

Condensed Interim Consolidated Financial Statements

For the Three and Nine months ended September 30, 2026 and 2025

(Expressed in thousands of US dollars)

(Unaudited)

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SANTACRUZ SILVER MINING LTD.
Condensed Interim Consolidated Statements of Financial Position
As at September 30, 2026 and December 31, 2025
(Unaudited)
(Expressed in thousands of US dollars)

Notice of no auditor review of condensed interim consolidated financial statements

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Santacruz Silver Mining Ltd. for the three months and nine months ended September 30, 2026, have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

November 12, 2026

SANTACRUZ SILVER MINING LTD.
Condensed Interim Consolidated Statements of Financial Position
As at September 30, 2026 and December 31, 2025
(Unaudited)
(Expressed in thousands of US dollars)

	Note	**September 30, 2026**	December 31, 2025
		$	$
ASSETS			
Current			
Cash and cash equivalents	4	**102,836**	44,267
Marketable securities	20	**15,998**	16,662
Trade and other receivables	5,2	**87,479**	73,063
Inventories	6	**56,976**	57,517
Prepaid expenses and deposits		**13,573**	14,055
		276,862	205,564
Marketable securities	20	**5,800**	5,800
Trade and other receivables	5,2	**45,874**	51,585
Mineral properties, plant and equipment	7	**169,392**	160,558
Goodwill	7	**15,466**	15,466
Deferred income tax asset	18	**11,882**	6,798
Total assets		**525,276**	445,771
LIABILITIES			
Current			
Trade payables and accrued liabilities	8	**35,436**	47,402
Consideration payable - current	9	**1,417**	-
Loans payable	10	**42,451**	50,642
Current income taxes payable	18	**79,503**	49,470
Other liabilities	11	**4,458**	8,876
Decommissioning and restoration provision	12	**343**	822
		163,608	157,212
Trade payables and accrued liabilities	8	**4,984**	7,167
Consideration payable	9	**23,423**	20,243
Loans payable	10	**162**	1,344
Other liabilities	11	**13,657**	20,541
Decommissioning and restoration provision	12	**29,436**	35,194
Deferred income tax liability	18	**38,771**	25,012
Total liabilities		**274,041**	266,713
SHAREHOLDERS' EQUITY			
Share capital	13	**148,830**	146,166
Equity reserves	13	**8,098**	6,677
Retained earnings		**94,307**	26,215
Total shareholders' equity		**251,235**	179,058
Total liabilities and shareholders' equity		**525,276**	445,771

Approved and authorized for issue on behalf of the Board of Directors on November 12, 2026:

"Arturo Préstamo Elizondo"	*"Larry Okada"*
Director	Director

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

SANTACRUZ SILVER MINING LTD.
Condensed Interim Consolidated Statements of Comprehensive Income
For the Three and Nine Months ended September 30, 2026 and 2025
(Unaudited)
(Expressed in thousands of US dollars)

	Note	Three months ended September 30, **2026**	Three months ended September 30, 2025	Nine months ended September 30, **2026**	Nine months ended September 30, 2025
		$	$	**$**	$
Revenues	14	**153,276**	79,989	**394,263**	223,598
Mine operating costs					
Cost of sales	15	**(85,789)**	(54,028)	**(217,675)**	(134,474)
Depreciation, depletion and amortization	7	**(7,380)**	(5,795)	**(22,473)**	(15,811)
Gross profit		**60,107**	20,166	**154,115**	73,313
General and administrative expenses	16	**(6,401)**	(6,452)	**(19,766)**	(15,329)
Share-based compensation expense	13	**(1,040)**	(761)	**(2,188)**	(2,269)
Operating income		**52,666**	12,953	**132,161**	55,715
Other income (expense)	17	**(288)**	827	**3,172**	2,864
Gain (loss) on fair value change of consideration payable	9	**8,893**	(2,283)	**(5,930)**	(5,262)
Foreign exchange gain		**7,060**	4,119	**21,909**	13,497
Income before tax		**68,331**	15,616	**151,312**	66,814
Income tax expense	18	**(30,714)**	728	**(83,220)**	(20,042)
Net income for the period		**37,617**	16,344	**68,092**	46,772
Other comprehensive income that may be reclassified subsequently to net income or loss:					
Unrealized (loss) gain on marketable securities		**(360)**	112	**(658)**	289
Currency translation differences		**(148)**	669	**1,455**	186
Comprehensive income for the period		**37,109**	17,125	**68,889**	47,247
Net income per share:					
Basic	23	**0.40**	0.18	**0.74**	0.52
Diluted	23	**0.40**	0.18	**0.72**	0.51
Weighted average number of common shares:					
Basic	23	**92,993,277**	90,006,111	**92,614,861**	89,316,277
Diluted	23	**94,984,980**	93,280,260	**94,606,564**	91,765,426

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

SANTACRUZ SILVER MINING LTD.
Condensed Interim Consolidated Statements of Cash Flows
For the Three and Nine Months ended September 30, 2026 and 2025
(Unaudited)
(Expressed in thousands of US dollars)

	Note	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
		$	$	**$**	$
Operating activities:					
Net income for the period		**37,617**	16,344	**68,092**	46,772
Items not affecting cash:					
Depreciation, depletion and amortization	7	**7,380**	5,795	**22,473**	15,811
Other income	24	**1,158**	1,153	**3,858**	2,384
Loss on change in fair value of consideration payable	9	**(8,893)**	2,283	**5,930**	5,262
Share-based compensation expense	13	**1,040**	761	**2,188**	2,269
Foreign exchange (gain) loss		**(3,342)**	9,153	**(14,023)**	(10,885)
Gain on change in estimate of decommissioning provisions	12	**-**	-	**(6,505)**	-
Income tax expense	18	**30,714**	(728)	**83,220**	20,042
Operating cash flows before non-cash working capital		**65,674**	34,761	**165,233**	81,655
Changes in non-cash working capital:					
Trade and other receivables	5	**14,442**	(9,578)	**(7,343)**	39,914
Inventories	6	**14,900**	(11,898)	**541**	(17,188)
Prepaid expenses and deposits		**3,559**	831	**482**	(1,865)
Trade payables and accrued liabilities	8	**(5,799)**	5,526	**(14,149)**	(129)
Deferred revenue		**(12,426)**	-	**-**	-
Current income taxes payable	18	**(9,297)**	1,548	**(44,512)**	(30,534)
Other liabilities	11	**(5,454)**	1,670	**(10,458)**	(9,743)
Decommissioning and restoration provision	12	**(41)**	(39)	**(96)**	(129)
Net cash generated by operating activities		**65,558**	22,821	**89,698**	61,981
Investing activities:					
Expenditures on mineral properties, plant and equipment	7	**(9,012)**	(7,112)	**(25,383)**	(19,196)
Proceeds on disposition of mineral properties, plant and equipment	7	**-**	-	**82**	312
Purchases of marketable securities	20	**(2,322)**	(5,137)	**(15,108)**	(27,758)
Maturities of marketable securities	20	**2,585**	3,909	**15,114**	8,835
Payment of consideration payable for acquisition of Sinchi Wayra	9	**(1,333)**	(22,500)	**(1,333)**	(40,000)
Net cash used in investing activities		**(10,082)**	(30,840)	**(26,628)**	(77,807)
Financing activities:					
Proceeds from exercise of options	13	**-**	2,379	**1,100**	2,379
Proceeds from loans payable	10	**33,748**	13,985	**88,717**	58,042
Repayments of loans payable	10	**(36,252)**	(7,838)	**(92,914)**	(38,338)
Lease payments on plant and equipment	11	**(40)**	(485)	**(872)**	(2,044)
Net cash provided by (used in) financing activities		**(2,544)**	8,041	**(3,969)**	20,039
Effect of exchange rate on changes in cash		**(494)**	(1)	**(532)**	84
Net change in cash and cash equivalents		**52,438**	21	**58,569**	4,297
Cash and cash equivalents – beginning of period	4	**50,398**	39,997	**44,267**	35,721
Cash and cash equivalents – end of period		**102,836**	40,018	**102,836**	40,018
Cash paid during the period for:					
Interest expense		**574**	303	**3,028**	739
Income taxes		**7,260**	5,383	**45,735**	28,248

Supplemental cash flow information (Note 24)

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

SANTACRUZ SILVER MINING LTD.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the Nine Months ended September 30, 2026 and 2025
(Unaudited)
(Expressed in thousands of US dollars, except number of shares)

	Share Capital		Equity reserves					
	Shares	Amount	Share-based compensation reserve	Contributed surplus	Accumulated other comprehensive loss	Total equity reserves	Retained earnings (deficit)	Total shareholders' equity
	#	$	$	$	$	$	$	$
Balance, December 31, 2024	88,963,885	139,080	3,677	7,541	(2,944)	8,274	(16,007)	131,347
Shares issued from exercise of options	1,737,101	2,986	(606)	-	-	(606)	-	2,380
Shares issued from vesting of RSUs	148,334	458	(458)	-	-	(458)	-	-
Shares issued from vesting of PSUs	200,000	667	(667)	-	-	(667)	-	-
Share-based compensation expense		-	2,269	-	-	2,269	-	2,269
Comprehensive income		-	-	-	475	475	46,772	47,247
Balance, September 30, 2025,	**91,049,320**	**143,191**	**4,215**	**7,541**	**(2,469)**	**9,287**	**30,765**	**183,243**
Balance, December 31, 2025	91,962,128	146,166	2,354	7,541	(3,218)	6,677	26,215	179,058
Shares issued from exercise of options	755,789	2,001	(901)	-	-	(901)	-	1,100
Shares issued from vesting of RSUs	151,669	304	(304)	-	-	(304)	-	-
Shares issued from vesting of PSUs	125,000	359	(359)	-	-	(359)	-	-
Share-based compensation expense	-	-	2,188	-	-	2,188	-	2,188
Comprehensive income	-	-	-	-	797	797	68,092	68,889
Balance, September 30, 2026	**92,994,586**	**148,830**	**2,978**	**7,541**	**(2,421)**	**8,098**	**94,307**	**251,235**

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

1. NATURE OF OPERATIONS

Santacruz Silver Mining Ltd. (the "Company" or "Santacruz") was incorporated pursuant to the Business Corporations Act of British Columbia on January 24, 2011. The Company's registered office is located at 1600-925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2. The Company is listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "SCZ" and on the Nasdaq Capital Market ("NASDAQ") under the symbol "SCZM".

The Company is engaged in the operation, acquisition, exploration and development of mineral properties in Latin America, with a primary focus on silver and zinc, but also including lead and copper. The Company also generates sales revenue from ore processing that come from the sale of metal concentrates obtained from processing ore purchased from third-party miners in Bolivia.

As at September 30, 2026, the Company had interests in, including mining concession rights, to the following:

- Sinchi Wayra S.A. ("Sinchi Wayra"), Sociedad Minero Metalurgico Reserva Ltda. and Sociedad Minera Illapa S.A. ("Illapa") which consist of the following mineral properties and businesses located in Bolivia: the producing Tres Amigos and Colquechaquita mines, collectively the ("Caballo Blanco Group"); the producing Bolivar and Porco mines held under a net operating cash flow interest agreement with Corporación Minera de Bolivia ("COMIBOL"), a Bolivian state-owned entity; the Soracaya exploration project ("Soracaya Project"); the Reserva mine and the San Lucas ore sourcing and trading business ("San Lucas Group");
- The producing Zimapan mine located in Mexico held by Compañía Minera Zilar Mendi SA de C.V ("Zilar Mendi").

