



## **SILVER MOUNTAIN RESOURCES INC.**

**Condensed Interim Consolidated Financial Statements**

**For the three and six months ended June 30, 2026 and 2025**

(Unaudited - Expressed in US dollars)

**SILVER MOUNTAIN RESOURCES INC.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Unaudited - Expressed in US dollars)

|                                                   | Note    | June 30,<br>2026<br>\$ | December 31,<br>2025<br>\$ |
|---------------------------------------------------|---------|------------------------|----------------------------|
| <b>ASSETS</b>                                     |         |                        |                            |
| <b>Current</b>                                    |         |                        |                            |
| Cash and cash equivalents                         |         | 29,064,694             | 34,075,413                 |
| Amounts receivable and other assets               |         | 115,035                | 75,581                     |
| Prepaid expenses                                  | 6       | 1,149,284              | 509,882                    |
|                                                   |         | <b>30,329,013</b>      | 34,660,876                 |
| Property, plant and equipment                     | 7       | 644,021                | 418,928                    |
| Exploration and evaluation assets                 | 8       | 6,396,820              | 4,160,423                  |
| Development property                              | 9       | 57,645,526             | 43,468,964                 |
| Tax credits receivable                            | 10      | 7,921,823              | 5,488,901                  |
| Restricted cash                                   | 2(e), 5 | 1,117,226              | 436,204                    |
| Long-term deposits                                |         | 104,357                | -                          |
| <b>Total assets</b>                               |         | <b>104,158,786</b>     | 88,634,296                 |
| <b>LIABILITIES</b>                                |         |                        |                            |
| <b>Current</b>                                    |         |                        |                            |
| Accounts payable and accrued liabilities          | 11, 16  | 6,726,273              | 3,958,583                  |
| Current portion of lease liability                | 12      | 81,152                 | 60,307                     |
| Warrant liabilities                               | 13      | 24,620,089             | 44,485,765                 |
| Current portion of asset retirement obligation    | 14      | 248,497                | -                          |
|                                                   |         | <b>31,676,011</b>      | 48,504,655                 |
| Lease liability                                   | 12      | 42,506                 | 48,083                     |
| Asset retirement obligation                       | 14      | 12,989,187             | 13,222,929                 |
| <b>Total liabilities</b>                          |         | <b>44,707,704</b>      | 61,775,667                 |
| <b>SHAREHOLDERS' EQUITY</b>                       |         |                        |                            |
| Share capital                                     | 15(b)   | 96,922,208             | 75,303,649                 |
| Contributed surplus                               |         | 1,805,757              | 1,438,047                  |
| Deficit                                           |         | (39,276,883)           | (49,883,067)               |
| <b>Total shareholders' equity</b>                 |         | <b>59,451,082</b>      | 26,858,629                 |
| <b>Total liabilities and shareholders' equity</b> |         | <b>104,158,786</b>     | 88,634,296                 |

Nature of operations and going concern (Note 1)  
Subsequent event (Note 21)

Approved and authorized for issue on behalf of the Board of Directors.

|                              |                           |
|------------------------------|---------------------------|
| <u>/s/ Timothy Loftsgard</u> | <u>/s/ Jose Vizquerra</u> |
| Director                     | Director                  |

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

**SILVER MOUNTAIN RESOURCES INC.****Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)**

(Unaudited - Expressed in US dollars, except number of shares)

|                                                              | Note             | Three months ended<br>June 30, |                    | Six months ended<br>June 30, |                    |
|--------------------------------------------------------------|------------------|--------------------------------|--------------------|------------------------------|--------------------|
|                                                              |                  | 2026                           | 2025               | 2026                         | 2025               |
|                                                              |                  | \$                             | \$                 | \$                           | \$                 |
| <b>Operating expenses</b>                                    |                  |                                |                    |                              |                    |
| Administrative expenses                                      |                  | 132,441                        | 50,450             | 268,057                      | 80,861             |
| Advertising and marketing                                    |                  | 293,759                        | 21,764             | 340,642                      | 21,764             |
| Depreciation                                                 | 7                | 23,657                         | 1,441              | 44,766                       | 2,881              |
| Environmental fees                                           |                  | -                              | -                  | -                            | 161                |
| Filing and listing fees                                      |                  | 178,298                        | 3,793              | 190,563                      | 32,657             |
| Insurance                                                    |                  | 21,802                         | 25,436             | 43,605                       | 47,239             |
| Other expenses                                               |                  | 61,727                         | 15,561             | 83,287                       | 34,137             |
| Professional fees                                            | 16               | 454,984                        | 273,253            | 863,987                      | 414,278            |
| Salaries and benefits                                        | 16               | 438,479                        | 247,019            | 986,817                      | 500,430            |
| Share-based compensation                                     | 15(d), 15(f), 16 | 310,489                        | 35,205             | 420,699                      | 85,661             |
| Travel, meals and entertainment                              |                  | 42,604                         | 510                | 53,753                       | 2,424              |
| <b>Total operating expenses</b>                              |                  | <b>(1,958,240)</b>             | <b>(674,432)</b>   | <b>(3,296,176)</b>           | <b>(1,222,493)</b> |
| Bank charges                                                 |                  | (5,571)                        | (1,142)            | (47,783)                     | (23,332)           |
| Interest income                                              |                  | 205,777                        | 225                | 457,455                      | 4,017              |
| Accretion expense                                            | 12, 14           | (139,860)                      | -                  | (278,207)                    | -                  |
| Foreign exchange gain (loss)                                 |                  | (327,610)                      | 151,617            | 115,827                      | 254,361            |
| Gain on expiry of warrant liabilities                        | 13               | -                              | -                  | 57,241                       | -                  |
| Gain on settlement of payables                               | 15(b)            | -                              | 26,118             | -                            | 27,824             |
| Unrealized gain (loss) on revaluation of warrant liabilities | 13               | 8,104,461                      | (1,033,408)        | 13,597,827                   | (728,600)          |
| <b>Net income (loss) and comprehensive income (loss)</b>     |                  | <b>5,878,957</b>               | <b>(1,531,022)</b> | <b>10,606,184</b>            | <b>(1,688,223)</b> |
| <b>Net income (loss) per share:</b>                          |                  |                                |                    |                              |                    |
| Basic and diluted                                            |                  | 0.09                           | (0.06)             | 0.17                         | (0.07)             |
| <b>Weighted average number of common shares:</b>             |                  |                                |                    |                              |                    |
| Basic and diluted                                            |                  | 62,839,082                     | 24,789,145         | 60,995,401                   | 24,733,856         |

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**  
(Unaudited - Expressed in US dollars)

|                                                                                                  | Six months ended<br>June 30, |                    |
|--------------------------------------------------------------------------------------------------|------------------------------|--------------------|
|                                                                                                  | 2026                         | 2025               |
|                                                                                                  | \$                           | \$                 |
| <b>Operating activities</b>                                                                      |                              |                    |
| Net income (loss)                                                                                | 10,606,184                   | (1,688,223)        |
| Adjustments for:                                                                                 |                              |                    |
| Depreciation                                                                                     | 44,766                       | 2,881              |
| Share-based compensation                                                                         | 420,699                      | 85,661             |
| Accretion expense                                                                                | 278,207                      | -                  |
| Unrealized foreign exchange gain                                                                 | 107,761                      | (24,109)           |
| Gain on expiry of warrant liabilities                                                            | (57,241)                     | -                  |
| Gain on settlement of payables                                                                   | -                            | (27,824)           |
| Unrealized gain on revaluation of warrant liabilities                                            | (13,597,827)                 | 728,600            |
| Changes in non-cash working capital:                                                             |                              |                    |
| Amounts receivable and other assets                                                              | (2,531,162)                  | (392,034)          |
| Prepaid expenses                                                                                 | (743,759)                    | (51,427)           |
| Accounts payable and accrued liabilities                                                         | (2,764,322)                  | 69,169             |
| <b>Cash used in operating activities</b>                                                         | <b>(8,236,694)</b>           | <b>(1,297,306)</b> |
| <b>Investing activities</b>                                                                      |                              |                    |
| Exploration and evaluation asset additions                                                       | (2,234,959)                  | (1,304,856)        |
| Development property cost additions                                                              | (9,248,898)                  | -                  |
| Purchase of property, plant, and equipment                                                       | (260,092)                    | -                  |
| Restricted cash deposits paid                                                                    | (681,022)                    | (436,204)          |
| Restricted cash returned                                                                         | -                            | 263,438            |
| <b>Cash used in investing activities</b>                                                         | <b>(12,424,971)</b>          | <b>(1,477,622)</b> |
| <b>Financing activities</b>                                                                      |                              |                    |
| Proceeds from warrants exercise                                                                  | 15,610,596                   | -                  |
| Proceeds from broker warrants exercise                                                           | 129,236                      | -                  |
| Lease payments                                                                                   | (40,973)                     | -                  |
| <b>Cash provided by financing activities</b>                                                     | <b>15,698,859</b>            | <b>-</b>           |
| Net change in cash and cash equivalents                                                          | (4,962,806)                  | (2,774,928)        |
| Effect of foreign exchange on cash and cash equivalents                                          | (47,913)                     | 50,829             |
| Cash and cash equivalents, beginning of the period                                               | 34,075,413                   | 4,269,452          |
| <b>Cash and cash equivalents, end of the period</b>                                              | <b>29,064,694</b>            | <b>1,545,353</b>   |
| <b>Composition of cash and cash equivalents:</b>                                                 |                              |                    |
| Cash                                                                                             | 28,995,433                   | 1,476,033          |
| Cash equivalents                                                                                 | 69,261                       | 69,320             |
|                                                                                                  | <b>29,064,694</b>            | <b>1,545,353</b>   |
| <b>Supplemental cash flow information:</b>                                                       |                              |                    |
| Depreciation capitalized in exploration and evaluation assets                                    | 1,438                        | 32,124             |
| Depreciation capitalized in development property                                                 | 40,360                       | -                  |
| Shares issued for settlement of payables                                                         | 207,258                      | 99,676             |
| Exploration and evaluation assets additions included in accounts payable and accrued liabilities | -                            | (459,104)          |
| Development property additions included in accounts payable and accrued liabilities              | 5,146,080                    | -                  |
| Fair value of warrant exercised                                                                  | 5,800,705                    | -                  |
| Fair value of broker warrants exercised                                                          | 129,236                      | -                  |

