

SILVER MOUNTAIN RESOURCES INC.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 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	**September 30, 2026**	December 31, 2025
		$	$
ASSETS			
Current			
Cash and cash equivalents		**16,830,926**	34,075,413
Short-term investment		**1,108,410**	-
Amounts receivable and other assets		**170,367**	75,581
Inventories	6	**5,711,987**	-
Prepaid expenses	7	**788,398**	509,882
Current portion of tax credits receivable	11	**6,765,840**	-
		31,375,928	34,660,876
Property, plant and equipment	8	**927,472**	418,928
Exploration and evaluation assets	2(e), 9	**9,596,304**	6,182,457
Development property	2(e), 10	**57,499,661**	41,446,930
Restricted cash	2(e), 5	**1,108,410**	436,204
Tax credits receivable	11	**2,668,048**	5,488,901
Long-term advances to suppliers		**682,970**	-
Total assets		**103,858,793**	88,634,296
LIABILITIES			
Current			
Accounts payable and accrued liabilities	12, 17	**8,045,564**	3,958,583
Current portion of lease liability	13	**175,321**	60,307
Warrant liabilities	14	**25,300,115**	44,485,765
Current portion of asset retirement obligation	15	**314,900**	-
		33,835,900	48,504,655
Lease liability	13	**231,353**	48,083
Asset retirement obligation	15	**12,222,932**	13,222,929
Total liabilities		**46,290,185**	61,775,667
SHAREHOLDERS' EQUITY			
Share capital	16(b)	**97,247,389**	75,303,649
Contributed surplus		**2,014,282**	1,438,047
Deficit		**(41,693,063)**	(49,883,067)
Total shareholders' equity		**57,568,608**	26,858,629
Total liabilities and shareholders' equity		**103,858,793**	88,634,296

Nature of operations and going concern (Note 1)
Subsequent events (Note 22)

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

s/ Timothy Loftsgard	*s/ Jose Vizquerra*
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 September 30,		Nine months ended September 30,	
		2026	2025	**2026**	2025
		$	$	**$**	$
Operating expenses					
Administrative expenses		**115,618**	124,621	**383,675**	205,482
Advertising and marketing		**123,504**	323,354	**464,146**	345,118
Depreciation	8	**45,500**	1,441	**90,266**	4,322
Environmental fees		**-**	-	**-**	161
Filing and listing fees		**57,946**	51,080	**248,509**	83,737
Insurance		**21,439**	25,436	**65,044**	72,675
Other expenses		**97,551**	18,935	**180,838**	53,072
Professional fees	17	**358,958**	319,446	**1,222,945**	733,724
Salaries and benefits	17	**533,090**	290,655	**1,519,907**	791,085
Share-based compensation	16(d), 16(f), 17	**224,459**	53,081	**645,158**	138,742
Travel, meals and entertainment		**30,560**	4,660	**84,313**	7,084
Total operating expenses		**(1,608,625)**	(1,212,709)	**(4,904,801)**	(2,435,202)
Bank charges		**(2,380)**	(689)	**(50,163)**	(24,021)
Interest income (expense)		**140,464**	(36)	**597,919**	3,981
Accretion expense	13, 15	**(151,784)**	-	**(429,991)**	-
Foreign exchange gain (loss)	2(e)	**(121,124)**	78,790	**733,032**	333,151
Gain on expiry of warrant liabilities	14	**-**	-	**57,241**	-
Loss on settlement of payables	16(b)	**-**	(80,793)	**-**	(52,969)
Unrealized gain (loss) on revaluation of warrant liabilities	2(e), 14	**(672,731)**	(13,676,342)	**12,186,767**	(14,404,942)
Net income (loss) and comprehensive income (loss)		**(2,416,180)**	(14,891,779)	**8,190,004**	(16,580,002)
Net income (loss) per share:					
Basic		**(0.04)**	(0.39)	**0.13**	(0.57)
Diluted		**(0.04)**	(0.39)	**(0.07)**	(0.57)
Weighted average number of common shares:					
Basic		**64,680,406**	38,408,138	**62,237,234**	29,342,039
Diluted		**64,680,406**	38,408,138	**70,244,955**	29,342,039

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)

