categories of property, plant and equipment and their estimated useful lives are indicated below as follows:

	<u>Useful life</u>
Building and facilities	5 and 20 years
Mining equipment	5 years
Office equipment and furniture	4 to 10 years
Leased equipment	5 years

The historical acquisition cost includes the disbursements directly attributable to the acquisition of the assets. Useful life, residual values, and the depreciation method are periodically reviewed to ensure that the depreciation method and period are consistent with the expected pattern of future economic benefits. Subsequent disbursements and major renovations are recognized as assets when it is probable that the Company will obtain future economic benefits derived from them, and their cost can be reliably valued.

Where an item of property, plant and equipment is comprised of major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Costs incurred for major overhaul of existing equipment are capitalized as property, plant and equipment and are subject to depreciation once they are available for use, for example when the mine is considered in commercial production. Major overhauls include improvement programs that increase the productivity or extend the useful life of an asset beyond that initially envisaged. The costs of routine maintenance and repairs that do not constitute improvement programs are accounted for as an expense in the consolidated statements of net and comprehensive loss.

By selling or retiring items of property, plant, and equipment, the Company eliminates the cost and the corresponding accumulated depreciation. Any gain or loss resulting from their disposal is included in the consolidated statements of net and comprehensive loss.

Silver Mountain Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in United States Dollars)

2. Material accounting policy information and basis of presentation (continued)

(f) Exploration and evaluation costs

Mining concessions are recorded at acquisition cost and are not amortized until the start of their exploitation, and as long as the mineral reserves offer expectations of future production. If these expectations are not offered, they will be recognized as expenses in the consolidated statements of net and comprehensive loss for the year.

Acquisition, exploration and evaluation costs are capitalized and deferred to exploration and evaluation cost assets until such time as the technical feasibility and commercial viability of extracting a mineral reserve for a particular property or project are demonstrable or the property or project is disposed of, either through sale or abandonment, or becomes impaired.

Once the technical feasibility and commercial viability of extracting a mineral reserve for a particular property are demonstrable, the capitalized amounts are first tested for impairment and then transferred to property, plant and equipment. If a property is put into production, the carrying value will be amortized over the life of the property based on estimated economic reserves. If a property is abandoned, the carrying value will be written off to the consolidated statements of net and comprehensive loss.

(g) Impairment of exploration and evaluation costs and non-financial assets

The carrying amount of the Company's exploration and evaluation costs, and property, plant and equipment are periodically assessed for impairment when indicators of potential impairment are identified to exist. If an indication of impairment is identified, an estimate of the asset's recoverable amount is calculated to determine the extent of the impairment loss, if any. The recoverable amount is determined as the higher of the fair value less costs of disposal for the asset and the asset's value in use. In assessing the fair value, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Impairment is determined on an asset by asset basis, whenever possible. If it is not possible to determine impairment on an individual asset basis, then impairment is considered on the basis of a cash generating unit ("CGU"). CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or the Company's other group of assets.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is charged immediately to the consolidated statements of net and comprehensive loss, so as to reduce the carrying amount to its recoverable amount.

For property, plant and equipment, a previously recognized impairment loss is reversed if there has been a change in the estimates previously used to determine the asset's recoverable amount since the last impairment loss was recognized. The impairment reversal is limited to the carrying value that would have been determined, net of any applicable depreciation, had no impairment charge been recognized previously.

(h) Tax credits receivable

The tax credit is composed of the value added tax from purchases of goods and services. According to applicable laws it could be applied to value added tax generated by local sales. If sales are exported the Company has the right to request the refund of the value added tax as a balance in favor matter of Benefit of the exporter with a limit of 18 percent of the exported freight on board value.

Silver Mountain Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in United States Dollars)

2. Material accounting policy information and basis of presentation (continued)

(i) Decommissioning or restoration provision

The Company records the fair value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation, and re-vegetation of affected areas.

The estimated fair value of a liability, and corresponding increase in the related property, is reported in the year in which it is incurred and when a reasonable estimate of fair value can be made. The fair value is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Company subsequently allocates the cost to expense using a systematic and rational method over its useful life and records the accretion of the liability as a charge to the consolidated statements of net and comprehensive loss.

As the Company has not commenced any mining operations and is currently waiting for the approval of its Mine Closure Plan by the Peruvian mining authorities, no provision for decommissioning has been recognized in these consolidated financial statements. Upon approval of the Company's Mine Closure Plan and commencement of mining activities, a provision for decommissioning will be recognized.

(j) Share capital

If the completion of a share equity transaction is considered likely, professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issue costs until the financing transactions are completed; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred share issue costs related to financing transactions that are not completed are charged to expenses.

Unit offerings

The Company follows the residual value method to allocate proceeds in unit offerings to the common share and warrant component, where both components are considered equity items. Under the residual value method, unit offering proceeds are allocated first to share capital up to the fair value of the common share with the residual amount of proceeds, if any, allocated to the reserve for warrants. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in warrant reserve, a component of contributed surplus, is recorded as an increase to share capital.

(k) Share based compensation transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

The fair value of share-based compensations to non-employees and other share-based compensations are based on the fair value of the goods or services received. If the Company cannot estimate reliably the fair value of the goods or services received, the Company is required to measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted at the date the Company receives the goods or services.

Silver Mountain Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in United States Dollars)

2. Material accounting policy information and basis of presentation (continued)

(k) Share based compensation transactions (continued)

If and when the stock options are exercised, the applicable fair values are transferred from contributed surplus to share capital. When vested options are forfeited or not exercised at the expiry date, the amount previously recognized in share-based compensations is revised from contributed surplus to deficit.

