



SILVER MOUNTAIN RESOURCES INC.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited - Expressed in US dollars)

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

	Note	September 30, 2025	December 31, 2024
		\$	\$
ASSETS			
Current			
Cash and cash equivalents		16,774,109	4,269,452
Restricted cash	5	436,204	263,438
Amounts receivable and other assets		62,381	84,437
Prepaid expenses		748,559	135,592
Subscription receivable	11, 13(b)	131,881	-
		18,153,134	4,752,919
Property, plant and equipment	6	232,738	283,531
Exploration and evaluation assets	7	4,116,070	27,488,329
Development property	8	34,548,954	-
Tax credits	9	4,564,748	3,920,556
Total assets		61,615,644	36,445,335
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	2,264,210	1,160,385
Warrant liabilities	11	21,533,511	1,576,676
Current portion of asset retirement obligation	12	233,512	-
		24,031,233	2,737,061
Asset retirement obligation	12	7,566,984	-
Total liabilities		31,598,217	2,737,061
SHAREHOLDERS' EQUITY			
Share capital	13(b)	59,524,699	46,743,576
Contributed surplus		1,498,961	1,390,929
Deficit		(31,006,233)	(14,426,231)
Total shareholders' equity		30,017,427	33,708,274
Total liabilities and shareholders' equity		61,615,644	36,445,335

Nature of operations and going concern (Note 1)
Subsequent events (Note 19)

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

/s/ Timothy Loftsgard
Director

/s/ Jose Vizquerra
Director

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

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

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

	Note	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
		\$	\$	\$	\$
Operating expenses					
Administrative expenses (recovery)		124,621	(5,233)	205,482	127,108
Advertising and marketing		323,354	-	345,118	31,038
Depreciation	6	1,441	1,441	4,322	4,129
Environmental fees		-	50,100	161	52,904
Filing and listing fees		51,080	54,558	83,737	212,164
Insurance		25,436	44,562	72,675	90,462
Other expenses		18,935	39,831	53,072	102,161
Professional fees	14	319,446	132,968	733,724	647,065
Salaries and benefits	14	290,655	258,639	791,085	926,928
Share-based compensation	13(d), 14	53,081	40,828	138,742	235,562
Travel, meals and entertainment		4,660	1,979	7,084	7,430
Total operating expenses		(1,212,709)	(619,673)	(2,435,202)	(2,436,951)
Bank charges		(689)	(2,347)	(24,021)	(6,902)
Interest income (expense)		(36)	5,866	3,981	15,460
Foreign exchange gain (loss)	2(e)	78,790	159,540	333,151	(2,453)
Gain on expiry of warrant liabilities	11	-	-	-	98,301
Loss on settlement of payables	13(b)	(80,793)	-	(52,969)	-
Unrealized gain (loss) on revaluation of warrant liabilities	2(e), 11	(13,676,342)	(843,742)	(14,404,942)	553,673
Net loss and comprehensive loss		(14,891,779)	(1,300,356)	(16,580,002)	(1,778,872)
Net loss per share:					
Basic and diluted (Note 1)		(0.39)	(0.09)	(0.57)	(0.08)
Weighted average number of common shares:					
Basic and diluted (Note 1)		38,408,138	14,497,991	29,342,039	22,034,402