	Nine months ended September 30, 2026	2025
	$	$
Operating activities		
Net income (loss)	**8,190,004**	(16,580,002)
Adjustments for:		
Depreciation	**90,266**	4,322
Share-based compensation	**645,158**	138,742
Accretion expense	**429,991**	-
Unrealized foreign exchange (gain) loss	**59,759**	(42,135)
Gain on expiry of warrant liabilities	**(57,241)**	-
Loss on settlement of payables	**-**	52,969
Unrealized (gain) loss on revaluation of warrant liabilities	**(12,186,767)**	14,404,942
Unit issuance costs expensed through profit or loss	**-**	376,057
Rehabilitation costs paid in cash	**(58,646)**	-
Changes in non-cash working capital:		
Amounts receivable and other assets	**(4,296,415)**	(621,401)
Prepaid expenses	**(278,516)**	(612,967)
Inventory	**(2,227,641)**	-
Accounts payable and accrued liabilities	**(2,327,566)**	270,972
Cash used in operating activities	**(12,017,614)**	(2,608,501)
Investing activities		
Exploration and evaluation asset additions	**(3,413,522)**	(1,445,924)
Development property cost additions	**(14,253,434)**	(892,741)
Advanced payment of development property additions	**(682,970)**	-
Purchase of property, plant, and equipment	**(298,175)**	(1,524)
Restricted cash deposits paid	**(681,022)**	(436,204)
Restricted cash returned	**8,816**	263,438
Purchase of short-term investment	**(1,108,410)**	-
Cash used in investing activities	**(20,428,717)**	(2,512,955)
Financing activities		
Proceeds from warrants exercise	**15,888,688**	620,555
Proceeds from broker warrants exercise	**129,235**	-
Proceeds from units issued in prospectus offerings	**-**	18,170,754
Unit issuance costs	**-**	(1,199,254)
Lease payments	**(104,208)**	-
Cash provided by financing activities	**15,913,715**	17,592,055
Net change in cash and cash equivalents	**(16,532,616)**	12,470,599
Effect of foreign exchange on cash and cash equivalents	**(711,871)**	34,058
Cash and cash equivalents, beginning of the period	**34,075,413**	4,269,452
Cash and cash equivalents, end of the period	**16,830,926**	16,774,109
Composition of cash and cash equivalents:		
Cash	**16,762,734**	16,705,377
Cash equivalents	**68,192**	68,732
	16,830,926	16,774,109
Supplemental cash flow information:		
Depreciation capitalized in exploration and evaluation assets	**2,164**	42,832
Depreciation capitalized in development property	**72,788**	5,163
Depreciation capitalized in inventories	**16,836**	-
Shares issued for settlement of payables	**207,258**	244,219
Exploration and evaluation assets additions included in accounts payable and accrued liabilities	**-**	989,539
Development property additions included in accounts payable and accrued liabilities	**6,238,553**	-
Fair value of warrant exercised	**5,847,794**	-
Fair value of broker warrants exercised	**129,235**	-

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 shares (Note 1)	Share capital	Contributed surplus	Deficit	Total shareholders' equity
	#	$	$	$	$
Balance, December 31, 2024	24,581,078	46,743,576	1,390,929	(14,426,231)	33,708,274
Units issued in prospectus offering	19,230,300	12,472,825	-	-	12,472,825
Unit issuance costs	-	(823,197)	-	-	(823,197)
Shares issued for services	346,955	244,219	-	-	244,219
Shares issued from exercise of warrants	561,048	887,276	(30,710)	-	856,566
Share-based compensation	-	-	138,742	-	138,742
Net loss	-	-	-	(16,580,002)	(16,580,002)
Balance, September 30, 2025	44,719,381	59,524,699	1,498,961	(31,006,233)	30,017,427
Units issued in prospectus offering	11,500,000	14,834,565	-	-	14,834,565
Unit issuance costs	-	(1,057,809)	-	-	(1,057,809)
Shares issued from exercise of warrants	907,130	2,002,194	(32,737)	-	1,969,457
Shares issued from exercise of broker warrants	108,661	-	-	-	-
Share-based compensation	-	-	(28,177)	-	(28,177)
Net loss	-	-	-	(18,876,834)	(18,876,834)
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	7,442,966	21,736,482	(68,923)	-	21,667,559
Shares issued from exercise of broker warrants	108,661	-	-	-	-
Share-based compensation	-	-	645,158	-	645,158
Net income and comprehensive income	-	-	-	8,190,004	8,190,004
Balance, September 30, 2026	**64,848,520**	**97,247,389**	**2,014,282**	**(41,693,063)**	**57,568,608**

