



SILVER MOUNTAIN RESOURCES INC.

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**THREE MONTHS ENDED
MARCH 31, 2025 AND 2024**

**(EXPRESSED IN UNITED STATES DOLLARS)
(UNAUDITED)**

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

	As at March 31, 2025	As at December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,022,396	\$ 4,269,452
Restricted cash (Note 3)	436,204	263,438
Amounts receivable and other assets	51,652	84,437
Prepaid expenses	264,386	135,592
	3,774,638	4,752,919
Non-current assets		
Property, plant, and equipment (Note 4)	266,028	283,531
Exploration and evaluation costs (Note 5)	28,374,150	27,488,329
Tax credits (Note 6)	4,134,857	3,920,556
Total assets	\$ 36,549,673	\$ 36,445,335
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Amounts payable and other payables (Notes 7 & 13)	\$ 1,612,871	\$ 1,160,385
Warrant liabilities (Note 8)	1,273,229	1,576,676
Total liabilities	2,886,100	2,737,061
Shareholders' equity		
Share capital (Note 9)	46,805,620	46,743,576
Contributed surplus (Note 10)	1,441,385	1,390,929
Deficit	(14,583,432)	(14,426,231)
Total shareholders' equity	33,663,573	33,708,274
Total liabilities and shareholders' equity	\$ 36,549,673	\$ 36,445,335

Nature of operations and going concern (Note 1)
Contingencies (Note 17)
Commitments (Note 18)
Subsequent event (Note 19)

Approved on behalf of the Board:

"Timothy Loftsgard", Director

"Alfredo Plenge Thorne", Director

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

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

	Three Months Ended	
	March 31,	
	2025	2024
Operating expenses		
General and administrative (Note 16)	\$ 497,605	\$ 704,160
Share-based compensation (Notes 10 & 13)	50,456	86,703
Operating loss before the following items	(548,061)	(790,863)
Financial income (expenses) (Note 14)	(18,398)	3,047
Foreign exchange (loss) gain	102,744	(34,897)
Gain on expiry of warrant liabilities (Note 8)	-	98,301
Gain on settlement of payables (Note 9(b)(i))	1,706	-
Unrealized gain on revaluation of warrant liabilities (Note 8)	304,808	514,677
Net and comprehensive loss for the period	\$ (157,201)	\$ (209,735)
Basic and diluted loss per share (Note 12)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares		
outstanding - basic and diluted (Note 12)	24,676,694	18,643,991

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

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

	Three Months Ended March 31,	
	2025	2024
Operating activities		
Net loss for the period	\$ (157,201)	\$ (209,735)
Items not affecting cash		
Depreciation	1,440	1,315
Unrealized foreign exchange loss (gain)	-	647
Unrealized gain on revaluation of warrant liabilities	(304,808)	(514,677)
Currency translation effect on revaluation of warrant liabilities	1,361	(22,776)
Gain on expiry of warrant liabilities	-	(98,301)
Gain on settlement of payables	(1,706)	-
Share-based compensation	50,456	86,703
Changes in non-cash working capital items:		
Amounts receivable and other assets	(181,516)	(161,176)
Prepaid expenses	(128,794)	3,420
Amounts payable and other payables	103,426	159,348
Net cash and cash equivalents used in operating activities	(617,342)	(755,232)
Investing activities		
Exploration and evaluation cost additions	(456,948)	(1,034,318)
Purchase of mining concessions	-	(16,625)
Purchase of property, plant, and equipment	-	(2,922)
Restricted cash	(436,204)	(750,000)
Restricted cash returned	263,438	-
Net cash and cash equivalents used in investing activities	(629,714)	(1,803,865)
Net change in cash and cash equivalents	(1,247,056)	(2,559,097)
Cash and cash equivalents, beginning of period	4,269,452	4,660,229
Cash and cash equivalents, end of period	\$ 3,022,396	\$ 2,101,132
Composition of cash and cash equivalents:		
Cash	\$ 2,954,572	\$ 2,031,664
Cash equivalents	67,824	69,468
	\$ 3,022,396	\$ 2,101,132
Non-cash investing items not included in cash flows:		
Depreciation capitalized to exploration and evaluation costs	\$ 16,063	\$ 20,544
Shares issued for services	62,044	-
Change in exploration and evaluation costs accrued	\$ 412,810	\$ (45,158)

