TSXV.AGMR

SILVER MOUNTAIN RESOURCES INC.

Management's Discussion and Analysis

Years Ended December 31, 2024 and 2023

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Silver Mountain Resources Inc. ("AGMR", the "Company", "we" or "our") constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2024 and 2023. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2024 and 2023, together with the notes thereto (the "Financial Statements"). The Company's financial statements and the financial information contained in this MD&A are 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").

This MD&A has been prepared as of April 23, 2025. All dollar figures in this MD&A are expressed in United States dollars, unless otherwise stated.

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 the Financial Statements and this MD&A have been retrospectively adjusted to reflect the share consolidations.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "Risks and Uncertainties" and the "Cautionary Note Regarding Forward-Looking Information" sections at the end of this MD&A.

Unless otherwise stated, the scientific and technical information contained in this MD&A has been reviewed and approved by Gerardo Acuña, P. Geo, an independent consultant of the Company and a Qualified Person (MAIG 7065) within the meaning of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

Description of Business

Silver Mountain Resources Inc. (TSXV:AGMR | OTCQB:AGMRF | BVL:AGMR) is a publicly traded silver explorer and mine developer listed on the TSX Venture Exchange (the "TSXV"), which is planning to re-start production at the Reliquias underground mine and undertake exploration activities at its highly prospective silver camps at the Castrovirreyna Project (the "Reliquias Project" or "Reliquias") located in Huancavelica, Peru.

The Company, through its subsidiary Sociedad Minera Reliquias S.A.C ("AGMR Peru") owns a 2,600 tonnes per day (tpd) processing plant capacity (permits up to 2,000tpd), an operating tailings dam, and over 59,000 hectares ("ha") of titled mining concessions. The Company targets the acquisition of mining concessions for exploration, exploitation, extraction, and processing of all types of minerals with a special focus on precious metals.

The Project includes mine infrastructure that supported the Reliquias underground mine operations, which were operated by Corporación Minera Castrovirreyna ("CMC") from 2005 to 2015. In 2018, AGMR Peru acquired certain liquidated assets from CMC that comprised the Project. The Project, includes the following infrastructure:

- Reliquias and Caudalosa underground mines: consisting of ventilation system, water pumping system, explosives magazine, and mining equipment
- Concentrator Plant: a 2,600 tpd conventional concentrator plant to produce silver, lead, zinc, and copper concentrates
- Tailings storage facility (TSF): sufficient remaining capacity for two years of tailings production
- Infrastructure: power supply line, water supply system, fuel storage, a 370-person camp, warehouses, maintenance shops, and paved roads

Corporate Strategy

In pursuit of our corporate vision, AGMR is strategically positioning itself for long-term growth and sustainability. Our focus remains on unlocking the full potential of our high-value assets through disciplined exploration, development, and strategic alliances, all while upholding our commitment to maximizing stakeholder value. A key pillar of our approach is converting historical resources into NI 43-101 compliant reserves and expanding our current resource base across the 24,000-hectare Reliquias Block, ensuring the continuous advancement of our projects.

We are preparing to initiate drilling activities within the 28,800-hectare Dorita Block, located in the northern sector of our Project. Encouraging surface exploration results highlight its significant potential, reinforcing Dorita's role as a critical component of our growth strategy. Through a methodical and systematic approach to exploration and development, AGMR is dedicated to unlocking new resources and enhancing the economic viability of our operations, ultimately driving long-term shareholder value.

Additionally, subject to securing the necessary financing, AGMR aims to commence commercial operations at the Project in 2026.Additional financing will be required to complete essential activities necessary for its successful development. These essential activities include: (1) Mine Development – Advancing underground access and installing key mining infrastructure, including 4,650 meters of underground tunneling, to unlock priority ore zones within the Reliquias mine. (2) Plant Commissioning – Conducting critical upgrades and maintenance to optimize processing capacity and recommissioning the tailings storage facility to ensure responsible resource management. (3) Camp Rehabilitation – Enhancing accommodations to provide a suitable living and working environment for our workforce. (4) Environmental and Safety Compliance – Implementing measures to meet regulatory standards and uphold the highest safety protocols for our personnel and surrounding communities. (5) Community Engagement – Strengthening relationships with local communities through consistent dialogue and support initiatives that foster mutual benefits.

The Corporation may not have access to the required funding for this plan on acceptable terms or at all. Failure to secure additional financing could lead to delays or indefinite postponement of the Project. See "Risk Factors."

As part of our ongoing area consolidation strategy, AGMR is continually evaluating and pursuing high-potential targets adjacent to our existing projects. Expanding our land package through additional mining concessions strengthens our resource base and creates new avenues for growth. This strategy enhances both the scale and sustainability of our portfolio, reinforcing our position in the region and maximizing long-term shareholder returns.

Beyond our current projects, AGMR remains proactive in identifying and assessing new exploration opportunities in emerging high-potential mining regions. This diversification strategy not only mitigates risk but also ensures a pipeline of future growth opportunities, reinforcing AGMR’s long-term vision for expansion.

To accelerate our progress, AGMR is actively forming strategic partnerships with leading industry players and research institutions. These collaborations allow us to leverage external expertise, adopt best-in-class mining practices, and optimize project execution. By integrating innovation and efficiency into our operations, we enhance productivity, reduce costs, and strengthen our competitive advantage within the sector.

At the core of our corporate philosophy is a commitment to transparency, collaboration, and stakeholder engagement. We prioritize open communication with shareholders, employees, local communities, and regulatory authorities. By aligning our strategic decisions with the interests of all stakeholders, we cultivate trust, foster long-term partnerships, and ensure the social and environmental sustainability of our operations. AGMR is not just developing mining projects—we are building a responsible, forward-thinking, and high-growth resource company positioned for long-term success.

Corporate Highlights

- On January 9, 2024, the Company announced and signed a 20-year agreement with the Castrovirreyna community granting use of land for the planned restart of the Reliquias mine.

- On January 23, 2024, the Company provided a shareholder announcement that delineates a roadmap for production. It outlines the achievements of 2023 and the expected milestones for 2024.

- On January 24, 2024, the Company announced the appointment of Johnny DeCooman to the Board of Directors and the appointment of Gerardo Fernandez as advisor to the Board of Directors.

- On January 31, 2024, the Company announced metallurgical recoveries and concentrate grades from its Reliquias Project Peru.

- On February 7, 2024, the Company announced the doubling of contained silver content with higher grade and increased tonnage in the measured and indicated categories in an updated mineral resource estimate at its Reliquias Project, Peru.

- On February 22, 2024, the Company granted stock options to certain directors, officers and employees of the Company to purchase up to 493,333 class A common shares in the capital of the Company (each, a “Common Share”), exercisable at a price of C$1.50 per share for a period of four years from the date of the grant.

- On March 19, 2024, the Company filed a NI 43-101 Technical Report for a previously announced updated mineral resource estimate at the Reliquias Project.

- On April 16, 2024, the Company announced that it had entered into an agreement pursuant to which Eight Capital and SCP Resource Finance LP would offer for sale up to 4,546,667 units of the Company on a best-efforts basis at a price of C$1.65 per unit, for aggregate gross proceeds of up to C$7,502,000. Each unit to be comprised of one Common Share and one warrant, with each warrant shall entitle the holder to acquire an additional Common Share for a period of 48 months, at an exercise price of C$2.025.

- On April 19, 2024, the Company announced that it had upsized the April 2024 Prospectus Offering (as defined below).

- On April 24, 2024, the Company closed its prospectus offering of 5,454,567 units of the Company (“Units”) at a price of $1.20 (C$1.65) per Unit (the "Offering Price"), for gross proceeds of $6,564,626 (C$9,000,035) (the “April 2024 Prospectus Offering”). The Company also issued an additional 388,029 Units at the 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 class A common share in the capital of the Company (each a “Common Share“) and one Common Share purchase warrant (each a “Warrant“). Each Warrant entitles the holder to acquire an additional Common Share for a period of 48 months, at an exercise price of C$2.025.

  The 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 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.

- On May 8, 2024, the Company announced that the TSXV had accepted for listing 5,842,595 Warrants for trading on the TSXV. Such Warrants were issued pursuant to the April 2024 Prospectus Offering.

- On May 15, 2024, the Company announced the results of a Preliminary Economic Assessment for its Reliquias Project in Peru which indicated that Reliquias is a robust silver and base metals project with a Pre-tax NPV 5% of C$107 million.

- On June 18, 2024, the Company announced that Peru’s National Authority for Environmental Certification

(SENASE) had approved the extension of the main environmental permit (or EIA-d) for the Reliquias mine, Caudalosa mine and all their components in central Peru. This authorization extends the environmental certification for the Company's future mining operations until 2034.

- On June 26, 2024, the Company announced that it had filed an independent technical report prepared in accordance with NI 43-101 supporting the previously announced preliminary economic assessment for the Reliquias mine in central Peru.

- On July 9, 2024, the Company announced that Peru´s Ministry of Energy and Mines had approved the Reliquias and Caudalosa Mine Closure Plans, a key milestone permit needed to commence production in this historic mining district located in central Peru.

- On July 16, 2024, the Company announced that Gerardo Fernandez had been elected as a director at the annual general meeting of shareholders held on June 27, 2024.

- On September 18, 2024, the Company announced that it had entered into shares for services agreements with each of its directors, pursuant to which, such directors will receive all or a portion of their director fees for the period from July 1, 2024, to June 30, 2025 (including any accrued fees as of July 1, 2024) in Common Shares. The Common Shares are expected to be issued quarterly and be subject to a four-month and one-day hold period commencing upon the date of issuance. To date, a total of 3,187,554 Common Shares have been issued pursuant to such agreements.