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

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 Huancavelica, Peru. The address of the Company's corporate office and principal place of business is 82 Richmond Street East Toronto, Ontario, M5C 1P1. The 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 nine months ended September 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 September 30, 2026, the Company has incurred losses since inception and has an accumulated deficit of $41,693,063 (December 31, 2025 - $49,883,067). As at September 30, 2026, the Company had cash and cash equivalents of $16,830,926 (December 31, 2025 - $34,075,413) and a working capital deficit of $2,459,972 (December 31, 2025 - $13,843,779). For the three and nine months ended September 30, 2026, the Company recorded net loss of $2,416,180 and net income of $8,190,004, respectively (2025 - net loss of $14,891,779 and $16,580,002, respectively). The net income recognized during the nine-month period was primarily attributable to an unrealized gain arising from the revaluation of warrant liabilities, a non-cash item that partially offset the Company's operating expenses.

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 November 16, 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 $436,204 of restricted cash in the comparative period presentation from current assets to non-current assets in 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.

During the current period, the Company reassessed the nature of costs included in development property and determined that $2,022,034 of concession costs of which the majority relates to the Caudalosa project was incorrectly included in development assets in the prior period, given these projects are still in exploration and evaluation phase. As a result, the Company reclassified $2,022,034 from development property to exploration and evaluation assets (Note 9 and 10). The amount is now grouped with other Exploration and Evaluation projects in a single line item on the statement of financial position. This reclassification had no impact on total assets, non-current assets, or net loss and comprehensive loss in the current or any previous period.

The following reclassification were made to the Consolidated Statement of Financial Position as at December 31, 2025:

	As previously presented	Adjustment	Restated
	$	$	$
Exploration and evaluation assets	4,160,423	2,022,034	6,182,457
Development property	43,468,964	(2,022,034)	41,446,930

The following reclassification were made to the summary of the Company's exploration and evaluation assets in Note 9:

	Caudalosa as previously presented	Adjustments	Caudalosa as restated	Other as previously presented	Adjustments	Other as restated
	$	$	$	$	$	$
Balance, December 31, 2024	-	1,313,117	1,313,117	697,687	708,917	1,406,604
Balance, December 31, 2025	-	1,313,117	1,313,117	455,049	708,917	1,163,966

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.

Inventories

Inventories include stockpiled ore, work-in-progress, finished goods, and materials and supplies inventory. The value of all production inventories includes direct production costs, attributable overhead, and depreciation and depletion of assets incurred to bring the materials to their current point in processing cycle. General and administrative costs are excluded from any inventories. All inventories are valued at the lower of weighted average cost and net realizable value. Net realizable value is determined with reference to market prices less estimated future production costs necessary to make the sale.

Stockpiled ore represents mined ore that is available for further processing. Stockpiled ore is measured at the weighted average cost of extraction, including direct mining costs, applicable overhead costs, depreciation and depletion incurred in bringing the ore to the stockpile. Costs are added to stockpiled ore based on the current mining cost per tonne and are removed at the weighted average carrying value per tonne when the ore is transferred for processing.

Work-in-progress inventory represents ore undergoing processing to extract and convert the contained metals into a saleable concentrate. The quantity of contained metal in work-in-progress inventory is determined using assay results and estimated metallurgical recovery factors. Work-in-progress inventory is measured at the weighted average cost of beginning work-in-progress inventory, the carrying value of ore transferred from stockpiles for processing, and processing costs incurred during the period, including direct processing costs, applicable processing overhead costs, depreciation and depletion.

Finished goods inventory represents saleable concentrate. Finished goods inventory is measured at the weighted average cost of beginning finished goods inventory and work-in-progress inventory transferred from the processing plant, together with any additional costs incurred to bring the concentrate to its present location and condition.

Materials and supplies are measured at weighted average cost and comprise consumables, spare parts, and operating supplies used in mining and processing activities. A periodic assessment is performed to identify obsolete or slow-moving items, and a provision is recognized when the carrying amount is not expected to be recovered. Major spare parts and standby equipment are classified as property, plant and equipment when they are expected to be used during more than one period and can only be used in connection with a specific item of property, plant and equipment.

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 incomes. 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. On adoption, income and expenses will be classified into the operating, investing and financing categories, and the statement of income (loss) will present the two new mandatory subtotals, operating profit or loss and profit or loss before financing and income taxes. The single foreign exchange line currently presented will be disaggregated across those categories according to the nature of the underlying item giving rise to each difference, and interest income will be presented within the investing category. In the statement of cash flows, the indirect-method reconciliation will begin from the operating profit or loss subtotal and interest received will be classified within investing activities, with no change to the net change in cash and cash equivalents or to the opening and closing cash balances. The Company does not currently present any management-defined performance measures.