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

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

	Share Capital		Contributed		
	Number	Amount	Surplus	Deficit	Total
Balance, December 31, 2023	18,643,991	\$ 42,077,668	\$ 1,105,370	\$ (12,315,041)	\$ 30,867,997
Share based compensation (Note 10)	-	-	86,703	-	86,703
Net loss for the period	-	-	-	(209,735)	(209,735)
Balance, March 31, 2024	18,643,991	\$ 42,077,668	\$ 1,192,073	\$ (12,524,776)	\$ 30,744,965
Balance, December 31, 2024	24,581,078	\$ 46,743,576	\$ 1,390,929	\$ (14,426,231)	\$ 33,708,274
Shares issued for services (Note 9(b)(iii))	113,230	62,044	-	-	62,044
Share based compensation (Note 10)	-	-	50,456	-	50,456
Net loss for the period	-	-	-	(157,201)	(157,201)
Balance, March 31, 2025	24,694,308	\$ 46,805,620	\$ 1,441,385	\$ (14,583,432)	\$ 33,663,573

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

Silver Mountain Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Expressed in United States Dollars) (Unaudited)

1. Nature of operations and going concern

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

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

The Company has incurred losses since inception and has an accumulated deficit of \$14,583,432 at March 31, 2025. For the three months ended March 31, 2025, the Company incurred a net loss of \$157,201. The Company expects to incur further losses in the exploration, evaluation and development of its mineral properties.

As the Company is in the exploration stage, the Company's ability to continue as a going concern and fund its exploration and development activity for at least the next twelve-month period is dependent on the Company being able to draw down on its current cash, maintain cost control measures and raise additional capital. The Company has had success raising capital in the past as disclosed in Note 9. The ability to continue as a going concern remains dependent on the Company's capacity to obtain the additional financing necessary to continue to fund its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern.

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

These condensed interim consolidated financial statements of the Company for the three months ended March 31, 2025 were approved and authorized for issue by the Board of Directors on May XX, 2025.

2. Material accounting policy information and basis of presentation

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with our audited financial statements for the year ended December 31, 2024.

The same accounting policies and methods of computation are followed in these condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2024.

(b) Basis of preparation

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

Silver Mountain Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Expressed in United States Dollars) (Unaudited)

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

(c) Basis of consolidation

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

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

(d) Future accounting pronouncements

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

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

IFRS 18: Presentation and Disclosure in Financial Statements

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

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

IFRS 19: Subsidiaries without Public Accountability: Disclosures

On April 9, 2024, the IASB issued IFRS 19 "Subsidiaries without Public Accountability: Disclosures" ("IFRS 19"). IFRS 19 allows eligible subsidiaries to apply reduced disclosure requirements. Subsidiaries can apply IFRS 19 if they do not have public accountability and has a parent company that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

An entity does not have public accountability if it does not have debt or equity instruments that are traded in a public market, is not in the process of issuing such instruments for trading in a public market, and does not hold assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses. An entity is permitted to elect to apply IFRS 19 more than once. An entity that has elected to apply IFRS 19 may later revoke that election. IFRS 19 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company is currently assessing the impact of the standard on its condensed interim consolidated financial statements.

Silver Mountain Resources Inc.**Notes to the Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2025 and 2024****(Expressed in United States Dollars) (Unaudited)****3. Restricted cash**

At March 31, 2025, the Company held \$436,204 (December 31, 2024 - \$263,438 (PEN 990,000)) in a cash deposit including a guarantee on behalf of the Peruvian Ministry of Mines (MINEM) in connection with the Mine Closure Plan. On December 20, 2024, \$263,438 (PEN 990,000) of previous deposit was returned to the Company and was replaced with a \$436,204 deposit made on January 13, 2025.