- On October 28, 2024, the Company announced that as a result of a continuous disclosure review by staff of the Ontario Securities Commission, the Company filed (i) an amended and restated preliminary economic assessment for its Reliquias mine in central Peru dated October 28, 2024 and with an effective date of May 15, 2024 (the "**Amended Technical Report**"), and (ii) a material change report disclosing certain information in respect of the Company's Chief Operating Officer to supplement the Company's annual information form for the year ended December 31, 2023.

  Additionally, on October 28, 2024, the Company's final base shelf prospectus was filed and approved by the Ontario Securities Commission. It is now available on SEDAR+ and authorizes the Company to raise up to C$25 million.

- December 19, 2024, the Company announced that it had received confirmation from Peru's Ministry of Energy and Mines that the Company's Reliquias mine and Caudalosa plant have been officially classified as ongoing mining operations. This significant designation represents the final governmental approval required for the Company to restart production and processing operations.

Subsequent Events

- 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.

- On January 21, 2025, the Company provided an update on its planned activities for 2025 and reviewed its achievements from 2024.

- On February 27, 2025, the Company approved a grant of 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:
  (i) the first anniversary of the date of grant; or
  (ii) (ii) 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.

- On March 28, 2025, the Company consolidated all of the issued and outstanding Common Shares on the basis of one (1) post-consolidation Common Share for every fifteen (15) pre-consolidation Common Shares. All historical share and per share data, including stock options and warrants, presented in the consolidated financial statements and this MD&A have been retrospectively adjusted to reflect the share consolidation.

- On April 4, 2025, the Company announced that Alejandra Soto had resigned from her position as Chief Financial Officer of the Company, effective April 30, 2025, and that the Company had commenced a search for a new Chief Financial Officer.

- 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.

Operational Overview

Operations Mine

Silver Mountain Resources owns two historically productive underground mines: Reliquias and Caudalosa. These assets have a long mining history, with continuous extraction activities from 1951 to 2016, yielding significant volumes of silver, zinc, lead, gold, and copper. Between 2009 and 2014, the mines produced an average of over 1 million ounces of silver and nearly 3,000 ounces of gold annually, peaking in 2012 with 1.4 million ounces of silver and approximately 4,000 ounces of gold recovered within a bulk concentrate. Mining operations have employed advanced underground methods, including sub-level stoping and conventional cut and fill, optimizing ore extraction.

Reliquias, the Company's flagship underground mine, is strategically located 10 km southwest of the fully operational processing plant. It is accessible via an extensive network of ramps, and transport levels. The deposit features high-grade silver sulfides and sulfosalts near the surface, transitioning to increasing base metal content at depth. Meanwhile, Caudalosa historically focused on silver-rich sulfides, galena, sphalerite, and minor copper sulfides.

Recognizing significant exploration potential, the Company through AGMR Peru has prioritized both depth extensions and lateral expansions across multiple veins, particularly the Sacasipuedes, Ayayay, Matacaballo and Perseguida structures. These zones present highly prospective targets for continued underground development.

Building on a successful exploration and drilling campaign at Reliquias in 2022, the Company announced a robust NI 43-101 Mineral Resource estimate in April 2023, reinforcing the mine's strong growth potential. The updated Mineral Resource estimate, conducted under CIM definitions and compliant with NI 43-101 disclosure requirements, incorporates data from 95 drill holes and 4,388 channel samples collected during the 2023 drilling and sampling programs. Combined with data from 2022, these findings have helped refine and reinterpret 21 mineralized structures within the Reliquias mine. Advanced block modeling techniques were applied, using dimensions of 4 m x 1 m x 4 m, with sub-block sizes as small as 0.50 m x 0.25 m x 0.50 m, ensuring precise orebody definition.

Mineral resources have been classified based on rigorous criteria:

- Measured Resources include resource blocks in the first interpolation pass, requiring a minimum of three drillholes within 30 m and proximity to mine workings.
- Indicated Resources are defined for resource blocks in the first or second interpolation pass, requiring a minimum of two drillholes within 60 m and being within 30 m of the measured domain.
- Inferred Resources cover resource blocks with extrapolation up to 80 m.

Further reinforcing its strong economic potential and near-term development prospects, the Company has released the Amended and Restated NI 43-101 Technical Report. The Amended Technical Report outlines positive financial metrics, underscoring Reliquias as a high-margin, capital-efficient project poised for significant value creation. Key highlights include a pre-tax Net Present Value (NPV) at a 5% discount rate of C$107 million, an impressive pre-tax Internal Rate of Return (IRR) of 57%, and an expedited payback period of just 1.8 years—demonstrating the Project's ability to generate substantial cash flow within a remarkably short timeframe. A copy of the Amended Technical Report is available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.agmr.ca. A key differentiator for Reliquias is its existing and fully permitted infrastructure, which substantially reduces capital intensity and accelerates time to production. With initial CAPEX requirements of US$24.8 million, the Project boasts a profitability ratio of 2.5 times, reflecting its potential to deliver strong financial returns with minimal upfront investment. This lean cost structure, coupled with the Project's favorable jurisdiction and well-established mining framework, positions Reliquias as an attractive investment in the silver and polymetallic space.

As the Company advances towards development, Reliquias represents a compelling, near-term growth opportunity, offering investors exposure to a high-quality asset with robust economics, scalable production potential, and strong

ESG credentials. With a clear pathway to production, low execution risk, and substantial value-creation potential, the Project is strategically positioned to deliver sustainable, long-term returns for stakeholders.

With these strong economic indicators, ongoing exploration efforts, and a robust mineral resource base, the Company remains committed to maximizing the potential of its high-grade underground assets, creating lasting value for shareholders and stakeholders alike.

NI 43-101 Technical Report Mineral Resource Estimate for the Reliquias Mine

The Reliquias mine has undergone substantial exploration and the results are showcased below. The current mineral resources for the Reliquias mine is summarized in the table below.

		Grades					Contained Metal				
Resource	**Volume**	**Silver**	**Gold**	**Zinc**	**Lead**	**Copper**	**Silver**	**Gold**	**Zinc**	**Lead**	**Copper**
	kt	*Oz/t*	*g/t*	*%*	*%*	*%*	*MozAg*	*KozAu*	*Mlb Zn*	*Mlb Pb*	*Mlb Cu*
Measured	228	5.10	0.54	2.97%	1.91%	0.28%	1.2	3.8	14.8	9.5	1.4
Indicated	1,083	4.07	0.38	3.11%	2.04%	0.33%	4.4	12.8	73.5	48.4	7.8
M&I	**1,311**	**135.0**	**0.42**	**3.14%**	**2.06%**	**0.33%**	**5.6**	**16.6**	**88.3**	**57.9**	**9.2**
Inferred	1,758	3.99	0.42	2.91%	1.80%	0.28%	7.0	22.7	111.5	69.1	10.7

Notes:

- *Mineral Resources are those defined in the definition of the CIM Standards on Mineral Resources and Mineral Reserves, 2014.*
- *Mineral Resources statement have an effective date of May 1, 2024. Antonio Cruz Bermúdez is the independent, qualified person responsible for the Mineral Resources estimate.*
- *The Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.*
- *There is no certainty that all or part of the estimated Mineral Resources will be converted to Mineral Reserves.*
- *Mineral Resources are reported at US$52.02 NSR cut off for the polymetallic veins; metal prices considered were US$24.00/oz Ag, US$1,921/oz Au, US$8,950.80/t Cu US$2,072.30/t Pb, US$2,689.60/t Zn.*
- *Metallurgical recoveries of polymetallic veins are based on the preliminary results of the metallurgical tests carried out in 2023: Ag= 91.35%, Au=78.88%, Cu=90.85%, Pb=93.09%, Zn= 84.64%.*
- *Mineral Resource tonnes are rounded to the nearest thousand and totals may not add due to rounding.*
- *The reported Mineral Resources are not diluted.*
- *The reported Mineral Resources do not include mined-out areas.*

Please refer to the Amended Technical Report which is available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.agmr.ca.

Throughout the year 2023 and up to the present in 2024, no exploration activity was conducted at the Caudalosa mine. The historical mineral resources for the Caudalosa mine are summarized in the table below. Mineral resources, although not independently calculated, are of reasonable quality for the purposes of exploration programs and mining.

Historical Resource Estimate – Caudalosa Project[1]

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

(1) Disclosure of Historical Estimates Historical Resources
The historical resource estimates provided are not classified as Mineral Reserves or Mineral Resources and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimates. These estimates come from Sociedad Minera Reliquias SA, based on RM-Master Pro Quality reports by C. Rodriguez (April 2019 and July 2019). While these historical estimates are relevant for understanding the Project, additional exploration, including drilling, may be required to verify them as current Mineral Resources. Sufficient work has not been done to classify these historical estimates as current Mineral Resources or Mineral Reserves, and they should not be treated as such. This information is derived from the Company's NI 43-101 compliant technical report titled "Amended and Restated National Instrument 43-101 Technical Report, Castrovirreyna Project Peru" dated November 18, 2021 and effective August 17, 2021 and which is available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.agmr.ca.

Exploration Properties

Reliquias Project: Advancing Exploration and Resource Expansion

The Company remains committed to unlocking the full potential of the Reliquias Project through a rigorous and data-driven exploration strategy. Following the launch of an ambitious exploration campaign in December 2021, the program successfully concluded in September 2023, marking a significant milestone in our ongoing efforts to expand and upgrade mineral resources.

The multi-year exploration effort was designed to systematically assess the Project's untapped potential, leveraging modern drilling techniques and detailed geological modeling. In 2022, the Company completed 14,004.05 meters of drilling using HQ (96 mm) diameter core and an additional 2,951.25 meters using NQ (75.7 mm) diameter core and 318.65 meters using BQ (60 mm). Building upon this foundation, the 2023 program intensified with 12,139.95 meters of HQ/NQ drilling, 2,813.45 meters of BQ (60 mm) drilling, and 308.95 meters completed using Packsack equipment. The variety of core diameters allowed for a flexible and adaptive approach, optimizing sample collection across different geological settings.