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,	
	2025	2024
	\$	\$
Operating activities		
Net loss for the period	(16,580,002)	(1,778,872)
Adjustments for:		
Depreciation	4,322	4,129
Share-based compensation	138,742	235,562
Unrealized foreign exchange gain	(42,135)	(145)
Gain on expiry of warrant liabilities	-	(98,301)
Loss on settlement of payables	52,969	-
Unrealized loss (gain) on revaluation of warrant liabilities	14,404,942	(557,002)
Unit issuance costs expensed through profit or loss	376,057	194,441
Changes in non-cash working capital:		
Amounts receivable and other assets	(621,401)	(427,883)
Prepaid expenses	(612,967)	79,045
Accounts payable and accrued liabilities	270,972	207,080
Cash used in operating activities	(2,608,501)	(2,141,946)
Investing activities		
Exploration and evaluation asset additions	(1,445,924)	(3,270,007)
Development property cost additions	(892,741)	-
Purchase of mining concessions	-	(23,499)
Purchase of property, plant, and equipment	(1,524)	(4,939)
Restricted cash deposits paid	(436,204)	(1,150,000)
Restricted cash refunded	263,438	-
Cash used in investing activities	(2,512,955)	(4,448,445)
Financing activities		
Proceeds from units issued in prospectus offerings	18,170,754	7,031,622
Unit issuance costs	(1,199,254)	(715,332)
Proceeds from warrant exercises	620,555	-
Cash provided by financing activities	17,592,055	6,316,290
Effect of foreign exchange on cash and cash equivalents	34,058	-
Net change in cash and cash equivalents	12,470,599	(274,101)
Cash and cash equivalents, beginning of period	4,269,452	4,660,229
Cash and cash equivalents, end of period	16,774,109	4,386,128
Composition of cash and cash equivalents:		
Cash	16,705,377	4,316,496
Cash equivalents	68,732	69,632
	16,774,109	4,386,128
Supplemental cash flow information:		
Depreciation capitalized in exploration and evaluation assets	42,832	56,124
Depreciation capitalized in development property	5,163	-
Shares issued for settlement of payables	244,219	-
Increase (decrease) in accounts payable and accrued liabilities related to exploration and evaluation asset additions	989,539	(804,360)

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, 2023	18,643,990	42,077,668	1,105,370	(12,315,041)	30,867,997
Units issued in prospectus offering	5,842,595	5,120,299	-	-	5,120,299
Unit issuance costs	-	(520,891)	-	-	(520,891)
Share-based compensation	-	-	235,562	-	235,562
Net loss and comprehensive loss	-	-	-	(1,778,872)	(1,778,872)
Balance, September 30, 2024	24,486,585	46,677,076	1,340,932	(14,093,913)	33,924,095
Shares issued for services	94,493	66,500	-	-	66,500
Share-based compensation	-	-	49,997	-	49,997
Net loss and comprehensive loss	-	-	-	(332,318)	(332,318)
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 and comprehensive 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

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 nine months ended September 30, 2025 and 2024**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Silver Mountain Resources Inc. (the "Company" or "AgMR") 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 common shares of the Company commenced trading on the TSX Venture Exchange (the "TSXV") on February 2, 2022 under the symbol "AGMR", on the OTCQB Venture Market on June 16, 2022 under the symbol "AGMRF", and on the Lima Stock Exchange on July 18, 2022 under the symbol "AGMR".

These unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2025 and 2024 (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, 2025, the Company has incurred losses since inception and has an accumulated deficit of \$31,006,233 (December 31, 2024 - \$14,426,231). As at September 30, 2025, the Company had cash and cash equivalents of \$16,774,109 (December 31, 2024 - \$4,269,452) and a working capital deficit of \$5,878,099 (December 31, 2024 - working capital surplus of \$2,015,858). For the three and nine months ended September 30, 2025, the Company incurred a net loss of \$14,891,779 and \$16,580,002, respectively (2024 - \$1,300,356 and \$1,778,872, respectively). The Company expects to incur further losses in the exploration, evaluation and development of its mineral properties.

As the Company is in the exploration stage, the Company's ability to continue as a going concern and fund its exploration and development activity for at least the next twelve-month period is dependent on the Company being able to draw down on its current cash, maintain cost control measures and raise additional capital. The Company has had success raising capital in the past as disclosed in Note 13. The ability to continue as a going concern remains dependent on the Company's capacity to obtain the additional financing necessary to continue to fund its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern.

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

Share consolidation

On March 28, 2025, the Company consolidated all of the issued and outstanding class A common shares of the Company on the basis of one (1) post-consolidation class A common share for every fifteen (15) pre-consolidation class A common share (the "Share Consolidation"). All historical share and per share data, including the number of common shares, weighted average number of common shares, loss per share, stock options and warrants 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 20, 2025.