Balance, December 31, 2023	\$	267,206
Foreign exchange gain		(3,768)
Balance, December 31, 2024	\$	263,438
Additions		436,204
Returned		(263,438)
Balance, March 31, 2025	\$	436,204

4. Property, plant, and equipment

Cost	Land	Building and facilities	Mining equipment	Office equipment and furniture	Total
Balance, December 31, 2023	\$ 36,041	\$ 151,544	\$ 859,610	\$ 245,030	\$ 1,292,225
Additions	-	-	-	4,939	4,939
Balance, December 31, 2024	36,041	151,544	859,610	249,969	1,297,164
Balance, March 31, 2025	\$ 36,041	\$ 151,544	\$ 859,610	\$ 249,969	\$ 1,297,164

Accumulated depreciation

Balance, December 31, 2023	\$ -	\$ 68,101	\$ 787,935	\$ 79,331	\$ 935,367
Depreciation expense	-	15,973	22,257	40,036	78,266
Balance, December 31, 2024	-	84,074	810,192	119,367	1,013,633
Depreciation expense	-	3,199	4,829	9,475	17,503
Balance, March 31, 2025	\$ -	\$ 87,273	\$ 815,021	\$ 128,842	\$ 1,031,136

Carrying value

Balance, December 31, 2024	\$ 36,041	\$ 67,470	\$ 49,418	\$ 130,602	\$ 283,531
Balance, March 31, 2025	\$ 36,041	\$ 64,271	\$ 44,589	\$ 121,127	\$ 266,028

Silver Mountain Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Expressed in United States Dollars) (Unaudited)

5. Exploration and evaluation costs

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

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

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

Reliquias

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

During the three months ended March 31, 2025, the Company has focused on advancing permit applications and negotiating with local communities, which are our primary activities. There have been no activities related to infill or drilling during this period. The Company maintains its strategic focus on advancing toward production and exploring potential avenues for additional resource acquisition.

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

Dorita

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

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

El Milagro

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

Silver Mountain Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Expressed in United States Dollars) (Unaudited)
5. Exploration and evaluation costs (continued)

	As at March 31, 2025			As at December 31, 2024		
	Acquisition Costs	Exploration Costs	Total	Acquisition Costs	Exploration Costs	Total
Reliquias	\$ 2,766,028	\$21,283,940	\$24,049,968	\$ 2,766,028	\$20,398,119	\$23,164,147
Greenfield - Dorita	1,486,614	2,139,881	3,626,495	1,486,614	2,139,881	3,626,495
Other	393,316	304,371	697,687	393,316	304,371	697,687
	\$ 4,645,958	\$23,728,192	\$28,374,150	\$ 4,645,958	\$22,842,371	\$27,488,329

	Reliquias	Greenfield - Dorita	Other	Total
Balance, December 31, 2023	\$ 19,918,755	\$ 3,610,796	\$ 690,967	\$ 24,220,518
Exploration costs				
Depreciation (Note 4)	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 (i)	-	(6,241)	-	(6,241)
Balance, December 31, 2024	\$ 23,164,147	\$ 3,626,495	\$ 697,687	\$ 27,488,329
Exploration costs				
Depreciation (Note 4)	16,063	-	-	16,063
Mine rehabilitation	63,247	-	-	63,247
General on-site expenses	203,708	-	-	203,708
Right of use	332,630	-	-	332,630
Salaries and benefits (Note 13)	94,820	-	-	94,820
Topography and geophysics	2,334	-	-	2,334
Complementary environmental services	173,019	-	-	173,019
	885,821	-	-	885,821
Balance, March 31, 2025	\$ 24,049,968	\$ 3,626,495	\$ 697,687	\$ 28,374,150

(i) The company lost two mining concessions in Dorita (2,000 ha) at auction due to regulatory overlap issues.

6. Tax credits

As of March 31, 2025, the Company maintains in its non-current assets a tax credit for general sales tax (IGV, Impuesto General a las Ventas, in Spanish) of \$4,134,857 (December 31, 2024 - \$3,920,556), that will be applied to the IGV generated by local sales. If sales are exported, the Company has the right to request the refund of the value-added tax as a Balance in Favor Matter of Benefit of the Exporter with a limit of 18 percent of the exported freight on board value. According to Peruvian Tax Legislation, IGV does not have an expiration date.

Silver Mountain Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Expressed in United States Dollars) (Unaudited)

7. Amounts payable and other payables

	As at March 31, 2025	As at December 31, 2024
Trade accounts payable	\$ 585,975	\$ 524,125
Taxes payable	19,954	18,734
Accrued liabilities	697,243	353,048
Other amounts payable	309,699	264,478
	\$ 1,612,871	\$ 1,160,385

8. Warrant liabilities

	As at March 31, 2025	As at December 31, 2024
Balance, beginning of period	\$ 1,576,676	\$ 921,686
Issuance of warrants (Note 9)	-	1,911,323
Unrealized gain on revaluation	(304,808)	(1,020,066)
Currency translation effect	1,361	(137,966)
Gain on expiry of warrant liabilities	-	(98,301)
Balance, end of period	\$ 1,273,229	\$ 1,576,676

The fair value of the warrants issued in connection with the Prospectus Offering upon issuance was determined to be \$1,911,323 using the Black-Scholes option pricing model (Note 9). Upon commencement of the warrants trading on the TSXV on May 10, 2024, the trading value was used to determine the fair value estimate for subsequent periods. As of March 31, 2025, these warrants were trading at a price of C\$0.02. Of the \$715,332 of costs incurred in connection with the Offering, \$194,441 were allocated to the warrant liabilities, of which \$121,052 is included in filing and listing fees and \$73,389 is included in professional fees within general and administrative expenses in the statement of net and comprehensive loss for the three months ended March 31, 2024.

During the three months ended March 31, 2024, 26,450,000 warrants issued in connection with the Company's initial public offering on February 2, 2022 expired and the Company recorded a gain on expiry of warrant liabilities of \$98,301. These warrants were trading at a price of C\$0.005 on the expiry date.

9. Share capital

a) Authorized share capital

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

b) Issued share capital

- (i) On April 24, 2024, the Company closed its prospectus offering (the "Prospectus Offering") of 5,454,567 units of the Company at a price of \$1.20 (C\$1.65) per Unit (the "Prospectus Offering Price"), for gross proceeds of \$6,564,626 (C\$9,000,035). The Company also issued an additional 388,028 Units at the Prospectus Offering Price, for additional gross proceeds of \$466,996 (C\$640,247), in connection with the partial exercise of the over-allotment option.

Each Unit is comprised of one Common Share and one Warrant. Fifteen Warrants are exercisable into one Common Share at a price of \$1.48 (C\$2.025) per Common Share and expire on April 24, 2026.

Silver Mountain Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Expressed in United States Dollars) (Unaudited)

9. Share capital (continued)

b) Issued share capital (continued)

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

The 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.

- (i) On November 5, 2024, the Company issued 94,493 common shares at a price of \$0.70 (\$0.975) as consideration for director fees for the period from July 1, 2024 to September 30, 2024 of \$78,750, pursuant to a shares for services agreement entered into by the Company and each of its directors of the Company on September 18, 2024.
- (ii) On January 14, 2025, the Company issued 113,230 common shares at a price of \$0.55 (C\$0.7875) as consideration for director fees for the period from October 1, 2024 to December 31, 2024 of \$63,750, pursuant to a shares for services agreement entered into by the Company and each of its directors of the Company on September 18, 2024.
- (iii) On March 28, 2025, the Company consolidated all of the issued and outstanding class A common shares of the Company on the basis of one (1) post-consolidation class A common share for every fifteen (15) pre-consolidation class A common share. All historical share and per share data, including stock options and warrants, presented in these consolidated financial statements have been retrospectively adjusted to reflect the share consolidations.

During the three months ended March 31, 2025, the Company recorded a gain on settlement of payables of \$1,706.