(l) Warrant liability

The Company determined that the warrants issued in the IPO are free standing financial instruments, that are legally detachable and separately exercisable from the common stock included in the IPO. The Company also determined that the warrants are puttable for cash upon a fundamental transaction at the option of the holder and as such required to be classified as a financial liability, since its nature is that of a financial derivative because its value is subject to change due to the fluctuation of an index. In accordance with the accounting guidance, the outstanding warrants are recognized as a warrant liability on the balance sheet and are measured at their inception date fair value and subsequently re-measured at each reporting period with changes being recorded as a component of other income in the statement of operations. The fair value of the warrant liability was measured using the Black-Scholes methodology and subsequently valued at its trading market price.

(m) Income tax

Income tax includes a current and deferred component.

Current

The current income tax is considered as the amount payable to the tax authority. It is calculated based on the taxable income determined for tax purposes.

Deferred

Deferred income tax is calculated using the balance sheet liability method, which consists of determining the temporary differences between financial and tax assets and liabilities and applying the income tax rate to those differences.

Deferred tax assets are recognized for all deductible differences and tax loss carry forward, to the extent that it is probable that there is taxable profit against which temporary deductible differences can be compensated, and any carried forward tax loss can be used.

Deferred tax liabilities are recognized for all temporary taxable differences, in which the timing of reversals of temporary differences can be controlled, and it is probable that temporary differences will not be reversed in the foreseeable future.

The carrying amount of the deferred tax asset is reviewed on each date of the consolidated statements of financial position and is reduced to the extent that it is unlikely that there is sufficient taxable profit against which all or part of the deferred tax asset to be used can be compensated. Unrecognized deferred tax assets are revalued on each date of the consolidated statements of financial position and are recognized to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are recognized regardless of the moment when it is estimated that the temporary differences are annulled.

Deferred tax assets and liabilities are measured at the legal rates expected to be applied in the year in which the asset is realized, or the liability is liquidated, based on the rates that have been promulgated or substantially promulgated on the date of the consolidated statements of financial position. Deferred tax assets and liabilities are compensated if there is a legal right to compensate current taxes against current liabilities, and deferred taxes relate to the same entity and the same tax authority.

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2. Material accounting policy information and basis of presentation (continued)

(m) Income tax (continued)

Uncertain tax positions

The Company assesses at each consolidated financial statement closing whether each uncertain tax treatment is considered separately or together with one or more uncertain tax treatment and uses the approach that best predicts the resolution of the uncertainty. The Company applies significant judgment when identifying uncertainties about income tax treatments.

(n) Contingencies

Contingencies are assets or liabilities that arise due to past events, the existence of which will be confirmed only if future events occur that are not entirely under the control of the Company.

Contingent assets are not recorded in the consolidated financial statements but are disclosed in notes to the consolidated financial statements when their degree of contingency is probable.

Contingent liabilities are not recorded in the consolidated financial statements and are disclosed in notes to the consolidated financial statements only when there is a possible obligation.

(o) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

(p) Comparative amounts

Certain prior year comparative amounts have been reclassified to align with current year presentation.

(q) New accounting standards in force

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after March 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company has adopted the following policy effective January 1, 2024.

IAS 1: Presentation of Financial Statements

IAS 1 was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

Due to the requirement for retrospective adoptions of the IAS 1 amendments, the statement of financial position as at December 31, 2023, has been re-presented, with a reclassification of \$921,686 from non-current liabilities to current liabilities. There is no retrospective impact on the comparative statement of loss and comprehensive loss, statement of equity, and statement of cash flows. As discussed above the changes to IAS 1 will have no impact on the Company's cash flows or liquidity and the only change is on the classification of the warrant liabilities as a current liability instead of the non-current liability, as such the Company does not consider the adoption of IAS 1 will have a material impact on the Company in future reporting periods.

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2. Material accounting policy information and basis of presentation (continued)

(r) Future accounting pronouncements

The Company decided to adopt at the time of its effectiveness and not adopt early the accounting standards and interpretations issued by the IASB, and that will be effective as of January 1, 2025, or later.

The standards and amendments to IFRS that have been issued up to the date of issue of the consolidated financial statements and that apply to the Company, but are not yet in force, are described below. The impact that its initial application will have on the consolidated financial statements is unknown since its amount cannot be reasonably estimated. The Company intends to adopt these new and modified standards and interpretations, if applicable when they become effective.

IFRS 18: Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 "Statements of Cash Flows" ("IAS 7") were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its consolidated financial statements.

IFRS 19: Subsidiaries without Public Accountability: Disclosures

On April 9, 2024, the IASB issued IFRS 19 "Subsidiaries without Public Accountability: Disclosures" ("IFRS 19"). IFRS 19 allows eligible subsidiaries to apply reduced disclosure requirements. Subsidiaries can apply IFRS 19 if they do not have public accountability and has a parent company that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. An entity does not have public accountability if it does not have debt or equity instruments that are traded in a public market, is not in the process of issuing such instruments for trading in a public market, and does not hold assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses. An entity is permitted to elect to apply IFRS 19 more than once. An entity that has elected to apply IFRS 19 may later revoke that election. IFRS 19 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company is currently assessing the impact of the standard on its consolidated financial statements.

3. Critical accounting estimates and judgments

The preparation of these consolidated financial statements in accordance with IFRS Accounting Standards requires that management carry out estimates and judgments to determine the balances of assets, liabilities, income and expenses, the number of contingencies, and the exposure of significant events in notes to the consolidated financial statements.

Accounting estimates, by definition, will seldom equal the respective actual results. In management's opinion, these estimates were made based on its better knowledge of the relevant events and circumstances at the date of preparation of the consolidated financial statements. However, the final results may differ from the estimates included in the consolidated financial statements. Management does not expect that the variations will have a material effect on the consolidated financial statements, if any.