During 2023, the Company successfully executed 95 diamond drill holes, accumulating a total of 14,953.40 meters of drilling. The program was strategically designed to balance deeper exploration with near-surface delineation, ensuring a comprehensive understanding of the subsurface mineralization. A total of 50 boreholes were completed using small-diameter BQ equipment, which proved invaluable in navigating narrow and structurally complex zones. Meanwhile, 45 boreholes were drilled using HQ/NQ cores to maximize data integrity and resource modeling accuracy.

The primary objective of this extensive exploration campaign was to refine structural interpretations, confirm mineral continuity, and identify new targets for future development. The campaign successfully delineated key structural corridors, including high-priority vein extensions and tensional structures that could support future underground mining operations. These results reinforce the strong potential for continued resource growth at Reliquias.

A total of 1,358 samples were collected from BQ drill holes, comprising 1,090 primary samples and 268 control samples. This systematic sampling approach ensures high analytical reliability, enabling the Company to refine its mineral resource estimates with a greater degree of confidence. Furthermore, the integration of new geological data has allowed the company to optimize future drilling campaigns, focusing on high-impact zones that could significantly enhance Project economics.

Looking ahead, Silver Mountain Resources is actively evaluating additional exploration opportunities within the broader Reliquias property. With a growing understanding of the deposit's geological framework, the Company is well-positioned to continue adding value through targeted exploration initiatives. These efforts align with the broader strategy of sustainable growth, leveraging data-driven exploration to create long-term value for investors and stakeholders alike.

Vein	Channels Sample BQ	QAQC	Total
AYAYAY	146	34	180
MATACABALLO	167	41	208
PASTEUR	164	40	204
PERSEGUIDA	66	17	83
POZORICO	172	40	212
SACASIPUEDES	88	23	111
VULCANO	106	22	128
METEYSACA	181	51	232
Total	**1,090**	**268**	**1,358**

A total of 4,068 samples were gathered from the HQ and NQ drilling boreholes, consisting of 3,426 primary samples and 642 control samples. These drilling efforts were strategically designed to identify and define critical structural features with high geological significance. The key targets included the Matacaballo, Meteysaca, Perseguida, Sacasipuedes, Natividad, Ayayay, Pasteur, Pozorico, Vulcano, and Beatita X structures, each representing potential opportunities for resource expansion and further exploration.

Vein	Drilling Sample HQ/NQ	QAQC	Total
Vulcano	1,132	207	1,339
Sacasipuedes	1,129	209	1,338
Perseguida	1,066	205	1,271

Pasteur	99	21	120
Total	**3,426**	**642**	**4,068**

This ambitious exploration program reflects AGMR's dedication to maximizing the value of its assets and delivering long-term growth for stakeholders. The data and insights derived from these efforts will play a crucial role in shaping future exploration and development strategies, strengthening the Company's position in the mining sector.

In 2023, comprehensive geological studies were carried out at various levels of the Reliquias mine, including channel sampling, density sampling, and vein mapping. Rigorous QA/QC protocols were implemented, ensuring data accuracy and reliability. These initiatives were designed to enhance geological interpretation and support the expansion of mineral resources, reinforcing the Project's long-term potential.

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

Castrovirreyna Project: Expanding Potential Beyond Reliquias

Strategically located northwest of the Reliquias mine, the Castrovirreyna exploration zone spans 313 hectares and presents strong geological continuity with key mineralized veins, including Sacasipuedes, Meteysaca, Perseguida, and Beatita. The area is characterized by outcrops composed of pseudo-stratified sequences of porphyritic andesites, lapilli tuffs, and tuffaceous breccias, with polymictic clasts dating back to the Neogene age (Miocene period, ~23 million years ago), attributed to the Caudalosa Formation (Salazar & Landa, 1993).

The site exhibits extensive hydrothermal alteration, including propylitic, argillic, sericitic, and silicification processes, particularly at structural contacts where mineralization occurs. Structurally, two dominant fault systems have been identified:

- A northwest-trending system associated with sinistral movement and east-west compression.
- A second northwest-trending system influenced by north-south extensional forces.

These structural dynamics played a crucial role in vein formation, with northeast-southwest veins (e.g., Matacaballo) developing in an extensional setting, resulting in greater vein thicknesses and banded-crustiform textures. Conversely, northwest-southeast veins (e.g., Perseguida, Meteysaca, Beatita) formed in a tensional setting, leading to narrower vein structures.

The following main structures have been identified:

- **Erika Vein** – This structure extends approximately 220 meters along a N115°/88° orientation, with variable thicknesses ranging from 0.30 to 0.50 meters. The vein is primarily composed of quartz and gray silica, exhibiting a distinct banded texture. Sulfide mineralization includes disseminated pyrite associated with iron oxides and cavity fillings, indicative of potential enrichment zones. Preliminary assay results returned 900 ppb Ag and 135 ppm Zn, highlighting its mineralized potential and warranting further exploration.

- **Meteysaca Vein** – Running parallel to the Erika Vein, this structure extends 520 meters along an N110°/86° orientation. It consists of gray silica, finely disseminated pyrite, and ground rock material with moderate iron oxide content, suggesting significant hydrothermal activity. The average vein thickness is approximately 0.60 meters, with the host rock consisting of lapilli tuffs and porphyritic andesites exhibiting weak silicification. Preliminary results returned 700 ppm Ag, 128 ppm Zn, and 462 ppm Cu, underscoring its polymetallic potential.

- **Perseguida Vein** – This structure follows an N110°/86° orientation with a thickness varying between 0.20 and 0.50 meters. The mineralized body is composed of banded gray silica and quartz, with leached sections indicative of past fluid movement. Fine disseminated pyrite is present, along with crustiform quartz textures and iron oxide patinas. The host rock consists of porphyritic andesite and lapilli tuffs, with alteration halos extending from 0.3 to 1 meter, suggesting potential for lateral mineralization.

- **Beatita Vein** – One of the more extensive structures, this vein stretches 2.2 kilometers with an orientation of N115°/83°, exhibiting thicknesses between 0.5 and 1.0 meters. It features three central levels that were historically exploited, accessible via a main shaft. The mineral composition includes gray silica, milky quartz with a banded texture, leached sections, and notable occurrences of pyrite, galena, and gray sulfides. Argillic alteration is observed at the contact with the host rock, indicating structural permeability and ongoing mineralization processes.

- **Victoria Vein** – Extending 700 meters along an N105°/80° orientation, this vein varies in thickness from 0.50 to 1.00 meters. It is primarily composed of gray silica, displaying a banded texture at the margins and brecciated characteristics in the central portion. The matrix contains fine disseminated pyrite and silicified rock clasts, suggesting a history of hydrothermal brecciation. Preliminary assays indicate values of 2.8 ppm Ag, 138 ppm Pb, and 2438 ppm Zn, reinforcing its economic potential for future exploration.

- **Nueva Vein** – With a strike length of 400 meters and an orientation of N100°/80°, this structure varies in thickness from 0.5 to 1.5 meters. It is composed of barite, milky quartz, and banded gray silica, with localized brecciation on the northern side, where a clay-rich matrix and silicified rock fragments are observed. The host rock, consisting of porphyritic andesite and lapilli tuffs, exhibits weak argillic alteration and iron oxide patinas. These geological indicators suggest the potential for structurally controlled mineralization.

- **Teresa Vein** – This structure, measuring 50 meters in length and averaging 0.70 meters in thickness, follows an N60°/78° orientation. It is characterized by massive and crustiform quartz with disseminated fine pyrite and iron oxide patinas. The host rock consists of lapilli tuffs, which also contain quartz and iron oxide veins. Early-stage assay results report values of 3.2 ppm Ag, 74 ppm Pb, and 173 ppm Zn, indicating potential for further detailed exploration.

- **Teresa II Vein** – Outcropping over 175 meters with an orientation of N60°/85°, this vein is composed of milky and crustiform quartz, argillized material, and finely disseminated pyrite. It also features fine iron oxide veins with banded and brecciated textures, indicative of a complex mineralization history. The host rock consists of moderately fractured lapilli tuffs with quartz veins and iron oxide presence. Preliminary results include 12.5 ppm Ag, 117 ppm Cu, 202 ppm Pb, and 466 ppm Zn, suggesting a multi-element potential.

- **San Pablo Vein** – Mining activity in this structure dates back to the 1960s, with historical exploitation evidenced by two stopes (E-34 and E-35). The vein extends 700 meters with an orientation of N110°/80°, but current access remains restricted due to a paralyzed and flooded main shaft. The broader San Pablo vein system comprises several tensional structures (San Pablo 1, 2, and 3) oriented N280°/78°. These structures are composed of massive milky quartz with distinct banded textures, pyrite inclusions, and iron oxide patinas. The host rock, consisting of porphyritic andesites and fractured lapilli tuffs, contains quartz and iron oxide veins, indicative of mineralized potential worthy of further assessment.

The Castrovirreyna region represents a high-value target for further exploration and resource expansion due to its extensive structural complexity, diverse vein orientations, and encouraging preliminary assay results. The presence of multiple mineralized structures, including historically exploited veins and untested extensions, suggests upside potential for resource delineation.

Moving forward, AGMR's exploration strategy will focus on:

- Detailed geochemical and geophysical surveys to refine high-priority drill targets.
- Drill testing of key structures to confirm mineral continuity and resource potential.
- Further geological modeling to optimize future development planning.

With its strategic location near Reliquias, well-defined structural framework, and promising early-stage results, Castrovirreyna holds significant promise for value creation and long-term growth, reinforcing the Company's commitment to unlocking new mineral resources in a highly prospective district.

