

SILVERCO MINING LTD.

(formerly Quetzal Copper Corp.)

Management's Discussion and Analysis

For the three and nine months ended September 30, 2026 and 2025

(Expressed in Canadian dollars)

BASIS OF PREPARATION OF THE MD&A

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the Company, its liquidity, capital resources, and operational and financial performance as at, and for the three and nine months ended September 30, 2026, in comparison to the corresponding prior-year periods.

This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes (the "Financial Statements") which have been prepared by management in accordance with IAS 34, Interim Financial Reporting consistent with IFRS Accounting Standards as issued by the IASB. Other information contained in this document has been prepared by management and is consistent with the data contained in the Financial Statements.

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should also be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended December 31, 2025 (the "2025 Annual Financial Statements") and related annual MD&A (the "2025 Annual MD&A") on SEDAR+ at www.sedarplus.ca.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date and for the periods presented in the filings.

In this MD&A, the "Company", or the words "we", "us", or "our", collectively refer to the Company and its subsidiaries. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively.

This MD&A takes into account information available up to the approval of the Financial Statements and MD&A by the Board of Directors on November 25, 2026 ("MD&A Date").

Management is responsible for the preparation and integrity of the Company's Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is responsible for ensuring that information disclosed externally, including the information contained within the Company's Financial Statements and MD&A, is complete and reliable.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements.

OVERVIEW OF THE BUSINESS

Silverco Mining Ltd. (formerly Quetzal Copper Corp.) ("Silverco Ltd" or the "Company") was incorporated on November 30, 2020 pursuant to the *Business Corporations Act* (British Columbia). The Company's name was changed from Quetzal Copper Corp. to Silverco Mining Ltd. effective on October 31, 2025. The Company is a Canadian-based mining company listed on the TSX Venture Exchange ("TSXV"), having the symbol "SICO" and on the OTCQB under the symbol "SICOF". The Company's corporate office is located at 660 – 505 Burrard Street, Vancouver, BC V7X 1M4.

The principal business of the Company is to acquire, explore, develop and operate mineral properties. The business of mining and exploration involves a high degree of risk and there can be no assurance of profitable mining operations. The recoverability of the carrying amounts of the Company's mineral properties is dependent upon several factors. These include the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

The Company holds mineral properties in Mexico through its ownership of the Cusi Mining Complex ("Cusi" or "Cusi Mining Complex"). In addition, on May 19, 2026, the Company acquired Nuevo Silver Inc. ("Nuevo" or "Nuevo Silver"), which owns, through its wholly-owned subsidiary, Minera La Negra, S.A. de C.V. ("La Negra"), the La Negra Mine, a producing silver mine located in Querétaro, Mexico.

On October 17, 2025, the Company completed a reverse takeover transaction (the "RTO") pursuant to the amalgamation agreement dated August 13, 2025 (the "Amalgamation Agreement") between Silverco Ltd, 1552216 B.C. Ltd., a wholly-owned subsidiary of Silverco Ltd, and Silverco Mining Corp. ("Silverco Corp"). Pursuant to the Amalgamation Agreement, 1552216 B.C. Ltd. amalgamated with Silverco Corp (the "Amalgamation"), forming Silverco Mining (Subsidiary) Ltd., a wholly-owned subsidiary of the Company.

Immediately prior to completing the RTO, Silverco Ltd consolidated its issued and outstanding shares on a 100:1 basis. Pursuant to the Amalgamation, former shareholders of Silverco Corp received common shares of Silverco Ltd at an exchange ratio of 1.88 (the "Exchange Ratio") post-consolidation common shares of Silverco Ltd for each Silverco Corp common share held. Upon completion of the RTO, the shareholders of Silverco Corp controlled Silverco Ltd and accordingly, the transaction was accounted for as a reverse acquisition of Silverco Ltd by Silverco Corp and Silverco Corp was identified as the accounting acquirer. The historical operations, assets, and liabilities of Silverco Corp are included as comparative figures, as Silverco Corp is deemed to be the continuing entity for financial reporting purposes.

All transactions relating to periods prior to the completion of the RTO on October 17, 2025 reflect the common shares of Silverco Corp retroactively restated at the exchange ratio of 1.88 post-consolidation common shares of the Company for each Silverco Corp common share, which presents share information on a basis consistent with the post-RTO capital structure of the Company.

Pursuant to the Amalgamation Agreement, all of the Silverco Corp share purchase warrants, stock options and performance share units are adjusted by the Exchange Ratio and will entitle the holders thereof to receive, upon exercise or settlement, common shares of the Company, as adjusted by the Exchange Ratio.

HIGHLIGHTS

Highlights for the three months ended September 30, 2026, and to the date of this MD&A are as follows:

La Negra Mine

- Q3 2026 production of 348,578 silver equivalent ("AgEq") ounces ("oz")[1], comprising 161,741 oz of silver, 881,732 lb of copper, 408,585 lb of lead and 3,216,427 lb of zinc.

- On July 13, 2026, the Company announced the commencement of a planned 15,000 metre 2026 exploration drilling program at La Negra.

- On August 24, 2026 the Company provided an update on its advancements at the La Negra Mine. Initial improvements included the appointment of a new general manager with extensive experience in underground operations in Mexico, the ordering of new underground fleet equipment and the implementation of campaign milling. The tailings filtration project remains on track for completion in Q1 2027 and Knight Piésold was engaged as the engineer of record. Subsequent to quarter end, the first piece of equipment arrived on site, Knight Piésold was onboarding, and a contract was awarded for civil works for the tailings filtration plant.

- On September 21, 2026, the Company announced the results of an independent Preliminary Economic Assessment ("PEA") and supporting Mineral Resource Estimate ("MRE") for the La Negra Mine, prepared by SGS Canada Inc. ("SGS") in accordance with NI 43-101. At a base case silver price of US$50/oz, the PEA estimates an after-tax net present value ("NPV") (5%) of US$329.00 million and after-tax free cash flow of US$438.80 million; each US$10/oz change in the silver price changes after-tax NPV (5%) by approximately US$70.00 million. The PEA outlines average annual production of 4.1 million ("M") ounces ("oz") silver equivalent ("AgEq") over an 8.2-year mine life, life of mine ("LOM") all-in-sustaining cost ("AISC") of US$24.86 per payable AgEq oz and initial capital of US$20.90 million. It is supported by Indicated Mineral Resources of 15.23 Mt at 201 g/t AgEq (98.2 Moz AgEq) and Inferred Mineral Resources of 2.26 Mt at 174 g/t AgEq (12.6 Moz AgEq). The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Company has no Mineral Reserves at La Negra; see "La Negra Mineral Resource Estimate and Preliminary Economic Assessment".

Cusi Mining Complex

- On August 4, 2026, the Company announced an update on the Cusi restart, including the first underground development blast, the advancement of the plant refurbishment across the crushing, grinding, flotation and laboratory areas, and the arrival of primary ventilation equipment.

- On November 16, 2026, the Company announced production and shipment of concentrate from the mill and provided an updated on the restart highlighting the completion of mill refurbishment on budget and on schedule.

- During November 2026, the Company entered into an offtake agreement for concentrate produced at the Cusi Mining Complex. The agreement provides for a prepayment facility of up to US$15 million that may be drawn at the Company's discretion. Outstanding amounts will bear interest at three-month SOFR plus 4.0% until repaid. Each drawdown, including principal and accrued interest, will be repaid over 24 months from the applicable drawdown date, with interest-only payments for the first six months.

Corporate and Financial

- The Company had no mining operations during the three and nine months ended September 30, 2025. Results for the current periods reflect the development of the Cusi Mining Complex from April 1, 2026 and the consolidation of La Negra Mine from May 19, 2026, and are therefore not directly comparable to the prior-year periods.

- Revenue of $24.57 million and mine operating earnings of $3.42 million from the La Negra Mine during the quarter.

- Net loss of $1.12 million ($0.02 loss per share) for the quarter, which includes provisional pricing adjustments of $1.16 million relating primarily to La Negra's settlement of concentrate sales made prior to the acquisition, and general and administrative expense of $3.38 million.
- Cash of $36.15 million at September 30, 2026.
- Agreement was terminated as part of the transaction. The Company has the right to repurchase 1% of the net smelter return royalty for $2.00 million and, following exercise of that right, an additional 1% for $4.00 million.
- On August 11, 2026, the Company appointed Dr. Jesus Velador as Vice President, Exploration, effective September 1, 2026.
- On August 26, 2026, the Company announced that Sean Fallis stepped down as Chief Financial Officer ("CFO") to spend time with his family effective September 30, 2026. Victoria Avila, Silverco Ltd.'s former Senior Vice President Corporate Affairs and Finance, was promoted and assumed the role of CFO on September 30, 2026.

OUTLOOK

As at the date of this MD&A, the Company holds two principal mineral assets in Mexico: the La Negra Mine, a producing silver mine acquired on May 19, 2026 that has not yet declared commercial production, and the Cusi Mining Complex, where, subsequent to quarter end, first concentrate was produced and shipped on schedule.

The Cusi Mining Complex is supported by an updated Mineral Resource Estimate announced in December 2025 and the results of a PEA announced in April 2026, which outlines a low-capital restart (see Mineral Resource Estimate and Preliminary Economic Assessment sections of this MD&A). According to the PEA, annual production at Cusi averages 2.5m ozs AgEq over the first 4 years with a 9 year mine life and an AISC of US$26.75.

The La Negra Mine is supported by an updated Mineral Resource Estimate and the results of the PEA announced in September 2026, which outline an 8.2-year mine life with average annual production of 4.1 Moz AgEq (see La Negra Mineral Resource Estimate and Preliminary Economic Assessment section of this MD&A).