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" which is part of IFRS Accounting Standards ("IFRS® Accounting Standards") as issued by the International Accounting Standards Board ("IASB"). Because these statements have been prepared in accordance with IAS 34, certain disclosures included in the annual financial statements have been condensed or omitted. These unaudited condensed interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2025.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors of the Company on November 12, 2026.

References made throughout the consolidated financial statements to "US dollar" or "USD" are to United States dollars, "C$" or "CAD" are to Canadian dollars, "MXN" are to Mexican pesos, "BOB" are to Bolivian bolivianos. All references are in thousands, unless otherwise noted.

Share consolidation restatement of prior period comparatives

On December 10, 2025 the Company consolidated its issued and outstanding common shares on the basis of one post-consolidated common share for every four pre-consolidated common shares. The number of issued and outstanding shares, options, warrants, DSUs, RSUs and PSUs, and any per share amounts in these financial statements have been retrospectively restated in notes 10, 13, and 23 for all periods presented unless otherwise stated.

Trade and other receivables restatement of prior period comparatives:

In the third quarter of 2026, the Company identified an error in the previously filed 2025 financial statements. The Company has determined that a correction was required as such, has restated its previously reported consolidated financial statement as at December 31, 2025. The nature of the restatement is to change the classification from current to long-term for a portion of VAT receivables that were not expected to be received withing 1 year of the December 31, 2025 reporting date. The condensed interim consolidated statements of financial position has been restated, the current portion of trade and other receivables has decreased by $15,336 and the long term portion of Trade and other receivables balance has increased by the same amount. See the adjustment column in the table below for details of the lines affected.

2. BASIS OF PRESENTATION (continued)

As a result of the restatement the following changes were made to the consolidated statement of financial position:

	As at December 31, 2025		
	As previously reported	Adjustment	**As restated**
	$		**$**
ASSETS			
Current			
Trade and other receivables	88,399	(15,336)	**73,063**
Non-Current			
Trade and other receivables	36,249	15,336	**51,585**
Total assets	445,771	-	**445,771**

As a result of the restatement the following changes were made to note 5 trade and other receivables:

	As at December 31, 2025		
	As previously reported	Adjustment	**As restated**
	$		**$**
VAT receivable	51,817	(15,336)	**36,481**
Balance, current portion	88,399	(15,336)	**73,063**
VAT receivable	20,127	15,336	**35,463**
Balance, non-current portion	36,249	15,336	**51,585**
Balance, Trade and Other Receivables	124,348	-	**124,648**

3. MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Accounting Policies

The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2025 and reflect all the adjustments necessary for fair presentation in accordance with IFRS for the interim periods presented.

New IFRS accounting standards and pronouncements – not yet adopted

IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18: Presentation and Disclosure of Financial Statements ("IFRS 18"), which replaces IAS 1: Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. Some of the requirements in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. The IASB also made minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share in connection with the new standard.

3. MATERIAL ACCOUNTING POLICIES AND ESTIMATES (continued)

The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. The Company is currently assessing the effect of this new standard to its financial statements.

New IFRS accounting standards and pronouncements –adopted

Amendments to IFRS 9: Financial Instruments and IFRS 7: Financial Instruments: Disclosures

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

Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates and judgments that may have a material impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognized prospectively. Actual outcomes may differ from these estimates. The Company's critical accounting judgments and estimates have been consistently applied with those presented in Note 4 of the audited annual consolidated financial statements for the years ended December 31, 2025, and 2024 with the exception of a change in estimate that was made during the third quarter of 2026 related to the valuation of the consideration payable liability.

Consideration Payable – Contingent Value Rights

The consideration payable includes a contingent value rights ("CVR") component which provides the holder with a monthly $1,333 payment up to December 2032 when the monthly average zinc price exceeds the established base price of $3,850 per tonne and increases by $83 per $100 per tonne increase above the base price. In addition to the right to receive the CVR payments, the holder of the CVR also has the right to exercise a hedging option when the price exceeds $3,850 which could require the Company to hedge 25% to 50% of forecast zinc production from its Bolivian mining operations for up to 24 months which would guarantee that the holder receives the CVR payments for the duration of the hedging option.

CVR payments are based on the average LME zinc price for each calendar month. Therefore, the payoff on the CVR is "path-dependent", the ultimate amount paid depends on the price of the underlying over time. Additionally, commodity prices exhibit mean reversion, whereby asset prices tend to move back toward their long-term average over time. A valuation approach capable of capturing the path-dependent and mean reversion feature is therefore required. The Monte Carlo Simulation is a commonly used approach to model securities with path-dependent payoffs and mean reversion features. Monte Carlo Simulation uses random sampling techniques based on continuous time Stochastic processes to generate a large number of possible, but random, asset price paths. In each individual price path, the payoff of the security can be calculated based on the average zinc price relative to a fixed base price of $3,850. These payoffs are then discounted to the reporting date and averaged to determine the fair value of the CVR.

3. MATERIAL ACCOUNTING POLICIES AND ESTIMATES (continued)

The estimated value of the CVR is based upon several assumptions that are continuously updated each reporting period to reflect market conditions. Up until Q3 2026 the valuation model had an assumption that the holder would immediately exercise the hedging option if the monthly average zinc spot price exceeded $3,850, and the holder would lock-in the hedge for 24 months, thereby guaranteeing CVR payments for 24 months.

During the third quarter of 2026, the average price of zinc exceeded the base price in both August and September, triggering two CVR payments totaling $2,750 and it was the first time that the base price had been surpassed since the CVR was issued in October 2024. If metal prices were to decrease from the hedge price, the hedge option could generate losses to the holder that could exceed the value of the CVR payments received. Because the hedging option was not exercised in spite of exceeding the base price, management has revised its estimate to assume a shorter lock-in period for the hedging option of 3 months. Management will reassess this assumption each period taking into account whether the holder exercises the hedging option and the length of the hedging period requested.

If management had not updated its assumption regarding the lock-in period, the CVR liability would have been $48,008 as at September 30, 2026 because of the increase in zinc prices in the period. By decreasing the lock-in period to 3 months, which is consistent with the counterparty's behavior with respect to the CVR, its value was determined to be $24,840, a decrease in the liability of $23,528.

	September 30, 2026
	$
Consideration payable valuation - 3 month lock-in period assumption (as reported)	**24,840**
Consideration payable balance - 24 month lock-in period (previous assumption)	**48,008**
Effect of change in management estimate	**(23,528)**

4. CASH AND CASH EQUIVALENTS

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

	September 30, 2026	December 31, 2025
	$	$
Cash	**102,811**	41,607
Cash equivalents	**25**	2,660
Total	**102,836**	44,267

5. TRADE AND OTHER RECEIVABLES

A summary of the Company's trade and other receivables is as follows:

	September 30, 2026	December 31, 2025
	$	$
Trade receivables	**38,143**	20,371
COMIBOL contract prepayment	**1,387**	1,995
COMIBOL initial investment period CAPEX receivable (note 5(a))	**1,766**	2,540
Uncertain income tax position receivable (note 18(c))	**6,507**	9,356
VAT receivable (restated note 2)	**37,682**	36,481
Other receivables	**1,994**	2,320
Balance, current portion	**87,479**	73,063
COMIBOL initial investment period CAPEX receivable (note 5(a))	**10,628**	13,653
VAT receivable (restated note 2)	**32,777**	35,463
Other receivables	**2,469**	2,469
Balance, non-current portion	**45,874**	51,585
	133,353	124,648

a) COMIBOL initial investment period CAPEX receivable

The COMIBOL initial investment period CAPEX receivable is a reimbursement of 22.5% of a pre-defined amount of capital investments made by the Company from 2012 to 2019 in the Illapa Joint Operation. The refundable amount becomes available for the Company to offset against amounts due to COMIBOL for its 55% interest in the operation over seven years from 2020 to 2026. If the joint operation does not produce sufficient positive cash flows, COMIBOL can defer payment until cash flows are positive at which point the amounts receivable can be used to reduce the amount due to COMIBOL for its 55% share of the interest in the operation. If the operation does not generate enough positive cash flows to offset amounts due, the outstanding amount receivable will be paid by COMIBOL at the end of the agreement. The classification between current and non-current has been made based upon management's best estimate of when the receivable will be used to offset future payments to COMIBOL for its 55% interest.

The timing of the cash flows will vary depending on the operational results from the joint operation and how much is payable to COMIBOL for their 55% interest in the operation. Depending on estimates and actual results each period the asset will be revalued to reflect the timing of the expected cash flows and will be discounted using the same effective rate at acquisition resulting in recognizing a gain or loss on the re-estimation of cash flows related the CAPEX receivable.

6. INVENTORIES

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

	September 30, 2026	December 31, 2025
	$	$
Mineralized material stockpiles	**11,535**	11,983
Concentrate inventory	**28,378**	30,172
Supplies inventory	**17,063**	15,362
Total	**56,976**	57,517

During the three and nine months ended September 30, 2026, the inventory recognized as cost of sales was $85,789 and $217,675 (2025 – $54,028 and $134,474), which includes production costs directly attributable to the inventory production process.

During the three and nine months ended September 30, 2026, the Company recognized through cost of sales a net realizable value write-off of inventory of $nil and $nil (2025 – $101 and $747).

7. MINERAL PROPERTIES, PLANT AND EQUIPMENT

A summary of the Company's Mineral Properties, Plant and Equipment is as follows:

	Depletable mineral properties	Exploration and evaluation	Plant and equipment	Total
	$	$	$	$
Cost				
Balance, December 31, 2024	**115,721**	**12,189**	**115,807**	**243,717**
Additions	9,212	-	21,407	30,619
Change in decommissioning and restoration costs (note 12)	3,006	-	-	3,006
Disposals	(3,244)	-	(3,758)	(7,002)
Adjustments	2,071	-	2,017	4,088
Balance, December 31, 2025	**126,766**	**12,189**	**135,473**	**274,428**
Additions	7,418	-	17,965	25,383
Change in decommissioning and restoration costs (note 12)	4,767	-	-	4,767
Disposals	-	-	(2,608)	(2,608)
Adjustments	4,731	-	(3,652)	1,079
Balance, September 30, 2026	**143,682**	**12,189**	**147,178**	**303,049**
Accumulated depreciation and impairment				
Balance, December 31, 2024	**50,013**	**-**	**48,971**	**98,984**
Depletion, depreciation and amortization	7,199	-	14,378	21,577
Disposals	(3,245)	-	(3,446)	(6,691)
Adjustments	(513)	-	513	-
Balance, December 31, 2025	**53,454**	**-**	**60,416**	**113,870**
Depletion, depreciation and amortization	7,280	-	15,193	22,473
Disposals	-	-	(2,526)	(2,526)
Adjustments	-	-	(160)	(160)
Balance, September 30, 2026	**60,734**	**-**	**72,923**	**133,657**
Cost as at December 31, 2025	126,766	12,189	135,473	274,428
Accumulated depreciation and impairment	(53,454)	-	(60,416)	(113,870)
Carrying value - December 31, 2025	**73,312**	**12,189**	**75,057**	**160,558**
Cost as at September 30, 2026	143,682	12,189	147,178	303,049
Accumulated depreciation and impairment	(60,734)	-	(72,923)	(133,657)
Carrying value – September 30, 2026	**82,948**	**12,189**	**74,255**	**169,392**

On September 18, 2026 the Company announced the acquisition a 500 tonne-per-day milling facility in Bolivia with an initial payment of $4,645. The newly acquired facility will be dedicated to processing ore from the San Lucas business. The Company made an additional payment of $2,787 on October 21, 2026 with a final payment of $1,858 due in November 2026. The facility will be commissioned in the fourth quarter of 2026.