Uchuputo Sector – Structural and Mineralization Potential

The Uchuputo Sector is a high-potential exploration area located just 2 km from the active mining zone, covering 131 hectares. Current work has focused on an 80-hectare area, with the northwestern portion yet to be fully assessed. Geological mapping has identified volcanoclastic sequences composed of porphyritic andesites and lapilli tuffs, oriented N200°/17°. A subvolcanic andesitic-porphyritic body has also been recognized, suggesting structural and hydrothermal activity conducive to mineralization.

Hydrothermal alteration is characterized by propylitic, argillic, and silicification processes, particularly along structural contacts with host rocks. Within this sector, five northeast-trending subparallel structures and one northwest-trending structure have been identified, with mineralization predominantly controlled by NW-trending structures. These features correlate with the Yahuarcocha target, showing mineral assemblages of massive quartz, crustiform quartz, light and dark gray silica, fine disseminated pyrite, and sporadic chalcopyrite.

The six main identified structures are as follows:

- **Karolina Vein** – This structure extends 95 meters along an N70°/75° orientation, with an average thickness of 0.5 to 0.8 meters in a rosary-type formation. The vein is composed of milky and crustiform quartz, brecciated and banded textures, dark gray silica, and fine disseminated pyrite, accompanied by iron oxide patinas. The structure-host rock contact exhibits moderate silicification and weak argillic alteration, with host rocks consisting of tuffaceous lapilli and sporadic porphyritic andesites. Preliminary assays returned 20.5 ppm Ag, 4133 ppm Pb, and 754 ppm Zn, confirming strong polymetallic potential.

- **Katherine Vein** – Outcropping over 85 meters with a N250° orientation, this vein consists of banded and crustiform milky quartz, light and dark gray silica, and fine disseminated pyrite. Intersecting milky quartz branches display iron oxide patinas, suggesting potential oxidation-related enrichment. Assay results indicate 4.3 ppm Ag, 762 ppm Pb, and 644 ppm Zn, demonstrating mineralization continuity.

- **María Vein** – A shorter structure, 25 meters long, trending E-W with Bz 75°N, exhibiting massive and crustiform milky quartz with gray silica at the margins. Fine disseminated pyrite is present, associated with iron oxide patinas. The vein width varies between 0.3 and 0.5 meters, with preliminary assay results of 35 ppm Ag, 321 ppm Cu, 539 ppm Pb, and 506 ppm Zn, indicating notable silver and base metal content.

- **Julia Vein** – Extending 95 meters along an N70°/75° orientation, this vein consists of massive light and dark gray silica with banded textures, as well as massive and crustiform milky quartz. Cubic pyrite is disseminated throughout, and vein thickness varies between 1.0 and 0.6 meters in a rosary-type formation. High-grade assay results include 79.4 ppm Ag, 4462 ppm Pb, and 2630 ppm Zn, making it a strong target for further evaluation.

- **Elsa Vein** – The largest of the identified structures, Elsa extends for 360 meters, oriented N120°/83°, with thickness ranging between 0.3 and 0.7 meters in a rosary-type formation. The vein features a banded texture of gray silica and quartz, a crustiform structure, and brecciated zones in the central portion, where silicified rock clasts are embedded in a gray silica matrix. Fine disseminated pyrite and sporadic sphalerite veins are present, with assay results of 69 ppm Ag, 4443 ppm Pb, 586 ppm Zn, and 194 ppb Au, indicating a notable presence of silver and gold.

- **Rosa Vein** – This vein extends 160 meters with an N80°/85° orientation. It is composed of gray silica, massive and crustiform quartz at the vein margins, and fine disseminated pyrite. The structure has a variable thickness of 0.3 to 0.6 meters, hosted in lapilli tuffs with sporadic quartz veins and iron oxide patinas. Preliminary results returned 1.4 ppm Ag, 128 ppm Pb, and 341 ppm Zn, suggesting lower but still prospective mineralization.

Lira de Plata – Exploration and Resource Evaluation

As part of the ongoing exploration efforts at the Lira de Plata Project, a comprehensive sampling program has been conducted to assess the economic viability of historical dumps and identify prospective mineralized structures within the area. Over the past year, a total of 365 samples were systematically collected, leading to an initial resource estimate of 2,800 tons of ore with an impressive Net Smelter Return (NSR) of $140.38 per ton. To ensure accuracy and reliability, 59 control samples were incorporated into the testing process, reinforcing the validity of the results.

These findings not only highlight the potential for near-term revenue generation from historical material but also serve as a strategic indicator of broader mineralization trends within the Project area. The data gathered is instrumental in refining our geological models, enabling the Company to pinpoint high-grade zones that could warrant further exploration and potential expansion.

Moving forward, the exploration strategy will focus on delineating additional mineralized zones, evaluating the feasibility of processing historical material, and determining the economic merit of deeper or lateral extensions of known structures. The Lira de Plata Project continues to be a key target within our portfolio, with promising indicators that could contribute to the Company's long-term resource base and overall value creation for stakeholders.

Dorita – Strategic Expansion and Development Potential

The Dorita Block remains a key asset in the Company’s exploration pipeline, covering 14 km² of systematic geological mapping, rock and soil sampling, and drill target identification. Through a comprehensive exploration strategy, including underground channel sampling of accessible workings, the Company has gained valuable insights into ore distribution, grade continuity, and structural characteristics, reinforcing the Project's potential for resource expansion.

Historically, the Dorita Block hosted small-scale underground mining operations targeting polymetallic veins enriched with silver, lead, zinc, and copper. Mining activities, conducted under CMC ownership, were discontinued in the late 1980s due to economic limitations. However, recent geological and geochemical evaluations, supported by modern exploration techniques, indicate that the area holds significant unmined potential, warranting further assessment and development.

A major regulatory milestone was achieved on September 1, 2023, with the approval of the Dorita Environmental Impact Statement (EIS). This authorization enables the establishment of 21 drilling platforms over a five-year period, allowing for a robust exploration drilling program while ensuring adherence to environmental and permitting standards.

Looking ahead, the Company is prioritizing partnership opportunities to enhance technical capabilities and accelerate Project advancement. Additionally, community engagement and social license acquisition remain key priorities, ensuring that Project development aligns with local interests and long-term sustainability objectives.

With an emphasis on resource growth and Project de-risking, the upcoming exploration phase will focus on:

- Defining high-grade mineralized zones to optimize future extraction strategies.
- Enhancing geological models to improve resource confidence.
- Refining structural interpretations to guide drilling and target expansion.
- Maximizing shareholder value through asset advancement and strategic decision-making.

The Dorita Block stands as a pivotal project in the Company’s portfolio, offering a clear trajectory toward resource definition and future development. By integrating cutting-edge exploration methodologies, responsible mining practices, and strategic stakeholder collaboration, the Dorita Block is well-positioned to contribute meaningfully to the Company’s long-term growth and production pipeline.

Exploration and Acquisition Costs

	Reliquias	Greenfield Dorita	Other	Total
Balance, December 31, 2022	**$ 11,386,736**	**$ 3,524,381**	**$ 690,220**	**$ 15,601,337**
Exploration costs				
Depreciation	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	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	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.

Selected Annual Financial Information

	Year Ended December 31, 2024 ($)	Year Ended December 31, 2023 ($)	Year Ended December 31, 2022 ($)
Revenue	nil	nil	nil
Net loss	(2,111,190)	(2,596,991)	(5,262,122)
Net loss per share – basic and diluted	(0.09)	(0.18)	(0.43)
	As at December 31, 2024 ($)	**As at December 31, 2023 ($)**	**As at December 31, 2022 ($)**
Total assets	36,445,335	33,360,014	27,751,151
Total long-term liabilities	nil	nil	488,201[(i)]

(i) Warrant Liability (note 11 of FS) generated in 2022 of $488,201.

Summary of Quarterly Results

(In thousands of United States dollars, except per share amounts)

For the period ended ($ '000)	**December 31, 2024**	**September 30, 2024**	**June 30, 2024**	**March 31, 2024**
Current assets	$ 4,753	$ 6,117	$ 7,436	$ 3,481
Total assets	$ 36,445	$ 37,075	$ 37,413	$ 32,715
Current liabilities	$ 2,737	$ 3,151	$ 2,229	$ 1,970
Total liabilities	$ 2,737	$ 3,151	$ 2,229	$ 1,970
Working capital*	$ 2,016	$ 2,966	$ 5,207	$ 1,797
Revenues	$ -	$ -	$ -	$ -
Net loss	$ (332)	$ (1,300)	$ (269)	$ (210)
Loss per share (basic & diluted)	$ (0.01)	$ (0.05)	$ (0.01)	$ (0.01)

**Working capital is a non-IFRS measurement with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see section "Non-IFRS Measure".*

(In thousands of United States dollars, except per share amounts)

For the period ended ($ '000)	**December 31, 2023**	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**
Current assets	$ 5,286	$ 6,255	$ 9,961	$ 13,571
Total assets	$ 33,360	$ 31,905	$ 32,153	$ 33,495
Current liabilities	$ 2,492	$ 2,530	$ 1,998	$ 2,571
Total liabilities	$ 2,492	$ 2,972	$ 2,391	$ 3,363
Working capital*	$ 2,794	$ 3,725	$ 7,963	$ 11,000
Revenues	$ -	$ -	$ -	$ -
Net loss after restatement	$ (858)	$ (979)	$ (583)	$ (177)
Loss per share (basic & diluted)	$ (0.05)	$ (0.07)	$ (0.04)	$ (0.01)

**Working capital is a non-IFRS measurement with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see section "Non-IFRS Measure".*

Results of Operations

Three months ended December 31, 2024, compared with three months ended December 31, 2023

For the three months ended December 31, 2024, AGMR reported a net loss of $332,318, translating to a basic and diluted loss per share of $0.01. This marks an improvement compared to the net loss of $1,324,755 ($0.08 per share) recorded for the same period in 2023, reflecting a reduction of $992,437. The decrease in net loss was primarily driven by the following factors:

- General and Administrative Expenses: During the three months ended December 31, 2024, the Company's general and administrative expenses totaled $659,155, a decrease from $768,193 in the same period of 2023, representing a reduction of $109,038. This decline is primarily due to reductions in advertising and marketing expenses by $91,778, insurance expenses by $59,802, and administrative expenses by $91,778.