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, except for the following significant accounting judgements and sources of estimation uncertainty resulting from the adoption of new accounting policies.

a) Significant accounting judgement

Determination of production commencement and available for use of mineral property

Management applies significant judgment in determining when a mineral project transitions from the development stage to the production stage and when a development property is considered "available for use". This assessment includes evaluating whether the activities required to prepare the mine for production are substantially complete and whether the mine is capable of operating as intended by management.

The mine, processing plant, and supporting infrastructure are considered highly integrated and interdependent assets that collectively function as a single operating system for the extraction, processing, and production of saleable concentrate. Accordingly, management assessed whether the condition necessary to operate in the manner intended had been achieved by considering the overall mining operation as a whole, rather than evaluating individual infrastructure components separately.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

Management considers commercial production to represent the point at which the mining operation has achieved sustained operational performance and is capable of producing concentrate on a consistent and economically viable basis. Accordingly, management used the commencement of commercial production as the primary indicator that the overall mining operation had reached the condition necessary to operate in the manner intended by management and that capitalization of development costs should cease under IAS 16.

As at September 30, 2026, commercial production stage is not yet achieved.

Commencement of depletion

Management applies significant judgment in determining when depletion of a mineral property commences. Depletion begins when a developed property is available for use, being the point at which commercial production commences. The determination of this date affects the timing of depletion expense recognition and the carrying value of mineral properties.

As at September 30, 2026, certain mining zones and supporting infrastructure were operational. However, although the processing plant was substantially physically constructed, the commissioning and testing activities had not been completed at a level sufficient to conclude that the plant was capable of operating in the manner intended. Management considers the mine and processing plant to be integral and interdependent components of a single mining asset and, as a result, assesses whether the mineral property is available for use on a combined basis.

Based on this assessment, management concluded that the mineral property had not reached the available for use stage as at September 30, 2026. Accordingly, related expenditures continued to be classified as development property and no depletion expense was recognized during the period ended September 30, 2026.

Inventory recognition

Management applies significant judgment in determining when extracted ore, stockpiles and concentrate inventory meet the criteria for recognition as inventory. This assessment requires consideration of the stage of processing and whether the quantity and grade of the material can be measured reliably. The determination affects the timing of the transfer of costs from mineral properties to inventory and the recognition of depletion and production costs.

b) Sources of estimation uncertainty

Mineral resources

The Company estimates its mineral resources based on information compiled and reviewed by qualified persons as defined in accordance with NI 43-101 requirements. The estimation of mineral resources requires judgment to interpret geological data and metallurgical testing, design of appropriate mining methods, recovery methods and establishment of a life of mine production schedule. The estimation of recoverable resources is also based on assumptions such as capital costs, operating costs and metal pricing. New geological data or changes in the above assumptions may change the economic viability of resources and may, ultimately, result in the resources being revised. Changes in the resource estimates may impact the valuation of mineral property and the depletion and depreciation of mineral property. At this point in time, the Company does not have mineral reserves as defined under Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards as a pre-feasibility or feasibility study has not been completed. The Company currently has mineral resources as disclosed in its Preliminary Economic Assessment (“PEA”).

5. RESTRICTED CASH

As at September 30, 2026, the Company had a cash deposit of $1,108,410 (PEN 3,800,737) (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. During the nine months ended September 30, 2026, $8,816 (PEN 88,137) of previous held deposit was returned to the Company, from the $681,022 (PEN 2,347,327) deposit made on January 7, 2026.

5. RESTRICTED CASH (continued)

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
Returned	(8,816)
Balance, September 30, 2026	**1,108,410**

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

	September 30, 2026
	$
Less than one year	845,241
One to two years	603,242
Two to five years	2,119,196
More than five years	2,580,628
Total future deposits	**6,148,307**

Pursuant to the Mine Closure Plan, the Company is required to make additional deposits of $6,148,307 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. INVENTORIES

A summary of the Company's inventories is as follows:

	September 30, 2026	December 31, 2025
	$	$
Stockpiled ore	4,315,125	-
Work-in-progress	265,445	-
Finished goods	841,583	-
Material and supplies	289,834	-
	5,711,987	**-**

7. PREPAID EXPENSES

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

	September 30, 2026	December 31, 2025
	$	$
Prepaid expenses	762,799	348,186
Advances to suppliers	12,740	150,696
Deposits	12,859	11,000
	788,398	**509,882**