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3. Critical accounting estimates and judgments (continued)

If these estimates and judgments vary in the future due to changes in the assumptions that supported them, the corresponding balances of the consolidated financial statements will be corrected on the date on which the change in estimates and judgments occurs.

Critical accounting estimates

The estimates and assumptions that have a risk of causing adjustments to the balances of reported assets and liabilities are presented below:

- *Share-based compensation:*
Management determines costs for share-based compensations using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Critical judgments in the application of accounting policies

- Management's judgment is used in determining the eligible expenditures used in the recognition of tax credits receivable and assessing the tax receivables in Peru for impairment. The Peruvian tax credit is composed of the value added tax from purchases of goods and services for Sociedad Minera Reliquias S.A.C. According to article 25 of the Peruvian General Sales Tax and Selective Consumption Tax Law (Supreme Decree No. 055-99-EF), states that the tax credit must be applied until its exhaustion in the following months against tax debits originated. Likewise, the law mentioned above does not state that such tax credit is time-barred or irrecoverable. The Company estimates that it will be applied during its first years of production, which is planned to start during the second half of 2026, and according to the budget, the company estimates that such tax credit will be applied against tax debits originated by its mine operation until 2028.
- Management's judgment is required in the preparation of future cash flows that includes the projection of the level of future operations of the Company, projection of economic factors that affect its income and costs, as well as the determination of the discount rate to be used in this cash flow.

As a consequence of evaluating the internal and external indicators that could indicate impairment, the Company concluded that there are not sufficient indications that require the execution of an impairment test of property, plant, and equipment, and exploration and evaluation costs.

- Significant judgments are used in management's assessment of the Company's ability to continue as a going concern as described in Note 1.
- Management's judgment is used in determining title to exploration and evaluation properties.
- Management's judgment is used in determining the technical feasibility and commercial viability point in time for exploration and evaluation properties and this takes into account, among other factors, a combination of (i) the extent to which mineral reserves or mineral resources have been defined in a technical report in accordance with *National Instrument 43-101, Standards for Disclosure for Mineral Projects*; (ii) the results of further studies and technical evaluation carried out to mitigate project risks; (iii) status of environmental and other permits, (iv) status of mining leases; and (v) the availability of financial resources necessary to commence required mine development activities and reach commercial production. Management believes the Company has not met this criteria as at December 31, 2024.

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4. Financial Instruments

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
ASSETS						
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
	\$ 4,532,890	\$ 84,437	\$ 4,617,327	\$ 4,927,435	\$ 66,030	\$ 4,993,465
LIABILITIES						
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
	\$ 1,576,676	\$ 1,160,385	\$ 2,737,061	\$ 921,686	\$ 1,570,331	\$ 2,492,017

(a) 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 at 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).

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4. Financial Instruments (continued)

(b) 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:

(c) 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

(d) 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.

(e) 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.

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4. Financial Instruments (continued)

(e) Exchange risk (continued)

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)
Net (liabilities) assets	\$ 2,930,702	\$ (103,574)

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

5. Capital management

For capital management purposes, the Company includes shareholders' equity and cash and cash equivalents in the definition of capital. The objective is to safeguard the Company's ability to continue as an ongoing business to provide returns to its shareholders and benefits for stakeholders and to maintain an optimal structure that reduces the cost of capital. There have been no changes in objectives, policies, or procedures during the years ended December 31, 2024 and 2023.

6. Restricted cash

At December 31, 2024, the Company held \$263,438 (PEN 990,000) (December 31, 2023 - \$267,206 (PEN 990,000)) in a cash deposit including a guarantee on behalf of the Peruvian Ministry of Mines (MINEM) in connection with the Mine Closure Plan. On May 10, 2023, \$248,514 (PEN 920,000) of previous deposit was returned to the Company since it was replaced with a \$262,809 (PEN 990,000) deposit made on March 30, 2023 that matured at the end of December 2024.

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6. Restricted cash (continued)

Balance, December 31, 2022	\$	241,597
Additions		262,809
Returned		(248,514)
Foreign exchange gain		11,314
Balance, December 31, 2023	\$	267,206
Foreign exchange loss		(3,768)
Balance, December 31, 2024	\$	263,438

7. Property, plant, and equipment

Cost	Land	Building and facilities	Mining equipment	Office equipment and furniture	Total
Balance, December 31, 2022	\$ 36,041	\$ 151,544	\$ 828,017	\$ 176,341	\$ 1,191,943
Additions	-	-	31,593	68,689	100,282
Balance, December 31, 2023	36,041	151,544	859,610	245,030	1,292,225
Additions	-	-	-	4,939	4,939
Balance, December 31, 2024	\$ 36,041	\$ 151,544	\$ 859,610	\$ 249,969	\$ 1,297,164

Accumulated depreciation

Balance, December 31, 2022	\$ -	\$ 51,492	\$ 700,525	\$ 37,811	\$ 789,828
Depreciation expense	-	16,609	87,410	41,520	145,539
Balance, December 31, 2023	-	68,101	787,935	79,331	935,367
Depreciation expense	-	15,973	22,257	40,036	78,266
Balance, December 31, 2024	\$ -	\$ 84,074	\$ 810,192	\$ 119,367	\$ 1,013,633

Carrying value

Balance, December 31, 2023	\$ 36,041	\$ 83,443	\$ 71,675	\$ 165,699	\$ 356,858
Balance, December 31, 2024	\$ 36,041	\$ 67,470	\$ 49,418	\$ 130,602	\$ 283,531

8. Exploration and evaluation costs

In 2018, AGMR Peru acquired certain liquidated assets from Corporación Minera Castrovirreyna ("CMC") that comprised the Castrovirreyna Project ("the Project"). The Project is located near the town of Castrovirreyna, department of Huancavelica, province of Castrovirreyna, Peru. The Project includes mine infrastructure that supported the Reliquias and Caudalosa Grande underground operations, which were operated by CMC from 2005–2015. In that same year, AGMR Peru acquired the Project for \$7,160,000 and as consideration for the acquisition, the Company entered into a loan arrangement with Trafigura Pte. Ltd. ("Trafigura"), a creditor of CMC at the time of its liquidation.