- Share-Based Compensation Expenses: During the three months ended December 31, 2024, the Company recorded share-based compensation expenses of $49,997, down from $222,582 in the comparable period of 2023. This decrease is mainly due to the vesting of previously granted stock options. It's important to note that share-based compensation expenses can fluctuate significantly between periods due to factors such as the number of stock options granted and vested during each period and the fair value assigned to these options at the grant date.

- Unrealized Loss on Warrant Liabilities: The Company recorded an unrealized gain of $466,393 on warrant liabilities for the three months ended December 31, 2024, a substantial increase from the unrealized loss of $469,538 recorded in the same period of 2023. This significant change is driven by the revaluation of warrants issued in connection with recent prospectus offerings, with valuations reflecting market trading prices as of December 31, 2024, and December 31, 2023.

Additionally, with enhanced technical insights and a deeper understanding of the Company's mineral assets, certain expenditures previously categorized under operational costs have been strategically reallocated to exploration. This shift better aligns expenses with the Company's growth-focused initiatives, ensuring that capital is directed toward value-generating exploration activities.

The Company's improved financial performance in Q4 2024 reflects its disciplined cost management, operational efficiencies, and strategic reallocation of resources to exploration. These financial optimizations, alongside an expanding pipeline of mineral projects, position AGMR for long-term value creation and enhanced shareholder returns as exploration activities continue to progress.

Year ended December 31, 2024, compared with year ended December 31, 2023

For the year ended December 31, 2024, AGMR reported a net loss of $2,111,190, with basic and diluted loss per share of $0.09. This compares to a net loss of $2,596,991 for the full year of 2023, with basic and diluted loss per share of $0.18, reflecting a variance of $485,801. The change in net loss is primarily driven by targeted cost reductions, share-based compensation adjustments, and fluctuations in warrant liability valuations.

Throughout 2024, the Company maintained a strong focus on operational efficiency, leading to a notable decrease in general and administrative (G&A) expenses. For the year, G&A expenses totaled $2,860,544, down $3,529,855 from 2023. Key reductions include:

- Advertising and marketing expenses decreased by $340,252, reflecting a refined approach to investor engagement and outreach.
- Professional fees were reduced by $203,193, as the Company streamlined external advisory services and legal expenditures.
- Administrative and travel expenses declined by $183,636, benefiting from cost-control initiatives and optimized operational workflows.

These reductions demonstrate AGMR's commitment to financial discipline, ensuring that capital is deployed efficiently while maintaining the necessary resources to advance exploration and corporate initiatives.

The Company recognized share-based compensation expenses of $285,559 for 2024, a significant decline from $383,780. This decrease is primarily attributed to the vesting of previously granted stock options, with no major new issuances affecting the year's results. Share-based compensation expenses remain variable depending on option grants, vesting schedules, and fair value fluctuations, but the 2024 reduction underscores AGMR's efforts to balance incentive structures with shareholder interests.

The expiration of certain warrants issued as part of AGMR's initial public offering (IPO) resulted in a one-time gain of $98,301 in 2024. No comparable gain was recorded in 2023, as the expired warrants reached maturity on February 2, 2024. The Company recorded an unrealized gain of $1,020,066 on the revaluation of warrant liabilities, compared to $1,200,225 in 2023. This variance reflects changes in market conditions, warrant trading prices, and fair value calculations as of year-end.

AGMR's 2024 financial performance reflects a strong commitment to efficiency, resource optimization, and prudent financial management. Through disciplined cost control, the organization has reduced expenditure while prioritizing high-impact mining initiatives. The strategic refinement of expenses and incentive structures underscores a dedication to sustainable growth and long-term value creation.

Entering 2025, the business stands on a reinforced financial foundation with a clear path for expansion. A streamlined cost structure, enhanced flexibility, and a pipeline of promising exploration targets provide the agility needed to accelerate development efforts. By leveraging targeted capital deployment, operational efficiencies, and strategic partnerships, the focus remains on unlocking resource potential and maximizing investor returns.

With a combination of financial discipline, exploration advancements, and strategic execution, the Company is well-positioned to seize new opportunities and deliver sustainable value in the years ahead.

Outlook

As we look ahead, the Company remains steadfast in its commitment to advancing its core projects, capitalizing on strategic growth opportunities, and maintaining financial flexibility to navigate evolving market conditions. Our vision is driven by the continuous expansion and optimization of our flagship assets, ensuring long-term value creation for our shareholders.

Since May 7, 2021, we have successfully raised a total of US$47.8 million through targeted financing activities. This includes US$7 million (C$9.6 million) from the April 2024 Prospectus Offering, US$3.1 million from the November 2023 Private Placement, US$6.9 million (C$9.3 million) from the February 2023 Prospectus Offering, US$20.8 million (C$26.5 million) from our Initial Public Offering in February 2022, and US$10 million from a private placement in May 2021. These capital injections have been strategically allocated to accelerate the development of the Reliquias Project, focusing on underground mine advancement, extensive resource expansion drilling, environmental and social permitting, and the refurbishment of our 2,600 tpd concentrator plant, currently permitted for 2,000 tpd operations. Additionally, these funds provide crucial support for our general and administrative functions, ensuring continued operational stability and efficiency.

A key pillar of our financial strategy is the flexibility afforded by our discretionary budgeted outflows. This adaptability enables us to fine-tune expenditures in alignment with shifting market dynamics and project requirements, ensuring agile execution of our strategic initiatives.

Our aggressive underground drilling campaign at the Reliquias Project began in mid-December 2022, initially focusing on a high-precision infill drilling program totaling 14,004.05 m HQ, 2,951.25 NQ and 318.65 m BQ. Using compact platforms, we successfully delineated major structures and identified previously undetected vein extensions and tensional features. Building on this momentum, we expanded our drilling efforts in 2023 with the deployment of three additional large rigs, completing an additional 15,262.35 m (HQ/NQ) of underground drilling, culminating in a total of 32,536.6 m by the end of the year. These efforts have significantly improved our understanding of the eastern extent of the Reliquias deposit, where key mineralized structures, including Perseguida, Sacasipuedes, Pasteur and Vulcano, remain open both laterally and at depth.

A major milestone for the Company was the publication of an updated NI 43-101 Mineral Resource estimate for the Reliquias Project on March 8, 2024, with an effective date of January 1, 2024. This update reflects significant resource expansion and underscores the robust potential of the deposit. Further reinforcing the Project's economic viability, we filed the Amended Technical Report for the Reliquias Project on June 26, 2024, which highlights a strong silver and base metals project with a pre-tax NPV of C$107 million at a 5% discount rate. The Amended Technical Report incorporates an updated resource estimate, comprehensive geotechnical and hydrological studies, enhancements to tailings dam stability assessments, and expanded environmental baseline evaluations.

We continue to expand our brownfield exploration program across the Reliquias and Caudalosa concession blocks, aimed at unlocking additional resource potential. Our roadmap for 2025 includes the initiation of critical underground infrastructure development—encompassing haulage levels, drifts, and access ramps—alongside the ongoing refurbishment of the metallurgical plant, which remains on track for a production start in 2025. These initiatives underscore our unwavering commitment to achieving key operational milestones and driving sustainable long-term growth.

It is essential to highlight that our targeted production commencement in 2026 remains contingent upon securing comprehensive project financing. While we are actively exploring funding opportunities to support our development and operational plans, there is no absolute assurance that the required capital will be secured within the projected timeline. The realization of our strategic and operational objectives hinges on our ability to access sufficient financial resources. We remain dedicated to advancing funding discussions and evaluating all viable avenues to ensure our projects are fully capitalized, enabling us to execute on our growth and production ambitions in a timely and responsible manner.

2023 Prospectus and Private Offering: Use of Proceeds

All proceeds from: (i) the IPO, (ii) the prospectus supplement dated February 6, 2023, and (iii) the November 2023 Private Placement, have now been spent by the Company. The Company had previously disclosed a set of business objectives and projected milestones, in connection with such offerings. As of this update, minor adjustments have been made to the anticipated timeline for select objectives, as outlined below:

- Processing Plant Refurbishment: Originally scheduled for completion in Q1 2023, this initiative is now projected for Q3-Q4 2025. This revised timeline enables the Company to focus on securing necessary funding and advancing mine development in preparation for full-scale exploitation activities.

- Tailings Dam Preparatory Work: Initially planned for Q1-Q4 2022, this phase has been deferred to Q3-Q4 2025. Given that the existing capacity remains sufficient for over four years of operations at 800 tonnes per day, the Company has opted to reprioritize capital towards other critical aspects of the Project.

- Underground Mine Zone Development: Completion of new underground mine zones has been adjusted to Q3 2025 from the original target of Q1 2024. Additionally, ore stockpiling within the mine, originally planned for Q4 2023, and surface ore stockpiling for Block 2, initially scheduled for Q2 2024, are now anticipated in Q3-Q4 2025. These timeline revisions reflect the Company’s intensified focus on expanding its mineral resource base through an extensive drilling campaign.

In 2023, the Company reached a significant milestone with the successful completion of the second phase of its exploration program at the Reliquias Project. To date, over 18,000 meters of underground drilling have been executed, forming the foundation of this ambitious exploration initiative. Supporting activities, including detailed channel sampling, density testing, and geochemical analysis, have been instrumental in establishing a comprehensive NI 43-101 compliant mineral resource estimate. The results of this exploration effort are documented in the Amended Technical Report.