These financial statements have been prepared in accordance IAS 34 *Interim Financial Reporting*. These financial statements do not include all the information and disclosures required in annual financial statements. Accordingly, they should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2024 and 2023 (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 the 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 recorded 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 amounts

The Company has reclassified certain comparative information on the consolidated statements of loss and comprehensive loss and statements of cash flows to conform with current period presentation.

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:

- Development properties

An exploration and evaluation asset is reclassified as a development property when a mine plan has been prepared, proven and probable reserves have been established, and the Company has decided to commercially develop the property. At which point, the Company performs an impairment test.

Construction and development expenditures as well as costs associated with the commissioning of new assets, and costs incurred in the pre-commercial period before assets are operating in the way intended by management, are capitalized to development properties. Development expenditures are capitalized separately for each area of interest in which economically recoverable mineral resources have been identified and are reasonably assured.

All expenditures incurred prior to the commencement of commercial levels of production from each development property are carried forward to the extent that recovery of expenditures is reasonably assured from revenue generated from production or from the sale of the respective property. No amortization or depletion is recorded in respect of development properties as they are considered assets not yet available for use. Following the commencement of commercial production, development properties are classified as mineral properties. 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.

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

The standards and amendments to IFRS® 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.

3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS (continued)

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.

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 also 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 Company is currently assessing the effect of these amendments on the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. 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, with exception of the following:

a) Significant accounting judgements

Classification of development property

The Company has assessed that its Reliquias Mine has achieved the development stage upon having a mine plan, proven and probable reserves have been established, and the Company has decided to commercially develop it. The application of the Company's accounting policy for development expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure has been capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

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

b) Sources of estimation uncertainty

Asset retirement obligation

The Company has recognized an asset retirement obligation in connection to its Reliquias Mine. Based upon the prevailing economic environment, assumptions have been made which management believes are reasonable upon which to estimate the future liability. These estimates consider any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the rehabilitation provisions may be higher or lower than currently provided for.

Impairment of exploration and evaluation assets prior to reclassification to development property

The Company has performed an impairment test for its Reliquias Mine prior to be reclassified to development property, as such an estimate of its recoverable amount is performed, and an impairment charge is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or CGU of assets is measured at the higher of FVLCTD or VIU.

The determination of FVLCTD and VIU requires management to make estimates and assumptions about expected production, sales volumes, commodity prices, discount rates, mineral resources, operating costs, taxes, and future capital expenditures. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reversed with the impact recorded in profit or loss.

5. RESTRICTED CASH

As at September 30, 2025, the Company had a cash deposit of \$436,204 (PEN 1,541,547) (December 31, 2024 - \$263,438 (PEN 990,000)) 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 nine months ended September 30, 2025, \$263,438 (PEN 990,000) of previous deposit was returned to the Company and was replaced with a \$436,204 (PEN 1,541,547) deposit made on January 13, 2025.

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

	\$
Balance, December 31, 2023	267,206
Foreign exchange gain	(3,768)
Balance, December 31, 2024	263,438
Additions	436,204
Returned	(263,438)
Balance, September 30, 2025	436,204

SILVER MOUNTAIN RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2025 and 2024**

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

6. 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	Total
	\$	\$	\$	\$	\$
Cost					
Balance, December 31, 2023	36,041	151,544	859,610	245,030	1,292,225
Additions	-	-	-	4,939	4,939
Balance December 31, 2024	36,041	151,544	859,610	249,969	1,297,164
Additions	-	-	-	1,524	1,524
Balance, September 30, 2025	36,041	151,544	859,610	251,493	1,298,688
Accumulated depreciation					
Balance, December 31, 2023	-	68,101	787,935	79,331	935,367
Depreciation	-	15,973	22,257	40,036	78,266
Balance, December 31, 2024	-	84,074	810,192	119,367	1,013,633
Depreciation	-	9,596	14,270	28,451	52,317
Balance, September 30, 2025	-	93,670	824,462	147,818	1,065,950
Carrying amount					
Balance, December 31, 2024	36,041	67,470	49,418	130,602	283,531
Balance, September 30, 2025	36,041	57,874	35,148	103,675	232,738

During the three and nine months ended September 30, 2025, depreciation of \$10,708 and \$42,832, respectively was capitalized in exploration and evaluation assets (2024 - \$17,769 and \$56,214, respectively).