As at September 30, 2026, the Company's plant and equipment included right-of-use assets with a carrying amount of $35 for leased mining equipment (December 31, 2025 - $2,926). Depreciation on the right of use assets for the three and nine months ended September 30, 2026 was $12 and $97 (2025 - $132 and $396, respectively).

A summary of the Company's Goodwill and allocation to each CGU is as follows:

	September 30, 2026	December 31, 2025
	$	$
Caballo Blanco Group (Tres Amigos mine)	2,963	2,963
San Lucas Group	12,503	12,503
Goodwill	**15,466**	**15,466**

8. TRADE PAYABLES AND ACCRUED LIABILITIES

A summary of the Company's trade payables and accrued liabilities is as follows:

	September 30, 2026	December 31, 2025
	$	$
Trade payables	**21,357**	34,541
COMIBOL contract obligations (note 8(a))	**4,984**	7,167
Accrued liabilities	**14,079**	12,861
Balance, end of period	**40,420**	54,569
Less: current portion	**(35,436)**	(47,402)
Non-current portion	**4,984**	7,167

a) COMIBOL contract obligations

COMIBOL contract obligations represent the Company's obligation to pay its portion of committed funding related to the investment of inventories and fixed assets made prior to 2013 under the previous contract of $3,261, and COMIBOL's share of the VAT receivable of $1,723 (all of which classified as non-current).

9. CONSIDERATION PAYABLE

On March 18, 2022, the Company acquired 100% ownership of Sinchi Wayra and Illapa (the "Acquisition") from Glencore plc ("Glencore") under the terms and conditions outlined in the Share Purchase Agreement ("SPA"). The SPA was amended on October 3, 2024 by entering into a definitive omnibus agreement.

The following table summarizes the consideration payable to Glencore under the omnibus agreement:

	September 30, 2026	December 31, 2025
	$	$
Contingent value rights (note 9(b))	**24,840**	20,243
Balance, end of period	**24,840**	20,243
Less: current portion	**(1,417)**	-
Non-current portion	**23,423**	20,243

a) Base purchase price

The base purchase price was to pay up to $80,000 in cash to Glencore in eight equal annual instalments of $10,000 each (the "Base Purchase Price" or "BPP") with the first payment being made on or before November 1, 2025. The base purchase price obligation had an option to accelerate the payment of the outstanding balance reducing it to $40,000 if exercised prior to November 1, 2025. On September 4, 2025 the Company exercised the acceleration option and fully settled the base purchase price liability for $40,000.

b) Contingent value rights & additional payments

The Company granted a contingent value right (the "CVR") to Glencore whereby the Company will pay Glencore a monthly payment of $1,333 (the "CVR Payment"), subject to a total cap of $77,700 (the "Valuation Cap"), in the event that in any calendar month after the date the parties enter into the Term Sheet, the average London Metal Exchange ("LME") spot price of zinc (or the highest open hedge price if the Hedging Option (as defined below) has been exercised) in the calendar month is at least $3,850 per tonne (the "Base Price"). The CVR Payment will increase by $83 for each increase of $100 per tonne above the Base Price and up to a price of $5,049.99 per tonne.

9. CONSIDERATION PAYABLE (continued)

In addition to the CVR Payment, in the event the average LME spot price of zinc (or the highest open hedge price if the Hedging Option has been exercised) in a calendar month is at least $5,050 per tonne (the "Additional Payment Price"), the CVR Payment will increase by $83 for each increase of $100 per tonne above the Additional Payment Price and the Company will pay Glencore a monthly payment of $83 as a Bonus Payment that will increase by $83 for each increase of $100 per tonne above the Additional Payments Price. The Bonus Payment is not considered as part of the CVR Payment.

Upon the occurrence of the monthly average zinc LME spot price exceeding the Base Price, Glencore can require the Company to hedge a limited amount of zinc production from its Bolivian mining operations (so long as the hedging price would exceed the Base Price) subject to certain conditions (the "Hedging Option"). The hedging option has not been exercised by Glencore since the omnibus agreement was ratified.

The CVR and Additional Payments will be effective from the date of the omnibus agreement until the earlier of December 31, 2032 and the date the Valuation Cap is reached. The Additional Payments and the Hedging Option will terminate once the Company is no longer obligated to make CVR Payments.

The fair value at the initial recognition of the CVR was calculated using a Monte Carlo Simulation with key inputs and assumptions including the zinc spot price ($3,915 per tonne), the expected price of zinc in each year until December 31, 2032, the market risk-free rate and credit spread and the volatility and variability of historical zinc prices.

The Company performed a valuation exercise as at September 30, 2026 and determined a fair value of the CVR of $24,840 (December 31, 2025 - $20,243). The gain on change in fair value attributed to the CVR was $8,893 for the three months ended September 30, 2026 and a loss of $5,930 was recognized for the nine months ended September 30, 2026 (2025 – loss of $2,283 and $5,262, respectively) which is recorded on the statement of comprehensive income.

The following table summarizes the details of the consideration payable to Glencore:

	BPP (a)	CVRs (b)	Total
	$	$	$
Balance, December 31, 2024	**34,625**	**10,158**	**44,783**
Loss on change in fair value of consideration payable	5,375	10,085	15,460
Settlement of base purchase price obligation	(40,000)	-	(40,000)
Balance, December 31, 2025	**-**	**20,243**	**20,243**
Less: current portion	-	**-**	-
Non-current portion	-	20,243	20,243
Balance, December 31, 2025	**-**	**20,243**	**20,243**
Loss on change in fair value of consideration payable	-	5,930	5,930
Payment of contingent value right (note 9(c))		(1,333)	(1,333)
Balance, September 30, 2026	**-**	**24,840**	**24,840**
Less: current portion	-	(1,417)	(1,417)
Non-current portion	-	23,423	23,423

c) Payment of contingent value right

On September 28, 2026 the Company made its first CVR payment of $1,333 and an additional $1,417 CVR payment was due for payment in October and is classified as a current liability. The two CVR payments became payable because the average zinc price quoted in the LME exceeded the base price of $3,850 in August and September 2026.

10. LOANS PAYABLE

A summary of the Company's loans payable is as follows:

	Bank facilities (a)	Trafigura loan facility (b)	Other loans payable (c)	Promissory loan payable (d)	Total
	$	$	$	$	$
Balance, December 31, 2024	**14,791**	**4,034**	**744**	**-**	**19,569**
Proceeds advanced	44,279	-	16,993	11,684	72,956
Interest expense	1,223	336	-	569	2,128
Foreign exchange loss or gain	3,797	-	(160)	5,270	8,907
Repayment with cash	(32,595)	(1,848)	(17,131)	-	(51,574)
Balance, December 31, 2025	**31,495**	**2,522**	**446**	**17,523**	**51,986**
Less: Current portion	(31,495)	(1,412)	(212)	(17,523)	(50,642)
Non-current portion	**-**	1,110	234	-	1,344
Balance, December 31, 2025	**31,495**	**2,522**	**446**	**17,523**	**51,986**
Proceeds advanced	75,301	-	14	13,402	88,717
Interest expense	2,234	47	-	812	3,093
Foreign exchange gain	(4,586)	-	(116)	(3,567)	(8,269)
Repayment with cash	(74,128)	(2,569)	(141)	(16,076)	(92,914)
Balance, September 30, 2026	**30,316**	**-**	**203**	**12,094**	**42,613**
Less: Current portion	(30,316)	-	(41)	(12,094)	(42,451)
Non-current portion	-	-	162	-	162

a) Bank facilities

The Company has a secured credit facility denominated in Bolivian Bolivianos with Banco BISA S.A. of BOB 55,000 ($4,576), which is comprised of 1) a revolving credit facility of BOB 48,800 ($4,060) for the financing of mining operations and working capital with a fixed interest rate of 10.00% per annum; and 2) a "loan guarantee" credit facility of BOB 6,200 ($516) for the purpose of providing collateral to the Bolivian government for VAT refunds collected prior to the completion of the audit process by the Bolivian tax authority. In Bolivia, companies have the option to receive VAT refunds in advance of the audit process being completed if a loan guarantee for the refund amount is provided. The BOB 55,000 ($4,576) total credit facility is secured by certain real estate assets in Bolivia.

The BOB 48,800 ($4,060) revolving credit facility for working capital purposes can be drawn down at BOB 3,480 ($290) increments and automatically rolls over at maturity once fully repaid. As at September 30, 2026, BOB 48,720 ($4,053) (December 31, 2025 – BOB 48,720 ($5,828)), was drawn down from this credit facility.

As at September 30, 2026, BOB 1,028 ($86) of the BOB 6,200 ($516) loan guarantee credit facility was used to provide collateral to the Bolivian government on VAT refunds received (December 31, 2025 – BOB 1,703 ($204)).

On April 24, 2025, Sociedad Minera Illapa S.A. obtained a 360-day bank loan from Banco BISA S.A. with a fixed interest rate of 6.0% per annum. The facility is secured by a standby letter of credit guarantee issued by Stifel Bank where the marketable securities are held as collateral (refer to note 20). As at September 30, 2026, the loan has been repaid in full.

On April 20, 2026, Sociedad Minera Illapa S.A. obtained a 360-day bank loan from Banco BISA S.A. with a fixed interest rate of 10.00% per annum. The facility is secured by a standby letter of credit guarantee issued by Stifel Bank where the marketable securities are held as collateral (refer to note 20). As at September 30, 2026, the loan amount outstanding was BOB 90,500 ($7,529).

10. LOANS PAYABLE (continued)

The Company also has an unsecured revolving credit facility for working capital requirements and a loan guarantee with Banco de Crédito de Bolivia S.A. for a total of BOB 48,020 ($3,995). The credit facility has a weighted average fixed interest rate of 10.00% per annum and the weighted average interest rate on the loan guarantee facility is 2.0%.

As at September 30, 2026, BOB 50,078 ($4,166) (December 31, 2025 - BOB 50,078 ($5,990)) was drawn down on the credit facility. The credit facility has varying maturity dates to November 2026.

On March 31, 2025, Sociedad Minera Illapa S.A. obtained 180-day bank loan outstanding for BOB 45,962 ($6,603) from Banco de Crédito de Bolivia S.A. with a fixed interest rate of 6.00% per annum. The facility is secured by a standby letter of credit guarantee issued by Stifel Bank where the Company holds some of its USD cash balances from sales revenues (refer to note 20). The loan has been subject to extensions in increments of 180 calendar days since its inception. On September 14, 2026, the loan rolled over for an additional 180 calendar days for an amount of BOB 48,020 ($3,995) with a fixed interest rate of 10.00%.