By strategically managing these adjustments and optimizing capital allocation, the Company remains well-positioned to advance its operational objectives while maintaining agility to respond to shifting priorities and market conditions. This disciplined approach reinforces the Company’s commitment to sustainable growth and long-term value creation, ensuring continued progress toward delivering strong returns for investors.

Prospectus Offering Use of Proceeds

The Corporation has carefully outlined its strategy for deploying the net proceeds generated from the April 2024 Prospectus Offering (completed in April 2024). These funds will be allocated in alignment with the Corporation's strategic objectives, ensuring maximum value creation and financial flexibility. A detailed breakdown of the planned distribution is provided in the table below:

(In millions of US dollars, except otherwise stated)

Use	Use of Net Proceeds	Expenses as at December 31, 2024	Remaining Proceeds to Use
Development of the Underground Mine(1)	$4.8	$1.3	$3.5
General Corporate and Working Capital(2)	$1.0	$0.8	$0.2
Preparation of the Processing Plant and Tailings Dam(3)	$0.6	$0.0	$0.6
TOTAL	**$6.4**	**$2.1**	**$4.3**

Notes:
(1) Development Activities – These encompass the advancement of critical underground infrastructure, including but not limited to the construction of ramps and access levels to key mineralized zones. Additionally, rehabilitation efforts focus on enhancing the safety of existing ramps and drifts, reinforcing structural support for shafts, and upgrading auxiliary services such as electrical power, compressed air, and water systems. These initiatives are carried out with the collaboration of various operational and administrative departments, including social management, environmental compliance, human resources, and other support functions.
(2) General Corporate and Working Capital Activities – This category primarily covers essential corporate expenditures, including employee compensation, regulatory permits, and shareholder-related services. These activities ensure the Corporation's continued operational efficiency and compliance with corporate governance standards.
(3) Preparation of the Plant and Tailings Dam Activities – Preparation efforts focus on the maintenance and enhancement of key process plant components, such as upgrades to the crusher and mill, to optimize operational performance. Tailings management includes significant earthworks and waterproofing measures to reinforce environmental sustainability and operational integrity.

To fully develop and prepare the Reliquias mine for sustained production, the Company recognizes the need for additional funding beyond its current financial resources, which have been primarily allocated to foundational activities. In 2024, we continued to make significant strides in advancing the Project, particularly during the second and third quarters, with targeted investments in securing critical permits and strengthening relationships with local communities. These efforts are essential for obtaining the necessary regulatory approvals and reinforcing the long-term social license of the Project, ensuring its sustainable and responsible development.

In parallel, we strategically directed capital toward enhancing essential support services that underpin the efficiency and continuity of operations at the Reliquias site. This included maintaining and upgrading key infrastructure, optimizing logistical and transportation networks for personnel and equipment, and ensuring a reliable supply chain for critical resources. These investments not only sustain day-to-day operations but also lay the groundwork for future expansion and operational optimization.

The successful execution of these initiatives was made possible by the unwavering commitment of our operational and administrative teams, who worked in close coordination to ensure seamless project advancement. Looking ahead, the Company remains committed to dynamically assessing and refining its financial strategy in response to evolving project requirements and market conditions.

Liquidity and Capital Resources

The Company continues to finance its exploration, development, and ramp-up activities through a combination of equity offerings and strategic financial planning. To date, funding has been secured through multiple financing rounds, including the Company's initial private placement, the IPO, the November 2023 Private Placement, the February 2023 Prospectus Offering, and most recently, the April 2024 Prospectus Offering. As the Company has not yet commenced revenue-generating operations, access to external capital remains a critical driver of progress. However, securing additional funding in the required amounts, within the desired timeframes, and under favorable terms remains subject to market conditions and investor sentiment.

With a disciplined approach to financial management, the Company is committed to maximizing capital efficiency while advancing its core projects. Our strategic focus remains on securing the funding required to accelerate exploration, enhance infrastructure development, and integrate advanced mining technologies that will optimize operational efficiency. To support this, management is proactively evaluating future capital-raising initiatives to ensure continued project momentum. These initiatives aim to strengthen our financial position, mitigate funding risks, and provide the resources necessary to transition from development to production. Throughout this process, we remain committed to transparent communication with investors, ensuring alignment with our strategic objectives and long-term value creation plans.

As part of our ongoing capital strategy, the Company successfully raised gross proceeds of approximately $6.9 million through the February 2023 Prospectus Offering, followed by an additional $3.1 million from the November 2023 Private Placement. Most recently, the April 2024 Prospectus Offering contributed $7 million in gross proceeds, further reinforcing our financial position. These successful financings demonstrate investor confidence in our long-term vision and provide a foundation for continued project advancement. Management remains optimistic about the potential for further equity raises, which will play a key role in supporting the Company's transition towards production in the coming year.

As of December 31, 2024, the Company reported cash and cash equivalents of $4,269,452, compared to $4,660,229 at the end of 2023. Over the same period, working capital declined from $3,715,419 to $2,015,858, reflecting a net reduction of $1,699,561. This change underscores our continued investment in advancing key project milestones, including infrastructure development, permitting efforts, and strategic preparations for production readiness. The decrease in working capital aligns with our disciplined approach to capital deployment, ensuring that all expenditures directly contribute to the long-term growth and sustainability of the business. Additionally, we continue to refine our cost optimization strategies to enhance operational efficiencies and maximize financial flexibility as we progress toward production.

Looking ahead, securing full project financing remains a top priority as we move closer to initiating commercial production in 2026. To this end, management is actively engaged in discussions with potential investors and strategic partners to secure the capital required for the next phase of development. Our focus remains on structuring future financings in a way that minimizes dilution while optimizing funding certainty. At the same time, we are evaluating alternative financing options, including debt instruments and strategic partnerships, to further strengthen our capital position.

Operating Activities

For the year ended December 31, 2024, the Company utilized $3,003,472, in cash for operating activities, representing a reduction from the $4,607,247, used in 2023. This decline reflects a strategic and disciplined approach to cash management, ensuring that financial resources are allocated efficiently while maintaining steady progress on key operational and corporate initiatives. The improved cash utilization is a result of enhanced financial planning, optimized operational expenditures, and a proactive approach to working capital management, all of which have contributed to greater liquidity preservation.

Several key factors influenced cash flows during the period. The net loss of $2,111,190 , was moderated by non-cash adjustments totaling $967,446, and changes in non-cash working capital amounting to $75,164, demonstrating the Company’s ability to balance operational expenditures while pursuing its long-term growth strategy.

The non-cash adjustments primarily consisted of an unrealized gain of $1,020,066 from the revaluation of warrant liabilities, $137,966 currency translation effect on revaluation of warrant liabilities, and a $98,301 gain from the expiry of certain warrants, which helped offset share-based compensation expenses totaling $285,559. These adjustments reflect fluctuations in the Company’s financial instruments and incentive programs, which, while impacting reported financial results, do not directly affect cash flow. The use of equity-based compensation continues to serve as a strategic tool to attract and retain key personnel, aligning management and employee incentives with long-term shareholder value creation while preserving cash resources.

The non-cash working capital adjustments were driven by a $422,075 increase in amounts receivable and other assets, indicating higher receivables from counterparties, government incentives, and accrued assets linked to ongoing project development activities. This increase was partially offset by a $156,693 reduction in prepaid expenses, as the Company effectively optimized advance payments for services and materials. Additionally, a $360,546 increase in accounts payable and other liabilities highlights the Company’s prudent approach to managing short-term obligations, ensuring that supplier and contractor relationships remain aligned with operational cash flow cycles.

These combined financial movements reflect the Company’s commitment to disciplined financial stewardship, allowing for continued progress on project development while maintaining a strong liquidity position. The focus on cost efficiency, working capital optimization, and non-dilutive financing alternatives ensures that available cash is deployed effectively to support operational priorities without unnecessary shareholder dilution.

Looking ahead, the Company remains committed to enhancing operational efficiency and cost discipline, ensuring that expenditure remains aligned with its strategic vision. As Reliquias advances toward commercial production, financial prudence will be a key pillar of the Company's growth strategy. Management will continue exploring opportunities to further optimize cash utilization through efficiency-driven cost savings and vendor negotiations, while also evaluating additional funding sources to support the next phase of development.

Investing Activities

For the year ended December 31, 2024, the Company utilized $3,898,036 in cash for investing activities, a reduction from the $9,091,903 used in 2023. This decrease in cash outflows reflects a strategic realignment of investment priorities, ensuring that capital is deployed efficiently to maximize long-term project potential while maintaining financial flexibility. The Company continues to prioritize high-impact exploration, infrastructure enhancements, and liquidity management strategies to support its transition toward commercial production.

A significant portion of investment expenditures of $3,849,039 was allocated toward exploration and evaluation activities, reinforcing our commitment to unlocking the full value of our mineral assets. These investments supported advanced geological assessments, resource definition drilling, metallurgical testing, and permitting processes, all critical to enhancing the reliability and economic potential of the Company's projects. Additionally, these efforts contribute to de-risking the development timeline by refining mine planning and optimizing extraction strategies.

As part of its long-term growth and expansion strategy, the Company invested $44,058 in the acquisition of mining concessions, securing additional mineral rights in key project areas. These acquisitions align with the Company's objective of expanding its resource base and fortifying its asset portfolio, positioning it for sustained exploration success and future production scalability.

Furthermore, the Company allocated $4,939 toward the acquisition of property, plant, and equipment, enhancing operational infrastructure and ensuring that key site activities remain well-supported. Investments in equipment upgrades, facility enhancements, and process optimization initiatives contribute to greater efficiency, safety, and overall project readiness.