8. 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
	$	$	$	$	$	$	$	$
Cost								
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	-	95,970	85,589	50,573	32,918	390,584	34,964	690,598
Balance, September 30, 2026	**36,041**	**287,666**	**945,199**	**340,043**	**60,984**	**502,498**	**34,964**	**2,207,395**
Accumulated depreciation								
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	-	17,613	19,577	36,528	15,247	81,476	11,613	182,054
Balance, September 30, 2026	**-**	**114,660**	**848,217**	**194,721**	**15,247**	**95,465**	**11,613**	**1,279,923**
Carrying amount								
Balance, December 31, 2025	36,041	94,649	30,970	131,277	28,066	97,925	-	418,928
Balance, September 30, 2026	**36,041**	**173,006**	**96,982**	**145,322**	**45,737**	**407,033**	**23,351**	**927,472**

*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 nine months ended September 30, 2026, depreciation of $726 and $2,164 was capitalized in exploration and evaluation assets (2025 - $10,708 and $42,832, respectively).

During the three and nine months ended September 30, 2026, depreciation of $32,428 and $72,788, respectively, was capitalized in development property (2025 - $5,163 and $5,163).

During the three and nine months ended September 30, 2026, depreciation of $16,836 and $16,836, respectively, was capitalized in inventories (2025 - $nil and $nil).

9. 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 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 $23,784,167 under the Reliquias Mine to development property (Note 10).

b) Castrovirreyna Project

Dorita

At the Dorita block of properties, exploration work consisted of more than 14 km^2 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 lead to the completion of a NI 43-101 compliant technical report, identifying historical resources in the central property of the project.

9. EXPLORATION AND EVALUATION ASSETS (continued)

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

		Castrovirreyna Project			
	Reliquias Mine	Dorita	Caudalosa	Other	Total
	$	$	$	$	$
Balance, December 31, 2024 (Note 2(e))	21,142,113	3,626,495	1,313,117	1,406,604	27,488,329
Exploration costs					
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
Acquisition costs					
Mining rights	4,213	14,361	-	9,005	27,579
Transfer	231,478	20,165	-	(251,643)	-
Transferred to development property (Note 2(e) and Note 10)	(23,784,167)	-	-	-	(23,784,167)
Balance, December 31, 2025	-	3,705,374	1,313,117	1,163,966	6,182,457
Exploration costs					
Depreciation	-	-	2,164	-	2,164
General on-site expenses	-	-	81,812	-	81,812
Right of use	-	79,960	-	-	79,960
Salaries and benefits	-	-	246,184	-	246,184
Topography and geophysics	-	-	2,610,044	-	2,610,044
Complementary environmental services	-	-	117,871	-	117,871
Geological mapping, sampling & other	-	-	70,812	-	70,812
Acquisition costs					
Mining rights	-	-	200,000	5,000	205,000
Balance, September 30, 2026	**-**	**3,785,334**	**4,642,004**	**1,168,966**	**9,596,304**

10. DEVELOPMENT PROPERTY

On October 28, 2024, the Company filed an amended and restated PEA 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 $23,784,167 under the Reliquias Mine to development property. Prior to the transfer, the carrying amount was tested for impairment and no impairment was identified. Similarly, there were no impairment indicators identified to the carrying value prior to the transfer to inventories during three months ended September 30, 2026.

As at September 30, 2026, there were no impairment indicators identified to the carrying value of the development property.

10. DEVELOPMENT PROPERTY (continued)

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

	Reliquias Mine
	$
Balance, December 31, 2024	-
Transferred from exploration and evaluation assets (Note 9(a)) - Also see reclassification per note 2(e)	23,784,167
Asset retirement obligation (Note 15)	13,088,250
Development cost additions during the period September 1, 2025 to December 31, 2025	4,574,513
Balance, December 31, 2025	41,446,930
Development cost additions	20,564,775
Change in estimate of asset retirement obligation	(1,044,534)
Transferred to inventory	(3,467,510)
Balance, September 30, 2026	**57,499,661**

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.

11. TAX CREDITS RECEIVABLE

As at September 30, 2026, the Company maintains in its assets a recoverable tax credit for general sales tax in Peru ("Impuesto General a las Ventas" or "IGV") of $9,433,888 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.

As at September 30, 2026, the current portion of tax credits receivable was $6,765,840 (December 31, 2025 - $nil) and the non-current portion was $2,668,048 (December 31, 2025 - $5,488,901).