On February 14, 2026 the Company obtained an unsecured 6 month working capital term loan for BOB 17,150 ($1,757) with a fixed interest rate of 10.00% with repayment of interest and principal at the end of the term from Banco Mercantil Santa Cruz S.A. As at September 30, 2026, the loan has been repaid in full.

On March 17, 2026, the Company received a working capital term loan from Banco BISA S.A. for BOB 14,000 ($1,165). The loan term is 180 calendar days and due on September 13, 2026. The loan is unsecured and has a fixed interest rate of 10.00%. The loan was fully repaid by its maturity date.

On March 31, 2026, the Company obtained an additional working capital term loan from Banco BISA S.A. for BOB 69,986 ($5,822). The loan term is 360 calendar days and due on March 26, 2027. The loan is unsecured and has a fixed interest rate of 10.00%.

b) Trafigura loan facility

On April 23, 2021, in connection with the acquisition of Zimapan, Trafigura Mexico, S.A. de C.V. (“Trafigura”) loaned the Company $17,616 under a new loan facility (“Trafigura Loan Facility”).

The Trafigura Loan Facility is secured by a first charge over all Zimapan Mine assets and all other material rights and properties owned by Zilar Mendi.

In the third quarter of 2024, the Company entered into a new amended and restated agreement to settle the outstanding principal amount of $4,156. The amended agreement has the same annual interest rate as the original agreement (1-month SOFR + 6.5%) and is for a period of 36 months, ending on October 31, 2027. The loan is repayable in monthly installments of principal plus accrued interest for the respective period.

On January 29, 2026, the Company made an early payment to settle the remaining balance of the loan facility, fully extinguishing the liability.

10. LOANS PAYABLE (continued)

c) Other loans payable

In the fourth quarter of 2022, the Company entered into contracts to sell trucks and machinery for net proceeds of $1,310. The Company subsequently leased the trucks and machinery back from the counterparty for a period of five years at a financing charge of 10.0% per annum and is required to make quarterly lease payments plus accrued interest. As the contracts provide the Company the right to repurchase the trucks and machinery at the end of the term for their residual value of 1%, the Company has an irrevocable right to repurchase the assets, and control of the assets did not transfer to the counterparty. Hence, these contracts are accounted for as financing transactions in accordance with IFRS 9 - Financial Instruments, rather than as sale and leaseback transactions under IFRS 16 - Leases. In accordance with IFRS 9, these contracts were recorded as a financial liability at amortized cost using the effective interest rate method. As at September 30, 2026, the financial liability was $203 (December 31, 2025 - $446).

During December 2025, the Company received BOB 20,000 ($2,049) from Banco BISA S.A. to cover payroll costs. The loan term is 180 calendar days and due on June 15, 2026. The loan is unsecured and has a fixed annual nominal rate of 10.00%. As of September 30, 2026, the loan has been repaid in full.

On June 29, 2026, the Company received BOB 20,000 ($1,664) from Banco BISA S.A. for working capital coverage. The loan term is 180 calendar days and due on February 2, 2027. The loan is unsecured and has a fixed annual nominal rate of 10.00%.

d) Promissory notes

The San Lucas Promissory Notes Issuance program allows the Company to issue up to BOB 140,000 ($11,648) in the Bolivian stock market (Bolsa Boliviana de Valores).

On February 20, 2025, the Company completed its first offering of BOB 70,000 ($5,824), the notes were denominated in Bolivian Bolivianos and had a 6.50% interest rate and a maturity date of February 15, 2026. On August 8, 2025, the Company completed a second offering of BOB 70,000 ($5,824) in promissory notes under its San Lucas Promissory Notes Issuance program. The notes under the second offering have an interest rate of 7.00% and a maturity date of June 15, 2026 and are unsecured. As of September 30, 2026, the Company has repaid the two offerings settling their liability in full.

On April 8, 2026, the Company completed its third offering of BOB 70,000 ($5,824). The notes have an annual interest rate of 11.50%, mature on March 22, 2027, and are unsecured.

On August 4, 2026, the Company completed the fourth offering of BOB 70,000 ($5,824). The notes have an annual interest rate of 10.9985%, mature on July 18, 2027 and are unsecured.

In accordance with IFRS 9, these contracts were recorded as a financial liability at amortized cost using the effective interest rate method. The promissory notes require that San Lucas maintain a current ratio greater than 1.15, a debt service ratio greater than 1.5, and that the debt to equity ratio not exceed 1.85. The Company is fully compliant with all financial covenants stipulated as at September 30, 2026.

e) Bonds

On December 30, 2024, the Financial System Supervisory Authority (ASFI) authorized the San Lucas Bonds Program. The San Lucas Bonds program allows the Company to issue up to $40,000 of unsecured bonds in the Bolivian Stock market (Bolsa Boliviana de Valores), the bonds can be denominated in USD or Bolivian Bolivianos. As at September 30, 2026, no bonds have been issued under the program.

11. OTHER LIABILITIES

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

	September 30, 2026	December 31, 2025
	$	$
Post Employment Benefits (note 11(a))	**10,367**	12,608
Lease liability	**30**	867
Other taxes payable (note 11(b))	**3,205**	5,106
Long-term portion of current income taxes payable	**-**	713
Participation payable to COMIBOL for interest in joint operation (note 11(c))	**4,513**	8,873
Other liabilities	**-**	1,250
Balance, end of the period	**18,115**	29,417
Less: current portion	**(4,458)**	(8,876)
Non-current portion	**13,657**	20,541

a) Post-employment benefits

As at September 30, 2026, the Company recognized a provision of $2,199 ($1,933 as at December 31, 2025) for payments that must be made to employees upon termination of employment which is required by Mexican labour legislation. A provision of $8,168 ($10,675 as at December 31, 2025) has been recognized in Bolivia which entitles employees to receive a payment after five years of employment, if the employee resigns or is terminated before the 5-year period they are entitled to receive the amount accrued at the time of separation. Based on expected employee turnover, these provisions are considered non-current.

b) Other taxes payable

Other taxes payable includes amounts payable to the Mexican and Bolivian tax authorities for miscellaneous taxes such as payroll taxes, withholding taxes, VAT payables and income taxes from prior periods which are being paid under an installment plan.

c) Participation payable to COMIBOL for interest in joint operation

The net participation payable to COMIBOL is derived from the Illapa Joint Operation. The Company is solely responsible for 100% of certain transactions specified in the agreement and such transactions are recorded as liabilities where there is a net amount payable to COMIBOL.

12. DECOMMISSIONING AND RESTORATION PROVISION

The Company has an obligation to undertake decommissioning, restoration, rehabilitation and environmental work when environmental disturbance is caused by the development and ongoing production of a mining operation. Movements in decommissioning liabilities during the nine months ended September 30, 2026 and 2025 are allocated as follows:

	Bolivar	Porco	Caballo Blanco Group	San Lucas Group	Zimapan	Total
	$	$	$	$	$	$
Balance, December 31, 2024	3,666	6,256	7,543	3,006	5,205	25,676
Change in estimate	813	1,113	570	399	111	3,006
Reclamation work performed	(20)	(7)	(72)	(30)	-	(129)
Accretion	250	423	698	286	490	2,147
Foreign exchange gain	443	655	2,445	1,104	669	5,316
Balance, December 31, 2025	**5,152**	**8,440**	**11,184**	**4,765**	**6,475**	**36,016**
Less: current portion	(84)	(15)	(650)	(73)	-	(822)
Non-current portion	5,068	8,425	10,534	4,692	6,475	35,194

Balance, December 31, 2025	5,152	8,440	11,184	4,765	6,475	36,016
Change in estimate recognized in cost of sales (note 12(a))	(78)	(538)	(4,041)	(1,848)	-	(6,505)
Change in estimate recognized in mineral properties (note 12(a))	2,274	4,376	(1,434)	(33)	(416)	4,767
Reclamation work performed	(10)	(2)	(54)	(30)	-	(96)
Accretion	324	529	578	249	419	2,099
Foreign exchange gain	(1,407)	(2,175)	(2,019)	(944)	43	(6,502)
Balance, September 30, 2026	**6,255**	**10,630**	**4,214**	**2,159**	**6,521**	**29,779**
Less: current portion	(45)	(11)	(143)	(144)	-	(343)
Non-current portion	6,210	10,619	4,071	2,015	6,521	29,436

a) Change in estimate

In the second quarter of 2026, management updated its estimate of the future expenditures required for the restoration of its mining properties which resulted in a $12,420 decrease in the decommissioning and restoration provision. The decrease in future expenditures is primarily caused by significant changes to the Bolivian economic environment which includes the adopting of a floating exchange rate and a significant reduction in the projected inflation rate. The change in estimate reduced the carrying value of the decommissioning and restoration asset to zero and the remaining $6,505 was recorded as a reduction to Cost of Sales.

In the third quarter of 2026, management performed its annual review of the future expenditures required for the restoration of its mining properties which resulted in a $10,839 increase in the decommissioning and restoration provision. The change in estimate resulted in the recognition of a decommissioning and restoration asset which is classified as mineral properties.

12. DECOMMISSIONING AND RESTORATION PROVISION (continued)

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

	Decommissioning and restoration provisions - September 30, 2026				
	Bolivar	Porco	Caballo Blanco Group	San Lucas Group	Zimapan
Undiscounted uninflated estimated cash flow	$5,899	$10,021	$10,600	$3,761	$10,049
Discount rate	12.6%	12.6%	14.3%	15.4%	8.9%
Inflation rate	7.64%	7.64%	7.64%	7.64%	3.6%

	Decommissioning and restoration provisions - December 31, 2025				
	Bolivar	Porco	Caballo Blanco Group	San Lucas Group	Zimapan
Undiscounted uninflated estimated cash flow	$4,248	$6,925	$7,829	$3,250	$9,791
Discount rate	10.2%	10.2%	9.9%	9.6%	8.7%
Inflation rate	20.2%	20.2%	20.2%	20.2%	3.6%

13. SHARE CAPITAL

a) Authorized share capital

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

b) Issued – share capital

During the nine months ended September 30, 2026, the Company issued 151,669 common shares from the vesting of RSUs, 125,000 common shares from the vesting of PSUs, and 755,789 common shares from the exercise of options for proceeds of $1,100. During the nine months ended September 30, 2025, the Company issued 148,334 common shares from the vesting of RSUs, 200,000 common shares from the vesting of PSUs, and 1,737,101 common shares from the exercise of options for proceeds of $2,380.

c) Stock options

On November 25, 2025 at the Company's annual general meeting, shareholders re-approved the omnibus equity incentive plan (the "Omnibus Incentive Plan"). Pursuant to the Omnibus Incentive Plan, the Company may grant options, RSUs, PSUs, and DSUs to directors, officers, employees, management company employees, and consultants of the Company and its subsidiaries. The maximum number of shares available for issuance under the Omnibus Incentive Plan is limited to 10% of the issued and outstanding common shares.