*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**  
(Unaudited - Expressed in US dollars, except number of shares)

|                                                | Common<br>shares<br>(Note 1) | Share<br>capital  | Contributed<br>surplus | Deficit             | Total<br>shareholders'<br>equity |
|------------------------------------------------|------------------------------|-------------------|------------------------|---------------------|----------------------------------|
|                                                | #                            | \$                | \$                     | \$                  | \$                               |
| Balance, December 31, 2024                     | 24,581,078                   | 46,743,576        | 1,390,929              | (14,426,231)        | 33,708,274                       |
| Shares issued for services                     | 215,970                      | 99,676            | -                      | -                   | 99,676                           |
| Share-based compensation                       | -                            | -                 | 85,661                 | -                   | 85,661                           |
| Net loss and comprehensive loss                | -                            | -                 | -                      | (1,688,223)         | (1,688,223)                      |
| Balance, June 30, 2025                         | 24,797,048                   | 46,843,252        | 1,476,590              | (16,114,454)        | 32,205,388                       |
| Units issued in prospectus offering            | 30,730,300                   | 27,307,390        | -                      | -                   | 27,307,390                       |
| Unit issuance costs                            | -                            | (1,881,006)       | -                      | -                   | (1,881,006)                      |
| Shares issued for services                     | 130,985                      | 144,543           | -                      | -                   | 144,543                          |
| Shares issued from exercise of warrants        | 1,468,178                    | 2,889,470         | (63,447)               | -                   | 2,826,023                        |
| Shares issued from exercise of broker warrants | 108,661                      | -                 | -                      | -                   | -                                |
| Share-based compensation                       | -                            | -                 | 24,904                 | -                   | 24,904                           |
| Net loss and comprehensive loss                | -                            | -                 | -                      | (33,768,613)        | (33,768,613)                     |
| Balance, December 31, 2025                     | 57,235,172                   | 75,303,649        | 1,438,047              | (49,883,067)        | 26,858,629                       |
| Shares issued for services                     | 61,721                       | 207,258           | -                      | -                   | 207,258                          |
| Shares issued from exercise of warrants        | 7,238,801                    | 21,411,301        | (52,989)               | -                   | 21,358,312                       |
| Shares issued from exercise of broker warrants | 108,661                      | -                 | -                      | -                   | -                                |
| Share-based compensation                       | -                            | -                 | 420,699                | -                   | 420,699                          |
| Net income and comprehensive income            | -                            | -                 | -                      | 10,606,184          | 10,606,184                       |
| <b>Balance, June 30, 2026</b>                  | <b>64,644,355</b>            | <b>96,922,208</b> | <b>1,805,757</b>       | <b>(39,276,883)</b> | <b>59,451,082</b>                |

*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**  
**For the three and six months ended June 30, 2026 and 2025**  
(Unaudited - Expressed in US dollars, except where noted)

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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

Silver Mountain Resources Inc. (the "Company" or "AgMR" or "Silver Mountain") is incorporated under the Business Corporation Act of 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 Huanavelica, Peru. The address of the Company's corporate office and principal place of business is 82 Richmond Street East Toronto, Ontario, M5C 1P1. The Company is currently listed on the OTCQB Venture Market under the symbol "AGMRF", the Lima Stock Exchange under the symbol "AGMR". On February 26, 2026, the Company successfully graduated from the TSX Venture Exchange to the Toronto Stock Exchange ("TSX") and commenced trading on the TSX under the symbol "AGMR".

These unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2026 and 2025 (the "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.

As at June 30, 2026, the Company has incurred losses since inception and has an accumulated deficit of \$39,276,883 (December 31, 2025 - \$49,883,067). As at June 30, 2026, the Company had cash and cash equivalents of \$29,064,694 (December 31, 2025 - \$34,075,413) and a working capital deficit of \$1,346,998 (December 31, 2025 - deficit of \$13,843,779). For the three and six months ended June 30, 2026, the Company recorded net income of \$5,878,957 and \$10,606,184, respectively (2025 - net loss of \$1,531,022 and \$1,688,223, respectively). The Company's net income was impacted by the unrealized gain on revaluation of warrant liabilities, which offset the expenses in the exploration, evaluation and development of its mineral properties.

During the fiscal year 2025, the Company made the decision to proceed to the development stage for its Reliquias Mine in central Peru. The Company's ability to continue as a going concern for at least the next twelve-month period requires the Company to fund its planned development and operational costs, and fund the successful commencement of commercial production at Reliquias Mine. It, therefore, is dependent on the Company being able to draw down on its current cash and maintain cost control measures. Furthermore, the ability to continue as a going concern remains dependent on generating future profitable production, realizing proceeds from the disposition of mineral interests, and/or securing alternative sources of funding as and when needed. There is no assurance that it will be able to complete or obtain adequate financing or funding in the future, on a timely basis and on adequate terms. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern.

### **Share consolidation**

On March 28, 2025, the Company consolidated all of the issued and outstanding class A common shares of the Company since one (1) post-consolidation class A common share for every fifteen (15) pre-consolidation class A common share (the "Share Consolidation"). Unless otherwise specified, all historical share and per share data, including the number of common shares, weighted average number of common shares, loss per share and stock options have been retrospectively adjusted to reflect the Share Consolidation.

## **2. BASIS OF PREPARATION**

### **a) Statement of compliance**

These financial statements were approved by the Board of Directors and authorized for issue on August 14, 2026.

These financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These financial statements do not include all the information and disclosures required in annual financial statements. Accordingly, these financial statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2025 and 2024 (the "Annual Financial Statements").

### **b) Basis of presentation**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

## **2. BASIS OF PREPARATION (continued)**

### **c) Functional and presentation currency**

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company and its subsidiary is U.S. dollars. The financial statements are presented in U.S. dollars, except as otherwise noted. References to "C\$" are to Canadian dollars, references to "PEN" are to Peruvian sol.

### **d) Basis of consolidation**

These 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 a reverse takeover 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 separately presented in the Company's financial statements.

All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

### **e) Reclassification of prior period presentation**

The Company has reclassified the comparative period presentation of restricted cash from current assets to non-current assets on the condensed interim consolidated statements of financial position to conform with the current period presentation. This reclassification had no impact on total assets, net loss and comprehensive loss, or shareholders' equity.

## **3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS**

In the preparation of these financial statements, the Company used the same accounting policies as in the Annual Financial Statements except for the following policy added for first time application:

### Restricted share units ("RSUs")

RSUs are granted to directors, employees, and consultants of the Company. The Company accounts for the RSUs as share-based payments using a fair value-based method. The fair value of each RSU is measured at the grant date by reference to the Company's share price at that time. The fair value of RSUs granted is recognized as share-based compensation over the vesting period.

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

### Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the 'solely payments of principal and interest' criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The amendments had no impact on the Company's condensed interim consolidated financial statements.