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	September 30, 2026	December 31, 2025
	$	$
Trade accounts payable	**7,465,866**	584,606
Taxes payable	**67,619**	37,876
Accrued liabilities	**97,500**	2,601,756
Payroll liabilities	**407,925**	158,034
Other amounts payable	**6,654**	576,311
	8,045,564	3,958,583

13. 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	390,584
Accretion expense	11,908
Payments	(104,208)
Balance, September 30, 2026	**406,674**
Current portion	175,321
Non-current portion	231,353

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

	September 30, 2026
	$
Less than one year	198,501
One to two years	143,334
Two to five years	102,865
Total future minimum lease payments	444,700
Effects of discounting	(38,026)
Total present value of minimum lease payments	**406,674**

14. 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.

14. WARRANT LIABILITIES (continued)

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

	Number of common shares underlying outstanding warrants	Weighted average exercise price	Warrant 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	(6,649,969)	3.06	(5,778,871)
Expired	(1,035,000)	6.75	(57,241)
Unrealized gain on revaluation	-	-	(12,186,767)
Currency translation effect	-	-	(1,292,007)
Balance, September 30, 2026	**19,786,916**	**2.43**	**25,300,115**

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

Date of expiry	Symbol	Number of common shares underlying outstanding warrants	Weighted average exercise price	Weighted average remaining life
		#	C$	Years
July 29, 2027	Not applicable	8,596,050	1.70	0.83
November 18, 2027	Not applicable	5,750,000	3.90	1.13
April 24, 2028	AGMR.WT.B[(1)]	5,440,866	2.03	1.57
		19,786,916	**2.43**	**1.12**

(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 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.

14. WARRANT LIABILITIES (continued)

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

	April 24, 2024
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.

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

	September 30, 2026	July 29, 2025
Share price	C$3.49	C$1.47
Exercise price	C$1.70	C$1.70
Expected life	0.83 years	2.00 years
Risk-free interest rate	3.35%	2.77%
Expected volatility	81.96%	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 16(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 nine months ended September 30, 2026, all of the issued and outstanding warrants were exercised.

- On November 18, 2025, the Company issued an aggregate of 11,500,000 warrants in connection with its prospectus offering (Note 16(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.

  As at September 30, 2026, all of the issued and outstanding Series A warrants were exercised.

14. 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:

	September 30, 2026	November 18, 2025	
	Series B	Series A[(1)]	Series B
Share price	C$3.49	C$2.51	C$2.51
Exercise price	C$3.90	C$3.25	C$3.90
Expected life	1.13 years	0.50 year	2.00 years
Risk-free interest rate	3.35%	2.55%	2.55%
Expected volatility	96.99%	80.52%	113.63%
Expected annual dividend yield	0.00%	0.00%	0.00%

(1) As at September 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 September 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 16(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 three and nine months ended September 30, 2026, the Company recorded an unrealized loss on revaluation of warrant liabilities of $672,731 and a gain of $12,186,767, respectively (2025 - a loss of $13,676,342 and a loss of $14,404,942, respectively).

- During the nine months ended September 30, 2026, the Company issued 6,649,969 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 $14,818,142 (C$20,348,905). As a result, the Company transferred $5,778,871 from warrant liabilities to share capital.

15. 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	418,083
Rehabilitation costs incurred	(58,646)
Change in estimate	(1,044,534)
Balance, September 30, 2026	**12,537,832**
Current	314,900
Non-current	12,222,932

15. ASSET RETIREMENT OBLIGATION (continued)

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 September 30, 2026 and December 31, 2025 was estimated with the following inputs:

	September 30, 2026	December 31, 2025
Average annual inflation rate	2.25%	2.25%
Discount rate	5.29%	4.18%
Undiscounted cash flows	15,377,386	15,377,386

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.

16. 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 nine months ended September 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 16(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 nine months ended September 30, 2026, the Company issued 6,649,969 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 $14,818,142 (C$20,348,905). As a result, the Company transferred $5,778,871 from warrant liabilities to share capital.

- During the nine months ended September 30, 2026, the Company issued 792,997 common shares pursuant to the exercise of warrants with a weighted average exercise price of $1.35 per common share for gross proceeds of $1,070,546. As a result, the Company transferred $68,923 from contributed surplus to share capital.

16. SHARE CAPITAL (continued)

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.

- 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 14).

  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 16(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 over-allotment 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 14).

  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 14). 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.