The acquisition of the project included the Reliquias and Caudalosa Grande underground mines and associated infrastructure, the Jose Picasso Perata processing plant and a tailings storage facility. AGMR owns 100% of its concessions which are currently held in the name of its subsidiary, AGMR Peru.

The acquisition date fair value of the committed future cash flows under the Trafigura loan arrangement was allocated based on the relative fair values of the acquired mining concessions and mining property plant and equipment.

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8. Exploration and evaluation costs (continued)

Reliquias

Between April and December 2022, AGMR conducted an underground drilling program. Simultaneously, an extensive underground channel sampling program was conducted, which together with the drilling and other exploration activities is aimed at converting current historical resources into NI 43-101 compliant resources. Underground rehabilitation of historic mine workings and detailed topographic surveys have started to expand the Company's knowledge of the Reliquias underground mine and provide access to other prospective vein structures.

During the year ended December 31, 2024, the Company has focused on advancing permit applications and negotiating with local communities, which are our primary activities. Additionally, the Company allocated resources to provide auxiliary services with the support of various operational and administrative areas on site. There have been no activities related to infill or drilling during this period. The Company maintains its strategic focus on advancing toward production and exploring potential avenues for additional resource acquisition.

On June 26, 2024, the Company filed the Preliminary Economic Assessment (PEA) results for the Reliquias Project in Peru. The PEA highlighted a silver and base metals project with a pre-tax NPV 5% of C\$107 million. The PEA encompassed an updated resource estimate, geotechnical and hydrological assessments of the Reliquias mine, revisions to existing studies on tailings dam stability, and comprehensive environmental baseline studies.

Dorita

At the Dorita block of properties, exploration work consisted of more than 14 km² of geological mapping, extensive rock and soil sampling programs, and preparation of the most promising geological targets for future drilling. Additionally, the Company has conducted underground channel sampling activities at accessible mine workings. The Dorita property block includes mining concessions that contain historic small scale underground operations in veins with polymetallic ore. Previous exploitation activities were carried out under the ownership of CMC; however, these operations were suspended in the late 1980s. AGMR is working to obtain the required permits to expand its exploration activities in this area, including geophysical surveys and drilling.

In addition, on September 1, 2023, AGMR was notified of the approval of the Dorita Environmental Impact Statement, which allows the Company to execute 21 drilling platforms. The validity of this legal instrument is 5 years.

El Milagro

The Company's El Milagro project is characterized by Ag-Pb-Zn mineralization in veins and replacement bodies. Historically, the area has seen diamond drilling, underground development and rock sampling. A review of the property in 2022 led to the completion of a NI 43-101 compliant technical report, identifying historical resources in the central portion of the project.

	As at December 31, 2024			As at December 31, 2023		
	Acquisition Costs	Exploration Costs	Total	Acquisition Costs	Exploration Costs	Total
Reliquias	\$ 2,766,028	\$20,398,119	\$23,164,147	\$ 2,750,630	\$17,168,125	\$19,918,755
Greenfield - Dorita	1,486,614	2,139,881	3,626,495	1,470,915	2,139,881	3,610,796
Other	393,316	304,371	697,687	386,596	304,371	690,967
	\$ 4,645,958	\$22,842,371	\$27,488,329	\$ 4,608,141	\$19,612,377	\$24,220,518

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8. Exploration and evaluation costs (continued)

	Reliquias	Greenfield - Dorita	Other	Total
Balance, December 31, 2022	\$ 11,386,736	\$ 3,524,381	\$ 690,220	\$ 15,601,337
Exploration costs				
Depreciation (Note 7)	135,466	-	-	135,466
Drilling	1,079,862	-	-	1,079,862
Mine rehabilitation	756,364	-	-	756,364
General on-site expenses	3,032,034	-	-	3,032,034
Geological mapping, sampling & other	813,352	-	-	813,352
Right of use	568,448	-	-	568,448
Salaries and benefits	1,299,190	-	-	1,299,190
Topography and geophysics	266,848	-	-	266,848
Complementary environmental services	583,725	-	-	583,725
	8,535,289	-	-	8,535,289
Acquisition costs				
Mining rights	2,217	88,244	1,756	92,217
Extinguished rights (i)	(5,487)	(1,829)	(1,009)	(8,325)
Balance, December 31, 2023	\$ 19,918,755	\$ 3,610,796	\$ 690,967	\$ 24,220,518
Exploration costs				
Depreciation (Note 7)	72,696	-	-	72,696
Mine rehabilitation	778,633	-	-	778,633
General on-site expenses	927,231	-	-	927,231
Geological mapping, sampling & other	4,929	-	-	4,929
Right of use	(10,816)	-	-	(10,816)
Salaries and benefits (Note 16)	820,173	-	-	820,173
Topography and geophysics	53,759	-	-	53,759
Complementary environmental services	583,389	-	-	583,389
	3,229,994	-	-	3,229,994
Acquisition costs				
Mining rights	15,398	21,940	6,720	44,058
Extinguished rights (ii)	-	(6,241)	-	(6,241)
Balance, December 31, 2024	\$ 23,164,147	\$ 3,626,495	\$ 697,687	\$ 27,488,329

- (i) The Company decided to withdraw one mining concession in Reliquias (400 ha), two mining concessions in Dorita (200 ha) and one mining concession in Other (300 ha) totaling four mining concessions (900 ha) that had minimal or non-geological potential. The local authorities were notified of the withdrawals at the end of 2022 and it was confirmed during 2023.
- (ii) The company lost two mining concessions in Dorita (2,000 ha) at auction due to regulatory overlap issues.