During the three and nine months ended September 30, 2025, depreciation of \$5,163 and \$5,163, respectively was capitalized in development property (2024 - \$nil and \$nil, respectively).

7. 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 the Caudalosa Mine, 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.

7. EXPLORATION AND EVALUATION ASSETS (continued)

During the nine months ended September 30, 2025, the Company has focused on advancing permit applications and negotiating with local communities, which has been the primary activities. There have been no activities related to infill or drilling during this period. The Company maintains its strategic focus on advancing toward production and exploring potential avenues for additional resource acquisition.

On 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 \$25,850,554 under the Reliquias Mine to development property (Note 8). Prior to the transfer, the carrying amount was tested for impairment and no impairment was identified.

b) Castrovirreyna Project

Dorita

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

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

Other

'Other' projects include exploration related to the Caudalosa Mine, 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.

SILVER MOUNTAIN RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2025 and 2024**

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

7. EXPLORATION AND EVALUATION ASSETS (continued)

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

	Reliquias Mine	Castrovirreyna Project		Total
	\$	Dorita	Other	\$
Balance, December 31, 2023	19,918,755	3,610,796	690,967	24,220,518
Exploration costs				
Depreciation	72,696	-	-	72,696
Mine rehabilitation	778,633	-	-	778,633
General on-site expenses	927,231	-	-	927,231
Geological mapping, sampling & other	4,929	-	-	4,929
Right of use	(10,816)	-	-	(10,816)
Salaries and benefits	820,173	-	-	820,173
Topography and geophysics	53,759	-	-	53,759
Complementary environmental services	583,389	-	-	583,389
Acquisition costs				
Mining rights	15,398	21,940	6,720	44,058
Impairment ⁽¹⁾	-	(6,241)	-	(6,241)
Balance, December 31, 2024	23,164,147	3,626,495	697,687	27,488,329
Exploration costs				
Depreciation (Note 6)	42,832	-	-	42,832
Mine rehabilitation	206,674	-	-	206,674
General on-site expenses	676,308	-	-	676,308
Right of use	873,420	-	-	873,420
Salaries and benefits	295,046	-	-	295,046
Topography and 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 8)	(25,850,554)	-	-	(25,850,554)
Balance, September 30, 2025	-	3,661,021	455,049	4,116,070

(1) During the year ended December 31, 2024, the Company lost two mining concessions in Dorita (2,000 hectares) at auction due to regulatory overlap issues.

8. 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 (the "Amended Technical Report"), which demonstrated the technical feasibility and commercial viability of the project.

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 \$25,850,554 under the Reliquias Mine to development property. Prior to the transfer, the carrying amount was tested for impairment and no impairment was identified.

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

8. DEVELOPMENT PROPERTY (continued)

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

	Reliquias Mine
	\$
Balance, December 31, 2024 and 2023	-
Transferred from exploration and evaluation assets (Note 7(a))	25,850,554
Asset retirement obligation (Note 12)	7,800,496
Development costs	897,904
Balance, September 30, 2025	34,548,954

9. TAX CREDITS

As of September 30, 2025, the Company maintains in its non-current assets a tax credit for general sales tax ("Impuesto General a las Ventas" or "IGV") of \$4,564,748 (December 31, 2024 - \$3,920,556), that will be applied to the IGV generated by local sales. If sales are exported, the Company has the right to request 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.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	September 30, 2025	December 31, 2024
	\$	\$
Trade accounts payable	1,367,896	524,125
Taxes payable	8,863	18,734
Accrued liabilities	485,077	91,133
Payroll liabilities	158,146	264,478
Other amounts payable	244,228	261,915
	2,264,210	1,160,385

11. 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 loss and comprehensive loss.

