

SIERRA MADRE GOLD AND SILVER LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

Expressed in U.S. Dollars

Unaudited

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the Company's 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 consolidated interim financial statements of the Company 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 interim 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.

SIERRA MADRE GOLD AND SILVER LTD.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

Expressed in U.S. Dollars
Unaudited

ASSETS	September 30, 2025	December 31, 2024
Current		
Cash	\$ 11,559,865	\$ 452,081
Trade receivables (Note 3)	1,621,712	286,469
Value added taxes receivable - current portion	1,682,050	1,489,307
Inventories	1,264,739	995,041
Prepaid expenses and other	790,776	299,671
	<u>16,919,142</u>	<u>3,522,569</u>
Value added taxes receivable	1,229,842	-
Mining interests (Note 4)	17,549,040	17,641,838
Exploration and evaluation assets (Note 5)	11,422,144	10,901,266
Plant and equipment (Note 6)	4,522,111	2,796,592
Other assets	34,029	28,750
	<u>\$ 51,676,308</u>	<u>\$ 34,891,015</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 2,293,243	\$ 1,196,440
Payroll and withholding taxes payable	494,223	259,729
Current taxes payable	416,170	43,005
Lease liabilities	8,115	6,572
	<u>3,211,751</u>	<u>1,505,746</u>
Loan payable (Note 7)	5,375,000	5,375,000
Deferred income tax liabilities	595,494	524,604
Decommissioning liability (Note 8)	2,990,660	2,532,281
	<u>12,172,905</u>	<u>9,937,631</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	171,445,250	158,113,291
Contributed surplus	4,511,147	3,592,596
Accumulated other comprehensive loss	(597,393)	(217,025)
Deficit	(135,855,601)	(136,535,478)
	<u>39,503,403</u>	<u>24,953,384</u>
	<u>\$ 51,676,308</u>	<u>\$ 34,891,015</u>

Nature of operations (Note 1)

Contingencies (Note 16)

Subsequent events (Note 19)

ON BEHALF OF THE BOARD:

 "Alexander Langer", Director

 "Sean McGrath", Director

- the accompanying notes are an integral part of these condensed consolidated interim financial statements -

SIERRA MADRE GOLD AND SILVER LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF
CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30

Expressed in U.S. Dollars

Unaudited

	Share Capital (Note 9)	Contributed Surplus	Accumulated other comprehensive income (loss)	Deficit	Total
Balance, December 31, 2023	\$ 157,040,086	\$ 1,971,147	\$ 150,787	\$ (132,459,750)	\$ 26,702,270
Private placement - shares	1,109,169	-	-	-	1,109,169
Share issuance costs	(35,964)	-	-	-	(35,964)
Share-based compensation	-	1,290,629	-	-	1,290,629
Comprehensive loss for the period	-	-	(165,839)	(4,037,792)	(4,203,631)
Balance, September 30, 2024	158,113,291	3,261,776	(15,052)	(136,497,542)	24,862,473
Share-based compensation	-	330,820	-	-	330,820
Foreign exchange impact on retirement provision	-	-	(23,170)	-	(23,170)
Comprehensive loss for the period	-	-	(178,803)	(37,936)	(216,739)
Balance, December 31, 2024	158,113,291	3,592,596	(217,025)	(136,535,478)	24,953,384
Private placement - units	14,271,130	-	-	-	14,271,130
Share issuance costs	(2,045,380)	-	-	-	(2,045,380)
Fair value of agents' compensation options	(449,593)	449,593	-	-	-
Shares issued - exercise of stock options	843,229	-	-	-	843,229
Fair value of stock options exercised	581,435	(581,435)	-	-	-
Shares issued - exercise of warrants	131,138	-	-	-	131,138
Share-based compensation	-	1,050,393	-	-	1,050,393
Comprehensive income (loss) for the period	-	-	(380,368)	679,877	299,509
Balance, September 30, 2025	\$ 171,445,250	\$ 4,511,147	\$ (597,393)	\$ (135,855,601)	\$ 39,503,403

- the accompanying notes are an integral part of these condensed consolidated interim financial statements -

SIERRA MADRE GOLD AND SILVER LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS
OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30