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9. Tax credits

As of December 31, 2024, the Company maintains in its non-current assets a tax credit for general sales tax (IGV, Impuesto General a las Ventas, in Spanish) of \$3,920,556 (December 31, 2023 - \$3,496,888), that will be applied to the IGV generated by local sales. If sales are exported, the Company has the right to request the refund of the value-added tax as a Balance in Favor Matter of Benefit of the Exporter with a limit of 18 percent of the exported freight on board value. According to Peruvian Tax Legislation, IGV does not have an expiration date.

10. Amounts payable and other payables

	As at December 31, 2024	As at December 31, 2023
Trade accounts payable	\$ 524,125	\$ 910,973
Taxes payable	18,734	39,929
Accrued liabilities	353,048	556,820
Other amounts payable	264,478	62,609
	\$ 1,160,385	\$ 1,570,331

11. Warrant liabilities

	As at December 31, 2024	As at December 31, 2023
Balance, beginning of period	\$ 921,686	\$ 488,201
Issuance of warrants (Note 12)	1,911,323	1,626,917
Unrealized gain on revaluation	(1,020,066)	(1,200,225)
Currency translation effect	(137,966)	6,793
Gain on expiry of warrant liabilities	(98,301)	-
Balance, end of period	\$ 1,576,676	\$ 921,686

The fair value of the warrants issued in connection with the Offering upon issuance was determined to be \$1,626,917 using the Black-Scholes option pricing model (Note 12). Upon commencement of the warrants trading on the TSXV on February 27, 2023, the trading value was used to determine the fair value estimate for subsequent periods. As of December 31, 2024, these warrants were trading at a price of C\$0.075. Of the \$505,190 of costs incurred in connection with the Offering, \$118,467 were allocated to the warrant liabilities, of which \$78,584 is included in filing and listing fees, \$35,918 is included in professional fees, and \$3,965 is included in administrative expenses within general and administrative expenses in the statement of net and comprehensive loss for the year ended December 31, 2023.

The fair value of the warrants issued in connection with the Prospectus Offering upon issuance was determined to be \$1,911,323 using the Black-Scholes option pricing model (Note 12). Upon commencement of the warrants trading on the TSXV on May 10, 2024, the trading value was used to determine the fair value estimate for subsequent periods. As of December 31, 2024, these warrants were trading at a price of C\$0.375. Of the \$715,332 of costs incurred in connection with the Offering, \$194,441 were allocated to the warrant liabilities, of which \$121,052 is included in filing and listing fees and \$73,389 is included in professional fees within general and administrative expenses in the statement of net and comprehensive loss for the year ended December 31, 2024.

During the year ended December 31, 2024, 1,763,333 warrants issued in connection with the Company's initial public offering on February 2, 2022 expired and the Company recorded a gain on expiry of warrant liabilities of \$98,301. These warrants were trading at a price of C\$0.075 on the expiry date.

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12. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares.

b) Issued share capital

- (i) On February 9, 2023, the Company closed its bought deal prospectus offering (the "Offering") of 1,800,000 units of the Company at a price of \$3.35 (C\$4.50) per Unit (the "Offering Price"), for gross proceeds of \$6,032,880 (C\$8,100,000). The Company also issued an additional 270,000 Units at the Offering Price, for additional gross proceeds of \$904,932 (C\$1,215,000), in connection with the exercise in full of the over-allotment option.

Each Unit is comprised of one Common Share and one half of one Warrant. Each Warrant is exercisable into one Common Share at a price of \$5.03 (C\$6.75) per Common Share and expires on February 9, 2026. The fair value of the Warrants upon issuance was determined to be \$1,626,917 using the Black-Scholes option pricing model with the following assumptions: stock price of \$3.24 (C\$4.35), dividend yield of 0%, expected volatility of 89%, risk free interest rate of 3.67% and expected life of 3 years.

These warrants are considered a derivative liability since the currency denomination of the exercise price (Canadian dollars) is different from the functional currency of the Company (US dollars). As a result, the fair value of the warrants is presented as a liability upon issuance date and any foreign exchange or change in the fair value of the warrants subsequent to their initial recognition is recorded in the statement of net and comprehensive loss.

The Company received net proceeds of \$6,432,621 (C\$8,634,528) net of underwriters' commissions of \$332,880 (C\$446,938) and other costs of \$172,311 (C\$233,534).

- (ii) On November 10, 2023, the Company closed the initial tranche of its non-brokered private placement (the "Private Placement") of 4,146,000 units of the Company at a price of \$0.75 per Unit, for gross proceeds of \$3,109,500. The Company issued 3,913,103 Units on November 10, 2023 and issued the remaining 232,897 Units on December 7, 2023.

Each Unit is comprised of one Common Share and one half of one Warrant. Each Warrant is exercisable into one Common Share at a price of \$1.35 per Common Share for a period of 36 months from the issuance date.

The gross proceeds of \$3,109,500 were allocated between share capital (in the amount of \$2,935,406) and the warrant reserve within contributed surplus (in the amount of \$174,094) based on the residual value method. The Company received net proceeds of \$3,037,301 net of underwriters' commissions of \$52,000 and other costs of \$20,199. The Company incurred share issuance costs of \$72,199, out of which \$68,157 related to the common share portion was recorded as a reduction of share capital and \$4,042 related to the warrant portion was recorded as a reduction to the warrant reserve within contributed surplus.