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11. WARRANT LIABILITIES (continued)

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

	Number of warrants #	Weighted average exercise price C\$	Warrant liabilities \$
Balance, December 31, 2023	2,798,333	9.11	921,686
Expired	(1,763,333)	10.50	(98,301)
Issued	5,842,595	2.03	1,911,323
Unrealized gain on revaluation	-	-	(1,020,066)
Currency translation effect	-	-	(137,966)
Balance, December 31, 2024	6,877,595	2.74	1,576,676
Issued	9,615,150	1.70	5,697,929
Exercised	(207,716)	1.84	(104,130)
Unrealized loss on revaluation	-	-	14,404,942
Currency translation effect	-	-	(41,906)
Balance, September 30, 2025	16,285,029	2.14	21,533,511

A summary of the Company's outstanding warrants as at September 30, 2025 is as follows:

Date of expiry	Symbol	Number of warrants #	Weighted average exercise price C\$	Weighted average remaining life Years
February 9, 2026	AGMR.WT.A	1,035,000	6.75	0.36
July 29, 2027	Not applicable	9,498,700	1.70	1.83
April 24, 2028	AGMR.WT.B	5,751,329	2.03	2.57
		16,285,029	2.14	2.00

- On February 9, 2023, the Company issued 1,035,000 warrants in connection with a bought deal prospectus offering. Each warrant is exercisable into one common share at a price of C\$6.75 per common share and 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. During the nine months ended September 30, 2025, the Company recorded an unrealized loss on revaluation of these warrants of \$111,516 (2024 - unrealized gain of \$569,015).
- On February 2, 2024, 1,763,333 warrants were issued in connection with the Company's initial public offering on February 2, 2022 expired. As a result, the Company recorded a gain on expiry of warrant liabilities of \$98,301. These warrants were trading at a price of C\$0.075 on the expiry date.
- On April 24, 2024, the Company issued 5,842,595 warrants in connection with the prospectus offering (Note 13(b)). Each warrant is exercisable into one common share at a price of C\$2.03 per common share and 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 nine months ended September 30, 2025, the Company recorded an unrealized loss on revaluation of these warrants of \$4,996,521 (2024 - \$15,342).

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	C\$0.08
Exercise price	C\$0.14
Expected life	4.00 years
Risk-free interest rate	3.79%
Expected volatility	63.00%
Expected annual dividend yield	0.00%

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11. WARRANT LIABILITIES (continued)

- On July 29, 2025, the Company issued 9,615,150 warrants in connection with the bought deal prospectus offering (Note 13(b)). 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 nine months ended September 30, 2025, the Company recorded an unrealized loss on revaluation of these warrants of \$9,296,905 during the nine months ended September 30, 2025 (2024 - \$nil).

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

	September 30, 2025	July 29, 2025
Share price	C\$3.14	C\$1.47
Exercise price	C\$1.70	C\$1.70
Expected life	1.83 years	2.00 years
Risk-free interest rate	2.47%	2.77%
Expected volatility	113.31%	112.58%
Expected annual dividend yield	0.00%	0.00%

- During the nine months ended September 30, 2025, the Company issued 207,716 common shares pursuant to the exercise of 207,716 warrants with a weighted average exercise price of C\$1.84 for gross proceeds of \$275,438 (C\$382,779) of which \$131,881 (C\$184,139) was included in subscription receivable as at September 30, 2025 (Note 13(b)). As a result, the Company transferred \$104,130 from warrant liabilities to share capital. The cash proceeds were received on October 2, 2025.

12. 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 and 2023	-
Additions	7,800,496
Balance, September 30, 2025	7,800,496
Current	233,512
Non-current	7,566,984

On September 1, 2025, the Company determined that its Reliquias mine began the Development stage and concurrently that an asset retirement obligation should be recognized. The provision for asset retirement obligation as at September 30, 2025 was estimated with the following inputs:

	September 30, 2025
Average annual inflation rate	1.85%
Discount rate	4.16%
Undiscounted cash flows	9,048,175

The majority of cash flow expenditures related to the asset retirement obligation are projected between 2026 and 2042.

12. ASSET RETIREMENT OBLIGATION (continued)

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.

13. 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, 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 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 over-allotment 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 11).

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 \$914,859 (C\$1,259,789) and other costs of \$284,395 (C\$411,246). Of the total unit issuance costs, \$376,057 (C\$523,998) related to the warrant portion were expensed through profit or loss and \$823,197 (C\$1,147,037) related to the common share portion were allocated to share capital.

- During the nine months ended September 30, 2025, the Company issued 207,716 common shares pursuant to the exercise of 207,716 warrants with a weighted average exercise price of C\$1.84 for gross proceeds of \$275,438 (C\$382,779), of which \$131,881 (C\$184,139) was included in subscription receivable as at September 30, 2025. As a result, the Company transferred \$104,130 from warrant liabilities to share capital.
- During the nine months ended September 30, 2025, the Company issued 353,332 warrants with a weighted average exercise price of \$1.35 for gross proceeds of \$476,998. As a result, the Company transferred \$30,710 from contributed surplus to share capital.

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13. SHARE CAPITAL (continued)

During the year ended December 31, 2024, the Company had the following share capital transactions:

- On April 24, 2024, the Company completed a prospectus offering and issued 5,454,567 units at a price of \$1.20 (C\$1.65) per unit for gross proceeds of \$6,564,626 (C\$9,000,035). The Company issued an additional 388,028 units at a price of \$1.20 (C\$1.65) for additional gross proceeds of \$466,996 (C\$640,247), in connection with the partial exercise of the over-allotment option. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into one common share at a price of C\$2.03 per common share and expires on April 24, 2026 (Note 11).

The gross proceeds of \$7,031,622 (C\$9,640,282) were first allocated to the warrant liability measured at fair value in the amount of \$1,911,323 (C\$2,620,404) and the residual amount of \$5,120,299 (C\$7,019,878) was allocated to share capital. The Company incurred unit issuance costs of \$715,332 (C\$980,713), which include underwriters' commissions of \$392,325 (C\$537,873) and other costs of \$323,007 (C\$442,839). Of the total unit issuance costs, \$194,441 (C\$266,576) related to the warrant portion were expensed through profit or loss and \$520,891 (C\$714,137) related to the common share portion were allocated to share capital.

- On November 5, 2024, the Company issued 94,493 common shares at a price of \$0.70 as consideration for director fees for the period from July 1, 2024 to September 30, 2024 of \$78,750, pursuant to a shares-for-services agreement entered into by the Company and each of its directors of the Company on September 18, 2024.

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 also the Company's functional currency.

During the nine months ended September 30, 2025, the Company had the following warrant transactions:

- The Company issued 353,332 common shares pursuant to the exercise of 353,332 warrants with a weighted average exercise price of \$1.35 for gross proceeds of \$476,998. As a result, the Company transferred \$30,710 from contributed surplus to share capital (Note 13(b)).

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

	Number of warrants	Weighted average exercise price
	#	\$
Balance, December 31, 2023	3,190,325	5.61
Expired	(1,117,325)	13.50
Balance, December 31, 2024	2,073,000	1.35
Exercised	(353,332)	1.35
Balance, September 30, 2025	1,719,668	1.35

A summary of the Company's outstanding warrants as at September 30, 2025 is as follows:

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	\$	Years
November 10, 2026	1,603,220	1.35	0.63
December 7, 2026	116,448	1.35	0.63
	1,719,668	1.35	0.63

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.

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13. SHARE CAPITAL (continued)

During the nine months ended September 30, 2025, the Company completed the following stock option transactions:

- On February 27, 2025, the Company granted stock options to certain directors, officers and employees of the Company to purchase up to 486,668 common shares of the Company, exercisable at a price of C\$0.90 per share and expiring on February 27, 2029. These options will vest at the later of the first anniversary of the date of grant; or the mining operations reaching commercial production as defined in Note 3.

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

Share price	C\$0.68
Exercise price	C\$0.90
Expected life	4.00 years
Risk-free interest rate	2.63%
Expected volatility	103.00%
Expected annual dividend yield	0.00%

During the year ended December 31, 2024, the Company completed the following stock option transactions:

- On February 22, 2024, the Company granted stock options to certain directors, officers and employees of the Company to purchase up to 493,333 common shares of the Company, exercisable at a price of C\$1.50 per share and expiring on February 22, 2028. These options will vest at the later of the first anniversary of the date of grant; or the mining operations reaching commercial production as defined in Note 3.

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

Share price	C\$1.13
Exercise price	C\$1.50
Expected life	4.00 years
Risk-free interest rate	3.72%
Expected volatility	100.00%
Expected annual dividend yield	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, 2023	528,666	6.25
Granted	493,333	1.50
Forfeited	(2,000)	1.50
Balance, December 31, 2024	1,019,999	3.96
Granted	486,668	0.90
Expired	(176,000)	6.22
Forfeited	(135,333)	1.70
Balance, September 30, 2025	1,195,334	2.64

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13. SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding as at September 30, 2025 is as follows:

Date of expiry	Number of options outstanding	Number of options exercisable	Weighted average exercise price	Weighted average remaining life
	#	#	C\$	Years
February 2, 2026	66,000	66,000	7.50	0.34
June 28, 2026	44,000	44,000	7.50	0.74
December 1, 2026	184,333	138,250	5.70	1.17
April 1, 2027	43,333	32,500	5.70	1.50
February 22, 2028	431,000	-	1.50	2.40
February 27, 2029	426,668	-	0.90	3.41
	1,195,334	280,750	2.64	2.36

During the three and nine months ended September 30, 2025, the Company recorded net share-based compensation expense of \$53,081 and \$138,742, respectively (2024 - \$40,828 and \$235,562, respectively) related to stock options vesting and forfeitures.

e) Broker warrants

In connection with the prospectus offering on April 24, 2024, the Company issued 217,323 broker warrants to two agents. Each broker warrant is exercisable into one unit of the Company at a price of \$1.65 per unit and expires on April 24, 2026. Each unit will consist of one common share and one warrant.

Subsequent to September 30, 2025, 108,661 broker warrants were exercised (Note 18).

14. 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,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Board advisory fee ⁽¹⁾	7,500	7,500	22,500	7,500
Director and chair fees ⁽²⁾	56,250	56,250	168,750	168,750
Management salaries ⁽²⁾	173,336	178,968	445,281	700,794
Share-based compensation	36,270	26,752	91,708	161,670
	273,356	269,470	728,239	1,038,714

(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 13(b)).

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14. RELATED PARTY TRANSACTIONS (continued)

As at September 30, 2025, \$70,780 was included in accounts payable and accrued liabilities for amounts due to related parties (December 31, 2024 - \$63,750). The amounts due are unsecured, due on demand and are non-interest bearing. The related party transactions are with companies owned and controlled by directors and officers of the Company for consulting fees in the normal course of business.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

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

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 which are updated periodically.

As at September 30, 2025, financial instruments comprised of cash and cash equivalents, restricted cash, amounts receivable, subscription receivable and accounts payable and accrued liabilities are classified as and measured at amortized cost. The carrying value of cash and cash equivalents, restricted cash, amounts receivable, subscription 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, amounts receivable, and subscription 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.

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, 2025, the Company has cash and cash equivalents of \$16,774,109 (December 31, 2024 - \$4,269,452) in order to meet its current liabilities of \$24,031,233 (December 31, 2024 - \$2,737,061), which includes warrant liabilities of \$21,533,511 (December 31, 2024 - \$1,576,676). As at September 30, 2025, the Company had accounts payable and accrued liabilities of \$2,264,210 (December 31, 2024 - \$1,160,385), which have contractual maturities of 90 days or less and a current portion of asset retirement obligation of \$233,512 (December 31, 2024 - \$nil). The amount of the Company's current undiscounted asset retirement obligation is \$236,803 (December 31, 2024 - \$nil). As at September 30, 2025, management has assessed the liquidity risk as low.

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 loss by approximately \$1,016,777; and a 5% change in the U.S. dollar exchange rate relative to the Peruvian sol would change the Company's net loss by approximately \$8,210.