Expressed in U.S. Dollars

Unaudited

	Three Months Sept. 30 2025	Three Months Sept. 30 2024	Nine Months Sept. 30 2025	Nine Months Sept. 30 2024
Revenues (Note 10)	\$ 5,519,847	\$ 2,535,617	\$ 15,718,504	\$ 2,535,617
Cost of sales (Note 11)	(3,815,903)	(2,287,587)	(11,489,992)	(2,287,587)
Gross profit	1,703,944	248,030	4,228,512	248,030
Amortization and accretion	60,607	68,746	185,735	194,545
Care and maintenance	-	-	-	903,094
Community relations	26,397	25,021	79,205	105,304
Environmental	115,700	126,702	388,859	126,702
Finance income	(46,352)	(2,147)	(46,352)	(9,117)
Financing costs	-	-	-	218,737
Foreign exchange loss (gain)	94,727	52,302	87,541	(106,165)
General and administrative (Note 12)	710,132	520,712	1,598,500	1,613,831
Interest expense	220,152	55,250	640,810	83,600
Other expense (income)	14,401	(1,748)	1,336	(15,099)
Provisional pricing adjustments (Note 10)	(399,364)	(133,374)	(918,591)	(133,374)
Share-based compensation (Note 9)	654,394	477,867	1,050,393	1,290,629
	1,450,794	1,189,331	3,067,436	4,272,687
Income (loss) before income taxes	253,150	(941,301)	1,161,076	(4,024,657)
Current income tax expense	(114,418)	-	(378,262)	-
Deferred income tax expense	(70,890)	(5,791)	(102,937)	(13,135)
Income (loss) for the period	67,842	(947,092)	679,877	(4,037,792)
Other comprehensive income (loss)				
Item that may be reclassified subsequently to income or loss:				
Currency translation adjustment	(273,302)	33,282	(380,368)	(165,839)
Comprehensive income (loss) for the period	\$ (205,460)	\$ (913,810)	\$ 299,509	\$ (4,203,631)
Income (loss) per share – basic and diluted	\$ 0.00	\$ (0.01)	\$ 0.00	\$ (0.03)
Weighted-average number of shares outstanding – basic (000's)	176,309	152,870	161,574	151,801
Weighted-average number of shares outstanding – diluted (000's)	177,913	152,870	163,178	151,801

- the accompanying notes are an integral part of these condensed consolidated interim financial statements -

SIERRA MADRE GOLD AND SILVER LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30

Expressed in U.S. Dollars

Unaudited

CASH RESOURCES PROVIDED BY (USED IN)	2025	2024
Operating activities		
Income (loss) for the period	\$ 679,877	\$ (4,037,792)
Items not involving cash		
Amortization and accretion	185,735	194,545
Depreciation and depletion	1,498,106	6,342
Deferred income tax expense	102,937	13,135
Interest expense deferred	-	75,600
Unrealized foreign exchange gain	(389,579)	(352,074)
Share-based compensation	1,050,393	1,290,629
Changes in non-cash working capital		
Trade receivables	(1,335,243)	(537,763)
Value added taxes receivable	(1,271,741)	(890,550)
Inventories	(318,371)	(424,625)
Prepaid expenses and other	(491,105)	(145,327)
Accounts payable and accrued liabilities	511,136	421,330
Payroll and withholding taxes payable	234,494	119,672
Current income taxes payable	373,165	-
	<u>829,804</u>	<u>(4,266,878)</u>
Investing activities		
Purchase of plant and equipment	(1,443,375)	(1,488,313)
Mine development costs	(988,304)	(1,395,272)
Exploration costs	(516,101)	(548,833)
	<u>(2,947,780)</u>	<u>(3,432,418)</u>
Financing activities		
Shares issued for cash	14,271,130	1,109,169
Share issuance costs	(2,045,380)	(35,964)
Shares issued – stock option exercises	843,229	-
Shares issued – warrant exercises	131,138	-
Loan proceeds	-	5,503,648
Loan repayments	-	(503,648)
	<u>13,200,117</u>	<u>6,073,205</u>
Increase (decrease) in cash position for the period	11,082,141	(1,626,091)
Cash position - beginning of period	452,081	1,929,549
Exchange difference on cash	25,643	32,294
Cash position - end of period	\$ 11,559,865	\$ 335,752

Supplemental schedule of non-cash investing and financing transactions (Note 17)

- the accompanying notes are an integral part of these condensed consolidated interim financial statements -

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars

Unaudited

1. NATURE OF OPERATIONS

Sierra Madre Gold and Silver Ltd. (the "Company") is a mineral extraction and exploration company incorporated in British Columbia with its registered office located at 15th Floor – 1111 West Hastings Street, Vancouver, British Columbia, Canada.

The Company holds a 100% interest in the Guitarra silver-gold mine located in Mexico, which began full commercial production on January 1, 2025, following a test-mining phase, which occurred from mid-2024 to December 31, 2024. The Company also has a 100% interest in the Tepic mineral property located in Mexico, which is in the exploration stage. Based on the information available to date, the Company has not yet determined whether its mineral properties contain ore reserves.

To December 31, 2024, the Company had no source of operating revenue and was dependent upon the cash flows from its test-mining at Guitarra, the issuance of shares, and the proceeds from debt financing to fund its operations and exploration activities. Effective January 1, 2025, the Company concluded that its test-mining results indicated that the Guitarra silver-gold mine was operating in the manner intended by management and declared commercial production had been reached at Guitarra. The Company's continuing operation is dependent upon future profitable production, establishing reserves and resources, maintaining its rights, access, and title to the properties, and obtaining the financing necessary to maintain operations.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operation. With the completion of the financing in July 2025 (*Note 9*), the Company estimates that its current cash reserves and planned operating results will provide sufficient working capital for its present obligations and planned activities for at least twelve months commencing September 30, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IFRS, as applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These statements do not include all of the information and disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments and information considered necessary for fair presentation have been included in these financial statements.