- (iii) On April 24, 2024, the Company closed its prospectus offering (the "Prospectus Offering") of 5,454,567 units of the Company at a price of \$1.20 (C\$1.65) per Unit (the "Prospectus Offering Price"), for gross proceeds of \$6,564,626 (C\$9,000,035). The Company also issued an additional 388,028 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 Warrant. Each Warrant is exercisable into one Common Share at a price of \$1.48 (C\$2.025) per Common Share and expires on April 24, 2026.

These warrants are considered a derivative liability since the currency denomination of the exercise price (Canadian dollars) is different from the functional currency of the Company (US dollars). As a result, the fair value of the warrants is presented as a liability upon issuance date and any foreign exchange or change in the fair value of the warrants subsequent to their initial recognition is recorded in the statement of net and comprehensive loss.

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12. Share capital (continued)

b) Issued share capital (continued)

(iii) (continued)

The gross proceeds of \$7,031,622 (C\$9,640,282) were allocated between share capital (in the amount of \$5,120,299 (C\$7,019,878)) and warrant liabilities (in the amount of \$1,911,323 (C\$2,620,404)) based on the residual value method. The Company received net proceeds of \$6,316,290 (C\$8,659,570) net of underwriters' commissions of \$392,325 (C\$537,873) and other costs of \$323,007 (C\$442,839). The Company incurred share issuance costs of \$715,332 (C\$980,713), out of which \$520,892 (C\$714,137) related to the common share portion was recorded as a reduction of share capital and \$194,440 (C\$266,576) related to the warrant portion was included in general and administrative expenses in the statement of net and comprehensive loss for the year ended December 31, 2024.

- (iv) On November 5, 2024, the Company issued 94,493 common shares at a price of \$0.70 (\$0.975) as consideration for director fees for the period from July 1, 2024 to September 30, 2024 of \$78,750, pursuant to a shares for services agreement entered into by the Company and each of its directors of the Company on September 18, 2024.

During the year ended December 31, 2024, the Company recorded a gain on settlement of payables of \$12,250.

13. Stock options

On September 17, 2021, the Board of Directors of the Company approved the establishment of the Company's stock option plan relating to the Company's directors, officers, employees and consultants, and to reserve up to 10% of the common shares in the capital of the Company issued and outstanding from time to time for issuance thereunder.

The following table reflects the continuity of stock options for the year ended December 31, 2024 and 2023:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2022	922,000	\$ 4.65
Granted (i)(ii)	58,333	4.20
Forfeited (iv)	(451,667)	4.65
Balance, December 31, 2023	528,666	\$ 4.65
Granted (iii)	493,333	1.05
Forfeited (iv)	(2,000)	1.05
Balance, December 31, 2024	1,019,999	\$ 2.78

- (i) On April 1, 2023, the Company granted stock options to a certain officer of the Company to purchase up to 43,333 common shares of the Company, exercisable at a price of \$4.21 (C\$5.70) per share and expiring on April 1, 2027. These options will vest over the span of three years, with 21,667 to be vested on the first anniversary of the date of grant, 10,833 to be vested on the second anniversary of the date of grant, and the remaining 10,833 to be vested on the third anniversary of the date of grant.

The fair value was determined to be \$86,643 using the Black-Scholes option pricing model with the following assumptions: stock price of \$2.99 (C\$4.05), dividend yield of 0%, expected volatility of 104%, risk free interest rate of 3.12% and expected life of 4 years.

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13. Stock options (continued)

- (ii) On July 20, 2023, the Company granted stock options to a certain officer of the Company to purchase up to 15,000 common shares of the Company, exercisable at a price of \$4.33 (C\$5.70) per share and expiring on July 20, 2027. These options will vest over the span of three years, with 7,500 to be vested on the first anniversary of the date of grant, 3,750 to be vested on the second anniversary of the date of grant, and the remaining 3,750 to be vested on the third anniversary of the date of grant.

The fair value was determined to be \$14,161 using the Black-Scholes option pricing model with the following assumptions: stock price of \$1.71 (C\$2.25), dividend yield of 0%, expected volatility of 100%, risk free interest rate of 3.96% and expected life of 4 years.

- (iii) On February 22, 2024, the Company granted stock options to certain directors, officers and employees of the Company to purchase up to 493,333 common shares of the Company, exercisable at a price of \$1.11 (C\$1.50) per share and expiring on February 22, 2028. These options will vest at the later of:

- the first anniversary of the date of grant; or
- the mining operations reaching commercial operation as defined by the operations reaching an average mining rate of 400 tonnes per day over a period of 30 days.

The fair value was determined to be \$270,917 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.83 (C\$1.125), dividend yield of 0%, expected volatility of 100%, risk free interest rate of 3.72% and expected life of 4 years.

- (iv) During the year ended December 31, 2024, 2,000 (year ended December 31, 2023 - nil) of stock options granted on February 22, 2024, nil (year ended December 31, 2023 - 184,000) of the stock options granted on September 17, 2021, nil (year ended December 31, 2023 - 44,000) of the stock options granted on February 2, 2022, nil (year ended December 31, 2023 - 44,000) of the stock options granted on May 16, 2022, and nil (year ended December 31, 2023 - 179,667) of the stock options granted on December 1, 2022 were forfeited.

During the year ended December 31, 2024, the Company recorded share-based compensation expense of \$285,559 (year ended December 31, 2023 - \$383,780) related to stock options.