### **3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS (continued)**

#### **Recent IFRS Accounting Standards 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, 2026, or later.

The standards and amendments to IFRS® Accounting Standards 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. The standard is expected to result in changes to the presentation of our consolidated statements of income, by requiring all expenses to be classified into the three main categories of operating, investing and financing. The Company will have enhanced note disclosures on any identified management-defined performance measures, for example any adjusted earnings subtotals. The Company expects to apply IFRS 18 on its effective date with full retrospective application, including restated comparative information.

### **4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of these financial statements requires management to exercise significant judgments in applying the Company's accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual future outcomes could differ from present estimates and assumptions, which may require material adjustments to the Company's financial statements. Revisions to accounting estimates are accounted for prospectively. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.



**SILVER MOUNTAIN RESOURCES INC.****Notes to the Condensed Interim Consolidated Financial Statements****For the three and six months ended June 30, 2026 and 2025**

(Unaudited - Expressed in US dollars, except where noted)

**5. RESTRICTED CASH**

As at June 30, 2026, the Company had a cash deposit of \$1,117,226 (PEN 3,888,874) (December 31, 2025 - \$436,204 (PEN 1,541,547)) held as a guarantee to the Peruvian Ministry of Mines in connection with the mine closure plan associated with the Company's Reliquias mine (the "Mine Closure Plan"). During the year ended December 31, 2025, \$263,438 (PEN 990,000) of previous held deposit was returned to the Company, from the \$436,204 (PEN 1,541,547) deposit made on January 13, 2025. On January 7, 2026 the Company made a \$681,022 (PEN 2,347,327) deposit with the Peruvian Ministry of Mines in connection with the Mine Closure Plan.

A summary of the Company's restricted cash is as follows:

|                               |                  |
|-------------------------------|------------------|
|                               | \$               |
| Balance, December 31, 2024    | 263,438          |
| Additions                     | 436,204          |
| Returned                      | (263,438)        |
| Balance, December 31, 2025    | 436,204          |
| Additions                     | 681,022          |
| <b>Balance, June 30, 2026</b> | <b>1,117,226</b> |

A summary of the Company's future deposits related to the Mine Closure Plan is as follows:

|                              |                          |
|------------------------------|--------------------------|
|                              | <b>June 30,<br/>2026</b> |
|                              | \$                       |
| Less than one year           | 836,425                  |
| One to two years             | 603,242                  |
| Two to five years            | 2,119,196                |
| More than five years         | 2,580,628                |
| <b>Total future deposits</b> | <b>6,139,491</b>         |

Pursuant to the Mine Closure Plan, the Company is required to make additional deposits of \$6,139,491 through 2033. These deposits are required by the Peruvian Ministry of Energy and Mines as financial guarantees for future mine closure and rehabilitation activities.

**6. PREPAID EXPENSES**

A summary of the Company's prepaid expenses and deposits is as follows:

|                       |                          |                      |
|-----------------------|--------------------------|----------------------|
|                       | <b>June 30,<br/>2026</b> | December 31,<br>2025 |
|                       | \$                       | \$                   |
| Prepaid expenses      | 972,306                  | 348,186              |
| Advances to suppliers | 164,899                  | 150,696              |
| Deposits              | 12,079                   | 11,000               |
|                       | <b>1,149,284</b>         | <b>509,882</b>       |

**SILVER MOUNTAIN RESOURCES INC.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and six months ended June 30, 2026 and 2025**  
(Unaudited - Expressed in US dollars, except where noted)

**7. PROPERTY, PLANT AND EQUIPMENT**

A summary of the Company's property, plant and equipment is as follows:

|                                 | Land          | Building and facilities | Mining equipment | Office equipment and furniture | Intangibles*  | Right-of-use asset | Leasehold improvements | Total            |
|---------------------------------|---------------|-------------------------|------------------|--------------------------------|---------------|--------------------|------------------------|------------------|
|                                 | \$            | \$                      | \$               | \$                             | \$            | \$                 | \$                     | \$               |
| <b>Cost</b>                     |               |                         |                  |                                |               |                    |                        |                  |
| Balance, December 31, 2024      | 36,041        | 151,544                 | 859,610          | 249,969                        | -             | -                  | -                      | 1,297,164        |
| Additions                       | -             | 40,152                  | -                | 39,501                         | 28,066        | 111,914            | -                      | 219,633          |
| Balance December 31, 2025       | 36,041        | 191,696                 | 859,610          | 289,470                        | 28,066        | 111,914            | -                      | 1,516,797        |
| Additions                       | -             | 114,722                 | 72,038           | 45,870                         | 14,438        | 51,564             | 13,025                 | 311,657          |
| <b>Balance, June 30, 2026</b>   | <b>36,041</b> | <b>306,418</b>          | <b>931,648</b>   | <b>335,340</b>                 | <b>42,504</b> | <b>163,478</b>     | <b>13,025</b>          | <b>1,828,454</b> |
| <b>Accumulated depreciation</b> |               |                         |                  |                                |               |                    |                        |                  |
| Balance, December 31, 2024      | -             | 84,074                  | 810,192          | 119,367                        | -             | -                  | -                      | 1,013,633        |
| Depreciation                    | -             | 12,973                  | 18,448           | 38,826                         | -             | 13,989             | -                      | 84,236           |
| Balance, December 31, 2025      | -             | 97,047                  | 828,640          | 158,193                        | -             | 13,989             | -                      | 1,097,869        |
| Depreciation                    | -             | 11,012                  | 11,411           | 23,144                         | -             | 35,222             | 5,775                  | 86,564           |
| <b>Balance, June 30, 2026</b>   | <b>-</b>      | <b>108,059</b>          | <b>840,051</b>   | <b>181,337</b>                 | <b>-</b>      | <b>49,211</b>      | <b>5,775</b>           | <b>1,184,433</b> |
| <b>Carrying amount</b>          |               |                         |                  |                                |               |                    |                        |                  |
| Balance, December 31, 2025      | 36,041        | 94,649                  | 30,970           | 131,277                        | 28,066        | 97,925             | -                      | 418,928          |
| <b>Balance, June 30, 2026</b>   | <b>36,041</b> | <b>198,359</b>          | <b>91,597</b>    | <b>154,003</b>                 | <b>42,504</b> | <b>114,267</b>     | <b>7,250</b>           | <b>644,021</b>   |

\*The intangibles only represents accounting software and is accounted under IAS38 *Intangible assets*. As the amount is immaterial, it was grouped together with property, plant and equipment.

During the three and six months ended June 30, 2026, depreciation of \$1,438 and \$1,438 was capitalized in exploration and evaluation assets (2025 - \$16,061 and \$32,124, respectively).

During the three and six months ended June 30, 2026, depreciation of \$22,402 and \$40,360, respectively, was capitalized in development property (2025 - \$nil and \$nil).

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(Unaudited - Expressed in US dollars, except where noted)

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**8. EXPLORATION AND EVALUATION ASSETS**

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 Caudalosa, Dorita, El Milagro, Jose Picasso Perata processing plant, Uchuputo Sector, Lira de Plata and a tailings storage facility.

AgMR owns 100% of its concessions which are currently held in the name of its subsidiary, AgMR Peru.

**a) 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.

On June 26, 2024, the Company filed the Preliminary Economic Assessment ("PEA") results for the Reliquias mine in Peru. The PEA highlighted a silver and base metals project with a pre-tax net present value of C\$107 million using a 5% discount rate. 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.

On July 16, 2025, the Company entered into a 20-year surface land use agreement with the Community of Salcca Santa Ana, marking the final approval required to restart operations at the Company's Reliquias Mine. As a result, on September 1, 2025, the Company transferred the exploration and evaluation assets with carrying amount of \$25,806,201 under the Reliquias Mine to development property (Note 9).

**b) Castrovirreyna Project****Dorita**

At the Dorita block of properties, exploration work consisted of more than 14 km<sup>2</sup> 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.

**Caudalosa and Other**

During 2026, the Company commenced the exploration activities at Caudalosa, which historically focused on silver-rich sulfides, galena, sphalerite, and minor copper sulfides.

Other projects include exploration related to the El Milagro, Jose Picasso Perata processing plant, Uchuputo Sector, Lira de Plata and a tailings storage facility. 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 property of the project.