The combination of these two assets is consistent with management's objective of building the Company into a mid-tier silver producer with a vision to build a 10 million ounce per year silver equivalent producer within three years.

Key milestones are as follows:

Milestone	Asset	Target
Execution of 15,000 metre exploration drill program	La Negra	Q1-2027
Upgrade underground mining equipment	La Negra	H1-2027
Commissioning of tailings thickener and filter press	La Negra	H1-2027
Declaration of commercial production and ramp up to nameplate of 2,500 tonnes per day ("tpd")	La Negra	H1-2027
Completion of plant refurbishment	Cusi	Q4-2026
Commencement of concentrate production	Cusi	Q4-2026
Completion of 30,000 metre exploration drill program	Cusi	Q4-2026
Declaration of commercial production and ramp up to nameplate of 1,200 tpd	Cusi	H1-2027

Target dates are management estimates as at the date of this MD&A, are forward-looking, and are subject to the risks and assumptions described under "Forward-Looking Statements".

Management will continue to monitor commodity markets, macroeconomic conditions, and regulatory developments in both Canada and Mexico, all of which may influence the timing and sequencing of the Company's activities. The Company remains committed to creating long-term shareholder value through the disciplined advancement of the Cusi Mining Complex, the integration and optimization of the La Negra Mine, and the pursuit of accretive growth opportunities.

MINERAL PROPERTIES AND OPERATIONS

The Company's mineral properties comprise the La Negra Mine in Querétaro, Mexico and the Cusi Mining Complex in Chihuahua, Mexico. The Cusi Mining Complex is in the commissioning stage, with first concentrate production announced subsequent to quarter end. The Company also holds the Big Kidd Project in British Columbia, Canada.

A summary of the Company's mineral property assets is as follows:

	September 30, 2026		
	Cost	Accumulated Depreciation	Carrying Value
Mexico – La Negra	304,597,191	(1,521,674)	303,075,517
Mexico – Cusi	32,433,364	(601,724)	31,831,640
Canada – Other	755,874	(57,512)	698,362
Total	**337,786,429**	**(2,180,910)**	**335,605,519**

Royalties

The concessions within the Cusi Mining Complex are subject to Net Smelter Return ("NSR") aggregate royalties totaling either 1%, 2%, 3%, or 4%. The concessions with aggregate NSR royalties totaling 4% can be reduced to 2% with a payment of US$1.00 million. The concessions with aggregate NSR royalties totaling 3% and 2% can be reduced to 2% and 1% respectively with a payment of US$5.00 million. The concessions with a NSR royalty of 1% do not have a repurchase option.

La Negra concessions are subject to two royalties i) a 2.5% NSR royalty on gross revenue, and ii) a 2.8% NSR royalty when the price of copper is at or above US$1.60 per pound, 2.4% NSR when it is at or above US$1.30 per pound, 2.0% NSR when it is at or above US$1.00 per pound, and nil when the price of copper is less than US$1.00 per pound, payable after the deduction of US$16 per tonne of processed material and the deduction of freight.

1. La Negra Mine

The La Negra Mine produces copper, zinc and lead concentrates containing silver, and is located approximately 150 kilometres by paved road from Querétaro city, within the Sierra Gorda range, host to numerous mineral discoveries. Exploration drilling at the project has been limited over the past two decades. The mine commenced modern production in 1971 and was operated consistently for 29 years by Peñoles. The mine was operated by subsequent owners between 2001 and 2019 and production was restarted in 2024. The mine is currently operating below its 2,500 tonne per day design capacity.

Ground conditions at the mine are well suited to long-hole mining methods, with limited ground support and backfill requirements. The process plant employs a standard crushing, grinding, flotation and filtration circuit, producing lead-silver, copper-silver and zinc concentrates. Mineralization is hosted in a skarn, and the metallurgy is well understood given more than 40 years of operating history.

The operating and financial results presented below relate only to the Post-Acquisition Period. No comparative information is presented. Readers are cautioned that mine operating earnings generated during the pre-commercial production period should not be annualized or relied upon as indicative of future results.

On July 13, 2026, the Company announced the commencement of a planned 15,000 metre 2026 exploration drilling program at La Negra.

Commercial production status

The La Negra Mine has not achieved commercial production. Management's determination of when a mine has achieved commercial production is based on factors including the processing plant consistently operating at a predetermined percentage of nameplate design capacity over a defined period, the achievement of consistent recovery rates for silver and by-product metals, the completion of operational testing and ramp-up activities, and the ability to sustain ongoing commercial production.

Through the remainder of 2026 and into H1 2027, the Company will focus on increasing throughput at La Negra through investments in equipment, spare parts, enhanced maintenance programs, and a dry stack tailings facility. Based on this current plan, management expects commercial production to be declared in the first half of 2027.

The following table summarizes the La Negra Mine's operating results for the Post-Acquisition Period ended September 30, 2026:

Summary of Operating Statistics [1]	Acquisition Date to June 30,2026	Three months ended September 30, 2026	Acquisition Date to September 30, 2026
Production			
Ore mined (kt)	54	127	181
Ore processed (kt)	59	125	184
Head grade			
Average silver grade (g/t)	49	49	49
Average copper grade (%)	0.40	0.37	0.38
Average lead grade (%)	0.15	0.19	0.17
Average zinc grade (%)	1.21	1.30	1.27
Recoveries			
Average silver recovery (%)	79.96	81.8	81.2
Average copper recovery (%)	86.07	86.7	86.5
Average lead recovery (%)	70.89	80.8	77.6
Average zinc recovery (%)	86.45	90.1	88.9
Silver produced (oz)	73,264	161,741	235,005
Copper produced (lb)	457,848	881,732	1,339,580
Lead produced (lb)	141,644	408,585	550,229
Zinc produced (lb)	1,368,779	3,216,427	4,585,206
Silver equivalent produced (AgEq oz) [2]	*158,259*	*348,578*	*506,837*
Sales			
Copper concentrate sold (dmt)	851	1,452	2,303
Lead concentrate sold (dmt)	130	322	452
Zinc concentrate sold (dmt)	1,173	3,196	4,369
Payable silver sold (oz)	62,766	135,823	198,589
Payable copper sold (lb)	419,585	724,116	1,143,701
Payable lead sold (lb)	118,753	359,127	477,880
Payable zinc sold (lb)	961,360	2,776,120	3,737,480
Realized prices [3]			
Realized price – silver (US$/oz)	$60.09	$63.41	$62.40
Realized price – copper (US$/lb)	$6.07	$6.54	$6.40
Realized price – lead (US$/lb)	$0.85	$0.84	$0.84
Realized price – zinc (US$/lb)	$1.61	$1.78	$1.77

[1] *The La Negra Mine has not achieved commercial production, and its production is not based on mineral reserves or a feasibility study.*

[2] *Silver equivalent ("AgEq") ounces are calculated by converting copper, lead and zinc production to silver-equivalent ounces using average realized metal prices for each period: for the period from the Acquisition Date to June 30, 2026, US$60.09/oz silver, US$6.07/lb copper,*

US$0.85/lb lead and US$1.61/lb zinc; and for the three months ended September 30, 2026, US$63.41/oz silver, US$6.54/lb copper, US$0.84/lb lead and US$1.78/lb zinc. AgEq for the Post-Acquisition Period is the sum of the two periods.

(3) *Realized prices are based on provisional sales, include final settlement adjustments, and are stated before treatment and refining charges of approximately* $2.40 million for the Post-Acquisition Period.

Revenue by concentrate

	Three months ended September 30, 2026	Nine months ended September 30, 2026
	$	$
Copper concentrate	**10,021,384**	**15,958,162**
Lead concentrate	**7,993,900**	**11,581,322**
Zinc concentrate	**5,451,140**	**7,249,953**
Provisional pricing adjustments on post-acquisition concentrate sales	**1,099,010**	**163,165**
Total	**24,565,434**	**34,952,602**

Concentrate sales are provisionally priced at the date of delivery, with final settlement determined by reference to average metal prices over a quotational period following shipment. Provisional pricing adjustments arising on concentrate delivered after the acquisition date are recognized within revenue and increased revenue by $0.16 million for the Post-Acquisition Period due to an increase in forecast silver prices and the settlement of shipments during the current quarter. Provisional pricing adjustments arising on concentrate delivered by La Negra before the acquisition date do not represent revenue of the Company and are recognized separately within other income (expense); these were a gain of $1.16 million for the quarter and a loss of $1.22 million for the Post-Acquisition Period.

2. Cusi Mining Complex

The Cusi Mining Complex is a 100%-owned, past-producing, permitted silver-lead-zinc-gold project located approximately 135 kilometres west of Chihuahua City, in the Sierra Madre Occidental range, Chihuahua State, Mexico, held through the Company's wholly-owned subsidiary, Minera San Bernabé De C.V.

The Cusi Mining Complex has a long production history, with historical output exceeding 100 million ounces of silver since mining activity began in the district in the 1700s. The mine was most recently operated by others from 2014 to September 2023, when it was placed on care and maintenance. The existing infrastructure includes a permitted 1,200 tonne per day processing facility. Silverco Ltd acquired Cusi in 2024 prior to the RTO.