16. SHARE CAPITAL (continued)

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 nine months ended September 30, 2026, the Company had the following warrant transactions:

- The Company issued 792,997 common shares pursuant to the exercise of warrants with a weighted average exercise price of $1.35 per common share for gross proceeds of $1,070,546. As a result, the Company transferred $68,923 from contributed surplus to share capital (Note 16(b)).

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 16(b)).

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

	Number of common shares underlying warrants	Weighted average 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	(792,997)	1.35
Balance, September 30, 2026	**550,007**	**1.35**

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

Date of expiry	Number of common shares underlying outstanding warrants	Weighted average exercise price	Weighted average remaining life
	#	$	Years
November 10, 2026	433,559	1.35	0.11
December 7, 2026	116,448	1.35	0.19
	550,007	**1.35**	**0.13**

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 nine months ended September 30, 2026, the Company had no stock option transactions.

16. SHARE CAPITAL (continued)

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 450-500 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.

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:

	October 1, 2025	February 27, 2025
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:

	Number of stock options	Weighted average exercise price
	#	C$
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
Balance, September 30, 2026	**898,667**	**2.01**

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

Date of expiry	Number of options outstanding	Number of options exercisable	Weighted average exercise price	Weighted average remaining life
	#	#	C$	Years
December 1, 2026	117,666	117,666	5.70	0.17
April 1, 2027	43,333	43,333	5.70	0.50
February 22, 2028	371,000	-	1.50	1.40
February 27, 2029	366,668	-	0.90	2.41
	898,667	**160,999**	**2.01**	**1.61**

During the three and nine months ended September 30, 2026, the Company recorded net share-based compensation expense of $33,656 and $96,592, respectively (2025 - $53,081 and $138,742, respectively) related to stock options vesting and forfeitures.

16. SHARE CAPITAL (continued)

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 16(b)).

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 C$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 C$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 C$3.58 per RSU.

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.

On August 17, 2026, the Company granted 7,690 RSUs to 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 August 17, 2029. The fair value of the RSUs at the grant date was C$3.91 per RSU.

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

	Number of RSUs	Fair value per RSU
	#	C$
Balance, December 31, 2025 and 2024	-	-
Granted	488,114	3.80
Forfeited	(8,330)	3.86
Balance, September 30, 2026	**479,784**	**3.80**

16. SHARE CAPITAL (continued)

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

Vesting date	Number of RSUs	Weighted average fair value	Weighted average remaining life
	#	C$	Years
June 30, 2026	9,270	3.58	-
September 30, 2026	50,385	3.26	-
March 24, 2027	133,871	3.86	0.48
May 25, 2027	3,607	4.06	0.65
August 17, 2027	2,563	3.91	0.88
March 24, 2028	133,871	3.86	1.48
May 25, 2028	3,607	4.06	1.65
August 17, 2028	2,563	3.91	1.88
March 24, 2029	133,875	3.86	2.48
May 25, 2029	3,608	4.06	2.65
August 17, 2029	2,564	3.91	2.88
	479,784	**3.80**	**1.31**

During the three and nine months ended September 30, 2026, the Company recorded share-based compensation expense of $190,803 and $548,566, respectively (2025 - $nil and $nil) in connection with the vesting of RSUs.

17. 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.

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Board advisory fee [(1)]	**12,546**	7,500	**27,452**	22,500
Director and chair fees [(2)]	**42,000**	56,250	**163,363**	168,750
Management salaries [(2)]	**472,333**	173,336	**1,293,868**	445,281
Share-based compensation	**201,588**	36,270	**448,514**	91,708
	728,467	273,356	**1,933,197**	728,239

(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 16(b)).

As at September 30, 2026, $115,857 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.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, short-term investment, 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. Certain warrant liabilities are classified as Level 1 as their fair value is determined using unadjusted quoted prices in active markets for identical instruments at the measurement date.

Other warrant liabilities are classified as Level 3 as their fair value is determined using the Black-Scholes option pricing model (Note 14), which incorporates significant unobservable inputs and assumptions not directly observable in the market which require significant accounting judgement. The fair value of these warrant liabilities is remeasured at each reporting date.

As at September 30 2026, financial instruments comprised of cash and cash equivalents, short-term investment, 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, short-term investment, 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, short-term investment, restricted cash, and amounts receivable. Cash equivalents include guaranteed investment certificates, while short-term investment consists of a non-redeemable guaranteed investment certificate with an original maturity exceeding three months.

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.

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 September 30, 2026, the Company has cash and cash equivalents of $16,830,926 (December 31, 2025 - $34,075,413) in order to meet its current liabilities of $33,835,900 (December 31, 2025 - $48,504,655). Current liabilities include warrant liabilities of $25,300,115 (December 31, 2025 - $44,485,765), which are expected to require cash outflows on settlement that are lower than their recorded fair value. As at September 30, 2026, the Company had accounts payable and accrued liabilities of $8,045,564 (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 $708,356; 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 $335,193.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

	CAD	PEN
	$	$
Financial assets		
Cash and cash equivalents	11,188,438	22,059
Restricted cash	-	1,108,410
Amounts receivable and other assets	-	59,402
	11,188,438	1,189,871
Financial liabilities		
Accounts payable and accrued liabilities	55,447	7,893,737
Warrant liabilities	25,300,115	-
	25,355,562	7,893,737
Net assets (liabilities)	**(14,167,124)**	**(6,703,866)**

19. 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 nine months ended September 30, 2026.

20. SEGMENTED INFORMATION

Operating segment:

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

Geographic segments:

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

	Canada	Peru	Total
	$	$	$
Current assets	16,585,522	14,790,406	31,375,928
Exploration and evaluation assets	-	9,596,304	9,596,304
Development property	-	57,499,661	57,499,661
Other non-current assets	-	5,386,900	5,386,900
Total assets	**16,585,522**	**87,273,271**	**103,858,793**
Current liabilities	25,451,942	8,383,958	33,835,900
Non-current liabilities	-	12,454,285	12,454,285
Total liabilities	**25,451,942**	**20,838,243**	**46,290,185**

20. SEGMENTED INFORMATION (continued)

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

	Canada	Peru	Total
	$	$	$
Current assets	33,874,945	785,931	34,660,876
Exploration and evaluation assets - See reclassification per note 2(e)	-	6,182,457	6,182,457
Development property - See reclassification per note 2(e)	-	41,446,930	41,446,930
Other non-current assets	139	6,343,894	6,344,033
Total assets	**33,875,084**	**54,759,212**	**88,634,296**
Current liabilities	44,833,287	3,671,368	48,504,655
Non-current liabilities	-	13,271,012	13,271,012
Total liabilities	**44,833,287**	**16,942,380**	**61,775,667**

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

	Canada	Peru	Total
	$	$	$
Operating expenses	(721,351)	(887,274)	(1,608,625)
Other income (expenses)	(556,099)	(251,456)	(807,555)
	(1,277,450)	**(1,138,730)**	**(2,416,180)**

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

	Canada	Peru	Total
	$	$	$
Operating expenses	(745,113)	(467,596)	(1,212,709)
Other income (expenses)	(13,753,063)	73,993	(13,679,070)
	(14,498,176)	**(393,603)**	**(14,891,779)**

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

	Canada	Peru	Total
	$	$	$
Operating expenses	(2,384,909)	(2,519,892)	(4,904,801)
Other income (expenses)	13,756,717	(661,912)	13,094,805
	11,371,808	**(3,181,804)**	**8,190,004**

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

	Canada	Peru	Total
	$	$	$
Operating expenses	(1,314,658)	(1,120,544)	(2,435,202)
Other income (expenses)	(14,412,004)	267,204	(14,144,800)
	(15,726,662)	**(853,340)**	**(16,580,002)**

21. 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 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 September 30, 2026, the total undiscounted commitment is approximately $2,002,220 (PEN 6,881,629) (December 31, 2025 - $1,845,931 (PEN 6,881,629)).

In July 2025, the Company signed the Surface Agreement (Note 10) 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 September 30, 2026, the total undiscounted commitment is approximately $8,292,115 (PEN 28,500,000) (December 31, 2025 - $8,265,000 (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 September 30, 2026, the total undiscounted future deposit commitment is $6,148,307 (December 31, 2025 - $6,820,513).

22. SUBSEQUENT EVENTS

On October 23, 2026, the Company issued 26,064 common shares pursuant to the settlement of 26,064 RSUs with a weighted average fair value of C$3.37.

On October 29, 2026, 31,667 stock options of the Company with a weighted average exercise price of C$1.22 forfeited.

On November 15, 2026, the Company granted 40,335 deferred share units ("DSU") to certain directors of the Company with the fair value of C$2.78 per DSU in settlement of director and board advisory fees owing from April 1, 2026 to September 30, 2026. Each of granted DSUs vests into one common share of the Company and vests in 12 months from the grant date.

Subsequent to September 30, 2026, the Company issued 66,666 common shares pursuant to the exercise of warrants of the Company for gross proceeds of $89,999.