These strategic investments highlight the Company's disciplined capital allocation framework, which prioritizes long-term value creation, asset expansion, and financial resilience. By maintaining a measured and proactive approach to capital deployment, the Company ensures that resources are allocated efficiently to advance critical milestones while preserving the financial flexibility needed to adapt to market dynamics.

Looking ahead, the Company will continue to assess and optimize its investment strategy, focusing on high-value exploration opportunities, infrastructure enhancements, and liquidity management measures that drive sustainable growth. As we progress toward commercial production, our investment approach will remain dynamic, data-driven, and aligned with shareholder interests, ensuring that capital is deployed effectively to maximize both near-term success and long-term value creation.

Financing Activities

For the year ended December 31, 2024, the Company generated $6,510,731 in cash from financing activities, driven by the successful issuance of units through the April 2024 Prospectus Offering. This amount represents a 32% decrease from the $9,588,390 raised during the same period in 2023, which was primarily sourced from the February 2023 Prospectus Offering. The Company's proven ability to secure capital through equity offerings underscores investor confidence in its long-term vision and strategic initiatives.

These successful capital-raising efforts have provided essential liquidity to support ongoing exploration, development activities, and operational commitments, ensuring that the Company remains on track to meet its planned milestones. The ability to maintain a consistent level of financing relative to the previous year reflects strong market interest and reinforces the Company's attractiveness as an investment opportunity.

However, given the capital-intensive nature of mining operations, securing additional funding remains a top priority to sustain progress and support the transition toward commercial production. Management is actively exploring multiple financing options, including potential equity raises, strategic partnerships, debt facilities, and alternative funding sources, to strengthen the Company's financial position while mitigating dilution risks. A key focus remains on securing capital at the most favorable terms possible, ensuring that financing efforts are aligned with long-term value creation for shareholders.

By closely monitoring market conditions and investor sentiment, the Company is well-positioned to adapt its financing strategy as needed. Whether through timely capital raises, structured financings, or strategic collaborations, management remains committed to ensuring financial stability, operational continuity, and growth.

These financing activities are critical to advancing our development roadmap, enabling the Company to execute on its strategic initiatives, expand its resource base, and move steadily toward commercial production. As we navigate an evolving financial landscape, our disciplined approach to capital management ensures that we maintain the flexibility and strength needed to seize opportunities, mitigate risks, and maximize long-term value for our investors.

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

Fair value hierarchy

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

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

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

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

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

Risk management policies

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

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

Liquidity risk

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

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

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

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

Credit risk

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

Exchange risk

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

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

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

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

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

Related Party Transactions

Related party transactions occur when the Company engages in financial or operational dealings with individuals or entities that have a direct or indirect influence over its decision-making processes. These parties include key management personnel, entities under common control, and other closely associated individuals or corporations. Such transactions are recognized at the agreed-upon exchange value, ensuring transparency and alignment with the Company’s financial reporting standards.

Key management personnel are those entrusted with steering the Company's strategic direction, overseeing its core operations, and ensuring the successful execution of corporate initiatives. This group primarily comprises executive officers and members of the Board of Directors, whose leadership plays a vital role in advancing the Company’s long-term growth and development strategy.

For the year ended December 31, 2024, services provided by C H Plenge & CIA SA—a firm affiliated with one of the Company's directors—amounted to $nil, compared to $90,479 in the corresponding period of 2023. These costs, when applicable, were capitalized as part of exploration and evaluation expenses, as they directly support the Company’s ongoing project development and operational planning efforts.

The compensation of key management personnel remains a critical investment in the Company’s leadership and decision-making capabilities. Their remuneration reflects the value of their expertise, strategic oversight, and commitment to driving the Company’s objectives forward. Details of their compensation for the period are outlined below:

	Year Ended December 31, 2024	2023
Management salaries[1]	$ 1,024,873	$ 915,457
Director and chair fees[2]	240,000	207,551
Board advisory fee[3]	15,000	-
Severance fee[4]	-	174,649
Share-based compensation[5]	193,913	269,343
	$ 1,473,786	**$ 1,567,000**

(1) 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.
(2) 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.
(3) During the year ended December 31, 2024, board advisory fee of $15,000 (year ended December 31, 2023 - $nil) were expended as professional fees.
(4) 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.
(5) During the year ended December 31, 2024, the Company recorded share-based compensation expenses of $193,913 (year ended December 31, 2023 - $269,343). These expenses are related to vesting of stock options granted to certain officers and directors of the Company.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company has no off-balance sheet arrangements that could, or are reasonably expected to, impact its current or future financial condition, operating results, liquidity, or capital resources. This includes the absence of any undisclosed obligations, contingent liabilities, or commitments that could materially affect the Company's financial standing beyond what is already reported in its balance sheet.

The Company’s transparent financial reporting practices ensure that all material financial exposures are accurately reflected, providing stakeholders with a clear and comprehensive understanding of its financial position and potential risks. By maintaining this approach, the Company reinforces its commitment to sound financial management, risk mitigation, and investor confidence.

Outstanding Share Data

As of April 23, 2025, the Company's Common Shares issued and outstanding totaled 24,797,048. This reflects the share consolidation that took effect on March 28, 2025. The Company implemented a consolidation (the “Consolidation”) of its Common Shares on the basis of fifteen (15) pre-Consolidation Shares for every one (1) post-Consolidation Common Shares, reducing the number of outstanding Shares from 370,414,877 to approximately 24,694,308.

Shareholders’ proportional ownership in the Company remains unchanged following the Consolidation, and the exercise or conversion price of warrants, compensation options, and stock options, as well as the number of Shares issuable thereunder, have been adjusted accordingly. No fractional Shares were issued, with all fractions rounded down to the nearest whole number.

Furthermore, as of the same date, the Company had the following securities issued and outstanding:

- 176,000 stock options with an exercise price of $4.50, 110,000 stock options with an exercise price of C$7.50, 242,666 stock options with an exercise price of C$5.70, 491,333 stock options with an exercise price of C$1.50, and 486,666 stock options with an exercise price of C$0.90.

- 1,035,000 warrants with an exercise price of C$6.75, 2,073,000 warrants with an exercise price of $1.35, and 5,842,595 warrants with an exercise price of C$2.025.

Critical Accounting Policies and Estimates

The preparation of the Financial Statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of income and expenses for the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates and associated assumptions are based on various assumptions including historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Please refer to the Financial Statements for information on the Company's significant judgements in applying accounting policies as well as significant accounting estimates and assumptions.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation; and
(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please refer to those risk factors referenced in the "Risks and Uncertainties" section below, the

"Risk Factors" section of the annual information form dated April 25, 2025 Readers are cautioned that these do not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Risks and Uncertainties

Risks and Uncertainties

The Company's business, being the acquisition, exploration, and development of mineral properties in Peru, is speculative and involves a high degree of risk. Certain factors, including but not limited to the ones described below, could materially affect the Company's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward looking statements made by or relating to the Company. See "Cautionary Note Regarding Forward-Looking Information". The reader should carefully consider these risks as well as the information and other risk factors contained in the Company's Financial Statements, any annual information form filed by the Company, and the other publicly filed disclosure regarding the Company, available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile or on the Company's website (www.agmr.ca).

Asset Retirement Obligation (ARO)

With the recent approval of the Company's Mine Closure Plan by Peruvian mining authorities and the planned restart of mining operations, the Company has formally assumed responsibility for the eventual remediation, decommissioning, and environmental restoration of its mining assets. These activities will be executed upon the cessation of mining operations, ensuring compliance with regulatory requirements, environmental stewardship, and best industry practices. The Company remains committed to responsible resource development, integrating sustainability and long-term environmental management into its operational framework.

As of December 31, 2024, the Company has not yet recorded a formal provision for these obligations, as the Mine Closure Plan was only recently approved. The Company is currently working closely with external consultants and regulatory bodies to finalize the necessary financial provisions and long-term funding strategies to meet its future commitments. Preliminary assessments estimate that the total decommissioning budget could range between $10 million and $15 million, though this figure is subject to refinement as additional engineering and cost assessments are conducted. The estimated Life of Mine (LOM) is projected to be between 8 and 15 years, allowing the Company to plan for these obligations in a structured and financially responsible manner.

To ensure compliance with Peruvian mining regulations, the Company has set aside restricted cash of $263,438 (PEN 990,000), pledged as a guarantee deposit to the Peruvian Ministry of Mines (MINEM). This deposit is a regulatory requirement under the Mine Closure Plan, designed to ensure that adequate financial resources are allocated for eventual site remediation. The guarantee amount will be reviewed and updated annually, aligning with evolving project conditions, regulatory adjustments, and updated closure cost estimates.

With the Mine Closure Plan now in place, the Company will formally recognize a decommissioning provision in its consolidated financial statements, reflecting the discounted present value of estimated closure costs. This provision will be established based on ongoing evaluations, independent consultant estimates, and industry best practices, ensuring that closure activities are fully accounted for well in advance of mine decommissioning. As the Company transitions toward commercial production, this provision will be progressively updated and expanded, maintaining alignment with the Company's overall financial strategy and regulatory compliance requirements.

The Company remains committed to proactive financial planning, risk mitigation, and corporate responsibility, ensuring that all environmental, social, and financial obligations related to mine closure are appropriately managed.

By maintaining transparency in its financial reporting and adopting a structured approach to closure planning, the Company aims to strengthen investor confidence, uphold regulatory standards, and support long-term operations.

Non-IFRS Measures

The Company has included a non-IFRS measure for "working capital" in this MD&A to supplement its financial statements, which are presented in accordance with IFRS. The Company believes that this measure provides investors with an improved ability to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore, such measures may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards.