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**8. EXPLORATION AND EVALUATION ASSETS (continued)**

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

|                                              | Reliquias<br>Mine | Castrovirreyna Project |                        | Total            |
|----------------------------------------------|-------------------|------------------------|------------------------|------------------|
|                                              |                   | Dorita                 | Caudalosa<br>and Other |                  |
|                                              | \$                | \$                     | \$                     | \$               |
| Balance, December 31, 2024                   | 23,164,147        | 3,626,495              | 697,687                | 27,488,329       |
| <b>Exploration costs</b>                     |                   |                        |                        |                  |
| Depreciation                                 | 42,832            | -                      | -                      | 42,832           |
| Mine rehabilitation                          | 206,674           | -                      | -                      | 206,674          |
| General on-site expenses                     | 631,955           | 44,353                 | -                      | 676,308          |
| Right of use                                 | 873,420           | -                      | -                      | 873,420          |
| Salaries and benefits                        | 295,046           | -                      | -                      | 295,046          |
| Topography & Geophysics                      | 6,019             | -                      | -                      | 6,019            |
| Complementary environmental services         | 350,417           | -                      | -                      | 350,417          |
| <b>Acquisition costs</b>                     |                   |                        |                        |                  |
| Mining rights                                | 4,213             | 14,361                 | 9,005                  | 27,579           |
| Transfer                                     | 231,478           | 20,165                 | (251,643)              | -                |
| Transferred to development property (Note 9) | (25,806,201)      | -                      | -                      | (25,806,201)     |
| Balance, December 31, 2025                   | -                 | 3,705,374              | 455,049                | 4,160,423        |
| <b>Exploration costs</b>                     |                   |                        |                        |                  |
| Depreciation                                 | -                 | -                      | 1,438                  | 1,438            |
| General on-site expenses                     | -                 | -                      | 27,267                 | 27,267           |
| Right of use                                 | -                 | 53,254                 | -                      | 53,254           |
| Salaries and benefits                        | -                 | -                      | 146,358                | 146,358          |
| Topography and geophysics                    | -                 | -                      | 1,933,650              | 1,933,650        |
| Complementary environmental services         | -                 | -                      | 57,372                 | 57,372           |
| Geological mapping, sampling & other         | -                 | -                      | 17,058                 | 17,058           |
| <b>Balance, June 30, 2026</b>                | <b>-</b>          | <b>3,758,628</b>       | <b>2,638,192</b>       | <b>6,396,820</b> |

**9. DEVELOPMENT PROPERTY**

On October 28, 2024, the Company filed an amended and restated preliminary economic assessment for its Reliquias Mine in central Peru with an effective date of May 15, 2024 which when combined with prior development and operational activities and data from the mine, enhanced the level of technical feasibility and commercial viability of the project to a level that the Board of Directors was comfortable to proceed into development phase.

In addition, on July 16, 2025, the Company entered into a 20-year surface land use agreement (the "Surface Agreement") with the Community of Salcca Santa Ana, marking the final approval required to restart operations at the Company's Reliquias Mine. This agreement requires the Company to complete annual payments of \$435,000 (PEN 1,500,000) plus VAT (18%), adjusted by the Peruvian annual inflation rate.

As a result, on September 1, 2025, the Company transferred the exploration and evaluation assets with carrying amount of \$25,806,201 under the Reliquias Mine to development property. Prior to the transfer, the carrying amount was tested for impairment and no impairment was identified. Similarly, as at June 30, 2026, there were no impairment indicators identified to the \$57,645,526 carrying value as set out below.

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**9. DEVELOPMENT PROPERTY (continued)**

A summary of Company's development property is as follows:

|                                                                                     | <b>Reliquias<br/>Mine</b> |
|-------------------------------------------------------------------------------------|---------------------------|
|                                                                                     | <b>\$</b>                 |
| Balance, December 31, 2024                                                          | -                         |
| Transferred from exploration and evaluation assets (Note 8(a))                      | 25,806,201                |
| Asset retirement obligation (Note 14)                                               | 13,088,250                |
| Development cost additions during the period September 1, 2025 to December 31, 2025 | 4,574,513                 |
| Balance, December 31, 2025                                                          | 43,468,964                |
| Development cost additions                                                          | 14,435,337                |
| Change in estimate of asset retirement obligation                                   | (258,775)                 |
| <b>Balance, June 30, 2026</b>                                                       | <b>57,645,526</b>         |

Development cost incurred includes costs directly related to establishing or advancing the development asset and includes costs such as mine and plant development, construction, environmental related services, general site access and on-site expenses relating to development.

**10. TAX CREDITS RECEIVABLE**

As of June 30, 2026, the Company maintains in its non-current assets a recoverable tax credit for general sales tax in Peru ("Impuesto General a las Ventas" or "IGV") of \$7,921,823 (December 31, 2025 - \$5,488,901), that is expected to be applied to the IGV generated by local sales. If sales are exported, the Company has the right to request a refund of the value-added tax 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.

**11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

A summary of the Company's accounts payable and accrued liabilities is as follows:

|                        | <b>June 30,<br/>2026</b> | <b>December 31,<br/>2025</b> |
|------------------------|--------------------------|------------------------------|
|                        | <b>\$</b>                | <b>\$</b>                    |
| Trade accounts payable | 466,789                  | 584,606                      |
| Taxes payable          | 36,284                   | 37,876                       |
| Accrued liabilities    | 5,566,700                | 2,601,756                    |
| Payroll liabilities    | 402,482                  | 158,034                      |
| Other amounts payable  | 254,018                  | 576,311                      |
|                        | <b>6,726,273</b>         | <b>3,958,583</b>             |

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## 12. LEASE LIABILITY

On October 1, 2025, the Company entered a two-year premises lease. The lease liability for the lease was discounted at a rate of 7%, which is the Company's estimated incremental borrowing rate.

A summary of the Company's lease liability is as follows:

|                               | \$             |
|-------------------------------|----------------|
| Balance, December 31, 2024    | -              |
| Additions                     | 111,914        |
| Accretion expense             | 1,976          |
| Lease payments                | (5,500)        |
| Balance, December 31, 2025    | 108,390        |
| Additions                     | 51,564         |
| Accretion expense             | 4,677          |
| Payments                      | (40,973)       |
| <b>Balance, June 30, 2026</b> | <b>123,658</b> |
| Current portion               | 81,152         |
| Non-current portion           | 42,506         |

A summary of the Company's future undiscounted minimum lease payments related to the premises under lease liability is as follows:

|                                                      | June 30, 2026  |
|------------------------------------------------------|----------------|
|                                                      | \$             |
| Less than one year                                   | 87,248         |
| One to two years                                     | 34,148         |
| Two to five years                                    | 10,075         |
| Total future minimum lease payments                  | 131,471        |
| Effects of discounting                               | (7,813)        |
| <b>Total present value of minimum lease payments</b> | <b>123,658</b> |

## 13. WARRANT LIABILITIES

Certain warrants issued by the Company are classified as derivative liabilities under the principles of IFRS 9 *Financial Instruments*, as the exercise price is denominated in Canadian dollars while the functional currency of the Company is US dollars. As a result, the fair value of these warrants is presented as a liability at issuance and any foreign exchange or change in the fair value of the warrants subsequent to their initial recognition is recorded in the statement of income (loss) and comprehensive income (loss).

Following the share consolidation (Note 1), warrant holders of certain tranches are required to exercise fifteen warrants to receive one share. The quantities presented below reflect the actual number of shares that would be received upon exercise.

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**13. WARRANT LIABILITIES (continued)**

A summary of the Company's warrant liabilities is as follows:

|                                | Number of<br>common<br>shares<br>underlying<br>outstanding<br>warrants | Weighted<br>average<br>exercise price | Warrant<br>liabilities |
|--------------------------------|------------------------------------------------------------------------|---------------------------------------|------------------------|
|                                | #                                                                      | C\$                                   | \$                     |
| Balance, December 31, 2024     | 6,877,595                                                              | 2.74                                  | 1,576,676              |
| Issued                         | 21,223,811                                                             | 2.72                                  | 12,346,587             |
| Exercised                      | (738,182)                                                              | 1.78                                  | (893,030)              |
| Unrealized loss on revaluation | -                                                                      | -                                     | 31,028,221             |
| Currency translation effect    | -                                                                      | -                                     | 427,311                |
| Balance, December 31, 2025     | 27,363,224                                                             | 2.75                                  | 44,485,765             |
| Issued                         | 108,661                                                                | 2.03                                  | 129,236                |
| Exercised                      | (6,629,136)                                                            | 3.06                                  | (5,747,716)            |
| Expired                        | (1,035,000)                                                            | 6.75                                  | (57,241)               |
| Unrealized gain on revaluation | -                                                                      | -                                     | (13,597,827)           |
| Currency translation effect    | -                                                                      | -                                     | (592,128)              |
| <b>Balance, June 30, 2026</b>  | <b>19,807,749</b>                                                      | <b>2.43</b>                           | <b>24,620,089</b>      |

A summary of the Company's outstanding warrants as at June 30, 2026 is as follows:

| Date of expiry    | Symbol                   | Number of<br>common<br>shares<br>underlying<br>outstanding<br>warrants | Weighted<br>average<br>exercise price | Weighted<br>average<br>remaining life |
|-------------------|--------------------------|------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
|                   |                          | #                                                                      | C\$                                   | Years                                 |
| July 29, 2027     | Not applicable           | 8,596,050                                                              | 1.70                                  | 1.08                                  |
| November 18, 2027 | Not applicable           | 5,750,000                                                              | 3.90                                  | 1.39                                  |
| April 24, 2028    | AGMR.WT.B <sup>(1)</sup> | 5,461,699                                                              | 2.03                                  | 1.82                                  |
|                   |                          | <b>19,807,749</b>                                                      | <b>2.43</b>                           | <b>1.37</b>                           |

(1) Presented on a post-consolidation basis. 15 warrants are exercisable for C\$2.03 per common share on a post-consolidation basis.