The following table reflects the actual stock options issued and outstanding as of December 31, 2024:

Expiry Date	Exercise Price	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
April 30, 2025	\$4.50	0.33	176,000	176,000	-
February 2, 2026	\$5.21	1.09	66,000	49,500	16,500
June 28, 2026	\$5.21	1.49	44,000	33,000	11,000
December 1, 2026	\$3.96	1.92	184,333	138,250	46,083
April 1, 2027	\$3.96	2.25	43,333	21,667	21,666
July 20, 2027	\$3.96	2.55	15,000	7,500	7,500
February 22, 2028	\$1.04	3.15	491,333	-	491,333
	\$2.78	2.19	1,019,999	425,917	594,082

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14. Warrants

The following table reflects the continuity of warrants for the year ended December 31, 2024 and 2023:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2022	2,880,658	\$ 10.05
Granted in the Offering (Notes 11 & 12(b)(i))	1,035,000	5.10
Granted in the Offering (Notes 12(b)(ii))	2,073,000	1.35
Balance, December 31, 2023	5,988,658	\$ 6.15
Granted in the Prospectus Offering (Note 12(b)(iii))	5,842,595	1.50
Expired (Note 11)	(2,880,658)	10.35
Balance, December 31, 2024	8,950,595	\$ 1.77

The following table reflects the actual warrants issued and outstanding as of December 31, 2024:

Number of Warrants	Exercise Price	Expiry Date
1,035,000	\$ 4.69	February 9, 2026
5,842,595	\$ 1.41	April 24, 2026
1,956,552	\$ 1.35	November 10, 2026
116,448	\$ 1.35	December 7, 2026
8,950,595	\$ 1.77	

15. Net loss per common share

The calculation of basic and diluted loss per share for the year ended December 31, 2024 was based on the loss attributable to common shareholders of \$2,111,190 (year ended December 31, 2023 - \$2,596,991) and the weighted average number of basic common shares outstanding of 22,665,255 (year ended December 31, 2023 - 14,833,217). For the year ended December 31, 2024 and 2023, all potential dilutive stock options and warrants were excluded from the diluted loss per share calculations as they are anti-dilutive.

16. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

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16. Related party transactions (continued)

Remuneration of key management personnel of the Company was as follows:

	Year Ended December 31,	
	2024	2023
Management salaries (i)	\$ 1,024,873	\$ 915,457
Director and chair fees (ii)	240,000	207,551
Board advisory fee (iii)	15,000	-
Severance fee (iv)	-	174,649
Share-based compensation (Note 13)	193,913	269,343
	\$ 1,473,786	\$ 1,567,000

- (i) During the year ended December 31, 2024, management salaries of \$701,178 (year ended December 31, 2023 - \$548,502) were expensed as salaries and benefits, and \$323,695 (year ended December 31, 2023 - \$366,955) were capitalized as exploration and evaluation costs.
- (ii) During the year ended December 31, 2024, director and chair fees of \$240,000 (year ended December 31, 2023 - \$207,551) were expensed as salaries and benefits.
- (iii) During the year ended December 31, 2024, board advisory fee of \$15,000 (year ended December 31, 2023 - \$nil) were expensed as professional fees.
- (iv) During the year ended December 31, 2024, severance fee of \$nil (year ended December 31, 2023 - \$174,649) to a certain officer of the Company was paid and expensed as salaries and benefits.
- (v) During the year ended December 31, 2024, services provided by C H Plenge & CIA S SA (company related to one of the directors) of \$nil (year ended December 31, 2023 - \$90,479) were capitalized as exploration and evaluation costs. Included in the December 31, 2024 amounts payable and other payables is \$nil (December 31, 2023 - \$88,776) due to this related party.
- (vi) Included in the December 31, 2024 accounts payable and accrued liabilities is \$63,750 (December 31, 2023 - \$nil) due to related parties.
- (vii) 155,340 Units issued in the Offering (Note 12(b)(i)) were issued to related parties.
- (ix) 94,493 common shares issued as consideration for director fees (Note 12(b)(iv)) were issued to related parties.

17. Financial income (expenses)

	Year Ended December 31,	
	2024	2023
Bank charges	\$ (7,935)	\$ (14,621)
Interest income	20,792	1,566
	\$ 12,857	\$ (13,055)

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18. Segmented information

Operating segment:

The Company has one operating segment, the acquisition, exploration and evaluation of mineral assets.

Geographic segments:

The Company's assets, liabilities, expenses and other income by geographic area as at and for the years ended December 31, 2024 and 2023 are as follows:

	As at December 31, 2024		
	Canada	Peru	Total
Current assets	\$ 3,015,231	\$ 1,737,688	\$ 4,752,919
Exploration and evaluation assets	-	27,488,329	27,488,329
Non-current assets	884	4,203,203	4,204,087
Total assets	\$ 3,016,115	\$ 33,429,220	\$ 36,445,335
Current liabilities	\$ 1,717,780	\$ 1,019,281	\$ 2,737,061
Total liabilities	\$ 1,717,780	\$ 1,019,281	\$ 2,737,061

	As at December 31, 2023		
	Canada	Peru	Total
Current assets	\$ 3,753,416	\$ 1,532,334	\$ 5,285,750
Exploration and evaluation assets	-	24,220,518	24,220,518
Non-current assets	1,693	3,852,053	3,853,746
Total assets	\$ 3,755,109	\$ 29,604,905	\$ 33,360,014
Current liabilities	\$ 942,154	\$ 1,549,863	\$ 2,492,017
Total liabilities	\$ 942,154	\$ 1,549,863	\$ 2,492,017