The Company determined working capital as follows (in thousands of United States dollars):

Reconciliation for the period ended	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Current assets	$ 4,753	$ 6,117	$ 7,436	$ 3,481
Less: Current liabilities	$ 2,737	$ 3,151	$ 2,229	$ 1,970
Working Capital	$ 2,016	$ 2,966	$ 5,207	$ 1,511

Reconciliation for the period ended	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Current assets	$ 5,286	$ 6,255	$ 9,961	$ 13,571
Less: Current liabilities	$ 1,570	$ 2,530	$ 1,998	$ 2,571
Working Capital	$ 3,716	$ 3,725	$ 7,963	$ 11,000

International Conflict

International conflicts and geopolitical tensions—including war, military actions, terrorism, trade disputes, and the international responses they provoke—have historically introduced uncertainty and volatility into global commodity and financial markets and disrupted supply chains. Recent events, such as Russia's invasion of Ukraine and the ongoing Gaza-Israel conflict, have triggered international sanctions and other actions, with the potential for additional measures that may further destabilize commodity prices, strain supply chains, and impact global economies. The volatile landscape in commodity prices and continued disruptions in supply chains present significant challenges that may adversely affect the Company’s business, financial condition, and operational results.

Given the rapidly evolving nature of these geopolitical situations, it is not possible to accurately predict the duration or full impact of current conflicts. However, these events may magnify other risks discussed in this MD&A and the Company’s annual information form, particularly those related to commodity price volatility and global financial stability. The Company remains vigilant in monitoring these developments, recognizing that unforeseeable impacts may arise, potentially affecting our business, operations, and financial condition in the near and long term.

Recent Unrest in Peru

On December 7, 2022, Peruvian President Pedro Castillo was removed from office and arrested after a failed attempt to dissolve Peru's Congress. This event led to significant political unrest and demonstrations, resulting in clashes between protestors and security forces and causing casualties. The unrest also caused numerous roadblocks and led to the suspension of operations at several airports across Peru. On December 14, 2022, the Peruvian government declared a national state of emergency for 30 days, which was subsequently extended.

Although the unrest and blockades have subsided and did not interfere with the transport of personnel and supplies to the project, Peruvian democracy continues to face challenges, including the recent resignation of six members of President Dina Boluarte's cabinet. There is no assurance that new unrest or blockades will not occur in the future, potentially disrupting transportation and affecting the Corporation's operations, cash flow, and financial condition.

Weather conditions have returned to normal, boosting the fishing and agricultural sectors, as well as some industrial activities. The external environment is favorable for the Peruvian economy due to metal prices, particularly copper, which are expected to remain attractive in the coming quarters. However, the Executive branch has further weakened, and President Dina Boluarte's approval rating has fallen to 5%. Despite this, several infrastructure and mining projects are likely to commence soon and have been included in the baseline scenario.

Despite the current unpredictability and volatility of Peruvian politics, the country has maintained macroeconomic stability in recent years, largely due to the efforts of the Peruvian Central Bank and its effective monetary policies.

Negative Cash Flow from Operations and Need for Additional Financing

To date, the Company has operated in a capital-intensive development and exploration phase, resulting in negative cash flow from operating activities. This is a natural consequence of early-stage mining operations, where significant upfront investment is required to advance projects before revenue generation begins. As of December 31, 2024, the Company held $4,269,452 in cash and cash equivalents, with working capital of $2,198,825. While management anticipates achieving positive operational cash flow in the future, it acknowledges that additional working capital will likely be required to sustain operations, accelerate project development, and support strategic growth initiatives.

Should negative cash flow persist in future periods, the Company may need to allocate a significant portion—if not all—of the net proceeds from prospective financing activities to offset operational shortfalls. Accordingly, the primary use of funds from upcoming equity or debt offerings, in combination with existing financial resources, will be to ensure operational continuity until sustained positive cash flow is achieved.

Given the scale and complexity of the Company’s projects, securing additional financing will be crucial to bridging the gap to self-sustaining operations until the Company achieves commercial production and stabilizes its cash flows. Historically, the Company has successfully raised capital through a combination of equity and debt financing and remains committed to pursuing the most strategically advantageous funding options. However, there is no certainty that future financing will be available or that it can be secured on terms favorable to the Company and its shareholders. If additional capital is raised through equity or equity-linked securities, existing shareholders may face dilution, particularly if new securities are issued with preferential rights or privileges.

Beyond traditional equity raises, the Company may evaluate strategic financing alternatives, including asset-backed debt facilities, joint ventures, or acquisitions that align with its long-term business objectives. If future expansion initiatives are funded through debt financing, the Company could see temporary increases in leverage, which may introduce additional financial risk. Moreover, restrictive debt covenants could limit financial flexibility, impacting the Company's ability to raise additional capital, pursue acquisitions, or implement key operational strategies.

As the Company advances its development and production goals, securing the necessary capital in a timely manner will be a top priority. Failure to obtain sufficient funding could lead to delays or suspensions in critical projects, ultimately affecting the Company’s ability to execute its business plan and maximize shareholder value.

Management remains committed to proactive financial planning, maintaining open and transparent communication with investors, and optimizing its capital structure to balance growth ambitions with financial discipline. By carefully evaluating financing opportunities and mitigating potential risks, the Company aims to achieve a sustainable transition toward profitability while maximizing long-term value for all stakeholders.

Inability to Obtain the Financing Needed to Achieve Commercial Production

Substantial capital investments are necessary to complete the development of the Project. The Company has: (i) sustained operating losses since incorporation; (ii) finite financial resources; (iii) not earned any operating revenue; and (iv) no current source of operating cash flow. The Company may need to raise funds to complete the development of the Project due to increased capital costs or decreased cash flows from production due to risks described elsewhere in this MD&A, as well as to conduct other exploration and development activities. The Company may seek to raise further funds through equity or debt financings. There is no assurance that additional funding will be available to the Company (or on commercially reasonable terms) for further exploration and development of the Project, or that the Company will ever be cash flow positive. Failure to obtain necessary additional financing could result in delay or indefinite postponement of further exploration and development of the Project. If the Company is unable to obtain additional financing or if it obtains additional financing on unfavorable terms, it could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows, or prospects. Construction and start-up of new mines is risky. The successful construction and development of the Project and the commencement of commercial production is subject to a number of factors including the availability and performance of engineering and construction contractors and employees, mining contractors, suppliers and consultants, the receipt of required approvals and permits in connection with the further development and construction of the existing mining facilities and the conduct of mining operations (including socio-environmental permits), and the successful design, manufacture, delivery and construction of the mine, among others. Any delay in the performance by any one or more of the contractors, suppliers, consultants or other persons on which the Company is dependent in connection with its development and construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure to complete and successfully operate the mining and processing components of the Project could delay or prevent the further development of the Project, could change the manner in which the Project is developed, or could delay or prevent the start-up of commercial production and revenue producing activities.

There can be no certainty that the Project will progress as scheduled, be constructed according to initial plans, or that capital and operational costs will remain within the Company’s projections. Any deviation from expected timelines or cost frameworks could adversely affect the Company’s business, financial health, operational results, cash flows, or long-term outlook.

Estimating Mineral Resources is Risky

The information provided on historical Mineral Resources serves as estimates only, and while efforts are made to accurately depict anticipated tonnages and grades as reported in the Technical Report for the Project, there is no guarantee of achieving these outcomes. Mineral Resource estimates may be significantly influenced by various factors such as environmental, permitting, legal, title, taxation, socio-political, among others.

Estimating Mineral Resources involves inherent uncertainties beyond the Company's control, given the subjective nature of the process and the reliance on available data, assumptions, and interpretations. Subsequent exploration, development work, drilling, or production experiences may necessitate adjustments or downward revisions to these estimates. Additionally, external factors like fluctuations in silver prices, results of drilling, metallurgical testing, production outcomes, or unforeseen technical challenges could prompt revisions to Mineral Resource estimates. It's important to note that Mineral Resource estimates are based on drill hole information, which may not fully reflect conditions across the entire project area. Therefore, revisions to Mineral Resource estimates may occur as more geological and drilling data becomes available and actual production experience is gained. Any significant reductions in Mineral Resources could impact the Company's investment in the Project, potentially leading to material write-downs, adjustments to carrying values, or delays in development or production activities, which could adversely affect the Project and the Company's overall business, financial condition, results of operations, cash flows, and future prospects. It's crucial to understand that Mineral Resources should not be interpreted as guarantees of the project's lifespan or the profitability of future operations, as there exists a degree of uncertainty in estimating Mineral Resources and the grades and tonnages forecasted for extraction.

Notably, Mineral Resources are distinct from Mineral Reserves and possess a higher level of uncertainty regarding their existence and feasibility. Inferred Mineral Resources carry greater risk due to their speculative nature, and economic considerations cannot be reliably applied to this category. There is no assurance that Inferred Mineral Resources will be upgraded to Proven or Probable Mineral Reserves through continued exploration efforts.

Changes in global trade

Significant changes or developments in U.S. laws and policies, such as those related to international trade, foreign affairs, manufacturing, and investment in the territories and countries where the Company or its suppliers operate, can materially adversely affect the Company’s business and financial statements. The U.S. administration has implemented various tariffs and indicated the possibility of imposing additional tariffs on a variety of industries and foreign countries, which could result in reciprocal tariffs that may significantly impact certain countries. Similar trade restrictions in the future could adversely affect the Company’s business, financial health, operational results, cash flows, or long-term outlook.

Global financial risks

Financial markets globally have been subject to increased volatility. Access to financing has been negatively impacted by liquidity crises throughout the world. These factors may impact the Company’s ability to obtain loans and other credit facilities in the future and, if obtained, on terms favorable to the Company. The levels of volatility and market turmoil are on the rise, and the Company may not be able to secure appropriate debt or equity financing, any of which could affect the trading price of the Company's securities in an adverse manner.

Additional Information

Additional information regarding the Company, including the Company's annual information form is available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile.