



SILVER MOUNTAIN RESOURCES INC.

Management's Discussion & Analysis

For the three and six months ended June 30, 2025 and 2024

(Expressed in US dollars)



INTRODUCTION

The following interim 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 three and six months ended June 30, 2025 and 2024. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three and six months ended June 30, 2025 and 2024 (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively "IFRS Accounting Standards"). In addition, the MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements"), as some disclosures from the Annual Financial Statements have been condensed or omitted.

The results for the period presented are not necessarily indicative of the results that may be expected for any future period. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The six months ended June 30, 2025 and 2024 are referred to as "YTD 2025" and "YTD 2024" respectively.

All monetary amounts in the MD&A are expressed in United States dollars, the presentation currency of the Company, except number of shares, or as otherwise indicated. References to "C\$" are to Canadian dollars, references to "PEN" are to Peruvian sol. The functional currency of the Company and its subsidiary is disclosed in the notes to the Financial Statements.

This MD&A has been prepared effective as of August 22, 2025 (the "MD&A Date").

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a 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 was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present, in all material respects, the financial condition, financial performance and cash flows of the Company as of the date of, and for the periods presented.

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 (the "Share Consolidation"). All historical share and per share data, including the number of common shares, weighted average number of common shares, loss per share, stock options and warrants presented in the Financial Statements and this MD&A have been retrospectively adjusted to reflect the Share Consolidation.

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.

Additional information regarding the Company is available on SEDAR+ at www.sedarplus.ca and the Company's website at www.agmr.ca.

QUALIFIED PERSON

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. is a publicly traded silver explorer and mine developer listed on the TSX Venture Exchange (the "Exchange") the OTCQB Venture Market and the Lima Stock Exchange (TSXV:AGMR | OTCQB:AGMRF | BVL:AGMR), 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 2,000 tpd), 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: 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 Company 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" section of the annual information form dated April 25, 2025.

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 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 14, 2025, the Company issued 113,230 common shares at a price of \$0.55 for an aggregate value of \$62,044 as consideration for director fees for the period from 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 486,668 common shares of the Company, exercisable at a price of 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.
- On March 28, 2025, the Company completed the Share Consolidation.
- On April 8, 2025, the Company issued 102,740 common shares at a price of \$0.37 for an aggregate value of \$37,632 as consideration for director fees for the period from 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 stopping and conventional cut and fill, optimizing ore extraction.

Reliquias

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, Mataballo 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 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. A summary of the Company's current mineral resources as extracted from the NI 43-101 for the Reliquias mine is as follows:

Resource	Volume	Grade					Contained Metal				
		Silver	Gold	Zinc	Lead	Copper	Silver	Gold	Zinc	Lead	Copper
	kt	Oz/t	g/t	%	%	%	MozAg	KozAu	Mlb Zn	Mlb Pb	Mlb Cu
Measured ("M")	228	5.10	0.54	2.97%	1.91%	0.28%	1.2	3.8	14.8	9.5	1.4
Indicated ("I")	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	4.25	0.41	3.09%	2.02%	0.32%	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 Net Smelter Return (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.

From 2023 to present, 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⁾

A summary of the Company's historical resources estimate for the Caudalosa project is as follows:

Category	Mass	Grade					Contained Metal				
		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 resource estimates

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

In 2018, AgMR Peru acquired certain liquidated assets from Corporación Minera Castrovirreyna ("CMC") that comprised the Castrovirreyna Project and the Reliquias mine (the "Reliquias Mine"). The Castrovirreyna Project and the Reliquias Mine are located near the town of Castrovirreyna, department of Huancavelica, province of Castrovirreyna, Peru. The Castrovirreyna Project is comprised of the Caudalosa Mine, Dorita, El Milagro, Jose Picasso Perata processing plant, Uchuputo Sector, Lira de Plata and a tailings storage facility.

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.



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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.

A summary of the Company's samples collected from BQ drill holes is as follows:

Vein	Channels		Total
	Sample BQ	QAQC	
Ayayay	146	34	180
Matacaballo	167	41	208
Pasteur	164	40	204
Perseguida	66	17	83
Pozorico	172	40	212
Sacasipuedes	88	23	111
Vulcano	106	22	128
Metseysaca	181	51	232
	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, Metseysaca, Perseguida, Sacasipuedes, Natividad, Ayayay, Pasteur, Pozorico, Vulcano, and Beatita X structures, each representing potential opportunities for resource expansion and further exploration.

A summary of the Company's samples gathered from the HQ and NQ drilling boreholes is as follows:

Vein	Drilling Sample HQ/HQ	Channels Sample BQ	Total
Vulcano	1,132	207	1,339
Sacasipuedes	1,129	209	1,338
Perseguida	1,066	205	1,271
Pasteur	99	21	120
	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.

A summary of the Company geological studies is as follows:

Vein	UG Mine Samples	QAQC	Total
Meteksaca	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
	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, Meteksaca, 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, Meteksaca, 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.
- **Meteksaca 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.



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- **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 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 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.

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. 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.

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 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.



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- **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 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 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.

Exploration and Acquisition Costs

A summary of the Company's exploration and evaluation assets is as follows:

	Reliquias Project	Castrovirreyna Project		Total
		Dorita	Other	
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
Acquisition costs				
Mining rights	15,398	21,940	6,720	44,058
Impairment ⁽¹⁾	-	(6,241)	-	(6,241)
Balance, December 31, 2024	23,164,147	3,626,495	697,687	27,488,329
Exploration costs				
Depreciation	32,124	-	-	32,124
Mine rehabilitation	138,013	-	-	138,013
General on-site expenses	473,638	-	-	473,638
Right of use	686,932	-	-	686,932
Salaries and benefits	194,044	-	-	194,044
Topography and geophysics	4,557	-	-	4,557
Complementary environmental services	259,786	-	-	259,786
Acquisition costs				
Mining rights	4,213	2,653	124	6,990
Balance, June 30, 2025	24,957,454	3,629,148	697,811	29,284,413

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

SUMMARY OF QUARTERLY RESULTS

The following summarizes quarterly financial results of the Company for the last eight quarters:

	Q2 2025	Q1 2025	Q4 2024	Q3 2024
	\$	\$	\$	\$
Net loss and comprehensive loss	(1,531,022)	(157,201)	(332,318)	(1,300,356)
Basic and diluted loss per common share	(0.06)	(0.01)	(0.02)	(0.03)
Working capital ⁽¹⁾	(1,681,703)	888,538	2,015,858	2,966,651
Total assets	36,098,598	36,549,673	36,445,335	37,074,852
Total liabilities	3,893,210	2,886,100	2,737,061	3,150,757

	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	\$	\$	\$	\$
Net loss and comprehensive loss	(268,781)	(209,735)	(858,216)	(978,476)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.05)	(0.03)
Working capital ⁽¹⁾	5,206,436	1,510,696	3,715,419	3,725,650
Total assets	37,412,896	32,714,911	33,360,014	31,904,942
Total liabilities	2,229,273	1,969,946	2,492,017	2,972,073

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



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The Company has incurred losses in each of the past eight quarters as it incurs professional fees, filing fees and salaries and benefits in order to maintain its good standing as a publicly traded company on the Exchange. Losses are higher in Q3 2024 and Q2 2025 mainly due to unrealized loss recorded on warrant liabilities revaluation in order to reflect the market trading prices in the respective period. In addition to the above, the Company also incurs share-based compensation expenses in periods where options are granted.

RESULTS OF OPERATIONS

A summary of the Company's results of operations is as follows:

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
	\$	\$	\$	\$
Operating expenses				
Administrative expenses	50,450	82,240	80,861	132,341
Advertising and marketing	21,764	-	21,764	31,038
Depreciation	1,441	1,373	2,881	2,688
Environmental fees	-	2,804	161	2,804
Filing and listing fees	3,793	142,705	32,657	157,606
Insurance	25,436	22,950	47,239	45,900
Operational expenses	15,561	44,240	34,137	62,330
Professional fees	273,253	331,040	414,278	514,097
Salaries and benefits	247,019	287,087	500,430	668,289
Share-based compensation	35,205	108,031	85,661	194,734
Travel, meals and entertainment	510	3,945	2,424	5,451
Total operating expenses	(674,432)	(1,026,415)	(1,222,493)	(1,817,278)
Bank charges	(1,142)	(3,486)	(23,332)	(4,555)
Interest income	225	5,478	4,017	9,594
Foreign exchange gain (loss)	150,256	(104,320)	254,361	(161,993)
Gain on expiry of warrant liabilities	-	-	-	98,301
Gain on settlement of payables	26,118	-	27,824	-
Unrealized gain (loss) on revaluation of warrant liabilities	(1,032,047)	859,962	(728,600)	1,397,415
Net loss for the period	(1,531,022)	(268,781)	(1,688,223)	(478,516)

Q2 2025 compared to Q2 2024

The Company's net loss increased to \$1,531,022 compared to \$268,781 in the prior year comparable period. The primary drivers of the increase in net loss were as follows:

- Unrealized loss on revaluation of warrant liabilities increased to \$1,032,047 compared to a gain of \$859,962 in the prior year comparable period primarily due to the revaluation of warrants issued in connection with recent prospectus offerings, with valuations reflecting market trading prices as of June 30, 2025, and June 30, 2024.

Partially offsetting the increase in net loss were decreases to expenses as follows:

- Administrative expenses decreased to \$50,450 compared to \$82,240 in the prior year comparable period primarily due to the Company's efforts to manage cash during the current period.
- Filing and listing fees decreased to \$3,793 compared to \$142,705 in the prior year comparable period primarily due to filing and listing fees indirectly related to the Company's April 2024 base shelf prospectus offering (the "Prospectus Offering") in the prior year comparable period.
- Operational expenses decreased to \$15,561 compared to \$44,240 in the prior year comparable period due to the Company's efforts to manage cash during the current period.
- Professional fees decreased to \$273,253 compared to \$331,040 in the prior year comparable period primarily due to additional audit, accounting, and legal fees indirectly related to the Company's financing activities in the prior year comparable period.
- Salaries and benefits decreased to \$247,019 compared to \$287,087 in the prior year comparable period primarily due to the resignation of an officer of the Company in the current period.



- Share-based compensation decreased to \$35,205 compared \$108,031 in the prior year comparable period primarily due to more vesting of stock options granted in the prior year comparable period.

YTD 2025 compared to YTD 2024

The Company's net loss increased to \$1,688,223 compared to \$478,516 in the prior year comparable period. The primary drivers of the decrease in the net loss were as follows:

- Unrealized loss on revaluation of warrant liabilities increased to \$728,600 compared to a gain of \$1,397,415 in the prior year comparable period primarily due to the revaluation of warrants issued in connection with recent prospectus offerings, with valuations reflecting market trading prices as of June 30, 2025, and June 30, 2024.

Partially offsetting the increase in net loss were decreases to expenses as follows:

- Administrative expenses decreased to \$80,861 compared to \$132,341 in the prior year comparable period primarily due to the Company's efforts to manage cash during the current year period.
- Filing and listing fees decreased to \$32,657 compared to \$157,606 in the prior year comparable period primarily due to filing and listing fees indirectly related to the Company's April 2024 Prospectus Offering in the prior year period.
- Operational expenses decreased to \$34,137 compared to \$62,330 in the prior year comparable period primarily due to the Company's efforts to manage cash during the current period.
- Professional fees decreased to \$414,278 compared \$514,097 in the prior year comparable period primarily due to additional audit, accounting, and legal fees indirectly related to the Company's financing activities in the prior year comparable period.
- Salaries and benefits decreased to \$500,430 compared to \$668,289 in the prior year comparable period primarily due to the resignation of an officer of the Company in the current period.
- Share-based compensation decreased to \$85,661 compared to \$194,734 in the prior year comparable period primarily due to more vesting of stock options granted in the prior year period.

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 \$47.8 million through targeted financing activities. This includes \$7.0 million (C\$9.6 million) from the April 2024 Prospectus Offering, \$3.1 million from the November 2023 Private Placement, \$6.9 million (C\$9.3 million) from the February 2023 Prospectus Offering, \$20.8 million (C\$26.5 million) from our initial public offering in February 2022, and \$10.0 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.

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). The Prospectus Offering allowed the Company to raise up to CAD\$9,000,035. 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:

Use	Use of net proceeds	Expenses as at June 30, 2025	Remaining proceeds to use
	million \$	million \$	million \$
Development of the Underground Mine ⁽¹⁾	4.4	2.3	2.1
General Corporate and Working Capital ⁽²⁾	1.3	1.3	-
Preparation of the Processing Plant and Tailings Dam ⁽³⁾	0.6	0.0	0.6
	6.3	3.6	2.7

- (1) Encompasses 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) Encompasses 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) Encompasses 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 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

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 of June 30, 2025, the Company reported cash and cash equivalents of \$1,545,353, (December 31, 2024 - \$4,269,452), and a working capital deficit of \$1,681,703 (December 31, 2024 - working capital surplus of \$2,015,858), reflecting a net reduction of \$3,697,561. 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.

On July 29, 2025, the Company completed its previously announced prospectus offering of 19,230,300 units of the Company at a price of \$0.94 (C\$1.30) per unit, for gross proceeds of \$18,153,642 (C\$24,999,380), which included the full exercise of the over-allotment option to purchase an additional 2,508,300 units. Each unit is comprised of one common share and one-half warrant. Each warrant is exercisable into one common share at a price of C\$1.70 per common share and expires on July 29, 2027.

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 six months ended June 30, 2025, the Company used \$1,297,306 in cash for operating activities, representing a reduction from the \$1,886,951 used during the comparable period in 2024. 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 reduction in cash used for operating activities is mainly due to a continued effort to save cash in operating expenses, demonstrating the Company's ability to balance its operation while pursuing its long-term growth strategy. 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.

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.



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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 evaluating additional funding sources to support the next phase of development.

Investing Activities

For the six months ended June 30, 2025, the Company used \$1,477,622 in cash for investing activities, a reduction from the \$3,082,541 used during the comparable period in 2024. 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 \$1,304,856 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.

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

The Company has not had any financing activities during the period as compared to YTD 2024 when it raised \$6,510,731.

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.

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 include those having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, officers and companies controlled by key management personnel.



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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.

A summary of the Company's related party transactions is as follows:

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
	\$	\$	\$	\$
Board advisory fee ⁽¹⁾	7,500	-	15,000	-
Director and chair fees ⁽²⁾	56,250	63,750	112,500	112,500
Management salaries ⁽²⁾	96,778	201,679	271,945	521,826
Share-based compensation	20,893	72,337	55,438	134,918
	181,421	337,766	454,883	769,244

(1) Board advisory fee is included under professional fees on the statements of loss and comprehensive loss.

(2) Director and chair fees and management salaries are included under salaries and benefits on the statements of loss and comprehensive loss.

As at June 30, 2025, \$77,203 was included in accounts payable and accrued liabilities for amounts due to related parties (December 31, 2024 - \$63,750). The amounts due are unsecured, due on demand and are non-interest bearing. The related party transactions are with companies owned and controlled by directors and officers of the Company for consulting fees in the normal course of business.

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 SECURITIES DATA

A summary of the Company's issued and outstanding securities is as follows:

	June 30, 2025	MD&A Date
	#	#
Common shares issued and outstanding	24,797,048	44,158,333
Warrants	8,950,595	18,565,745
Broker warrants	217,323	217,323
Stock options	1,202,834	1,202,834

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.

PROPOSED TRANSACTIONS

As at June 30, 2025 and the MD&A Date, there are no proposed transactions.



SUBSEQUENT EVENTS

On July 11, 2025, the Company issued 130,985 common shares as consideration for director fees for the period from April 1, 2025 to June 30, 2025.

On July 29, 2025, the Company completed its previously announced prospectus offering of 19,230,300 units of the Company at a price of \$0.94 (C\$1.30) per unit, for gross proceeds of \$18,153,642 (C\$24,999,390), which included the full exercise of the over-allotment option to purchase an additional 2,508,300 units. Each unit is comprised of one common share and one-half warrant. Each warrant is exercisable into one common share at a price of C\$1.70 per common share and expires on July 29, 2027.

MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS

The accounting policies applied in the preparation of the Financial Statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements. 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 these 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 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 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 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.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 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, assumptions and future accounting pronouncements.

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.

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.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, restricted cash, amounts receivable, and accounts payable and accrued liabilities, and warrant liabilities.

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in the valuation techniques used to measure fair value as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

As at June 30, 2025, financial instruments comprised of cash and cash equivalents, restricted cash, amounts receivable, and accounts payable and accrued liabilities are classified as and measured at amortized cost. The carrying value of cash and cash equivalents, restricted cash, amounts receivable, accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these financial instruments.

The Company's warrant liabilities are classified as fair value through profit or loss and are recorded at fair value using unadjusted quoted prices in active markets and are therefore classified as level 1 within the fair value hierarchy.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk relates primarily to cash and cash equivalents and restricted cash. The Company minimizes its credit risk related to cash and cash equivalents by placing cash and cash equivalents with major financial institutions. The Company considers the credit risk to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's primary exposure to liquidity risk is through accounts payable and accrued liabilities. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. As of June 30, 2025, the Company had cash and cash equivalents of \$1,545,353 (December 31, 2024 - \$4,269,452) and accounts payable and accrued liabilities of \$1,587,934 (December 31, 2024 - \$1,160,385). As at June 30, 2025, liquidity risk is assessed as moderate. The Company will need to raise additional funds in the future to continue its exploration operations and there is no certainty that it will be able to obtain adequate financing in the future.



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Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is exposed to foreign exchange risk from fluctuations in the U.S. dollar to the Canadian dollar and the Peruvian sol. A 5% change in the U.S. dollar exchange rate relative to the Canadian dollar would change the Company's loss by approximately \$78,769; and a 5% change in the U.S. dollar exchange rate relative to the Peruvian sol would change the Company's loss by approximately \$13,094.

A summary of the Company's financial assets and liabilities as at June 30, 2025 that are denominated in the Canadian dollar and the Peruvian sol is as follows:

	CAD	PEN
	\$	\$
Financial assets		
Cash and cash equivalents	764,894	9,511
Restricted cash	-	436,204
Amounts receivable and other assets	-	12,501
	764,894	458,216
Financial liabilities		
Accounts payable and accrued liabilities	34,999	720,092
Warrant liabilities	2,305,276	-
	2,340,275	720,092
Net liabilities	(1,575,381)	(261,876)

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:

	Q2 2025	Q1 2025	Q4 2024	Q3 2024
	\$	\$	\$	\$
Current assets	2,211,507	3,774,638	4,752,919	6,117,408
Less: Current liabilities	3,893,210	2,886,100	2,737,061	3,150,757
Working capital	(1,681,703)	888,538	2,015,858	2,966,651

	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	\$	\$	\$	\$
Current assets	7,435,709	3,480,642	5,285,750	6,255,442
Less: Current liabilities	2,229,273	1,969,946	1,570,331	2,529,792
Working capital	5,206,436	1,510,696	3,715,419	3,725,650



CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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" section. For a detailed listing of the risk factors faced by the Company, refer to the Company's Annual Information Form for the year ended December 31, 2024. The reader should carefully consider these risks as well as the information and other risk factors contained in the Company's Financial Statements, Annual MD&A, 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).

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.