Pursuant to the Omnibus Incentive Plan, options granted have a maximum term of ten years and the vesting provisions of options granted are at the discretion of the Board of Directors. Options are non-transferrable and the exercise price of the options shall be determined by the Board of Directors at the time the options are granted but in no event shall be lower than the discounted market price permitted by the TSX.

The following is a summary of the Company's stock options granted, exercised and cancelled for the nine months ended September 30, 2026 and for the year ended December 31, 2025:

	Number of stock options	Weighted average exercise price
	#	C$
Balance, December 31, 2024	3,612,500	1.84
Granted	862,500	4.40
Exercised	(2,663,544)	1.94
Cancelled	(54,166)	3.54
Balance, December 31, 2025	1,757,290	2.89
Granted	45,000	17.18
Exercised	(770,834)	2.20
Balance, September 30, 2026	**1,031,456**	**4.02**

As at September 30, 2026, the Company had the following stock options outstanding:

		Options outstanding			Options exercisable		
Grant Date	**Date of expiry**	**Number of options**	**Weighted average exercise price**	**Weighted average remaining years**	**Number of options**	**Weighted average exercise price**	**Weighted average remaining years**
			C$			C$	
August 1, 2024	August 1, 2029	327,083	1.60	2.84	181,250	1.60	2.84
October 16, 2024	October 16, 2029	18,750	1.64	3.05	18,750	1.64	3.05
June 26, 2025	June 26, 2030	640,623	4.40	3.74	369,796	4.40	3.74
February 27, 2026	February 27, 2031	45,000	17.18	4.41	22,500	17.18	4.41
Balance, September 30, 2026		**1,031,456**	**4.02**	**3.47**	**592,296**	**3.94**	**3.47**

13. SHARE CAPITAL (continued)

During the nine months ended September 30, 2026, the Company recognized share-based compensation expense of $844 (2025 - $893) based on the fair value of the options granted in the current and prior years.

The weighted average assumptions used in the Black-Scholes option pricing model were as follows:

Assumption	Based on	2026	2025
Risk-Free rate (%)	Yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life	**2.62%**	2.83%
Expected life (years)	Expiry term of the options	**5 years**	5 years
Expected volatility (%)	Historical volatility of the Company's share price	**91.86%**	89.86%
Dividend yield (%)	Annualized dividend rate as of the date of grant	**Nil**	nil

The weighted average closing share price on the date of the option exercises for the nine months ended September 30, 2026 was $12.82 per share (year ended December 31, 2025 - C$8.58).

d) Restricted Share Units (RSU)

RSUs are non-transferrable awards for service which upon vesting and settlement entitle the recipient to receive cash or common shares of equivalent value at the discretion of the Company. The choice of settlement method is at the Company's sole discretion and the RSUs have been accounted for assuming they will be settled through equity. Vesting conditions for RSUs are set by the Board of Directors.

The following is a summary of the Company's RSUs for the nine months ended September 30, 2026 and for the year ended December 31, 2025:

	Number of RSUs outstanding	Weighted average fair value
	#	C$
Balance, December 31, 2024	206,250	1.38
Granted	238,750	3.92
Vested	(148,334)	2.74
Balance, December 31, 2025	296,666	2.74
Granted	335,000	9.55
Vested	(151,669)	2.74
Balance, September 30, 2026	**479,997**	**7.49**

As at September 30, 2026, the Company had the following RSUs outstanding:

Grant Date	Vesting Date	Number of RSUs outstanding	Weighted average fair value	Weighted average years until vesting
		#	C$	years
August 1, 2024	March 31, 2027	67,083	1.38	0.50
June 26, 2025	June 26, 2027	77,914	3.92	0.74
January 5, 2026	January 5, 2027	13,000	13.55	0.27
January 5, 2026	January 5, 2028	13,000	13.55	1.27
January 5, 2026	January 5, 2029	13,000	13.55	2.27
July 31, 2026	July 31, 2027	98,666	9.02	0.83
July 31, 2026	July 31, 2028	98,667	9.02	1.84
July 31, 2026	July 31, 2029	98,667	9.02	2.84
Balance, September 30, 2026		**479,997**	**7.49**	**1.42**

13. SHARE CAPITAL (continued)

During the nine months ended September 30, 2026, the Company recognized share-based compensation expense of $567 (2025 – $428) related to RSUs.

e) Deferred Share Units (DSU)

DSUs are non-transferrable awards that become payable upon termination of service of the participant. Vesting conditions for DSUs are set by the Board of Directors. Upon settlement, DSUs entitle the recipient to receive cash or common shares of an equivalent value at the discretion of the Company. Timing of settlement after vesting occurs at the discretion of the participant and communicated to the Company by the participant in writing at least fifteen days prior to the designated day, or an earlier date as the participant and the Company pay agree. If no notice is given by the participant for a designated day, the DSUs shall be payable on the first anniversary of the date on which the participant's termination of service, or any earlier period on which the DSUs vest, at the sole discretion of the participant.

The following is a summary of the Company's DSUs for the nine months ended September 30, 2026 and for the year ended December 31, 2025:

	Number of DSUs outstanding	Weighted average fair value
	#	C$
Balance, December 31, 2024 and December 31, 2025	168,750	1.38
Granted	60,000	9.02
Balance, September 30, 2026	**228,750**	**3.38**

As at September 30, 2026, the Company had the following DSUs outstanding:

Grant Date	Vesting Date	Number of DSUs outstanding	Weighted average fair value	Weighted average years until vesting
		#	C$	years
August 1, 2024	August 1, 2025	168,750	1.38	0.00
July 31, 2026	July 31, 2027	20,000	9.02	0.83
July 31, 2026	July 31, 2028	20,000	9.02	1.84
July 31, 2026	July 31, 2029	20,000	9.02	2.84
Balance, September 30, 2026		**228,750**	**3.38**	**0.48**

During the nine months ended September 30, 2026, the Company recognized share-based compensation expense of $39 (2025 – $97) related to DSUs.

13. SHARE CAPITAL (continued)

f) Performance Share Units (PSU)

PSUs are non-transferrable awards that will vest and become payable upon the attainment of performance criteria within a certain period, the criteria and the evaluation of performance in relation to the criteria is determined by the Board of Directors. PSUs are settled through cash or the issuance of common shares of equivalent value at the discretion of the Company. The choice of settlement method is at the Company's sole discretion.

The following is a summary of the Company's PSUs for the nine months ended September 30, 2026 and for the year ended December 31, 2025:

	Number of PSUs outstanding	Weighted average fair value
	#	C$
Balance, December 31, 2024	250,000	1.38
Granted	125,000	3.92
Vested	(200,000)	1.38
Cancelled	(50,000)	1.38
Balance, December 31, 2025	125,000	3.92
Granted	304,000	9.02
Vested	(132,500)	4.21
Balance, September 30, 2026	**296,500**	**9.02**

As at September 30, 2026, the Company had the following PSUs outstanding:

Grant Date	Vesting Date	Number of PSUs outstanding	Weighted average fair value	Weighted average years until vesting
		#	C$	years
July 31, 2026	August 16, 2027	296,500	9.02	0.13
Balance, September 30, 2026		**296,500**	**9.02**	**0.13**

During the nine months ended September 30, 2026, the Company recognized share-based compensation expense of $738 (2025 – $852) related to PSUs.

14. REVENUES

The Company's sales revenue is generated from the following significant components:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Sales revenue from mining operations (note 14(a))	**105,534**	55,266	**257,555**	158,980
Sales revenue from ore processing (note 14(b))	**47,742**	24,723	**136,708**	64,618
	153,276	79,989	**394,263**	223,598

a) Sales revenue from mining operations

Sales revenue comes from the sale of metal concentrates which primarily contain silver and zinc but also includes lead and copper. All sales revenue from mining operations is generated from concentrate sales derived from ore that was extracted from the Company's mineral properties. To generate revenues from the Company's mineral properties, the Company is responsible and incurs costs for the operation, acquisition, exploration and development of those properties.

b) Sales revenue from ore processing

Sales revenue from ore processing comes from the San Lucas feed sourcing business located in Bolivia. The feed sourcing business generates revenue from the sale of metal concentrates derived from ore purchased from third-party miners. Third-party miners are paid based upon the metal content of the ore provided and the prevailing metal prices at the time of purchase. After purchasing the ore, the Company assumes full ownership of the ore and is responsible for the processing and sale of the final product which is metal concentrates. The San Lucas ore sourcing and trading business operates under a margin-based business model that maintains contribution margins by aligning ore purchase costs with its metallurgical content and optimizes mill capacity utilization.

15. COST OF SALES

Cost of sales excluding depletion, depreciation and amortization are costs that directly relate to production and generation of revenues at the operating segments. Significant components of cost of sales are comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Consumables and materials	**7,348**	4,098	**15,109**	9,055
Energy	**874**	777	**2,937**	2,059
Insurance	**924**	974	**2,580**	2,506
Mining and plant maintenance costs	**23,874**	19,260	**71,016**	57,323
Other costs	**502**	(989)	**80**	(1,395)
Production Costs	**33,522**	24,120	**91,722**	69,548
Transportation and other selling costs	**5,806**	3,776	**13,918**	11,220
Mining royalties expense[(1)]	**4,389**	1,801	**9,900**	4,151
Finished goods inventory changes	**(474)**	2,808	**(3,697)**	5,233
Change in estimate of decommissioning provisions (note 12(a))	**-**	-	**(4,657)**	-
Cost of sales – mining operations	**43,243**	32,505	**107,186**	90,152

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Purchased ore costs[(2)]	**44,283**	15,079	**114,021**	30,732
Ore processing costs	**7,898**	6,361	**25,379**	14,214
Finished goods inventory changes	**(9,635)**	83	**(27,063)**	(624)
Change in estimate of decommissioning provisions (note 12(a))	**-**	-	**(1,848)**	-
Cost of sales – ore processing	**42,546**	21,523	**110,489**	44,322

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Cost of Sales – mining operations & ore processing	**85,789**	54,028	**217,675**	134,474

[(1)] Mining royalty expense includes a 1% royalty on silver revenue payable to the Mexican government and mining royalties payable to the Bolivian government based upon 5% zinc and 6% silver gross sales revenue from Bolivian mining operations.

[(2)] Purchased ore costs are the amounts paid to third-party miners for the purchase of ore from mineral properties not owned by the Company which is then processed and sold by the Company to generate sales revenue (refer to note 14(b)). The amount paid to third-party miners is based upon the ore's metal content and prevailing metal prices at the time of purchase.