During the nine months ended September 30, 2026, the Company completed the Cusi PEA (announced April 13, 2026; see "Cusi Preliminary Economic Assessment"), undertook site rehabilitation work to support the planned restart of the Cusi mine, commenced underground development, and initiated a 30,000 metre 2026 exploration campaign. Primary site activities were initially centered on the Promontorio zone and surface infrastructure readiness:

Restart progress

The Cusi restart remained on budget and on schedule, with overall restart progress approximately 90% complete as of September 30, 2026. The Cusi restart capital budget of US$19.20 million and the Company's targeted production milestones remain unchanged, with first concentrate production targeted for the fourth quarter of 2026. Subsequent to quarter end, the Company announced that it has produced and shipped first concentrate. Key developments during the quarter reported include:

- Underground mining contractors were mobilized and active at both initial mining zones, Promontorio and San Miguel, with more than 240 company and contractor personnel working at Cusi;
- First underground development blast was completed, along the main Promontorio ramp;

- Ongoing preparatory works for the new San Miguel portal were undertaken, including installation of ground support, with the initial portal blast expected imminently. Subsequent to the quarter underground development at San Miguel has advanced;
- Primary ventilation fans arrived at Promontorio, with foundations complete and installation in progress;
- Refurbishment of the Mal Paso process plant was more than 82% complete, with the crushing circuit approximately 89% complete and work advancing across the grinding, flotation and laboratory areas; and
- Drilling from the Company's 30,000 metre exploration program reinforced the potential to define additional mineralization within or close to the planned mine footprint, presenting an opportunity to enhance the mine plan early in the restart.

Subsequent to quarter end, on November 16, 2026, the Company announced that it had shipped first concentrate from Cusi, on schedule and with restart capital on budget. Dry commissioning of the Mal Paso plant is complete and wet commissioning is substantially complete, with operations planned for the end of November 2026. The tailings thickener is not required for operations and is expected to be completed in January 2027. Underground development is ramping up at Promontorio and San Miguel, with initial stope production at Promontorio planned for late Q4 2026. The Company expects to reach the design capacity of 1,200 tpd and declare commercial production in H1 2027.

Restart progress percentages and physical completion estimates are management estimates derived from the Company's internal project controls and are subject to revision. The production decision to restart Cusi was not based on a feasibility study demonstrating economic and technical viability. Readers are cautioned that there is increased uncertainty and risk associated with production decisions made on this basis. However, given the Mal Paso mill and the remaining surface infrastructure was already in place and there had been a long and recent history of underground mining at Cusi. Management believes the uncertainty and risk of a restart program was substantively lower than that associated with a greenfield project.

Exploration program

The Company mobilized crews for its 2026 surface and underground drilling program in Q1 2026. Initial drilling is focused on infilling the Promontorio zone and expanding on the San Miguel results from the 2025 exploration program, which demonstrated the potential to define wide, parallel zones of mineralization. As of the date of this MD&A, four drill rigs are active at Cusi — three surface and one underground — as part of the planned 30,000 metre 2026 exploration program.

3. Exploration and Evaluation Activities

Exploration and evaluation expenditures presented below reflect costs incurred at the Cusi Mining Complex from January 1, 2026 to March 31, 2026, together with expenditures on the Big Kidd Project. Effective April 1, 2026, management determined that the criteria in IFRS 6 were met, being that the technical feasibility and commercial viability of extracting the mineral resource at the Cusi Mining Complex are demonstrable, and the Cusi exploration and evaluation asset was reclassified to mineral properties within mineral properties, plant and equipment. This determination is an accounting judgment made under IFRS 6 and does not constitute a determination of economic viability under National Instrument 43-101. Accordingly, qualifying expenditures incurred on the Cusi Mining Complex on or after April 1, 2026 are capitalized to mineral properties under IAS 16 and are no longer presented as exploration and evaluation expenses.

Exploration expenditures incurred at the Cusi Mining Complex on or after April 1, 2026, and at La Negra Mine from its acquisition date of May 19, 2026, relate to the development of those properties. They are capitalized to mineral properties under IAS 16 and are therefore excluded from the table below.
A summary of the Company's exploration and evaluation expenses is as follows:

	Three months ended		Nine months ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	$	$	$	$
Drilling	-	1,383,123	133,715	1,383,123
Rental equipment	-	277,311	252,653	789,229
Utilities and fuel	-	134,108	363,345	984,606
Technical services	-	207,118	399,843	357,918
Salary and wages	-	214,455	467,621	492,532
Professional services	-	190,482	151,126	390,056
Environmental studies	-	823	7,811	54,232
Permits and concession fees	-	636,015	267,355	636,015
Assays and analysis	-	73,783	28,512	86,603
Field consumables	-	295,155	340,832	30,586
Site and office services	-	148,416	379,153	355,247
Other	-	63,051	8,020	63,051
Depreciation	-	97,582	72,696	194,692
Cusi Mining Complex	-	3,721,422	2,872,682	5,817,890
Big Kidd	(400,000)	-	(200,000)	-
Total	(400,000)	3,721,422	2,672,682	5,817,890

FINANCIAL PERFORMANCE

Income Statement

The following table summarizes the Company's consolidated results for the three and nine months ended September 30, 2026, which include the results of the La Negra Mine for the Post-Acquisition Period only. Comparative results for the three and nine months ended September 30, 2025 reflect exploration and evaluation expenditures at the Cusi Mining Complex and corporate costs, as the Company had no revenue or mining operations in those periods.

	Three months ended September 30,		Nine months ended September 30,	
	2026	**2025**	**2026**	**2025**
	$	$	$	**$**
Revenue	**24,565,434**	-	**34,952,602**	-
Cost of sales				
Production costs	**(18,596,430)**	-	**(27,975,463)**	-
Depreciation and amortization	**(1,207,023)**	-	**(1,356,860)**	-
Royalties	**(1,337,484)**	-	**(1,820,798)**	-
	(21,140,937)	-	**(31,153,121)**	-
Mine operating earnings	**3,424,497**	-	**3,799,481**	-
Operating expenses				
Exploration and evaluation expenditures	**400,000**	(3,721,422)	**(2,672,682)**	(5,817,890)
General and administrative	**(3,382,435)**	(1,203,712)	**(8,131,077)**	(1,394,225)
Income (loss) from operations	**442,062**	(4,925,134)	**(7,004,278)**	(7,212,115)
Other income (expense)				
Provisional pricing adjustments on pre-acquisition concentrate sales	**1,157,156**	-	**(1,215,382)**	-
Interest income	**287,132**	-	**776,410**	13,767
Transaction expenses	**(12,230)**	-	**(950,795)**	-
Foreign exchange gains	**345,968**	48,359	**592,003**	40,632
Interest and finance expense	**(1,047,522)**	(6,020)	**(1,543,440)**	(20,534)
Other income	**198,988**	-	**198,988**	-
Net income (loss) before income taxes	**1,371,554**	(4,882,795)	**(9,146,494)**	(7,178,250)
Current income tax expense	**(516,617)**	-	**(719,216)**	-
Deferred income tax expense	**(1,971,386)**	-	**(2,757,638)**	-
Net loss for the period	**(1,116,449)**	(4,882,795)	**(12,623,348)**	(7,178,250)
Loss per share				
Basic and diluted	**(0.02)**	(0.15)	**(0.28)**	(0.27)
Weighted average shares outstanding				
Basic and diluted	**55,416,746**	31,727,855	**45,536,296**	27,077,552

The following table presents results for the three and nine months ended September 30, 2026, relative to the corresponding periods in the prior year.

	Three months ended September 30, 2026	Nine months ended September 30, 2026	Note
Revenue	$	$	
Increase/(Decrease) revenue	24,565,434	34,952,602	1
Cost of sales			
(Increase)/Decrease production costs	(18,596,430)	(27,975,463)	1
(Increase)/Decrease depreciation and amortization	(1,207,023)	(1,356,860)	1
(Increase)/Decrease royalties	(1,337,484)	(1,820,798)	1
Operating expenses			
(Increase)/Decrease exploration and evaluation expenditures	4,121,422	3,145,208	2
(Increase)/Decrease general and administrative	(2,178,723)	(6,736,852)	3
(Increase)/Decrease in loss from operations	**5,367,196**	**207,837**	
Other (income) expenses			
(Increase)/Decrease provisional pricing adjustments on pre-acquisition concentrate sales	1,157,156	(1,215,382)	4
Increase/(Decrease) interest income	287,132	762,643	5
(Increase)/Decrease transaction expenses	(12,230)	(950,795)	6
Increase/(Decrease) foreign exchange gains	297,609	551,371	
(Increase)/Decrease interest and finance expense	(1,041,502)	(1,522,906)	7
Increase/(Decrease) other income	198,988	198,988	
(Increase)/Decrease in net loss before tax	**6,254,349**	**(1,968,244)**	
(Increase)/Decrease current income tax expense	(516,617)	(719,216)	
(Increase)/Decrease deferred income tax expense	(1,971,386)	(2,757,638)	
(Increase)/Decrease in net loss	**3,766,346**	**(5,445,098)**	

1. Revenue **of** $24.57 million for the quarter and $34.95 million for the nine months reflects concentrate sales from the La Negra Mine since its acquisition on May 19, 2026. Cost of sales for the three months and nine months comprised production costs of $18.60 million and $27.98 million, depreciation of $1.21 million and $1.36 million, and royalties of $1.34 million and $1.82 million, respectively, all relating to La Negra operations. The Company did not own an operating mine in 2025 and therefore recorded no revenue or cost of sales in the comparative periods.

2. **Exploration and evaluation expenditures:** The three month decrease of $4.12 million and nine months decrease of $3.15 million resulted from the reclassification of the Cusi exploration and evaluation asset to mineral properties effective April 1, 2026, when the criteria in IFRS 6.17 were met. From that date, qualifying Cusi restart and development expenditures are capitalized to mineral properties, whereas in the comparative period all such expenditures were expensed as exploration and evaluation expenditures. The $0.40 million recovery for the quarter reflects the reversal of $0.40 million accrued under the Big Kidd Acquisition, upon the termination of the Option Agreement on July 24, 2026.

3. **General and administrative:** The three month $2.18 million increase and nine months $6.74 million increase reflect the build-out of the Company's corporate function, including management and board of directors, to support the Cusi restart and the acquisition and integration of the La Negra Mine. Salaries, benefits and directors' fees were $1.11 million for the quarter (2025 – $0.15 million) and professional fees were $1.19 million (2025 – $0.03 million). For the nine months, share-based compensation was $2.57 million (2025 – $0.97 million) and professional fees were $1.98 million (2025 – $0.07 million).

4. **Provisional pricing adjustments on pre-acquisition concentrate sales:** These adjustments relate to shipments La Negra delivered before May 19, 2026 that settled, or were revalued, after the acquisition. The Company recorded a gain of $1.16 million in the quarter as shipments settled, and unsettled shipments were revalued, at prices higher than at June 30, 2026. The nine-month loss of $1.22 million reflects a second-quarter loss of $2.37 million, when prices at June 30,

2026 were below those at shipment, partly offset by the third-quarter gain. Provisional pricing adjustments on unsettled shipments are revalued each period until final settlement.

5. **Interest income:** The three month $0.29 million increase and nine months $0.76 million increase reflect interest earned on the cash balance held following the closing of the $62.50 million bought deal private placement in February 2026.

6. **Transaction expenses:** The nine months increase of $0.95 million are professional and advisory fees directly attributable to the Nuevo Acquisition, expensed as incurred.

7. **Interest and finance expense:** The $1.04 million three months and $1.52 million nine months increase was driven by the addition of La Negra's reclamation provisions liability accretion, accretion of the deferred consideration payable to La Negra's former owner, leases, and interest expense related to debt facility assumed in the La Negra acquisition.

Cash Flows

A summary of the Company's cash sources and uses of cash is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	**2026**	**2025**
	$	$	**$**	$
Cash provided by (used in) operating activities	**2,108,644**	(4,158,952)	**(6,438,546)**	(7,380,172)
Cash provided by (used in) investing activities	**(18,857,530)**	(186,247)	**(16,576,222)**	1,063,753
Cash provided by (used in) financing activities	**(826,885)**	(174,975)	**57,678,534**	12,534,546
Change in cash during the period	**(17,575,771)**	(4,520,174)	**34,663,766**	6,218,127
Effect of exchange rate fluctuations on cash held	**110,418**	1,618	**365,763**	5,119
Cash, beginning of the period	**53,619,837**	12,743,852	**1,124,955**	2,002,050
Cash, end of the period	**36,154,484**	8,225,296	**36,154,484**	8,225,296

The Company reported an increase in cash of $34.66 million during the nine months ended September 30, 2026, compared to an increase of $6.22 million in the comparative period. The increase reflects the closing of the $62.50 million bought deal private placement in February 2026, partially offset by continued exploration and evaluation as well as capital expenditures at the Cusi Mining Complex and corporate activities.

Operating Activities

The Company generated its first revenue from mining operations during the period, following the acquisition of the La Negra Mine. Cash used in operating activities was $6.44 million for the nine months ended September 30, 2026, compared to $7.38 million in the comparative period, a decrease of $0.94 million. Mine operating earnings of $3.80 million from La Negra and the end of expensed Cusi exploration after March 31, 2026 were largely offset by higher corporate costs, transaction expenses of $0.95 million, pre-acquisition provisional pricing losses of $1.22 million, interest paid of $1.02 million and a $0.52 million working capital outflow.

Investing Activities

Cash used in investing activities for the nine months ended September 30, 2026 was $16.58 million comprising additions to mineral properties, plant and equipment of $26.99 million (capitalized restart and development expenditures at Cusi after April 1, 2026 and sustaining capital at La Negra), partially offset by $10.41 million of cash acquired with Nuevo.

Financing Activities

Cash provided by financing activities was $57.68 million for the nine months ended September 30, 2026, compared to cash provided by financing activities of $12.53 million in the comparative period. The nine months ended September 30, 2026 amount primarily comprises gross proceeds of $62.50 million from the bought deal private placement and $1.57 million from option and warrant exercises, partially offset by share issuance costs paid of $3.33 million, and Debt Facility repayments of $2.10 million.

Liquidity, Capital Resources and Contractual Obligations

As at September 30, 2026, the Company had cash of $36.15 million (December 31, 2025 - $1.12 million), working capital deficit of $18.62 million (December 31, 2025 – working capital of $0.73 million), an accumulated deficit of $35.49 million (December 31, 2025 – $22.86 million) and a total comprehensive loss for the nine months ended September 30, 2026 of $9.14 million (For the year ended December 31, 2025 – $17.47 million). While the Company recently began generating revenue from mining operations following the Nuevo acquisition, the Company's ability to meet its obligations for at least the next twelve months is dependent upon its ability to generate positive cash flows from production and/or raise adequate funding through equity or debt. There is no assurance that such cash flows will be achieved or that financing will be available on terms acceptable to the Company. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes the Company will be able to meet its obligations and continue its operations for the foreseeable future.

The Company notes both the La Negra Mine and the Cusi Mining Complex are producing, with ramp-up expected to continue through the first half of 2027. There is no assurance that these targets will be achieved. In addition, the Company continues to rapidly advance exploration, enhance mine performance and pursue opportunities to improve operating cash flows. To ensure effective ongoing capital management, the Company continues to evaluate opportunities to enhance its balance sheet which may include equity issuance, the issuance of debt instruments (including convertible notes, debentures, or other debt securities), or the establishment of a credit facility.

During the nine months ended September 30, 2026, the Company had the following share capital transactions:

- On February 19, 2026, the Company closed a bought deal private placement for aggregate gross proceeds of $62.50 million consisting of (i) 4,000,000 common shares of the Company at a price of $12.50 per share, for aggregate gross proceeds of $50.00 million, and (ii) 1,000,000 units at $12.50 per unit, for aggregate gross proceeds of $12.50 million (the "Financing"). Each unit consists of one common share of the Company and one-quarter of one warrant, with each whole warrant being exercisable for one common share of the Company at an exercise price of $18.00 per share for a period of 18 months from the closing. During the nine months ended September 30, 2026, the Company recorded $4.14 million in share issuance costs related to this financing, which includes $3.11 million commission to the underwriters.

- On May 19, 2026, the Company issued 16,802,283 common shares as consideration for the acquisition of 100% of the issued and outstanding common shares of Nuevo. The common shares were valued at $9.80 per share, being the closing price of the Company's common shares on the TSX Venture Exchange on the acquisition date, for total consideration of $164.66 million.

- During the nine months ended September 30, 2026, a total of 756,858 stock options and 770,226 warrants were exercised at an average exercise price of $0.91 and $1.14 per share respectively for aggregate gross proceeds of $1.57 million resulting in the issuance of 1,527,084 common shares. The associated fair value of $1.03 million previously recognized in reserves was reclassified to share capital upon exercise.

The following table sets forth a comparison of the disclosure regarding the Company's estimated use of proceeds in its final amended offering document dated January 29, 2026 and available on SEDAR+, as at September 30, 2026:

Description of the intended use of available funds	Estimated Use of Net Proceeds	Actual Spent to Date	Variance / Remaining
	$	$	$
Exploration, evaluation and restart work on Cusi Project	40,000,000	23,959,000	**16,041,000**
General and administrative expenses	5,500,000	5,474,000	**26,000**
Unallocated working capital	15,175,000	**-**	**15,175,000**
	60,675,000	**29,433,000**	**31,242,000**

As disclosed in the final amended offering document, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth, as the amounts actually allocated and spent will depend on a number of factors.

Contractual Obligations

The following table summarizes the Company's contractual obligations as at September 30, 2026, on an undiscounted basis:

	Within 1 year	1-3 years	4-5 years	5+ years	Total
Accounts payable and accrued liabilities	49,668,518	-	-	-	**49,668,518**
Lease liabilities	1,778,162	701,322	645,146	-	**3,124,630**
Other liabilities	21,282,000	-	-	-	**21,282,000**
Debt facility	10,641,000	-	-	-	**10,641,000**
Reclamation provision	-	-	-	13,504,415	**13,504,415**

Accounts payable and accrued liabilities increased to $49.67 million from $3.03 million at December 31, 2025, mainly due to $31.05 million assumed in the Nuevo Transaction and higher activity at the Cusi restart. Other liabilities consist of the deferred and contingent payments related to the Nuevo acquisition (US$12.5 million deferred and US$2.5 million contingent).

SUMMARY OF QUARTERLY RESULTS

The following table presents selected unaudited quarterly financial information for the eight most recently completed quarters:

	Q3 2026	Q2 2026	Q1 2026	Q4 2025
	$	$	$	$
Revenue	**24,565,434**	**10,387,168**	**-**	**-**
Net loss	**(1,116,449)**	**(6,102,105)**	**(5,404,794)**	**(10,619,725)**
Basic and diluted loss per share	**(0.02)**	**(0.13)**	**(0.15)**	**(0.33)**

	Q3 2025	Q2 2025	Q1 2025	Q4 2024
	$	$	$	$
Revenue	-	-	-	-
Net loss	(4,882,795)	(1,521,055)	(774,399)	(4,237,873)
Basic and diluted loss per share	(0.15)	(0.06)	(0.03)	(0.26)

Results over the eight quarters presented reflect three distinct periods in the Company's development: (i) the period prior to the RTO, in which results reflect the exploration and corporate activities of Silverco Corp, the accounting acquirer under the RTO; (ii) the period following the RTO and prior to the acquisition of Nuevo Silver Inc. ("Nuevo acquisition"), in which the Company expensed exploration and evaluation expenditures on the Cusi Mining Complex; and (iii) the current period, in which the Company completed the Nuevo acquisition, recognized revenue for the first time from its La Negra Mine and began capitalizing Cusi development expenditures. The principal factors causing variation in each quarter are as follows.

Q4-2024: Results for this quarter reflect the exploration and corporate expenditures of Silverco Corp, the private company that under reverse acquisition accounting is treated as the continuing accounting entity for periods prior to the RTO. The net loss of $4.24 million in Q4-2024 primarily reflects an increase in the level of exploration and evaluation activity at the Cusi Mining Complex during the fourth quarter.

Q1-2025 and Q2-2025: Net loss decreased to $0.77 million in Q1-2025 and increased to $1.52 million in Q2-2025, reflecting a lower and then higher level of exploration and evaluation activity at Cusi relative to Q4-2024, together with ongoing corporate costs of Silverco Corp as a private company prior to becoming a reporting issuer.

Q3-2025: Net loss increased to $4.88 million, reflecting an increase in exploration and evaluation activity at Cusi in the period leading up to the updated Mineral Resource Estimate announced on December 9, 2025, and preparatory costs associated with the RTO, which completed on October 17, 2025.

Q4-2025: Net loss increased further to $10.62 million, the highest of the eight quarters presented. This quarter includes the completion of the RTO on October 17, 2025 and the associated transaction, listing and professional costs; the Company's transition to a TSX Venture-listed reporting issuer, including the associated increase in corporate, governance and investor relations costs; and continued exploration and evaluation expenditures at Cusi supporting the December 2025 Mineral Resource Estimate.

Q1-2026: Net loss decreased to $5.40 million but remained elevated relative to the pre-RTO quarters, reflecting a full quarter of expensed exploration and evaluation expenditures at Cusi as the Company advanced toward the PEA announced in April 2026, together with increased corporate costs, including share-based compensation associated with building out the Company's management team and board following the RTO, and transaction expenses.

Q2-2026: Net loss of $6.10 million was the second-highest of the eight quarters presented, notwithstanding the recognition of the Company's first-ever revenue of $10.39 million and mine operating earnings. This reflects several offsetting factors: (i) exploration and evaluation expense at Cusi declined to nil, as qualifying restart and development expenditures were capitalized to mineral properties rather than expensed; (ii) the Company recognized its first revenue from mining operations of $10.39 million and mine operating earnings of $0.37 million, following the acquisition of the La Negra Mine on May 19, 2026; (iii) net loss was increased by transaction expenses of $0.50 million related to the acquisition, provisional pricing adjustments of $2.37 million relating to concentrate delivered by La Negra prior to the acquisition, and current and deferred income tax expense of $0.99 million, none of which arose in prior quarters; and (iv) general and administrative expenses increased, reflecting the build-out of the Company's corporate function to support two operating assets.

Q3-2026: Net loss of $1.12 million reflects the following factors: (i) an exploration and evaluation recovery of $0.40 million from the reversal of amounts accrued under the Big Kidd Option Agreement, which was terminated upon completion of the Big Kidd Acquisition; (ii) the Company recognized its first full quarter of revenue from the La Negra Mine of $24.57 million and mine operating earnings of $3.42 million; and (iii) a gain of $1.16 million on provisional pricing adjustments relating to concentrate delivered by La Negra prior to the acquisition, as shipments settled and were revalued at prices higher than at June 30, 2026; offset by (iv) general and administrative expenses of $3.38 million; (v) interest and finance expense of $1.05 million, mainly accretion on the reclamation provisions and deferred consideration and interest on the Debt Facility; and (vi) income tax expenses of $2.48 million.

OUTSTANDING SECURITY DATA

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

	September 30, 2026	MD&A Date
	#	#
Common shares	**55,945,632**	56,284,032
Options	**3,283,892**	3,058,292
Warrants	**945,738**	940,737
Performance share units	**1,253,584**	1,034,000
Restricted share units	**492,355**	488,355

LA NEGRA PRELIMINARY ECONOMIC ASSESSMENT

On September 21, 2026, the Company announced the results of an independent PEA and supporting MRE for the La Negra Mine, prepared by SGS in accordance with NI 43-101. The PEA outlines an 8.2-year mine life and steady-state throughput of 2,500 tonnes per day beginning in H2 2027, following arrival and commissioning of the new mining fleet and completion of the dry-stack tailings project, with average annual output of 4.1 million oz AgEq produced. The supporting NI 43-101 technical report, titled "Technical Report on the Preliminary Economic Assessment for La Negra Mine, Querétaro, Mexico" (the "Technical Report"), dated November 5, 2026 with an effective date of September 18, 2026, was filed on SEDAR+ on November 5, 2026 and is available under the Company's profile at www.sedarplus.ca.

Readers are cautioned that the PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results of the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The Company has no mineral reserves at La Negra.

PEA Economic Highlights

All dollar amounts in the following PEA discussion are expressed in US$ unless otherwise noted.

The following table summarizes the key results of the PEA:

	Units	**Base Case**
Silver price assumption	US$/oz	50
Mine life	years	8.2
Throughput	tpd	2,500
Average AgEq produced(2)	M AgEqoz/year	4.1
Average AgEq payable (2)	M AgEqoz/year	3.6
After-tax NPV (5%)	**US$M**	**328.7**
After-tax IRR	%	130.5
After-tax payback	years	2.00
Initial capital	US$M	20.9
Sustaining capital (incl. closure)	US$M	82.0
Site AISC Co-Product	US$/AgEq oz payable	24.86
Operating costs	US$/t milled	67.59

Notes:

(1) *Base case metal prices include copper at US$4.50/lb, lead at US$0.88/lb, and zinc at US$1.30/lb.*

(2) AgEq is calculated by dividing the total value of payable metal by the silver price, using the PEA price assumptions of $50.00/oz silver, $4.50/lb copper, $0.88/lb lead and $1.30/lb zinc. AgEq Produced applies the same conversion to metal recovered to concentrate. Payability, treatment and refining charges, transportation and penalties are reflected in the payable figures. Average produced and payable excludes production from 2026 half year.

The production schedule underlying the PEA includes approximately 78% Indicated and 22% Inferred Mineral Resources by tonnage. There is no certainty that Inferred Mineral Resources will be upgraded to Indicated or Measured Mineral Resources with further exploration, or that any Mineral Resource will be converted to a Mineral Reserve.

Project Description and Mining Plan

The PEA outlines an 8.2-year mine life and steady-state throughput of 2,500 tpd beginning in H2 2027, with mining activities initially focused on the Valeria Zone within the existing La Negra underground workings. Ground conditions at La Negra are favourable, allowing for bulk mining using long hole. Over the LOM, average mining rates, inclusive of waste, are targeted to be in the range of 2,648 tpd and will be supported by the Company's new mining fleet arriving through Q4 2026 and Q1 2027. To optimize grade delivery, the Company will continue to employ a stockpiling strategy for lower-grade material and enhance its mine planning, grade control, and dilution practices.

Production and Revenue Profile

Average annual production over the LOM is forecasted to be 4.1 Moz AgEq produced for total production of 33.1 Moz AgEq over the LOM. Approximately 65% of the projected life-of-mine Net Smelter Return (NSR) revenue is generated from silver production. The remaining 35% of the NSR revenue is comprised of by-product metals, including copper (12%), lead (6%), and zinc (17%), as calculated using the PEA's metallurgical recovery, metal price assumptions, and payabilities.

Metal Price Assumptions

The base case utilizes a silver price of US$50.00 per ounce and lead, zinc, and copper prices of US$0.88/lb, US$1.30/lb and US$4.50/lb respectively, derived from the Company's current sales forecasts and validated against the LME 24-month trailing average closing price to the end of June 2026.

Capital and Operating Costs

The initial growth capital requirements are forecasted to be US$20.90 million over 2026 and 2027. The initial capital estimate consists primarily of the new mining fleet, completion of the dry-stack tailings project, and some minor underground infrastructure upgrades. Working capital has been excluded from capital but included within the financial model.

Sustaining capital is estimated at US$68.30 million over the life-of-mine, primarily related to ongoing underground mine development and associated infrastructure, tailings management, and closure costs.

Operating costs were estimated as a combination of historical operating costs at La Negra (based on recent operating data), updated with current labour rates and reagent and consumable pricing, and projected dry-stack tailings and new equipment operating costs. A concentrate offtake agreement is in place for the life of the mine. Third party royalties are estimated to be approximately 5% after deductions and are in addition to the 1% extraordinary mining duty that applies to precious metals in Mexico.

Life-of-mine cash operating costs have been estimated at US$67.59/t and AISC (excluding exploration and corporate costs) are estimated at US$24.86/AgEq oz payable.

LA NEGRA MINERAL RESOURCE ESTIMATE

The La Negra MRE is based on a validated database which includes data from 41,933 surface and underground drill holes and channels totaling 320,458 m. The resource database totals 50,456 assay intervals representing 102,803 m.
The MRE is geologically and structurally controlled, allowing for enhanced geologic and grade continuity. Resource estimation was completed for each mineral domain using inverse distance squared (ID^2) interpolation method on 2.00 m capped composites and considering as-built depletion models where available. The MRE is exclusive of mined out material.

Indicated Mineral Resources are estimated at 15.23 Mt at 201 g/t AgEq for 98.2M AgEq oz and Inferred Mineral Resources are estimated at 2.26Mt at 174 g/t AgEq for 12.6 M AgEq oz.

Table: La Negra Mine Underground Mineral Resource Estimate at a Base Case Cut-off Grade of 80 g/t AgEq

		Grade					Contained Metal				
Resource Class	**Tonnes (MT)**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**	**Cu (%)**	**AgEq (g/t)**	**Ag (Moz)**	**Pb (Mlbs)**	**Zn (Mlbs)**	**Cu (Mlbs)**	**AgEq (Moz)**
Indicated	15.23	106	0.59	1.81	0.47	201	51.9	199	608	158	98.2
Inferred	2.26	92	1.00	1.92	0.21	174	6.72	49.7	95.7	10.6	12.6

Notes:

(1) The effective date of the La Negra Mineral Resource Estimate ("MRE") is July 1, 2026.
(2) The MRE was prepared by Allan Armitage, Ph.D., P.Geo. of SGS Geological Services, an independent Qualified Person as defined by NI 43-101. Dr. Armitage completed site visits to the project on March 23-24, 2026 and June 12-14, 2026.
(3) The classification of the current MRE into Indicated and Inferred is consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves.
(4) All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.
(5) The MRE is presented undiluted and in situ, constrained by continuous 3D wireframe models, and are considered to have reasonable prospects for eventual economic extraction. The MRE is exclusive of mined out material.
(6) Mineral Resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
(7) The La Negra MRE is based on a validated database which includes data from 41,933 surface and underground drill holes and channels totaling 320,458 m. The resource database totals 50,456 assay intervals representing 102,803 m.
(8) The MRE for La Negra is based on 33 three-dimensional ("3D") mineral resource models and 18 mine as-built depletion models.
(9) Grades for Ag, Pb, Zn and Cu were estimated for each mineralization domain using 2.00 m capped composites assigned to that domain. To generate grade within the blocks, the inverse distance squared (ID2) interpolation method was used for all domains. An average density value was assigned to each domain.
(10) Underground Mineral Resources are reported at a base case cut-off grade of 80 g/t AgEq. The underground Mineral Resource grade blocks are quantified above the base case cut-off grade and within the constraining mineral resource domains (considered mineable shapes).
(11) AgEq Cut-off grades consider metal prices of $38.00/oz Ag, $4.80/lb Cu, $0.90/lb Pb and $1.35/lb Zn and metal recoveries 80.2% for Ag, 79.2% for Cu, 80.3% for Pb and 80.7% for Zn.
(12) The underground base case cut-off grade of 80 g/t AgEq considers a mining cost of $42.00/t rock and processing, treatment and refining, transportation, and G&A cost of $32.00/t mineralized material.
(13) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

CUSI PRELIMINARY ECONOMIC ASSESSMENT

On April 13, 2026, the Company announced the results of the PEA for the Cusi Mining Complex, prepared by JDS Energy & Mining Inc. ("JDS"), Forte Dynamics ("Forte"), and SGS in accordance with the NI 43-101 technical report, using the MRE report filed on SEDAR+ at www.sedarplus.ca on January 14, 2026. The PEA outlines a low-capital restart of the existing underground mine and 1,200 tonne-per-day processing facility, with concentrate production targeted to commence in late 2026 and full ramp-up by mid-2027. The supporting NI 43-101 technical report, titled "Preliminary Economic Assessment Technical Report for the Cusi Project," was filed on SEDAR+ on May 21, 2026 and is available under the Company's profile at www.sedarplus.ca.

Readers are cautioned that the PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results of the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

PEA Economic Highlights

All dollar amounts in the following PEA discussion are expressed in US$ unless otherwise noted.

The following table summarizes the key results of the PEA:

	Units	**Base Case**
Silver price assumption	US$/oz	$44.58 (LOM avg.)
Mine life	years	8.3
Throughput	tpd	1,200
Avg. annual AgEq production (2028–2033)	Moz	~2.5
After-tax NPV (5%)	**US$M**	**104.1**
After-tax IRR	%	94.8
After-tax payback	years	0.9
Initial capital	US$M	19.2
Sustaining capital (incl. closure)	US$M	140.6
LOM All-In-Sustaining Costs ("AISC")	US$/AgEq oz	26.75
LOM Operating Cash Costs	US$/AgEq oz	17.24

Base case metal prices include gold at US$3,000/oz, lead at US$0.91/lb, and zinc at US$1.29/lb for both scenarios. Initial capital is inclusive of all capital and owner's costs through Q1 2027 and is net of revenue generated during the commissioning period from Q4 2026 to Q1 2027.

Upside Case

The PEA also evaluated an upside case utilizing a fixed silver price of US$75.00 per ounce, with all other metal prices held constant at the base case assumptions. Under the upside case, the after-tax NPV (5%) increases to US$312.20 million with an after-tax IRR of 186.9% and a payback period of 0.5 years.

Project Description and Mining Plan

The PEA contemplates an approximately nine-year mine life at a steady-state throughput of 1,200 tonnes per day, with mining activities focused on three primary zones: Promontorio, San Miguel, and Eduwiges. Initial production will prioritize the Promontorio zone to leverage existing underground infrastructure and advanced development. Development of the San Miguel zone is planned to proceed concurrently, targeting full ramp-up by the end of H1 2027. Mining will utilize conventional sublevel long-hole open stoping in a retreat configuration, performed by specialized contract miners.

Ore will be transported approximately 40 kilometres by highway truck to the Company's existing processing facility, which utilizes a conventional comminution and flotation circuit to produce a high-value bulk lead-silver concentrate. The project currently maintains constructed tailings storage capacity for the first twelve months of production, with permits already in place for additional capacity required by the end of 2027.

Production and Revenue Profile

Average annual silver equivalent production over the 2028 to 2033 period is estimated at approximately 2.5 Moz AgEq, with peak annual production of approximately 2.8 Moz AgEq. LOM silver recovered to concentrate totals 14.5 Moz, with by-product metals comprising gold (13,400 ounces), lead (60.9 million pounds), and zinc (63.1 million pounds).

At base case prices, approximately 88% of projected life-of-mine net smelter return revenue is derived from silver, with the remainder attributable to lead (8%), gold (3%), and zinc (1%), providing the Company with significant leverage to silver prices.

Metal Price Assumptions

The base case utilizes a silver price curve starting at US$65.00 per ounce in 2026, reflecting spot prices and consensus projections at the time of the PEA, tapering to a long-term price of US$38.00 per ounce from 2030 onward. The life-of-mine average realized silver price is US$44.58 per ounce, which represents an approximate 13% discount to the consensus pricing of 32 banks and financial institutions at the time of the study. Gold, lead, and zinc are held constant at US$3,000 per ounce, US$0.91 per pound, and US$1.29 per pound, respectively. The upside case applies a fixed silver price of US$75.00 per ounce, with all other metal price assumptions unchanged.

Capital and Operating Costs

Initial capital is estimated at US$19.20 million, inclusive of all pre-production capital and owner's costs through Q1 2027 and net of commissioning-period revenue. The low initial capital requirement reflects the significant advantage of restarting an existing mine and processing facility versus a greenfield development, as evidenced by the 5.4 times after-tax NPV-to-initial-capital ratio at base case metal prices. LOM sustaining capital, including closure costs, is estimated at US$140.60 million.

Unit operating costs are estimated at US$40.27 per tonne mined, US$23.23 per tonne processed, US$9.03 per tonne for general and administrative costs, and US$3.63 per tonne contingency. Life-of-mine all-in sustaining costs are estimated at US$26.75 per payable silver equivalent ounce, with cash operating costs of US$17.24 per payable silver equivalent ounce.

CUSI MINERAL RESOURCE ESTIMATE

On December 9, 2025, the Company announced an updated MRE for the Cusi Mining Complex. The MRE was prepared by Ben Eggers, MAIG, P.Geo. and Allan Armitage, Ph.D., P.Geo. of SGS, both independent Qualified Persons as defined by NI 43-101. The supporting NI 43-101 Technical Report, titled "Mineral Resource Estimate for the Cusi Ag-Au-Pb-Zn Project, Chihuahua State, Mexico," dated January 14, 2026 with an effective date of October 20, 2025, is available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.silvercomining.com. There are no material differences between the Technical Report and the Company's December 9, 2025 news release.

The MRE is based on a validated database comprising data from 2,052 surface and underground drillholes totalling 360,237 metres completed between 2006 and October 2025, and 21,522 underground channels totalling 48,786 metres completed between 2013 and 2023. The estimate encompasses 63 three-dimensional resource models representing epithermal veins across the Cusi vein systems and is exclusive of mined-out material.

Combined Measured and Indicated Mineral Resources are estimated at 4.89 million tonnes grading 206 g/t silver, 0.15 g/t gold, 0.73% lead, and 0.86% zinc (262 g/t AgEq), containing 41.2 million ounces AgEq. Inferred Mineral Resources are estimated at 4.07 million tonnes grading 172 g/t silver, 0.17 g/t gold, 0.89% lead, and 1.20% zinc (243 g/t AgEq), containing 31.8 million ounces AgEq.

Table: Cusi Project Underground Mineral Resource Estimate, October 20, 2025

Resource Class	Mass (Mt)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	AgEq (g/t)	Ag (koz)	Au (koz)	Pb (Mlbs)	Zn (Mlbs)	AgEq (koz)
Measured	0.69	277	0.08	0.37	0.42	305	6,114	1.8	5.6	6.3	6,725
Indicated	4.21	195	0.16	0.78	0.93	255	26,330	22.2	72.7	86.5	34,433
M+I	**4.89**	**206**	**0.15**	**0.73**	**0.86**	**262**	**32,443**	**24.0**	**78.3**	**92.8**	**41,157**
Inferred	**4.07**	**172**	**0.17**	**0.89**	**1.20**	**243**	**22,479**	**22.2**	**79.5**	**107.5**	**31,753**

Notes:

(1) The mineral resource was estimated by Ben Eggers, MAIG, P.Geo. of SGS Geological Services, an independent Qualified Person as defined by NI 43-101. Mr. Eggers conducted a site visit to the Cusi Property on September 22–23, 2025. The mineral resource was peer reviewed by Allan Armitage, Ph.D., P.Geo. of SGS Geological Services, an independent Qualified Person as defined by NI 43-101.

(2) The classification of the MRE is consistent with the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves. The effective date of the MRE is October 20, 2025.

(3) All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding. All mineral resources are presented undiluted and in situ, constrained by continuous 3D wireframe models.

(4) Mineral resources are reported at a base case underground cut-off grade of 120 g/t AgEq, which considers metal prices of US$30/oz Ag, US$2,400/oz Au, US$1.00/lb Pb, and US$1.35/lb Zn; metal recoveries of 90% for Ag, 50% for Au, 90% for Pb, and 60% for Zn; a mining cost of US$60.00/t rock; and processing, treatment, and G&A costs of US$35.00/t mineralized material.

(5) An average density of 2.75 g/cm³ was assigned to all domains based on a database of 244 samples.

(6) Mineral resources are not mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated or Measured Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated or Measured Mineral Resources with continued exploration.

(7) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

The MRE incorporates only a portion of the Company's 2025 drill results. All deposits remain open along strike and/or down dip, and the Company's ongoing 2026 30,000-metre drill program is expected to generate additional data to support future resource updates and potential resource growth. The MRE forms the basis for the PEA discussed below.

RELATED PARTY TRANSACTIONS

Key management personnel have been appropriately identified as those persons having authority and responsibility for planning, directing and controlling the activities of the Company and include all directors of the Company.

All related party transactions were in the normal course of operations and are measured at the amount of consideration established and agreed to by the parties as set out below for the three and nine months ended September 30, 2026 and 2025.

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Salaries, benefits and directors' fees	**903,051**	140,835	**1,710,621**	217,503
Share-based compensation	**510,100**	645,775	**2,023,058**	645,775
	1,413,151	786,610	**3,733,679**	863,278

During the three and nine months ended September 30, 2025, the Company also incurred expenses of $0.01 million and $0.04 million, respectively for office space and general administrative support services provided by Inventa Capital Operations Corporation, whose key management personnel was a former director of the Company.

Other than those disclosed above, there were no related party transactions for the three and nine months ended September 30, 2026 and 2025.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2026, the Company's financial instruments comprise cash, trade and other receivables, accounts payable and accrued liabilities, other liabilities, and debt. Cash, trade receivables not subject to provisional pricing, accounts payable and accrued liabilities, other liabilities and debt are classified and measured at amortized cost, and their carrying values approximate fair value due to their short-term maturities. Trade receivables arising from provisionally priced concentrate sales are classified and measured at fair value through profit or loss and are categorized within Level 2 of the fair value hierarchy, as they are valued by reference to quoted forward metal prices for the applicable quotational periods.

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 customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk arises primarily from cash and trade receivables, the carrying values of which represent the maximum exposure.

The Company sells the zinc, lead, and copper concentrates produced by La Negra to a single customer. While the majority of the sales value is collected on delivery, final settlement is deferred, subject to changes in both price and quantity, until the applicable quotational periods have closed, exposing the Company to the buyer's credit risk on the unsettled balance. Management monitors this exposure on an ongoing basis and considers the credit risk to be low based on the customer's payment history.

The Company's cash is primarily held with reputable financial institutions, primarily within Canada.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities settled by delivering cash or other financial assets.

A summary of the Company's undiscounted financial liabilities as at September 30, 2026 is as follows:

	Within 1 year	1-3 years	3-4 years	Total
Accounts payable and accrued liabilities	49,668,518	-	-	**49,668,518**
Lease liabilities	1,778,162	701,322	645,146	**3,124,630**
Other liabilities	21,282,000	-	-	**21,282,000**
Debt facility	10,641,000	-	-	**10,641,000**

c) Market risk

Market risk is the risk that the fair market value of the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, prices, and currency rates.

I. Interest rate risk:

The Debt Facility bears interest at a variable rate of one-month SOFR plus 7.25% per annum. The Company is therefore exposed to interest rate risk on amounts drawn under these facilities, being $10.64 million as at September 30, 2026. A 1% change in one-month SOFR would change annual interest expense by approximately $0.11 million. The Company also earns interest at variable rates on its cash balances. The Company does not currently use derivative instruments to manage interest rate risk.

II. Price risk:

The Company is exposed to commodity price risk arising from provisionally priced concentrate sales, which are measured at fair value through profit or loss until final settlement based on copper, lead, zinc, and silver prices during the applicable quotational periods. The Company does not currently use derivative instruments to manage its exposure to commodity price fluctuations. The Company is not exposed to significant equity price risk as it does not hold any equity investments.

III. Currency risk:

The Company is exposed to currency risk on financial assets and liabilities denominated in currencies other than the functional currency of the entity that holds them. The functional currency of La Negra is the USD, and its exposure arises principally from MXN-denominated monetary items funding its operating and capital costs in Mexico. The functional currency of Cusi is the MXN, and it holds only nominal USD-denominated monetary items. The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge currency risk at this time.

Based on the Company's net monetary position at September 30, 2026, a 10% change in the MXN relative to the USD would change net loss by approximately $0.06 million for Cusi and $0.85 million for La Negra .

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109.

RISKS AND UNCERTAINTIES

The operations of the Company are subject to significant uncertainty due to the high-risk nature of its business, which is the acquisition, exploration, discovery, development and production of silver and base metals. The risk factors could materially affect the Company's financial condition and/or future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may adversely affect the Company's business.

The Company's activities expose it to various financial and operational risks that could have a significant impact on its level of operating cash flows in the future.

Readers are advised to study and consider risk factors disclosed in the Company's Annual Information Form for the fiscal year ended December 31, 2025, dated July 13, 2026 and available under the Company's issuer profile on SEDAR+ at www.sedarplus.ca.

SUBSEQUENT EVENTS

Cusi Mining Complex – commissioning, initial production and concentrate sales

After September 30, 2026, the Company started commissioning the Mal Paso process plant at the Cusi Mining Complex. Dry commissioning is complete, and wet commissioning is substantially complete. On November 16, 2026, the Company announced that it had produced and shipped its first concentrate from Cusi.

Underground development is ramping up at Promontorio and San Miguel. Initial stope production at Promontorio is planned for late Q4 2026. The Company expects to reach the design capacity of 1,200 tonnes per day and declare commercial production in the first half of 2027. Production during commissioning should not be taken as a sign of future results.

During November 2026, the Company entered into an offtake agreement for concentrate produced at the Cusi Mining Complex. The agreement provides for a prepayment facility of up to US$15.00 million that may be drawn at the Company's discretion. Outstanding amounts will bear interest at three-month SOFR plus 4.0% until repaid. Each drawdown, including principal and accrued interest, will be repaid over 24 months from the applicable drawdown date, with interest-only payments for the first six months.

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2026 and the MD&A date, the Company does not have any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions as at the date of this MD&A.

MATERIAL ACCOUNTING POLICIES, STANDARDS, AND JUDGMENTS

The accounting policies applied in the preparation of the Financial Statements are consistent with those applied and disclosed in the Company's audited annual consolidated financial statements for the year ended December 31, 2025, except as described below.

As a result of the acquisition of Nuevo on May 19, 2026 and the reclassification of the Cusi exploration and evaluation asset to mineral properties effective April 1, 2026, the Company adopted a number of accounting policies during the period that were not previously applicable, as the Company had no subsidiaries with a United States dollar functional currency, no producing mines, no revenue, no inventories, and no mineral properties outside the exploration and evaluation stage.

These policies relate to:

- basis of consolidation;
- restricted share units (IFRS 2, Share-based Payment);
- foreign currency translation, reflecting the addition of United States dollar functional currency operations (IAS 21, The Effects of Changes in Foreign Exchange Rates);
- business combinations (IFRS 3, Business Combinations);
- commercial production and the accounting for pre-commercial production activities (IAS 16, Property, Plant and Equipment, IAS 2, Inventories, and IFRS 15, Revenue from Contracts with Customers);
- revenue recognition, including provisionally priced concentrate sales (IFRS 15 and IFRS 9, Financial Instruments);
- financial instruments (IFRS 9);
- inventories (IAS 2);
- borrowing costs (IAS 23, Borrowing Costs);
- exploration and evaluation expenditures (IFRS 6, Exploration for and Evaluation of Mineral Resources); and
- mineral properties (IAS 16).

These policies are described in Note 3 of the Financial Statements.

a) Application of New and Revised Accounting Standards

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

IFRS 9 and 7 have been amended to provide additional guidance regarding the recognition of a financial liability settled through electronic transfer, and for the classification of certain financial assets. Further, the amendments introduce new disclosure requirements related to investments in equity instruments designated at FVTOCI. The amendments are effective for financial statements beginning on January 1, 2026. These amendments did not have a material impact on the Company.

b) Accounting Standards Issued but Not Yet Applied

Presentation and Disclosure in Financial Statements (IFRS 18)

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Company is currently assessing the effects of IFRS 18 on the financial statements.

There are no other standards or amendments or interpretations to existing standards issued but not yet effective that are expected to have a material impact on the Company.

c) Significant Accounting Judgment and Estimates

In preparing the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2026. critical judgments made in applying the Company's accounting policies and key sources of estimation uncertainty are consistent with those disclosed in Note 4 of its audited consolidated financial statements for the year ended December 31, 2025, except for the additional judgments and estimates set out below.

Significant Judgments

a) Business combination – identification of a business

The application of IFRS 3 requires judgment in determining whether the acquired set of activities and assets constitutes a business. Management has concluded that the acquisition of Nuevo meets the definition of a business combination. Nuevo, through its wholly-owned subsidiary, holds inputs, processes and outputs, as below.

- Inputs, including the La Negra Mine mineral property, mining and processing equipment, an experienced operating workforce, and mineral resources;
- Processes, including the existing operational and management processes, including production scheduling, maintenance programs, and metallurgical processing protocols
- Outputs, in the form of saleable copper, lead, and zinc concentrates sold to international customers.

Accordingly, the Company has accounted for the acquisition of Nuevo using the acquisition method under IFRS 3.

b) Business combination – identification of acquirer and acquisition date

The application of the acquisition method under IFRS 3 requires judgment in identifying the acquirer in the business combination and determining the acquisition date. Management has concluded that the Company is the acquirer of Nuevo and that the acquisition date is May 19, 2026, the date on which the Company obtained control of Nuevo. This conclusion is based on the Company's issuance of common shares as consideration, the resulting voting interest, and the absence of any other indicators suggesting that the Company is not the acquirer.

c) Functional currency determination

The determination of the functional currency of each entity within the consolidated group requires judgment in assessing the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency of Nuevo and its operating subsidiary holding the La Negra Mine is the USD, based on an assessment of the currency that mainly influences sales prices, productions costs, and financing, and the currency in which operating receipts are retained.

d) Commercial production determination

As at September 30, 2026, management has concluded that La Negra has not yet achieved commercial production based on the factors described in Note 3. The transition to commercial production is dependent on the achievement of consistent throughput and recovery rates at steady-state operations, which is sensitive to factors including required capital investment, ongoing optimization, and the integration of operating practices following the May 19, 2026 acquisition.

e) Classification of taxes and statutory deductions

The classification of amounts withheld or paid to governmental authorities requires judgment in determining whether such amounts represent income taxes within the scope of IAS 12 or other levies and statutory deductions accounted for under other applicable standards. Management has assessed the nature of taxes and statutory deductions applicable to the Company's operations in Mexico, including value-added tax, mining duties, withholding taxes, and social security contributions, and has classified these amounts in accordance with their substance and the applicable IFRS standards.

f) Existence of present obligations and recognition of provisions

The recognition and measurement of provisions, contingent liabilities, and contingent assets requires judgment in determining whether a present obligation exists at the reporting date, whether an outflow of resources is probable, and whether the amount can be reliably estimated. Management's assessment of legal, regulatory, and tax matters involves evaluating the probability of unfavourable outcomes and the range of potential resolutions, often in consultation with the Company's legal and tax advisors.

g) Demonstration of technical feasibility and commercial viability of the Cusi Mining Complex

The determination of the technical feasibility and commercial viability of extracting the mineral resource at the Cusi Mining Complex requires judgment. On April 1, 2026, the Company determined that the technical feasibility and commercial viability of extracting the mineral resource at the Cusi Mining Complex were demonstrable, based on the Preliminary Economic Assessment ("PEA") and the supporting NI 43-101 technical report, and approval by the Board of Directors of the capital investment required for the restart. This determination is a significant judgment that triggers the reclassification of the Cusi exploration and evaluation asset to mineral properties, following an impairment assessment, and effective April 1, 2026, the Company commenced capitalization of costs related to the development and restart of Cusi Mining Complex.

Key Sources of Estimation Uncertainty

a) Fair value of identifiable assets acquired and liabilities assumed in the Nuevo acquisition

The fair value measurement of the identifiable assets acquired and liabilities assumed in the acquisition of Nuevo on May 19, 2026 requires the use of estimates and assumptions, particularly in respect of mineral properties, plant and equipment, mineral inventories, reclamation provisions, and deferred consideration. The fair value of mineral properties is determined using a discounted cash flow model with key assumptions including estimated future production volumes, metal prices, operating costs, capital expenditures, and discount rates. The acquisition accounting is provisional as at September 30, 2026 and will be finalized within the measurement period, which does not exceed twelve months from the acquisition date. Adjustments to the provisional amounts may have a material effect on the consolidated financial statements.

b) Reclamation provisions

The reclamation provision represents management's best estimate of the present value of the future expenditures required to settle the Company's reclamation and closure obligations. The provision is measured using estimates of future cash outflows, inflation rates, discount rates, and the timing of the expected expenditures. The provision is reviewed at each reporting date and adjusted to reflect changes in the underlying estimates. Changes in any of these inputs can result in material adjustments to the reclamation provision and the corresponding offset to mineral properties or profit or loss, as applicable.

c) Net realizable value of mineral inventories

Mineral inventories are measured at the lower of cost and net realizable value. The estimation of net realizable value requires assumptions about future metal prices, treatment and refining charges, and other deductions that will be realized on the sale of the concentrate. Changes in these estimates can result in inventory write-downs or reversals recognized in profit or loss.

d) Legal and regulatory contingencies

The Company is subject to various legal proceedings, claims, and regulatory matters arising in the course of its business. The Company assesses the likelihood of unfavourable outcomes and, where probable, recognizes provisions for estimated settlement amounts. The estimation of legal and regulatory contingencies requires the application of judgment and is informed by consultation with the Company's external counsel. Actual amounts ultimately settled may differ from the amounts provided due to the inherent uncertainty in the outcome of legal and regulatory matters.

e) Useful lives and depreciation methods of property, plant and equipment

The estimation of useful lives and the selection of depreciation methods for property, plant and equipment requires judgment, particularly for mining-specific assets where useful lives may be linked to the production life of the underlying mineral resource. Changes in these estimates are accounted for prospectively as a change in accounting estimate.

TECHNICAL DISCLOSURE

The scientific and technical information contained in this MD&A relating to the Cusi Mining Complex and La Negra has been reviewed and approved by Nico Harvey, P.Eng., Vice President, Project Development of the Company, a Qualified Person as defined by NI 43-101. Mr. Harvey is not independent of the Company.

Cautionary Note Regarding Mineral Resources and Production Decisions

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that inferred mineral resources will be converted to higher-confidence categories.

The Company's decision to place the Cusi Mining Complex into production, and its decision to continue production at the La Negra Mine, were not based on a feasibility study of mineral reserves demonstrating economic and technical viability. Neither property has mineral reserves as defined under NI 43-101. Readers are cautioned that there is increased uncertainty and a higher risk of economic and technical failure associated with production decisions that are not supported by a feasibility study, including increased uncertainty as to the achievement of any particular level of recovery, production, capital cost or operating cost, and a higher technical risk of failure. There is no assurance that anticipated production levels, capital costs, operating costs, mine life or economic returns will be achieved.

The PEAs for the Cusi Mining Complex and La Negra Mine are preliminary in nature and include inferred mineral resources. There is no certainty that the results of the PEAs will be realized.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's Annual Information Form for the fiscal year ended December 31, 2025, is available on SEDAR+ at www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, metal production, project timelines, drilling targets, life of mine estimates, estimated metal grades, recovery rates, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. Forward-looking statements include statements with respect to: the completion, the timing of completion and the expected benefits of the budgeted and/or proposed exploration activities and work programs for the Company's mineral properties, and other statements that may relate to future financial conditions, results of operations, plans, objectives, performance or business developments of the Company. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: the realization of benefits from the completion of the RTO and the Nuevo Transaction; geological risks; limited operating history; inability to generate earnings or pay dividends for the foreseeable future; uncertain ability to raise additional funds when required; reliance on a small number of key managers; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits: ability to physically access and work the Company's property assets due to poor weather, a potential lack of key contract personnel and services providers needed to execute elements of the Company's exploration plans, market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions; investor appetite for early stage exploration companies; consents or authorizations required for mining activities, and material delays in obtaining them; the Company's ability to complete its planned exploration programs; the Company's development of the La Negra Mine and that the remaining restart work in the Cusi Mining Complex can be completed; the absence of adverse conditions at properties; no unforeseen operational delays; environmental regulations or hazards and compliance with complex regulations associated with mining activities; climate change and climate change regulations; fluctuations in exchange rates; the business objectives of the Company; whether economic mineralization can be defined and, if it can be permitted for development; the uncertainty that any mineralization encountered on adjacent properties continues on to any of the Company's properties; the uncertainty that geological and/or geophysical and/or any trends, interpretations, or conclusions related to adjacent properties have relevance to any of the Company's properties; changes in project parameters as plans to continue to be refined; the consequences and implications of the historical mining activities on the environment and whether such affects the potential exploration and/or development of any mining operation the Company's properties; labour disputes and other risks of the mining industry; the speculative nature of mineral exploration and development; title to properties, such further risks as disclosed in the Company's filings with Canadian securities regulators and management's ability to anticipate and manage the foregoing risks and uncertainties . See "Risks and Uncertainties".

Management provides forward-looking statements because they believe such statements deliver useful guidance and information to readers when considering their investment objectives. Though management believes such statements to be as accurate as possible in the context of the information available to management at the time in which they are made, management cautions readers that the guidance and information contained in such statements may rapidly be superseded by subsequent events. Consequently, all the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments suggested by such forward-looking statement will be realized or, even if substantially realized, that they will have the expected results, or effects upon, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law. Accordingly, readers should not place undue reliance on forward-looking statements.

The Company provides no assurance that forward-looking statements and information will prove to be accurate, as the forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.