	Year Ended December 31, 2024		
	Canada	Peru	Total
Expenses	\$ (1,526,864)	\$ (1,619,239)	\$ (3,146,103)
Other income	1,111,727	(76,814)	1,034,913
Net loss for the year	\$ (415,137)	\$ (1,696,053)	\$ (2,111,190)

	Year Ended December 31, 2023		
	Canada	Peru	Total
Expenses	\$ (2,373,191)	\$ (1,540,444)	\$ (3,913,635)
Other income (expenses)	1,155,881	160,763	1,316,644
Net loss for the year	\$ (1,217,310)	\$ (1,379,681)	\$ (2,596,991)

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19. General and administrative

	Year Ended December 31,	
	2024	2023
Administrative expenses	\$ 147,738	\$ 272,034
Advertising and marketing	31,038	371,290
Depreciation (Note 7)	5,569	10,073
Environmental fees	2,804	-
Filing and listing fees	218,855	202,058
Insurance	86,828	159,645
Operational expenses	122,167	104,295
Professional fees (Note 16)	876,449	1,079,642
Salaries and benefits (Note 16)	1,359,210	1,261,592
Travel, meals and entertainment	9,886	69,226
	\$ 2,860,544	\$ 3,529,855

20. Income taxes

The Company's provision for income taxes differs from the amounts computed by applying the basic current rate of 26.5% for Canada to income (loss) for the year before taxes as shown in the following table:

	Year Ended December 31,	
	2024	2023
Loss before income taxes	\$ (2,111,190)	\$ (2,596,991)
Expected income tax recovery based on statutory rate	(559,465)	(746,839)
Adjustments to expected income tax recovery:		
Stock based compensation	75,673	160,338
Unrealized losses	3,921	10,869
Rate differential	(50,923)	(50,923)
Unrealized gain on warrant	(270,317)	(318,060)
Change in deferred income tax asset not recognized	801,111	944,615
Income tax expense (recovery)	\$ -	\$ -

Deferred Income Taxes Assets (Liabilities)

As at December 31,	2024	2023
Capital assets	\$ 623	\$ 408
Mineral assets	(2,662,088)	(2,226,966)
Share issuance costs and other	316,358	461,022
Canadian non-capital losses carried forward	2,083,446	1,638,262
Foreign losses carried forward	5,774,695	5,350,845
Deferred tax assets	5,513,034	5,223,571
Less: Deferred tax assets not recognized	(5,513,034)	(5,223,571)
Net deferred tax assets	\$ -	\$ -

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20. Income taxes (continued)

As at December 31,	2024	2023
Exploration costs	\$ (6,053,228)	\$ (5,197,280)
Net deferred tax liabilities	\$ (6,053,228)	\$ (5,197,280)

Certain deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

Tax Loss Carry Forward Balances

As at December 31, 2024, the non-capital losses expire as follows:

Year	Amount
2041	\$ 258,372
2042	3,389,193
2043	2,534,556
2044	1,679,939
	\$ 7,862,060

21. Contingencies

The Company's exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations.

The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations. The Company records the fair value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation, and re-vegetation of affected areas.

The estimated fair value of a liability, and corresponding increase in the related property, is reported in the year in which it is incurred and when a reasonable estimate of fair value can be made. The fair value is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Company subsequently allocates the cost to expense using a systematic and rational method over its useful life and records the accretion of the liability as a charge to the consolidated statements of net and comprehensive loss.

As the Company has not commenced any mining operations as of December 31, 2024, no provision for decommissioning has been recognized in these consolidated financial statements. Upon both the approval of the Company's Mine Closure Plan (approved on April 12, 2024) and the commencement of mining operations, a provision for decommissioning will be recognized. Current estimates made by management are that the budget for remediation activities could be between \$9.5M and \$12.5M and that the estimated Life of Mine could be 9 years.

The Company is subject to various administrative procedures and potential disputes under various Peruvian laws and regulations including with the General Directorate of Environmental Affairs from Mining (DGAAM), the Supervisory Agency of Investment into Energy and Mines (OSINERGMIN), the Local Water Authority (ALA) and the Supervisory Agency for Environmental Protection (OEFA).

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21. Contingencies (continued)

The Company discloses these as contingent liabilities as they represent possible obligations arising from past events; however, the Company and the Company's external advisors do not consider it probable that a material outflow of resources will be required to settle the obligations and in some of the cases the Company's liability cannot be measured reliably.

22. Commitments

In December 2023, the Company signed the 20-year community agreement with the Castrovirreyna community granting use of land for the planned 2025 restart of Reliquias Mine. This is a \$80,972 (PEN 300,000) plus VAT (18%) annual commitment starting 2024 for every year over 20 years.

23. Subsequent events

- (i) On January 14, 2025, the Company issued 113,246 common shares as consideration for director fees for the period October 1, 2024 to December 31, 2024 of \$63,750.
- (ii) On February 27, 2025, the Company granted stock options to certain directors, officers and employees of the Company to purchase up to 486,666 common shares of the Company, exercisable at a price of C\$0.90 per share, for a period of four years from the date of the grant. These options will vest at the later of:
 - The first anniversary of the date of grant; or
 - The mining operations reaching commercial operation as defined by the operations reaching an average mining rate of 400 tonnes per day over a period of 30 days.
- (iii) On March 28, 2025, the Company consolidated all of the issued and outstanding class A common shares of the Company on the basis of one (1) post-consolidation class A common share for every fifteen (15) pre-consolidation class A common share. All historical share and per share data, including stock options and warrants, presented in these consolidated financial statements have been retrospectively adjusted to reflect the share consolidations.
- (iv) On April 8, 2025, the Company issued 102,740 common shares as consideration for director fees for the period January 1, 2025 to March 31, 2025 of \$63,750.