10. Stock options

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

The following table reflects the continuity of stock options for the three months ended March 31, 2025 and 2024:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2023	528,666	\$ 4.65
Granted (i)	493,333	1.05
Balance, March 31, 2024	1,021,999	\$ 2.85
Balance, December 31, 2024	1,019,999	\$ 2.78
Granted (ii)	486,667	0.62
Balance, March 31, 2025	1,506,666	\$ 2.78

Silver Mountain Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Expressed in United States Dollars) (Unaudited)

10. Stock options (continued)

- (i) On February 22, 2024, the Company granted stock options to certain directors, officers and employees of the Company to purchase up to 493,333 common shares of the Company, exercisable at a price of \$1.11 (C\$1.50) per share and expiring on February 22, 2028. These options will vest at the later of:
- the first anniversary of the date of grant; or
 - the mining operations reaching commercial operation as defined by the operations reaching an average mining rate of 400 tonnes per day over a period of 30 days.

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

- (ii) On February 27, 2025, the Company granted stock options to certain directors, officers and employees of the Company to purchase up to 486,667 common shares of the Company, exercisable at a price of \$0.62 (C\$0.90) per share and expiring on February 27, 2029. These options will vest at the later of:
- the first anniversary of the date of grant; or
 - the mining operations reaching commercial operation as defined by the operations reaching an average mining rate of 400 tonnes per day over a period of 30 days.

The fair value was determined to be \$152,462 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.47 (C\$0.675), dividend yield of 0%, expected volatility of 103%, risk free interest rate of 2.63% and expected life of 4 years.

During the three months ended March 31, 2025, the Company recorded share-based compensation expense of \$50,456 (three months ended March 31, 2024 - \$86,703) related to stock options.

The following table reflects the actual stock options issued and outstanding as of March 31, 2025:

Expiry Date	Exercise Price	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
April 30, 2025	\$4.50	0.08	176,000	176,000	-
February 2, 2026	\$5.22	0.84	66,000	66,000	-
June 28, 2026	\$5.22	1.24	44,000	33,000	11,000
December 1, 2026	\$3.96	1.67	184,333	138,250	46,083
April 1, 2027	\$3.96	2.00	43,333	21,667	21,666
July 20, 2027	\$3.96	2.30	15,000	7,500	7,500
February 22, 2028	\$1.04	2.90	491,333	-	491,333
February 27, 2029	\$0.63	3.92	486,667	-	486,667
	\$2.09	2.58	1,506,666	442,417	1,064,249

Silver Mountain Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Expressed in United States Dollars) (Unaudited)

11. Warrants

The following table reflects the continuity of warrants for the three months ended March 31, 2025 and 2024:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2023	89,829,870	\$ 6.15
Expired (Note 8)	(26,450,000)	7.80
Balance, March 31, 2024	63,379,870	\$ 5.40
Balance, December 31, 2024	134,258,928	\$ 1.77
Balance, March 31, 2025	134,258,928	\$ 1.78

The following table reflects the actual warrants issued and outstanding as of March 31, 2025:

Number of Warrants	Exercise Price	Expiry Date
15,525,000	\$ 4.70	February 9, 2026
87,638,928	\$ 1.41	April 24, 2026
29,348,275	\$ 1.35	November 10, 2026
1,746,725	\$ 1.35	December 7, 2026
134,258,928	\$ 1.78	

12. Net loss per common share

The calculation of basic and diluted loss per share for the three months ended March 31, 2025 was based on the loss attributable to common shareholders of \$157,201 (three months ended March 31, 2024 - \$209,735) and the weighted average number of basic common shares outstanding of 24,676,694 (three months ended March 31, 2024 - 18,643,991). For the three months ended March 31, 2025 and 2024, all potential dilutive stock options and warrants were excluded from the diluted loss per share calculations as they are anti-dilutive.