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15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

	CAD	PEN
	\$	\$
Financial assets		
Cash and cash equivalents	1,232,968	5,402
Restricted cash	-	436,204
Amounts receivable and other assets	-	14,291
	1,232,968	455,897
Financial liabilities		
Accounts payable and accrued liabilities	34,999	620,091
Warrant liabilities	21,533,511	-
	21,568,510	620,091
Net liabilities	(20,335,542)	(164,194)

16. 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, 2025.

17. 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 September 30, 2025 is as follows:

	Canada	Peru	Total
	\$	\$	\$
Current assets	16,040,733	2,112,401	18,153,134
Exploration and evaluation assets	-	4,116,070	4,116,070
Development property	-	34,548,954	34,548,954
Non-current assets	278	4,797,208	4,797,486
Total assets	16,041,011	45,574,633	61,615,644
Current liabilities	21,879,575	2,151,658	24,031,233
Non-current liabilities	-	7,566,984	7,566,984
Total liabilities	21,879,575	9,718,642	31,598,217

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17. SEGMENTED INFORMATION (continued)

A summary of the Company's assets and liabilities by geographic area as at December 31, 2024 is as follows:

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

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 three months ended September 30, 2024 is as follows:

	Canada	Peru	Total
	\$	\$	\$
Operating expenses	(305,653)	(314,020)	(619,673)
Other income (expenses)	(782,541)	101,858	(680,683)
	(1,088,194)	(212,162)	(1,300,356)

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)

A summary of the Company's expenses and other income by geographic area during the nine months ended September 30, 2024 is as follows:

	Canada	Peru	Total
	\$	\$	\$
Operating expenses	(1,233,438)	(1,203,513)	(2,436,951)
Other income (expenses)	681,537	(23,458)	658,079
	(551,901)	(1,226,971)	(1,778,872)

18. 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 a \$80,972 (PEN 300,000) plus VAT (18%) annual commitment starting 2024 for 20 years (the "Annual Commitment"). As per the Community Agreement, the Annual Commitment amount will be adjusted by the Peruvian annual inflation rate.

SILVER MOUNTAIN RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2025 and 2024**

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

18. COMMITMENTS (continued)

As at September 30, 2025, the Company paid \$163,270 (PEN 606,810) pursuant to the Annual Commitment. Assuming that the Peruvian annual inflation rate from 2024 will remain the same for the duration of the Community Agreement, the total undiscounted commitment is approximately \$1,845,931 (PEN 6,881,629).

In July 2025, the Company signed the Surface Agreement with the Community of Salcca Santa Ana. The Surface Agreement has an annual commitment of \$435,000 (PEN 1,500,000) plus VAT (18%), adjusted annually for Peruvian inflation.

As at September 30, 2025, the Company paid \$435,000 (PEN 1,500,000) pursuant to the Annual Commitment. Assuming that the Peruvian annual inflation rate from 2024 will remain the same for the duration of the Community Agreement, the total undiscounted commitment is approximately \$8,265,000 (PEN 28,500,000).

19. SUBSEQUENT EVENTS

On October 1, 2025, the Company announced the appointment of Mr. Claudio Cubillas as Vice President, Finance, effective October 1, 2025. In connection with his appointment, Mr. Cubillas was granted an aggregate of 30,000 options with an exercise price of \$3.25 per share and are exercisable for a period of 5 years from the grant date.

On October 8, 2025, the Company issued 108,661 common shares and 108,661 warrants pursuant to the exercise of 108,661 broker warrants at an exercise price of \$1.65 (C\$2.025) for gross proceeds of \$179,291 (C\$220,039).

On November 18, 2025, the Company completed its previously announced prospectus offering of 11,500,000 units of the Company at a price of \$1.85 (C\$2.60) per unit, for gross proceeds of \$21,314,514, (C\$29,900,000), which included the full exercise of the over-allotment option to purchase an additional 1,500,000 units. Each unit includes one common share, one-half of a 6-month purchase warrant with an exercise price of \$2.32 (C\$3.25), and one-half of a 24-month purchase warrant with an exercise price of \$2.78 (C\$3.90).

Subsequent to September 30, 2025, the Company issued 345,714 common shares pursuant to the exercise of 345,714 warrants at a weighted average exercise price of \$1.32 for gross proceeds of \$455,886.