- On February 9, 2023, the Company issued warrants exercisable to acquire 1,035,000 common shares, at an exercise price of C\$6.75 per common share, in connection with a bought deal prospectus offering. Each warrant expires on February 9, 2026. The fair value of the warrants upon issuance was determined to be \$1,626,917. Upon commencement of the warrants trading on the TSXV on May 10, 2024 under the symbol "AGMR.WT.A", the fair value of these warrants is measured using level 1 fair value inputs. On February 9, 2026, all of the outstanding warrants expired. The Company recorded an unrealized gain on revaluation of these warrants of \$228,963 and a gain on expiry of warrant liabilities of \$57,241 on the expiry date.
- On April 24, 2024, the Company issued warrants exercisable to acquire 5,842,595 common shares at an exercise price of C\$2.025 per common share in connection with the prospectus offering. Each warrant expires on April 24, 2028. The fair value of these warrants upon issuance was determined to be \$1,911,323 using the Black-Scholes option pricing model. Upon commencement of the warrants trading on the TSXV on May 10, 2024 under the symbol "AGMR.WT.B", the fair value of these warrants is measured using level 1 fair value inputs. During the three and six months ended June 30, 2026, the Company recorded an unrealized gain on revaluation of these warrants of \$1,759,345 and \$3,522,546, respectively (2025 - a gain of \$1,030,458 and a gain of \$725,650, respectively).

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**13. WARRANT LIABILITIES (continued)**

A summary of the Company's inputs used in the Black-Scholes option pricing model for these warrants is as follows:

|                                                               | <b>April 24,<br/>2024</b> |
|---------------------------------------------------------------|---------------------------|
| Share price (Pre-consolidation share value was C\$0.08)       | C\$1.65                   |
| Exercise price (Pre-consolidation exercise price was C\$0.14) | C\$2.025                  |
| Expected life                                                 | 4.00 years                |
| Risk-free interest rate                                       | 3.79%                     |
| Expected volatility                                           | 63.00%                    |
| Expected annual dividend yield                                | 0.00%                     |

- On July 29, 2025, the Company issued 9,615,150 warrants in connection with the bought deal prospectus offering. Each warrant is exercisable into one common share at a price of C\$1.70 per common share and expires on July 29, 2027. The fair value of these warrants upon issuance was determined to be \$5,697,929 using the Black-Scholes option pricing model. These warrants are not publicly traded and subsequently measured using the Black-Scholes option pricing model and level 3 fair value inputs. During the three and six months ended June 30, 2026, the Company recorded an unrealized gain on revaluation of these warrants of \$4,101,126 and \$5,376,261, respectively (2025 - \$nil and \$nil, respectively).

A summary of the Company's inputs used in the Black-Scholes option pricing model for these warrants is as follows:

|                                | <b>June 30,<br/>2026</b> | <b>July 29,<br/>2025</b> |
|--------------------------------|--------------------------|--------------------------|
| Share price                    | C\$3.26                  | C\$1.47                  |
| Exercise price                 | C\$1.70                  | C\$1.70                  |
| Expected life                  | 1.08 years               | 2.00 years               |
| Risk-free interest rate        | 2.72%                    | 2.77%                    |
| Expected volatility            | 108.76%                  | 112.58%                  |
| Expected annual dividend yield | 0.00%                    | 0.00%                    |

- On October 6, 2025, the Company issued warrants exercisable to acquire 108,661 common shares at an exercise price of C\$2.025 per common share upon the exercise of certain broker warrants (Note 15(e)). As the fair value of the warrants is higher than the share price on the exercise date, all proceeds of \$128,480 were allocated to warrant liability. Each warrant expires on April 24, 2028. During the six months ended June 30, 2026, all of the issued and outstanding warrants were exercised and the Company recorded an unrealized gain on revaluation of these warrants of \$36,053 on the exercise date.
- On November 18, 2025, the Company issued an aggregate of 11,500,000 warrants in connection with its prospectus offering (Note 15(b)), comprising of 5,750,000 6-month purchase warrants ("Series A Warrants") and 5,750,000 24-month purchase warrants ("Series B Warrants"). Each Series A Warrant is exercisable into one common share at a price of C\$3.25 per common share and expires on May 18, 2026. Each Series B Warrant is exercisable into one common share at a price of C\$3.90 per common share and expires on November 18, 2027.

The fair value of Series A and B Warrants upon issuance was determined to be \$1,428,714 and \$5,091,464, respectively, using the Black-Scholes option pricing model. These warrants are not publicly traded and subsequently measured using the Black-Scholes option pricing model and level 3 fair value inputs.

During the three and six months ended June 30, 2026, the Company recorded an unrealized loss on revaluation of these Series A warrants of \$253,668 and an unrealized gain on revaluation \$ 928,350 (2025 - \$nil and \$nil, respectively). As at June 30, 2026, all of the issued and outstanding warrants were exercised.

During the three and six months ended June 30, 2026, the Company recorded an unrealized gain on revaluation of these Series B warrants of \$ 2,426,035 and \$ 3,470,085, respectively (2025 - \$nil and \$nil, respectively).



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**13. WARRANT LIABILITIES (continued)**

A summary of the Company's inputs used in the Black-Scholes option pricing model for the warrants issued on is as follows:

|                                | June 30, 2026 | November 18, 2025       |            |
|--------------------------------|---------------|-------------------------|------------|
|                                | Series B      | Series A <sup>(1)</sup> | Series B   |
| Share price                    | C\$3.26       | C\$2.51                 | C\$2.51    |
| Exercise price                 | C\$3.90       | C\$3.25                 | C\$3.90    |
| Expected life                  | 1.39 years    | 0.50 year               | 2.00 years |
| Risk-free interest rate        | 2.72%         | 2.55%                   | 2.55%      |
| Expected volatility            | 113.85%       | 80.52%                  | 113.63%    |
| Expected annual dividend yield | 0.00%         | 0.00%                   | 0.00%      |

<sup>(1)</sup> As at June 30, 2026, all of the issued and outstanding Series A warrants were exercised. As a result, there was no revaluation for the Series A warrants at June 30, 2026.

- On January 13, 2026, the Company issued warrants exercisable to acquire 108,661 common shares at an exercise price of C\$2.025 per common share upon the exercise of certain broker warrants (Note 15(e)). As the fair value of the warrants is higher than the share price on the exercise date, all proceeds of \$129,236 were allocated to warrant liability. Each warrant expires on April 24, 2028. During the six months ended June 30, 2026, all of the issued and outstanding warrants were exercised and the Company recorded an unrealized gain on revaluation of these warrants of \$35,569 on the exercise date.
- During the six months ended June 30, 2026, the Company issued 6,629,136 common shares pursuant to the exercise of warrants with a weighted average exercise price of C\$3.06 per common share for gross proceeds of \$14,787,546 (C\$20,285,154). As a result, the Company transferred \$5,747,716 from warrant liabilities to share capital.

**14. ASSET RETIREMENT OBLIGATION**

The Company has an obligation to undertake decommissioning, restoration, rehabilitation and environmental work when environmental disturbance is caused by the development and ongoing production of a mining operation. A summary of the Company's asset retirement obligation is as follows:

|                               | Asset retirement obligation |
|-------------------------------|-----------------------------|
|                               | \$                          |
| Balance, December 31, 2024    | -                           |
| Additions                     | 7,800,496                   |
| Accretion expense             | 134,679                     |
| Change in estimate            | 5,287,754                   |
| Balance, December 31, 2025    | 13,222,929                  |
| Accretion expense             | 273,530                     |
| Change in estimate            | (258,775)                   |
| <b>Balance, June 30, 2026</b> | <b>13,237,684</b>           |
| Current                       | 248,497                     |
| Non-current                   | 12,989,187                  |

On September 1, 2025, the Company determined that its Reliquias mine began the development stage, which among other legal and constructive factors, required the Company to concurrently recognize an asset retirement obligation. The provision for asset retirement obligation as at June 30, 2026 and December 31, 2025 was estimated with the following inputs:

|                               | June 30, 2026 | December 31, 2025 |
|-------------------------------|---------------|-------------------|
| Average annual inflation rate | 2.25%         | 2.25%             |
| Discount rate                 | 4.44%         | 4.18%             |
| Undiscounted cash flows       | 15,377,386    | 15,377,386        |

#### **14. ASSET RETIREMENT OBLIGATION (continued)**

The majority of cash flow expenditures related to the asset retirement obligation are projected between 2027 and 2042.