13. Related party transactions

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

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

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

Silver Mountain Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Expressed in United States Dollars) (Unaudited)

13. Related party transactions (continued)

	Three Months Ended March 31,	
	2025	2024
Management salaries (i)	\$ 175,167	\$ 320,147
Director and chair fees (ii)	56,250	48,750
Board advisory fee (iii)	7,500	-
Share-based compensation (Note 10)	34,545	62,581
	\$ 273,462	\$ 431,478

- (i) During the three months ended March 31, 2025, management salaries of \$120,558 (three months ended March 31, 2024 - \$222,636) were expensed as salaries and benefits, and \$54,609 (three months ended March 31, 2024 - \$97,511) were capitalized as exploration and evaluation costs.
- (ii) During the three months ended March 31, 2025, director and chair fees of \$56,250 (three months ended March 31, 2024 - \$48,750) were expensed as salaries and benefits.
- (iii) During the three months ended March 31, 2025, board advisory fee of \$7,500 (three months ended March 31, 2024 - \$nil) were expensed as professional fees.
- (iv) Included in the March 31, 2025 accounts payable and accrued liabilities is \$63,750 (December 31, 2024 - \$63,750) due to related parties.
- (v) 94,493 common shares issued as consideration for director fees (Note 9(b)(i)) were issued to related parties.

14. Financial (expenses) income

	Three Months Ended March 31,	
	2025	2024
Bank charges	\$ (22,190)	\$ (1,069)
Interest income	3,792	4,116
	\$ (18,398)	\$ 3,047

Silver Mountain Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Expressed in United States Dollars) (Unaudited)

15. Segmented information

Operating segment:

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

Geographic segments:

The Company's assets, liabilities, expenses and other income by geographic area as at and for the three months ended March 31, 2025 and 2024 are as follows:

	As at March 31, 2025		
	Canada	Peru	Total
Current assets	\$ 1,875,788	\$ 1,898,850	\$ 3,774,638
Exploration and evaluation assets	-	28,374,150	28,374,150
Non-current assets	682	4,400,203	4,400,885
Total assets	\$ 1,876,470	\$ 34,673,203	\$ 36,549,673
Current liabilities	\$ 1,410,614	\$ 1,475,486	\$ 2,886,100
Total liabilities	\$ 1,410,614	\$ 1,475,486	\$ 2,886,100

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

	Three Months Ended March 31, 2025		
	Canada	Peru	Total
Expenses	\$ (257,628)	\$ (290,433)	\$ (548,061)
Other income	312,650	78,210	390,860
Net loss for the period	\$ 55,022	\$ (212,223)	\$ (157,201)

	Three Months Ended March 31, 2024		
	Canada	Peru	Total
Expenses	\$ (350,211)	\$ (440,653)	\$ (790,864)
Other income (expenses)	606,991	(25,862)	581,129
Net loss for the period	\$ 256,780	\$ (466,515)	\$ (209,735)

Silver Mountain Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Expressed in United States Dollars) (Unaudited)

16. General and administrative

	Three Months Ended March 31,	
	2025	2024
Administrative expenses	\$ 30,411	\$ 50,101
Advertising and marketing	-	31,038
Depreciation (Note 4)	1,440	1,315
Environmental fees	161	-
Filing and listing fees	28,864	14,901
Insurance	21,803	22,950
Operational expenses	18,576	18,090
Professional fees (Note 13)	141,025	183,057
Salaries and benefits (Note 13)	253,411	381,202
Travel, meals and entertainment	1,914	1,506
	\$ 497,605	\$ 704,160

17. Contingencies

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

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

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

As the Company has not commenced any mining operations as of March 31, 2025, no provision for decommissioning has been recognized in these condensed interim consolidated financial statements. Upon both the approval of the Company's Mine Closure Plan (approved on April 12, 2024) and the commencement of mining operations, a provision for decommissioning will be recognized. Current estimates made by management are that the budget for remediation activities could be between \$10M and \$15M and that the estimated Life of Mine could be 9 years.

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

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

Silver Mountain Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Expressed in United States Dollars) (Unaudited)

18. Commitments

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

As of March 2025, the company paid \$163,270 (PEN 606,810). Considering that the annual inflation rate in 2024 will remain the same for the duration of the agreement, the total outstanding balance is approximately \$1,845,931 (PEN 6,881,629).

19. Subsequent events

- (i) 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.