16. GENERAL AND ADMINISTRATIVE EXPENSES

A summary of the Company's general and administrative expenses is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Corporate administration	**1,142**	1,420	**3,168**	3,088
Professional fees	**312**	956	**1,664**	2,177
Salaries and benefits	**3,887**	2,125	**9,596**	5,634
Tax penalties and inflation charges	**1,060**	1,951	**5,338**	4,430
	6,401	6,452	**19,766**	15,329

17. OTHER INCOME (EXPENSE)

A summary of the Company's other income is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Accretion of decommissioning provisions (note 12)	**(510)**	(687)	**(2,099)**	(1,462)
Accretion income on receivable from COMIBOL (note 5(a))	**385**	350	**1,362**	790
Financing expenses on leases	**-**	(155)	**(28)**	(451)
Interest expense, carrying and finance charges	**(1,033)**	(661)	**(3,093)**	(1,261)
Interest income on VAT receivables	**2,648**	964	**7,606**	3,351
Interest income	**647**	486	**1,541**	1,093
Other expenses	**(2,425)**	530	**(2,117)**	804
	(288)	827	**3,172**	2,864

18. INCOME TAX

a) Income tax expense

A summary of the Company's income tax expense is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Current tax expense	**24,487**	3,037	**74,620**	15,771
Deferred tax (recovery)	**6,227**	(3,765)	**8,600**	4,271
Income tax expense	**30,714**	(728)	**83,220**	20,042

A summary of the Company's reconciliation of income taxes at statutory rates for the three and nine months ended September 30, 2026 and 2025, is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Income before income taxes	**68,331**	15,616	**151,312**	66,814
Combined federal and provincial statutory income tax rates	**27%**	27%	**27%**	27%
Income tax expense at statutory rates	**18,449**	4,216	**40,854**	18,040
Permanent differences	**3,395**	(1,422)	**9,111**	(8,277)
Change due to differences in tax rates	**5,932**	419	**14,797**	15,588
Inflation adjustment	**1,208**	(22)	**280**	(72)
Change due to foreign translation	**4,677**	(943)	**17,170**	(4,006)
Deferred tax assets not recognized	**(2,604)**	4,536	**(884)**	5,860
Mexico mining royalty tax	**(2,884)**	(97)	**40**	138
Tax effect of investment in subsidiaries	**(586)**	(3,749)	**(1,103)**	(3,985)
Impact of change in accounting estimate	**3,127**	(4,000)	**2,955**	(3,675)
Others	**-**	334	**-**	431
Income tax expense	**30,714**	(728)	**83,220**	20,042

18. INCOME TAX (continued)

b) Deferred taxes

The significant components of the Company's deferred tax assets are as follows:

	September 30, 2026	December 31, 2025
	$	$
Trade and other receivables	**847**	1,916
Other liabilities	**5,906**	5,871
Mineral properties, plant and equipment	**-**	12
Decommissioning and restoration provision	**2,544**	2,671
Non-capital losses	**1,587**	2,706
Mining tax	**2,440**	616
Stock-based compensation reserve	**365**	-
Other	**448**	187
Deferred tax assets	**14,137**	13,979

The significant components of the Company's deferred tax liabilities are as follows:

	September 30, 2026	December 31, 2025
	$	$
Mineral properties, plant and equipment	**(32,008)**	(22,570)
Investment in subsidiaries	**(813)**	(1,916)
Inventories	**(3,023)**	(1,444)
Trade payables and accrued liabilities	**(825)**	(22)
COMIBOL initial investment period CAPEX receivable	**(2,141)**	(3,565)
Mining tax	**(94)**	-
Other	**(2,122)**	(2,676)
Deferred tax liabilities	**(41,026)**	(32,193)

The following table reconciles the deferred tax assets and liabilities to the Consolidated Statements of Financial Position:

	September 30, 2026	December 31, 2025
	$	$
Deferred tax assets	**11,882**	6,798
Deferred tax liabilities	**(38,771)**	(25,012)
	(26,889)	(18,214)

Deferred tax assets and liabilities that are probable to be utilized are offset if they relate to the same taxable entity and same taxation authority. Future potential tax deductions that do not offset deferred tax liabilities are considered to be deferred tax assets.

As at September 30, 2026, the Company had unrecognized capital losses of approximately $52,931 (December 31, 2025 - $48,424) that arose in Canada, the capital losses can be carried forward indefinitely.

As at September 30, 2026, the Company had unrecognized inflationary adjustments on its investments in subsidiaries of $26,891 (December 31, 2025 – $21,315) that arose in Bolivia, the amount can be utilized upon sale of subsidiaries.

As at September 30, 2026, the Company has unrecognized taxable temporary differences of $80,200 (December 31, 2025 - $87,100) for taxes that would be payable on the unremitted earnings of certain subsidiaries of the Company.

18. INCOME TAX (continued)

c) Bolivia uncertain income tax position relating to tax year 2017

As part of the acquisition of the Bolivian operations, the Company assumed potential pre-acquisition income tax liabilities related to Bolivia's 2017 tax year. The potential liability is from different tax positions regarding the deductibility of decommissioning and restoration provisions, depreciation of mineral properties, plant and equipment, undeclared income, and non-deductible expenses in the determination of the Bolivian current income tax.

As the matter relates to income tax, and there was uncertainty over whether the relevant authorities will accept the current tax treatment under the Bolivian tax law, management concluded that it meets the definition of an uncertain tax treatment within the scope of IAS 12 – Income Taxes and IFRIC 23 – Uncertainty over Income Tax Treatments. In accordance with IFRIC 23, an entity shall consider whether it is probable (more likely than not) that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that a taxation authority will accept an uncertain tax treatment, the entity shall determine the taxable income or loss consistent with the tax treatment applied in its income tax filings.

In 2023, the Bolivian tax authorities issued the tax reassessment of 132,559 BOB ($11,028), which included tax interest and penalties. The Company and the Bolivian tax authorities agreed on a financing arrangement ("Financing Arrangement") by making an initial deposit of 40,479 BOB ($3,368) (which represented 35% of the total balance) in the second quarter of 2023, and monthly instalments for the remaining balance of 75,175 BOB ($6,254) were payable over five years until June 2028.

The Company successfully challenged the Bolivian tax authorities' decision through legal proceedings with the Supreme Court of Justice and the Constitutional Court in Bolivia. On January 7, 2025 the Supreme Court of Justice ruled in favor of the Company by issuing sentence 188/2025 which nullified the previous rulings in favor of the tax authority and requires the tax authority issue a new assessment that is legally compliant. The tax authority appealed the decision during the second quarter of 2025, but the appeal was denied in October 2025 and has no further avenues to challenge the decision. The next step is for the tax authority to issue a new assessment, this time updated for the items addressed by the court ruling management will determine whether or not to accept the new assessment or challenge it again. Management has concluded that the matter has been resolved, accordingly, the Company believes there is no current tax liability and has not recognized an expense or any liability related to this matter as at September 30, 2026.

Pursuant to the Sinchi Wayra and Illapa acquisition agreements, Glencore has agreed to indemnify the Company for up to a maximum of $25,000, in aggregate, for all claims and liabilities arising from the acquisition. Such indemnification would, subject to such cap and certain conditions, extend to income tax liabilities. In the unlikely event that the Company exhausts all avenues and receives an unfavourable ruling, the Company is indemnified by the acquisition agreements and would not be liable for any income tax liability up to $25,000.

As at September 30, 2026, the Company has remitted tax instalments totaling 78,297 BOB ($6,507) inclusive of interest and penalties to the Bolivian tax authorities based on the Financing Arrangement. As the Company believes the current tax owing related to this matter is $nil and the amounts paid will ultimately be refunded to the Company, the total payment made to date of $6,507 has been recognized as "trade and other receivables" (Note 5). On February 27, 2026, the Company filed a formal refund request with the tax authority requesting the refund of the amounts paid, the Company is waiting on the tax authority to issue an administrative resolution in line with the sentence that was issued by the Supreme Court of Justice. Due to the current legal status of the proceedings and progress made with the tax authority to issue a refund, management expects to receive the full amount in the next year and no valuation allowance has been recognized.

19. CAPITAL MANAGEMENT

The Company's objective when managing its capital is to maintain its ability to continue as a going concern while at the same time maximizing the growth of its business and providing returns to its shareholders. The Company's capital structure consists of shareholders' equity (comprising issued capital plus equity reserves plus retained earnings) with a shareholders' equity of $251,235 as at September 30, 2026 (December 31, 2025 - $179,058).

The Company manages its capital structure and makes adjustments based on changes to its economic environment and the risk characteristics of the Company's assets. The Company's capital requirements are effectively managed based on the Company having a thorough reporting, planning and forecasting process to help identify the funds required to ensure the Company is able to meet its operating and growth objectives.

The Company is not subject to any externally imposed capital requirements with the exception of compliance with covenants for the San Lucas Promissory Notes Issuance program (note 10(d)).

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The carrying amounts of the Company's financial assets and financial liabilities by category are as follows:

September 30, 2026	Amortized cost	FVTPL	FVTOCI	Total
	$	$	$	$
Financial assets				
Cash and cash equivalents	102,836	-	-	102,836
Marketable securities	-	-	21,798	21,798
Trade and other receivables	18,244	38,143	-	56,387
	121,080	**38,143**	**21,798**	**181,021**
Financial liabilities				
Trade payables and accrued liabilities	40,420	-	-	40,420
Consideration payable	-	24,840	-	24,840
Loans payable	42,613	-	-	42,613
Other liabilities	14,910	-	-	14,910
	97,943	**24,840**	**-**	**122,783**

December 31, 2025				
Financial assets				
Cash and cash equivalents	44,267	-	-	44,267
Marketable securities	-	-	22,462	22,462
Trade and other receivables	22,977	20,371	-	43,348
	67,244	**20,371**	**22,462**	**110,077**
Financial liabilities				
Trade payables and accrued liabilities	54,569	-	-	54,569
Consideration payable	-	20,243	-	20,243
Loans payable	51,986	-	-	51,986
Other liabilities	23,598	-	-	23,598
	130,153	**20,243**	**-**	**150,396**

The categories of the fair value hierarchy that reflect the inputs to valuation techniques used to measure fair value are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3: Inputs for the asset or liability based on unobservable market data.

The carrying values of cash and cash equivalents, other receivables, and trade payables and accrued liabilities approximate their fair values because of their short-term nature.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Marketable securities consist of US treasury notes and US treasury bills which are held as part of the Company's cash position and liquidity management strategy. The marketable securities are measured at fair value using level 1 inputs, the unrealized gain/loss is recorded as other comprehensive income and once the securities are sold or mature the corresponding gain/loss is recorded as other income/expense.

The securities are held with Stifel which uses a portion of the holdings as collateral for the Standby Letters of Credit that were issued to Banco BISA and Banco Credito de Bolivia (see note 10(a)). Although the securities held can be readily converted to cash, they are restricted to the extent that the amounts serve as collateral. The Standby Letter of credit issued to Banco BISA is for $10,000 and expires on April 20, 2027. The standby letter of credit issued to Banco Credito de Bolivia is for $5,800 and expires on September 14, 2026, and automatically renews every six months. Since the standby letter of credit to Banco Credito de Bolivia will renew indefinitely, the amount held as collateral has been classified as non-current.

Trade receivables are measured at fair value using Level 2 inputs. The fair value of trade receivables is measured based on inputs other than quoted prices for the underlying commodity prices (silver, lead, zinc, copper) to which the receivable relates as the trade receivables are provisionally priced at the time of sale.

The fair value of the loans payable for disclosure purposes is determined using discounted cash flows based on the expected amounts and timing of future cash flows discounted using a market rate of interest adjusted for appropriate credit risk.

Consideration payable, comprised of contingent value rights (see note 9(b)), is measured at fair value using Level 3 inputs. The fair value is calculated using a Monte Carlo Simulation with key inputs and assumptions including the zinc spot price, the expected price of zinc in each year until December 31, 2032, the market risk-free rate and credit spread and the volatility and variability of historical zinc prices.