A provision for asset retirement obligation is estimated based on current regulatory requirements and is recognized at the present value of such costs. The expected timing of cash flows in respect of the provision is based on the estimated life of the Company's mining operations.

#### **15. SHARE CAPITAL**

##### **a) Authorized share capital**

The Company is authorized to issue an unlimited number of common shares without par value.

Pursuant to the Share Consolidation, 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 (Note 1). 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 have been retrospectively adjusted to reflect the Share Consolidation.

##### **b) Issued and outstanding**

During the six months ended June 30, 2026, the Company had the following share capital transactions:

- On January 13, 2026, the Company issued 108,661 common shares and warrants exercisable to acquire 108,661 common shares at a price of C\$2.03 per common share pursuant to the exercise of broker warrants for gross proceeds of \$129,236 (Note 15(e)). Each issued warrant expires on April 24, 2028.
- On January 28, 2026, pursuant to a shares-for-services agreement entered into by the Company and each of its directors of the Company on January 27, 2026, the Company issued 44,945 common shares at a price of \$3.67 per share for an aggregate fair value of \$164,993 as consideration for director and board advisory fees owing from July 1, 2025 to December 31, 2025.
- On June 19, 2026, pursuant to a shares-for-services agreement entered into by the Company and each of its directors of the Company on January 27, 2026, the Company issued 16,776 common shares at a price of \$2.52 per share for an aggregate fair value of \$42,265 as consideration for director and board advisory fees owing from January 1, 2026 to March 31, 2026.
- During the six months ended June 30, 2026, the Company issued 6,629,136 common shares pursuant to the exercise of warrants with a weighted average exercise price of C\$3.06 per common share for gross proceeds of \$14,787,546 (C\$20,285,154). As a result, the Company transferred \$5,747,716 from warrant liabilities to share capital.
- During the six months ended June 30, 2026, the Company issued 609,665 common shares pursuant to the exercise of warrants with a weighted average exercise price of \$1.35 per common share for gross proceeds of \$823,048. As a result, the Company transferred \$52,989 from contributed surplus to share capital.

During the year ended December 31, 2025, the Company had the following share capital transactions:

- On January 14, 2025, pursuant to a shares-for-services agreement entered into by the Company and each of its directors of the Company on September 18, 2024, the Company issued 113,230 common shares at a price of \$0.55 for an aggregate value of \$62,044 as consideration for director and board advisory fees owing from October 1, 2024 to December 31, 2024 of \$63,750. As a result, the Company recorded a gain on settlement of payables of \$1,706.
- On April 8, 2025, pursuant to a shares-for-services agreement entered into by the Company and each of its directors of the Company on September 18, 2024, the Company issued 102,740 common shares at a price of \$0.37 for an aggregate value of \$37,632 as consideration for director and board advisory fees owing from January 1, 2025 to March 31, 2025 of \$63,750. As a result, the Company recorded a gain on settlement of payables of \$26,118.

## **15. SHARE CAPITAL (continued)**

- On July 11, 2025, pursuant to a shares-for-services agreement entered into by the Company and each of its directors of the Company on September 18, 2024, the Company issued 130,985 common shares at a price of \$1.10 for an aggregate value of \$144,543 as consideration for director and board advisory fees owing of April 1, 2025 to June 30, 2025 of \$63,750. As a result, the Company recorded a loss on settlement of payables of \$80,793.
- On July 29, 2025, the Company completed a bought deal prospectus offering and issued 16,722,000 units at a price of \$0.945 (C\$1.30) per unit for gross proceeds of \$15,800,655 (C\$21,738,600). In connection with the exercise of the overallotment option, the Company issued an additional 2,508,300 units at a price of \$0.945 (C\$1.30) per unit for additional gross proceeds of \$2,370,099 (C\$3,260,790). Each unit is comprised of one common share and one-half warrant. Each whole warrant is exercisable into one common share at a price of C\$1.70 per common share and expires on July 29, 2027 (Note 13).

Gross proceeds of \$18,170,754 (C\$24,999,390) were first allocated to the warrant liability measured at fair value in the amount of \$5,697,929 (C\$7,839,232) and the residual amount of \$12,472,825 (C\$17,160,158) was allocated to share capital. The Company incurred unit issuance costs of \$1,199,254, which included underwriters' commissions of \$1,019,581 (C\$1,403,994) and other costs of \$179,673 (C\$267,041). Of the total unit issuance costs, \$376,058 (C\$523,998) related to the warrant portion were expensed through profit or loss and \$823,196 (C\$1,147,037) related to the common share portion were allocated to share capital.

- On October 6, 2025, the Company issued 108,661 common shares and warrants exercisable to acquire 108,661 common shares at a price of C\$2.025 per common share pursuant to the exercise of broker warrants for gross proceeds of \$179,291 (Note 15(e)). Each issued warrant expires on April 24, 2028.
- On November 18, 2025, the Company completed a bought deal prospectus offering and issued 10,000,000 units at a price of \$1.857 (C\$2.60) per unit for gross proceeds of \$18,569,342 (C\$26,000,000). In connection with the exercise of the overallotment option, the Company issued an additional 1,500,000 units at a price of \$1.857 (C\$2.60) per unit for additional gross proceeds of \$2,785,401 (C\$3,900,000). Each unit includes one common share, one-half of a Series A Warrant, and one-half of a Series B Warrant. Each whole Series A Warrant is exercisable into one common share at a price of C\$3.25 per common share and expires on May 18, 2026. Each whole Series B Warrant is exercisable into one common share at a price of C\$3.90 per common share and expires on November 18, 2027 (Note 13).

Gross proceeds of \$21,354,744 (C\$29,900,000) were first allocated to the warrant liability measured in the fair value of \$6,520,178, of which \$1,428,714 (C\$2,000,425) related to Series A Warrants and \$5,091,464 (C\$7,128,850) related to Series B Warrants (Note 13). The residual amount of \$14,834,565 (C\$20,770,725) was allocated to share capital. The Company incurred unit issuance costs of \$1,522,744, which included underwriters' commissions of \$1,249,431 (C\$1,749,167) and other costs of \$273,313 (C\$377,217). Of the total unit issuance costs, \$464,934 (C\$649,242) related to the warrant portion were expensed through profit or loss and \$1,057,810 (C\$1,477,142) related to the common share portion were allocated to share capital.

- During the year ended December 31, 2025, the Company issued 738,182 common shares pursuant to the exercise of warrants with a weighted average exercise price of C\$1.78 per common share for gross proceeds of \$947,497 (C\$1,315,305). As a result, the Company transferred \$893,030 from warrant liabilities to share capital.
- During the year ended December 31, 2025, the Company issued 729,996 common shares pursuant to the exercise of warrants with a weighted average exercise price of \$1.35 per common share for gross proceeds of \$985,496. As a result, the Company transferred \$63,447 from contributed surplus to share capital.

### **c) Warrants**

Certain warrants issued by the Company are classified as equity instruments in accordance with the principles of IAS 32 *Financial Instruments: Presentation*, as their exercise price is denominated in US dollars, which is the Company's functional currency.

During the six months ended June 30, 2026, the Company had the following warrant transactions:

- The Company issued 609,665 common shares pursuant to the exercise of warrants with a weighted average exercise price of \$1.35 per common share for gross proceeds of \$823,048. As a result, the Company transferred \$52,989 from contributed surplus to share capital (Note 15(a)).

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**15. SHARE CAPITAL (continued)**

During the year ended December 31, 2025, the Company had the following warrant transactions:

- The Company issued 729,996 common shares pursuant to the exercise of warrants with a weighted average exercise price of \$1.35 for gross proceeds of \$985,495. As a result, the Company transferred \$63,447 from contributed surplus to share capital (Note 15(b)).

A summary of Company's warrant activity is as follows:

|                               | Number of<br>common<br>shares<br>underlying<br>warrants | Weighted<br>average<br>exercise price |
|-------------------------------|---------------------------------------------------------|---------------------------------------|
|                               | #                                                       | \$                                    |
| Balance, December 31, 2024    | 2,073,000                                               | 1.35                                  |
| Exercised                     | (729,996)                                               | 1.35                                  |
| Balance, December 31, 2025    | 1,343,004                                               | 1.35                                  |
| Exercised                     | (609,665)                                               | 1.35                                  |
| <b>Balance, June 30, 2026</b> | <b>733,339</b>                                          | <b>1.35</b>                           |

A summary of the Company's outstanding warrants as at June 30, 2026 is as follows:

|                   | Number of<br>common<br>shares<br>underlying<br>outstanding<br>warrants | Weighted<br>average<br>exercise price | Weighted<br>average<br>remaining life |
|-------------------|------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Date of expiry    | #                                                                      | \$                                    | Years                                 |
| November 10, 2026 | 616,891                                                                | 1.35                                  | 0.36                                  |
| December 7, 2026  | 116,448                                                                | 1.35                                  | 0.44                                  |
|                   | <b>733,339</b>                                                         | <b>1.35</b>                           | <b>0.38</b>                           |

**d) 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.

During the six months ended June 30, 2026, the Company had no stock option transactions.

During the year ended December 31, 2025, the Company completed the following stock option transactions:

- On February 27, 2025, the Company granted 486,668 stock options to certain directors, officers and employees of the Company. These stock options have an exercise price of C\$0.90 per common share and expire 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 production. Commercial production is deemed to have commenced when operations reach an average mining rate of 400 tonnes per day over a period of 30 days.
- On October 1, 2025, the Company granted 30,000 stock options to a director of the Company. These stock options have the exercise price of C\$3.25 and expire on October 30, 2030. One-half of these options will vest on October 1, 2026, one-fourth will vest on October 1, 2028, and one-fourth will vest of October 1, 2029.

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**15. SHARE CAPITAL (continued)**

A summary of the Company's inputs used in the Black-Scholes option pricing model for stock options granted during the year ended December 31, 2025 is as follows:

|                                | <b>October 1,<br/>2025</b> | <b>February 27,<br/>2025</b> |
|--------------------------------|----------------------------|------------------------------|
| Share price                    | C\$3.08                    | C\$0.68                      |
| Exercise price                 | C\$3.25                    | C\$0.90                      |
| Expected life                  | 5.00 years                 | 4.00 years                   |
| Risk-free interest rate        | 2.67%                      | 2.63%                        |
| Expected volatility            | 107.00%                    | 103.00%                      |
| Expected annual dividend yield | 0.00%                      | 0.00%                        |

A summary of the Company's stock option activity is as follows:

|                               | <b>Number of<br/>stock options</b> | <b>Weighted<br/>average<br/>exercise price</b> |
|-------------------------------|------------------------------------|------------------------------------------------|
|                               | <b>#</b>                           | <b>C\$</b>                                     |
| Balance, December 31, 2024    | 1,019,999                          | 3.96                                           |
| Granted                       | 516,668                            | 1.04                                           |
| Expired                       | (176,000)                          | 6.22                                           |
| Forfeited                     | (272,000)                          | 1.72                                           |
| Balance, December 31, 2025    | 1,088,667                          | 2.77                                           |
| Expired                       | (110,000)                          | 7.50                                           |
| Forfeited                     | (80,000)                           | 4.78                                           |
| <b>Balance, June 30, 2026</b> | <b>898,667</b>                     | <b>2.01</b>                                    |

A summary of the Company's stock options outstanding as at June 30, 2026 is as follows:

| <b>Date of expiry</b> | <b>Number of<br/>options<br/>outstanding</b> | <b>Number of<br/>options<br/>exercisable</b> | <b>Weighted<br/>average<br/>exercise price</b> | <b>Weighted<br/>average<br/>remaining life</b> |
|-----------------------|----------------------------------------------|----------------------------------------------|------------------------------------------------|------------------------------------------------|
|                       | <b>#</b>                                     | <b>#</b>                                     | <b>C\$</b>                                     | <b>Years</b>                                   |
| June 28, 2026         | -                                            | -                                            | 7.50                                           | (0.01)                                         |
| December 1, 2026      | 117,666                                      | 117,666                                      | 5.70                                           | 0.42                                           |
| April 1, 2027         | 43,333                                       | 43,333                                       | 5.70                                           | 0.75                                           |
| February 22, 2028     | 371,000                                      | -                                            | 1.50                                           | 1.65                                           |
| February 27, 2029     | 366,668                                      | -                                            | 0.90                                           | 2.67                                           |
|                       | <b>898,667</b>                               | <b>160,999</b>                               | <b>2.01</b>                                    | <b>1.86</b>                                    |

During the three and six months ended June 30, 2026, the Company recorded net share-based compensation expense of \$33,311 and \$62,936, respectively (2025 - \$35,205 and \$85,661, respectively) related to stock options vesting and forfeitures.

**e) Broker warrants**

In connection with the prospectus offering on April 24, 2024, the Company issued broker warrants to two agents exercisable for a period of 24 months to acquire units of the Company comprised of 217,323 common shares and warrants exercisable to acquire 217,323 common shares.

On October 6, 2025, broker warrants were exercised to acquire units comprised of 108,661 common shares and 108,661 warrants.

On January 13, 2026, broker warrants were exercised to acquire units comprised of 108,661 common shares and 108,661 warrants (Note 15(b)).

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**15. SHARE CAPITAL (continued)**

**f) Restricted share units**

On March 24, 2026, the Company granted 409,947 RSUs to directors, officers, and consultants of the Company. Each of the granted RSUs vests into one common share of the Company and vests over three equal annual instalments every anniversary from grant date until March 24, 2029. The fair value of the RSUs at the grant date was \$3.86 per RSU.

On May 25, 2026, the Company granted 10,822 RSUs to a consultant of the Company. Each of the granted RSUs vests into one common share of the Company and vests over three equal annual instalments every anniversary from grant date until May 25, 2029. The fair value of the RSUs at the grant date was \$4.06 per RSU.

On June 8, 2026, the Company granted 9,270 RSUs to consultants of the Company. Each of the granted RSUs vests into one common share of the Company and vests on June 30, 2026. The fair value of the RSUs at the grant date was \$3.58 per RSU.

A summary of the Company's RSU activity is as follows:

|                                     | <b>Number of<br/>RSUs</b> | <b>Fair value<br/>per RSU</b> |
|-------------------------------------|---------------------------|-------------------------------|
|                                     | <b>#</b>                  | <b>\$</b>                     |
| Balance, December 31, 2025 and 2024 | -                         | -                             |
| Granted                             | 430,039                   | 3.86                          |
| <b>Balance, June 30, 2026</b>       | <b>430,039</b>            | <b>3.86</b>                   |

A summary of the Company's RSUs outstanding as at June 30, 2026 is as follows:

| <b>Vesting date</b> | <b>Number of<br/>RSUs</b> | <b>Weighted<br/>average fair<br/>value</b> | <b>Weighted<br/>average<br/>remaining life</b> |
|---------------------|---------------------------|--------------------------------------------|------------------------------------------------|
|                     | <b>#</b>                  | <b>\$</b>                                  | <b>Years</b>                                   |
| June 30, 2026       | 9,270                     | 3.58                                       | -                                              |
| March 24, 2027      | 136,648                   | 3.86                                       | 0.73                                           |
| March 24, 2028      | 136,648                   | 3.86                                       | 1.73                                           |
| March 24, 2029      | 147,473                   | 3.86                                       | 2.73                                           |
|                     | <b>430,039</b>            | <b>3.86</b>                                | <b>1.72</b>                                    |

During the three and six months ended June 30, 2026, the Company recorded share-based compensation expense of \$277,178 and \$357,763, respectively (2025 - \$nil) in connection with the vesting of RSUs.

**16. RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are 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.

Key management personnel include those with 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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**16. RELATED PARTY TRANSACTIONS (continued)**

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

|                                        | Three months ended<br>June 30, |         | Six months ended<br>June 30, |         |
|----------------------------------------|--------------------------------|---------|------------------------------|---------|
|                                        | 2026                           | 2025    | 2026                         | 2025    |
|                                        | \$                             | \$      | \$                           | \$      |
| Board advisory fee <sup>(1)</sup>      | 4,135                          | 7,500   | 14,906                       | 15,000  |
| Director and chair fees <sup>(2)</sup> | 36,630                         | 56,250  | 121,363                      | 112,500 |
| Management salaries <sup>(2)</sup>     | 370,764                        | 96,778  | 784,006                      | 271,945 |
| Share-based compensation               | 19,569                         | 20,893  | 35,604                       | 55,438  |
|                                        | 431,098                        | 181,421 | 955,879                      | 454,883 |

(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.

The Company has paid board advisory fees and director and chair fees through the issuance of common shares (Note 15(b)).

As at June 30, 2026, \$59,956 was included in accounts payable and accrued liabilities for amounts due to related parties (December 31, 2025 - \$121,444). 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.

**17. 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, lease liability, 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.

The Company's warrant liabilities are classified as fair value through profit or loss. The Company has issued warrant liabilities that are quoted and are recorded at fair value using their unadjusted quoted prices in active markets and are therefore classified as level 1 within the fair value hierarchy. Additionally, the Company has issued warrant liabilities that are not quoted and are recorded at fair value using Level 3 inputs (see Black-Scholes input in note 13) which are updated periodically.

As at June 30 2026, financial instruments comprised of cash and cash equivalents, restricted cash, amounts receivable, accounts payable and accrued liabilities, and lease liability 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 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:

**a) 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, and amounts receivable. Cash equivalents include guaranteed investment certificates.

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.

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**17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)****b) 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. As at June 30, 2026, the Company has cash and cash equivalents of \$29,064,694 (December 31, 2025 - \$34,075,413) in order to meet its current liabilities of \$31,676,011 (December 31, 2025 - \$48,504,655). Current liabilities include warrant liabilities of \$24,620,089 (December 31, 2025 - \$44,485,765) that require a lower cash flow impact on settlement lower than the recorded fair value. As at June 30, 2026, the Company had accounts payable and accrued liabilities of \$6,726,273 (December 31, 2025 - \$3,958,583), which have contractual maturities of 90 days or less.

**c) 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 net income by approximately \$662,717; and a 5% change in the U.S. dollar exchange rate relative to the Peruvian sol would change the Company's net income by approximately \$9,431.

A summary of the Company's financial assets and liabilities as at June 30, 2026 that are denominated in the Canadian dollar and the Peruvian sol is as follows:

|                                          | <b>CAD</b>          | <b>PEN</b>       |
|------------------------------------------|---------------------|------------------|
|                                          | <b>\$</b>           | <b>\$</b>        |
| <b>Financial assets</b>                  |                     |                  |
| Cash and cash equivalents                | 11,700,949          | 13,384           |
| Restricted cash                          | -                   | 1,117,226        |
| Amounts receivable and other assets      | -                   | 17,846           |
|                                          | <b>11,700,949</b>   | <b>1,148,456</b> |
| <b>Financial liabilities</b>             |                     |                  |
| Accounts payable and accrued liabilities | 335,202             | 959,838          |
| Warrant liabilities                      | 24,620,089          | -                |
|                                          | <b>24,955,291</b>   | <b>959,838</b>   |
| <b>Net assets (liabilities)</b>          | <b>(13,254,342)</b> | <b>188,618</b>   |

**18. CAPITAL MANAGEMENT**

For capital management purposes, the Company includes shareholders' equity and cash and cash equivalents in the definition of capital. The objective is to safeguard the Company's ability to continue as an ongoing business to provide returns to its shareholders and benefits for stakeholders and to maintain an optimal structure that reduces the cost of capital. There have been no changes in objectives, policies, or procedures during the six months ended June 30, 2026.



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**19. SEGMENTED INFORMATION**

*Operating segment:*

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

*Geographic segments:*

A summary of the Company's assets and liabilities by geographic area as at June 30, 2026 is as follows:

|                                   | <b>Canada</b>     | <b>Peru</b>       | <b>Total</b>       |
|-----------------------------------|-------------------|-------------------|--------------------|
|                                   | \$                | \$                | \$                 |
| Current assets                    | 27,882,714        | 2,446,299         | 30,329,013         |
| Exploration and evaluation assets | -                 | 6,396,820         | 6,396,820          |
| Development property              | -                 | 57,645,526        | 57,645,526         |
| Non-current assets                | -                 | 9,787,427         | 9,787,427          |
| <b>Total assets</b>               | <b>27,882,714</b> | <b>76,276,072</b> | <b>104,158,786</b> |
| Current liabilities               | 25,005,388        | 6,670,623         | 31,676,011         |
| Non-current liabilities           | -                 | 13,031,693        | 13,031,693         |
| <b>Total liabilities</b>          | <b>25,005,388</b> | <b>19,702,316</b> | <b>44,707,704</b>  |

A summary of the Company's assets and liabilities by geographic area as at December 31, 2025 is as follows:

|                                   | <b>Canada</b>     | <b>Peru</b>       | <b>Total</b>      |
|-----------------------------------|-------------------|-------------------|-------------------|
|                                   | \$                | \$                | \$                |
| Current assets                    | 33,874,945        | 785,931           | 34,660,876        |
| Exploration and evaluation assets | -                 | 4,160,423         | 4,160,423         |
| Development property              | -                 | 43,468,964        | 43,468,964        |
| Non-current assets                | 139               | 6,343,894         | 6,344,033         |
| <b>Total assets</b>               | <b>33,875,084</b> | <b>54,759,212</b> | <b>88,634,296</b> |
| Current liabilities               | 44,833,287        | 3,671,368         | 48,504,655        |
| Non-current liabilities           | -                 | 13,271,012        | 13,271,012        |
| <b>Total liabilities</b>          | <b>44,833,287</b> | <b>16,942,380</b> | <b>61,775,667</b> |

A summary of the Company's expenses and other income by geographic area during the three months ended June 30, 2026 is as follows:

|                         | <b>Canada</b>    | <b>Peru</b>      | <b>Total</b>     |
|-------------------------|------------------|------------------|------------------|
|                         | \$               | \$               | \$               |
| Operating expenses      | (1,179,333)      | (778,907)        | (1,958,240)      |
| Other income (expenses) | 7,852,282        | (15,085)         | 7,837,197        |
|                         | <b>6,672,949</b> | <b>(793,992)</b> | <b>5,878,957</b> |

A summary of the Company's expenses and other income by geographic area during the three months ended June 30, 2025 is as follows:

|                         | <b>Canada</b>      | <b>Peru</b>      | <b>Total</b>       |
|-------------------------|--------------------|------------------|--------------------|
|                         | \$                 | \$               | \$                 |
| Operating expenses      | (311,917)          | (362,515)        | (674,432)          |
| Other income (expenses) | (971,591)          | 115,001          | (856,590)          |
|                         | <b>(1,283,508)</b> | <b>(247,514)</b> | <b>(1,531,022)</b> |

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**19. SEGMENTED INFORMATION (continued)**

A summary of the Company's expenses and other income by geographic area during the six months ended June 30, 2026 is as follows:

|                         | <b>Canada</b>     | <b>Peru</b>        | <b>Total</b>      |
|-------------------------|-------------------|--------------------|-------------------|
|                         | \$                | \$                 | \$                |
| Operating expenses      | (1,663,558)       | (1,632,618)        | (3,296,176)       |
| Other income (expenses) | 14,312,816        | (410,456)          | 13,902,360        |
|                         | <b>12,649,258</b> | <b>(2,043,074)</b> | <b>10,606,184</b> |

A summary of the Company's expenses and other income by geographic area during the six months ended June 30, 2025 is as follows:

|                         | <b>Canada</b>      | <b>Peru</b>      | <b>Total</b>       |
|-------------------------|--------------------|------------------|--------------------|
|                         | \$                 | \$               | \$                 |
| Operating expenses      | (569,545)          | (652,948)        | (1,222,493)        |
| Other income (expenses) | (658,941)          | 193,211          | (465,730)          |
|                         | <b>(1,228,486)</b> | <b>(459,737)</b> | <b>(1,688,223)</b> |

**20. COMMITMENTS**

In December 2023, the Company signed a 20-year community agreement (the "Community Agreement") with the Castrovirreyna community granting use of land for the planned 2025 restart of Reliquias Mine. The Community Agreement has an \$87,570 (PEN 300,000) plus VAT (18%) annual commitment starting 2024 for 20 years. As per the Community Agreement, the annual commitment amount will be adjusted by the Peruvian annual inflation rate. As at June 30, 2026 and December 31, 2025, the total undiscounted commitment is approximately \$2,008,748 (PEN 6,881,629).

In July 2025, the Company signed the Surface Agreement (Note 9) with the Community of Salcca Santa Ana. The Surface Agreement has an annual commitment of \$437,850 (PEN 1,500,000) plus VAT (18%), adjusted annually for Peruvian inflation. As at June 30, 2026 and December 31, 2025, the total undiscounted commitment is approximately \$8,319,150 (PEN 28,500,000).

In connection with the Mine Closure Plan (Note 5), the Company is required to make additional deposits held as a guarantee to the Peruvian Ministry of Mines. As at June 30, 2026, the total undiscounted future deposit commitment is \$6,139,491 (December 31, 2025 - \$6,820,513).

**21. SUBSEQUENT EVENT**

On July 1, 2026, the Company granted 50,385 RSUs to consultants of the Company. Each of the granted RSUs vests into one common share of the Company and vests on September 30, 2026. The fair value of the RSUs at the grant date was C\$3.26 per RSU.