The levels in the fair value hierarchy into which the Company's financial assets and liabilities that are measured and recognized on the consolidated statements of financial position at fair value on a recurring basis were categorized as follows:

	September 30, 2026			December 31, 2025		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
	$	$	$	$	$	$
Assets						
Marketable securities	21,798	-		22,462	-	-
Trade and other receivables	-	38,143	-	-	20,371	-
	21,798	**38,143**	-	**22,462**	**20,371**	**-**
Liabilities						
Consideration payable	-	-	24,840	-	-	20,243
	-	-	**24,840**	**-**	**-**	**20,243**

The Company's trade receivables arose from provisional concentrate sales and are valued using quoted market prices based on the forward London Metal Exchange for silver, zinc and lead and the London Bullion Market Association P.M. fix for silver.

The methodology and assessment of inputs for determining the fair value of financial assets and liabilities as well as the levels of hierarchy for the Company's financial assets and liabilities measured at fair value remains unchanged from that at December 31, 2025.

The Company has exposure to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables.

The Company has concentrate contracts to sell the zinc, lead and copper concentrates produced by all of the Company's mines. Concentrate contracts are a common business practice in the mining industry. The terms of the concentrate contracts may require the Company to deliver concentrate that has a value greater than the payment received at the time of delivery, thereby introducing the Company to credit risk of the buyers of concentrates. Should any of these counterparties not honour purchase arrangements, or should any of them become insolvent, the Company may incur losses for products already shipped and be forced to sell its concentrates on the spot market or it may not have a market for its concentrates and therefore its future operating results may be materially adversely impacted. At September 30, 2026, the Company had receivable balances associated with buyers of its concentrates of $38,143 (December 31, 2025 - $20,371). The Company's concentrate is sold to well-known and well-established international concentrate buyers.

The following financial assets represent the maximum credit risk to the Company:

	September 30, 2026	December 31, 2025
	$	$
Cash and cash equivalents	**102,836**	44,267
Marketable securities	**21,798**	22,462
Trade and other receivables	**56,387**	43,348

Management constantly monitors and assesses the credit risk resulting from its concentrate sales, trading counterparties and customers. With the exception to the above, the Company believes it is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows. The Company has in place a rigorous planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansion plans. The Company strives to maintain sufficient liquidity to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its holdings of cash and marketable securities, and its committed loan facilities.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following tables summarize the remaining contractual maturities of the Company's financial liabilities and operating and capital commitments on an undiscounted basis at September 30, 2026:

	<1 year	**1 – 2 years**	**2 – 5 years**	**>5 years**	**Total**
	$	$	$	$	$
Trade payables and accrued liabilities	35,436	4,984	-	-	40,420
Consideration payable – CVR & additional payments	10,632	7,384	8,855	3,068	29,939
Loans payable	42,451	162	-	-	42,613
Lease payments	12	10	11	-	33
	88,531	**12,540**	**8,866**	**3,068**	**113,005**

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Currency risk

The Company reports its financial statements in USD; however, the Company operates in jurisdictions that utilize other currencies. As a consequence, the financial results of the Company's operations as reported in USD are subject to changes in the value of the USD relative to local currencies. Since the Company's sales are denominated in USD and a portion of the Company's operating costs and capital spending are in local currencies, the Company is negatively impacted by strengthening local currencies relative to the USD and positively impacted by the inverse.

The sensitivity of the Company's net income to changes in the exchange rate between the US dollar and the Bolivian boliviano, the Mexican peso and the Canadian dollar, would be as follows: a 1% change in the US dollar exchange rate relative to the Bolivian boliviano would change the Company's net income by approximately $581, a 1% change in the US dollar exchange rate relative to the Mexican peso would change the Company's net income by approximately $357, and a 1% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net income by approximately $(100).

The Company's financial assets and liabilities as at September 30, 2026 are denominated in Canadian dollars, US dollars, Bolivian bolivianos and Mexican pesos and translated to US dollars as follows:

	CAD	BOB	USD	MXN	Total
	$	$	$	$	**$**
Financial assets					
Cash and cash equivalents	292	11,167	91,248	129	102,836
Marketable securities	-	-	21,798	-	21,798
Trade and other receivables	23	4,394	51,727	243	56,387
	315	**15,561**	**164,773**	**372**	**181,021**
Financial liabilities					
Trade payables and accrued liabilities	421	22,594	13,871	3,534	40,420
Consideration payable	-	-	24,840	-	24,840
Loans payable	-	42,613	-	-	42,613
Other liabilities	-	8,168	4,513	2,229	14,910
	421	**73,375**	**43,224**	**5,763**	**122,783**
Net financial assets (liabilities)	**(106)**	**(57,814)**	**121,549**	**(5,391)**	**58,238**

Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company monitors its exposure to interest rates and has not entered into any derivative contracts to manage this risk. As at September 30, 2026, the Company's exposure to interest rate risk on interest bearing liabilities is limited to its consideration payable, debt facilities and lease liabilities. Based on the Company's interest rate exposure at September 30, 2026, a change of 1% increase or decrease of market interest rate would impact the Company's income or loss by approximately $426.

Price risk

Metal price risk is the risk that changes in metal prices will affect the Company's income or the value of its related financial instruments. The Company derives its revenue from the sale of silver, zinc, lead and copper. The Company's sales are directly dependent on metal prices that have shown significant volatility and are beyond the Company's control. Consistent with the Company's mission to provide equity investors with exposure to changes in precious metal prices, the Company's current policy is to not hedge the price of precious metal.

21. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The Company's related parties include its subsidiaries, joint arrangements and key management personnel. During its normal course of operation, the Company enters into transactions with its related parties for goods and services. All related party transactions for the three and nine months ended September 30, 2026 and 2025, have been disclosed in these consolidated financial statements.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Remuneration of key management personnel

Key management includes directors of the Company, the COO, the CFO, the CEO and Executive Chairman, and other members of key management. Compensation to key management personnel was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Management and consulting fees	**731**	611	**2,090**	1,920
Share-based compensation	**882**	919	**1,597**	2,201
	1,613	1,530	**3,687**	4,121

Of the $731 and $2,090 in management and consulting fees incurred with related parties during the three and nine months ended September 30, 2026, $55 and $167 (2025 - $53 and $170) was related to directors' fees and $676 and $1,923 (2025 - $558 and $1,750) was related to management and consulting fees.

22. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief executive officer and the executive management team, collectively the chief operating decision maker ("CODM"), in assessing performance and in determining the allocation of resources. The Company primarily manages its business by looking at individual producing and developing resource projects as well as the aggregate of the exploration and evaluation properties and typically segregate these projects between production, development, and exploration.

Operating segments

Management has identified 5 reportable operating segments: the Bolivar mine and processing plant, the Porco mine and processing plant, the Caballo Blanco Group which includes the Tres Amigos, Colquechaquita mines and the Don Diego processing plant, the San Lucas Group which includes the Reserva mine and San Lucas feed sourcing business, Zimapan mine and processing plant, and Corporate and Other activities.

The Bolivar and Porco segment revenues, cost of sales, capital expenditures, total assets and total liabilities are presented on 100% basis even though the assets, liabilities, sales and expenses are recorded at 45% in the consolidated statement of financial position and statement of comprehensive income because the Company's interest meets the definition of a joint operation in accordance with IFRS 11 Joint Arrangements. The Illapa Joint Operations elimination column in the tables below shows the removal of COMIBOL's 55% interest in Illapa's operating results and assets and liabilities.

Under the Association Agreement, Illapa S.A. is the designated operator and holds exclusive, comprehensive responsibility for all technical, financial, labor, legal, and commercial aspects of the operations. The Agreement grants Illapa full control over the mining production chain, including the exclusive right to commercialize concentrates in both domestic and international markets and to manage all related commercial processes. Because the Company is responsible for overseeing all of the operations, the CODM evaluates the performance of the segment on a 100% gross basis.

22. SEGMENT INFORMATION (continued)

a) Revenues, operating costs and gross profit mining operations and ore processing:

Three months ended September 30, 2026	Bolivar	Porco	Caballo Blanco Group	Zimapan	San Lucas Group	Illapa Joint Operation eliminations	Total
Country	Bolivia	Bolivia	Bolivia	Mexico	Bolivia	Bolivia	
	$	$	$	$	$	$	$
Revenues from mining operations	41,508	14,132	34,145	46,352	-	(30,603)	105,534
Mine operating costs							
Production costs	(18,659)	(7,994)	(11,789)	(19,486)	-	13,873	(44,055)
Depletion and amortization	(4,398)	(1,286)	(2,043)	(2,721)	-	3,570	(6,878)
	(23,057)	(9,280)	(13,832)	(22,207)	-	17,443	(50,933)
Gross profit - mining operations	**18,451**	**4,852**	**20,313**	**24,145**	**-**	**(13,160)**	**54,601**
Revenues from ore processing	-	-	-	-	47,742	-	47,742
Ore processing operating costs							
Purchased ore & conc. costs	-	-	-	-	(34,648)	-	(34,648)
Ore processing costs	-	-	-	-	(7,086)	-	(7,086)
Depletion and amortization	-	-	-	-	(502)	-	(502)
	-	-	-	-	(42,236)	-	(42,236)
Gross profit - ore processing	**-**	**-**	**-**	**-**	**5,506**	**-**	**5,506**
Total revenues	41,508	14,132	34,145	46,352	47,742	(30,603)	153,276
Total cost of sales	(18,659)	(7,994)	(11,789)	(19,486)	(41,734)	13,873	(85,789)
Total depletion and amortization	(4,398)	(1,286)	(2,043)	(2,721)	(502)	3,570	(7,380)
Gross profit – total	**18,451**	**4,852**	**20,313**	**24,145**	**5,506**	**(13,160)**	**60,107**

Three months ended September 30, 2025	Bolivar	Porco	Caballo Blanco Group	Zimapan	San Lucas Group	Illapa Joint Operation eliminations	Total
Country	Bolivia	Bolivia	Bolivia	Mexico	Bolivia	Bolivia	
	$	$	$	$	$	$	$
Revenues from mining operations	10,925	9,467	21,113	24,977	-	(11,216)	55,266
Mine operating costs							
Production costs	(9,542)	(7,232)	(9,474)	(15,528)	-	8,717	(33,059)
Depletion and amortization	(3,066)	(1,318)	(2,218)	(1,585)	-	3,030	(5,157)
	(12,608)	(8,550)	(11,692)	(17,113)	-	11,747	(38,216)
Gross profit - mining operations	**(1,683)**	**917**	**9,421**	**7,864**	**-**	**531**	**17,050**
Revenues from ore processing	-	-	-	-	24,723	-	24,723
Ore processing operating costs							-
Purchased ore & conc. costs	-	-	-	-	(15,161)	-	(15,161)
Ore processing costs	-	-	-	-	(5,808)	-	(5,808)
Depletion and amortization	-	-	-	-	(638)	-	(638)
	-	-	-	-	(21,607)	-	(21,607)
Gross profit - ore processing	**-**	**-**	**-**	**-**	**3,116**	**-**	**3,116**
Total revenues	10,925	9,467	21,113	24,977	24,723	(11,216)	79,989
Total cost of sales	(9,542)	(7,232)	(9,474)	(15,528)	(20,969)	8,717	(54,028)
Total depletion and amortization	(3,066)	(1,318)	(2,218)	(1,585)	(638)	3,030	(5,795)
Gross profit - total	**(1,683)**	**917**	**9,421**	**7,864**	**3,116**	**531**	**20,166**

22. SEGMENT INFORMATION (continued)

Nine months ended September 30, 2026	Bolivar	Porco	Caballo Blanco Group	Zimapan	San Lucas Group	Illapa Joint Operation eliminations	Total
Country	Bolivia	Bolivia	Bolivia	Mexico	Bolivia	Bolivia	
	$	$	$	$	$	$	$
Revenues from mining operations	82,619	36,335	82,935	121,091	-	(65,425)	257,555
Mine operating costs							
Production costs	(39,287)	(20,147)	(26,089)	(54,318)	-	30,157	(109,684)
Depletion and amortization	(13,380)	(4,248)	(6,161)	(8,020)	-	11,029	(20,780)
	(52,667)	(24,395)	(32,250)	(62,338)	-	41,186	(130,464)
Gross profit - mining operations	**29,952**	**11,940**	**50,685**	**58,753**	**-**	**(24,239)**	**127,091**
Revenues from ore processing	-	-	-	-	136,708	-	136,708
Ore processing operating costs							-
Purchased ore & conc. costs	-	-	-	-	(86,958)	-	(86,958)
Ore processing costs	-	-	-	-	(21,033)	-	(21,033)
Depletion and amortization	-	-	-	-	(1,693)	-	(1,693)
	-	-	-	-	(109,684)	-	(109,684)
Gross profit - ore processing	**-**	**-**	**-**	**-**	**27,024**	**-**	**27,024**
Total revenues	82,619	36,335	82,935	121,091	136,708	(65,425)	394,263
Total cost of sales	(39,287)	(20,147)	(26,089)	(54,318)	(107,991)	30,157	(217,675)
Total depletion and amortization	(13,380)	(4,248)	(6,161)	(8,020)	(1,693)	11,029	(22,473)
Gross profit – total	**29,952**	**11,940**	**50,685**	**58,753**	**27,024**	**(24,239)**	**154,115**

Nine months ended September 30, 2025	Bolivar	Porco	Caballo Blanco Group	Zimapan	San Lucas Group	Illapa Joint Operation eliminations	Total
Country	Bolivia	Bolivia	Bolivia	Mexico	Bolivia	Bolivia	
	$	$	$	$	$	$	$
Revenues from mining operations	50,473	27,524	55,121	68,760	-	(42,898)	158,980
Mine operating costs							
Production costs	(25,572)	(17,378)	(20,989)	(49,693)	-	22,124	(91,508)
Depletion and amortization	(8,826)	(3,401)	(6,083)	(4,443)	-	8,580	(14,173)
	(34,398)	(20,779)	(27,072)	(54,136)	-	30,704	(105,681)
Gross profit - mining operations	**16,075**	**6,745**	**28,049**	**14,624**	**-**	**(12,194)**	**53,299**
Revenues from ore processing					64,618		64,618
Ore processing operating costs							-
Purchased ore & conc. costs					(30,108)		(30,108)
Ore processing costs					(12,858)		(12,858)
Depletion and amortization					(1,638)		(1,638)
	-	-	-	-	(44,604)	-	(44,604)
Gross profit - ore processing	**-**	**-**	**-**	**-**	**20,014**	**-**	**20,014**
Total revenues	50,473	27,524	55,121	68,760	64,618	(42,898)	223,598
Total cost of sales	(25,572)	(17,378)	(20,989)	(49,693)	(42,966)	22,124	(134,474)
Total depletion and amortization	(8,826)	(3,401)	(6,083)	(4,443)	(1,638)	8,580	(15,811)
Gross profit - total	**16,075**	**6,745**	**28,049**	**14,624**	**20,014**	**(12,194)**	**73,313**

22. SEGMENT INFORMATION (continued)

b) Capital expenditures, total assets and total liabilities by operating segment

As at September 30, 2026	Bolivar	Porco	Caballo Blanco Group	Zimapan	San Lucas Group	Corporate and other	Illapa Joint Operation eliminations	Total
Country	Bolivia	Bolivia	Bolivia	Mexico	Bolivia		Bolivia	
	$	$	$	$	$	$	$	$
Capital expenditures	11,321	1,507	8,262	9,005	2,344	-	(7,056)	25,383
Total assets	163,874	98,414	139,677	114,228	89,994	21,955	(102,866)	525,276
Total liabilities	(68,057)	(43,605)	(101,296)	(55,240)	(23,415)	(24,773)	42,345	(274,041)

As at December 31, 2025	Bolivar	Porco	Caballo Blanco Group	Zimapan	San Lucas Group	Corporate and other	Illapa Joint Operation eliminations	Total
Country	Bolivia	Bolivia	Bolivia	Mexico	Bolivia		Bolivia	
	$	$	$	$	$	$	$	$
Capital expenditures	11,184	1,887	5,097	15,602	3,895	-	(7,046)	30,619
Total assets	138,287	88,393	136,936	66,534	74,026	26,687	(85,092)	445,771
Total liabilities	(56,573)	(39,876)	(133,428)	(42,714)	(4,405)	(20,502)	30,785	(266,713)

c) Revenues by operating segment, product and major customers

Three months ended September 30, 2026	Bolivar	Porco	Caballo Blanco Group	San Lucas Group	Zimapan	Total
Country	Bolivia	Bolivia	Bolivia	Bolivia	Mexico	
	$	$	$	$	$	$
Silver	30,435	6,613	20,103	34,610	28,879	120,640
Zinc	20,940	11,645	18,601	23,338	18,167	92,691
Lead	210	121	2,134	1,794	4,177	8,436
Copper					6,310	6,310
Illapa joint operation 55% interest	(22,830)	(7,773)			-	(30,603)
Metallurgical deductions	(9,310)	(3,813)	(6,102)	(10,933)	(6,801)	(36,959)
Smelting and refining costs	(767)	(434)	(591)	(1,067)	(4,380)	(7,239)
Sales to external customers	**18,678**	**6,359**	**34,145**	**47,742**	**46,352**	**153,276**

Three months ended September 30, 2025	Bolivar	Porco	Caballo Blanco Group	San Lucas Group	Zimapan	Total
Country	Bolivia	Bolivia	Bolivia	Bolivia	Mexico	
	$	$	$	$	$	$
Silver	5,873	4,468	12,028	12,962	14,674	50,005
Zinc	8,414	8,101	12,457	20,587	13,613	63,172
Lead	142	173	1,165	692	1,662	3,834
Copper	-	-	-	-	2,584	2,584
Illapa joint operation 55% interest	(6,009)	(5,207)	-	-	-	(11,216)
Metallurgical deductions	(2,899)	(2,713)	(3,669)	(7,365)	(3,923)	(20,569)
Smelting and refining costs	(605)	(562)	(868)	(2,153)	(3,633)	(7,821)
Sales to external customers	**4,916**	**4,260**	**21,113**	**24,723**	**24,977**	**79,989**

22. SEGMENT INFORMATION (continued)

Nine months ended September 30, 2026	Bolivar	Porco	Caballo Blanco Group	San Lucas Group	Zimapan	Total
Country	Bolivia	Bolivia	Bolivia	Bolivia	Mexico	
	$	$	$	$	$	$
Silver	65,214	18,946	53,330	97,762	82,603	317,855
Zinc	41,070	30,499	44,757	74,797	48,081	239,204
Lead	877	227	4,182	5,906	8,413	19,605
Copper	-	-	-	-	15,552	15,552
Illapa joint operation 55% interest	(45,441)	(19,984)	-	-	-	(65,425)
Metallurgical deductions	(22,384)	(11,673)	(17,091)	(35,780)	(19,311)	(106,239)
Smelting and refining costs	(2,158)	(1,664)	(2,243)	(5,977)	(14,247)	(26,289)
Sales to external customers	**37,178**	**16,351**	**82,935**	**136,708**	**121,091**	**394,263**

Nine months ended September 30, 2025	Bolivar	Porco	Caballo Blanco Group	San Lucas Group	Zimapan	Total
Country	Bolivia	Bolivia	Bolivia	Bolivia	Mexico	
	$	$	$	$	$	$
Silver	34,571	14,022	32,302	32,261	41,336	154,492
Zinc	29,914	21,902	32,744	52,205	37,858	174,623
Lead	1,001	993	2,988	2,513	6,165	13,660
Copper	-	-	-	-	6,683	6,683
Illapa joint operation 55% interest	(27,760)	(15,138)	-	-	-	(42,898)
Metallurgical deductions	(11,295)	(7,043)	(9,430)	(17,677)	(11,165)	(56,610)
Smelting and refining costs	(3,718)	(2,350)	(3,483)	(4,684)	(12,117)	(26,352)
Sales to external customers	**22,713**	**12,386**	**55,121**	**64,618**	**68,760**	**223,598**

During the three and nine months ended September 30, 2026 and 2025, the Company had two customers. One customer in Bolivia accounted for 70% and 69% of the total sales revenue for the three and nine months ended September 30, 2026 (2025 – 69% and 69%, respectively). The other customer in Mexico accounted for 30% and 31% of the total sales revenue for the three and nine months ended September 30, 2026 (2025 – 31% and 31%, respectively).

23. EARNINGS PER SHARE

Earnings per share for the Company was calculated based on the following:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Net income for the period	**37,617**	16,344	**68,092**	46,772
Weighted average number of shares outstanding	**92,993,277**	90,006,112	**92,614,861**	89,316,277
Earnings per share – basic	**0.40**	0.18	**0.74**	0.52

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Net income for the period	**37,617**	16,344	**68,092**	46,772
Weighted average number of shares outstanding	**92,993,277**	90,006,112	**92,614,861**	89,316,277
Incremental shares from options, RSUs, DSUs and PSUs	**1,991,703**	3,274,148	**1,991,703**	2,449,149
Earnings per share – diluted	**0.40**	0.18	**0.72**	0.51

Earnings per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted earnings per share reflects the potential dilution of common share equivalents, such as outstanding share options, RSUs, DSUs and PSUs in the weighted average number of common shares outstanding during the period, if dilutive.

The following securities could potentially dilute basic earnings per share in the future, but were not included in the computation of diluted earnings per share because they were anti-dilutive:

	2026	2025
Stock options	**45,000**	**-**
Total non-dilutive securities outstanding	**45,000**	**-**

24. SUPPLEMENTAL CASH FLOW INFORMATION

A summary of the Company's non-cash other income is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Accretion of decommissioning provision (note 12)	**510**	687	**2,099**	1,462
Accretion of COMIBOL initial investment CAPEX receivable (note 5(a))	**(385)**	(350)	**(1,362)**	(790)
Finance charges on leases	**-**	155	**28**	451
Interest expense, carrying and finance charges (note 10)	**1,033**	661	**3,093**	1,261
Other income items not affecting cash	**1,158**	1,153	**3,858**	2,384

Other non-cash transactions not included in the table above are disclosed elsewhere in the notes to the consolidated financial statements.