These condensed consolidated interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Company, including the notes thereto, for the year ended December 31, 2024. All financial information presented herein is unaudited. The Company's board of directors approved these interim financial statements for issue on November 12, 2025.

Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost basis, except for those assets and liabilities that are measured at revalued amounts or fair values at the end of each reporting period.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars

Unaudited

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION - *continued*

Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and the accounts of its wholly owned subsidiaries, La Guitarra Compania Minera, S.A. de C.V. (“La Guitarra”) (a Mexican company), Pita Exploration Limited (a British Columbia company), Pita Exploration, S. de R.L. de C.V. (a Mexican company), and Minera Sierra Madre Oro Y Plata, S. de R.L. de C.V. (a Mexican company).

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant inter-company transactions, balances, and unrealized foreign exchange translation gains or losses have been eliminated.

Foreign currency translation

The presentation currency of the Company is the U.S. dollar. The functional currency of the Company and all of its subsidiaries, except La Guitarra, is the Canadian dollar (“CAD”). The functional currency of La Guitarra is the U.S. dollar. Transactions denominated in foreign currencies are translated at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the reporting date. Translation gains and losses are reflected in profit or loss for the period.

Canadian functional operations are translated into U.S. dollars using the period-end exchange rate for assets and liabilities, and the average exchange rate for income and expenses. All resulting exchange differences are recognized in other comprehensive income or loss.

Significant accounting estimates, judgements, and assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates, judgements, and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. Actual amounts could differ from these estimates. The Company’s most significant accounting judgements relate to: going concern; impairment indicators for its mining interests, exploration and evaluation assets, and plant and equipment; determining decommissioning liabilities; the determination of when an asset is ready for its intended use; the determination of its functional currency; share-based compensation assumptions; and deferred tax asset recognition.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Management assesses the Company’s ability to continue as a going concern at each reporting date using all available information. This assessment, by its nature, relies on assumptions and estimates of future cash flows and other events, whose subsequent changes could materially affect the validity of these estimates and assumptions.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars

Unaudited

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION - *continued*

Significant accounting estimates, judgements, and assumptions - *continued*

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's plant and equipment, mining interests, and exploration and evaluation assets are impaired. External sources of information management considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its plant and equipment and mining interests. Internal sources of information management consider include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

Management has determined that acquisition, exploratory drilling, evaluation, development and related costs incurred, which were capitalized have potential future economic benefits and are potentially economically recoverable, subject to impairment analysis. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Mineral reserve and resource estimates affect the determination of recoverable value used in impairment assessments and the amortization rates for non-current assets using the units of production method. The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101 Technical Report standards. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control.

Such estimation is a subjective process and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position, results of operation and cash flows.

The Company's decommissioning liability represents management's best estimate of the present value of the future cash outflows required to settle the liability. Management assesses these provisions on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs, the timing of these expenditures, inflation, and the impact of changes in discount rates, interest rates and foreign exchange rates. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

Once an asset reaches the level of operation intended by management (referred to as "Commercial Production"), depletion and depreciation of the related asset commences, and the capitalization of interest terminates. Significant judgement is required to determine when certain assets of the Company reach this level. Management considers several factors including the completion of a reasonable period of commissioning, and whether consistent operating results are being achieved at a predetermined level of design capacity. The Company began a test mining and milling program at the mine in late June 2024 and, based upon the test-mining results to December 31, 2024, concluded that the mine and the mill had consistently achieved the established criteria. Accordingly, the Company concluded that Commercial Production had been achieved effective January 1, 2025.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars
Unaudited

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION - *continued*

Significant accounting estimates, judgements, and assumptions - *continued*

The Company has considered all primary and secondary indicators under IFRS and determined that the functional currency of the Company and all of its subsidiaries, except La Guitarra, is the Canadian dollar. The functional currency of La Guitarra is the U.S. dollar. While transactions conducted at La Guitarra are typically denominated in either the Mexican peso or the U.S. dollar, the Company is generating significant revenues from concentrate sales, which are denominated in U.S. dollars.

The Company uses the Black-Scholes Option-Pricing Model to estimate the fair value of options and warrants, which requires the input of subjective assumptions including the expected price volatility of the Company's common shares and the expected life and forfeiture rate of the security. Changes in these subjective input assumptions can materially affect the fair value estimate.

The Company has not recognized its deferred tax assets as management does not currently consider it more likely than not that these assets will be recovered.

3. TRADE RECEIVABLES

Details are as follows:

	September 30, 2025	December 31, 2024
Trade receivables	\$ 7,274,388	\$ 2,972,688
Less: Advance payments received	(6,091,947)	(2,675,419)
	1,182,441	297,269
Provisional pricing adjustments	439,271	(10,800)
	\$ 1,621,712	\$ 286,469

4. MINING INTERESTS

Details are as follows:

	September 30, 2025	December 31, 2024
Balance – beginning of period	\$ 17,641,838	\$ 15,660,081
Change in decommissioning liability <i>(Note 8)</i>	(83,270)	321,130
Depreciation of equipment capitalized <i>(Note 6)</i>	-	97,942
Mine development costs	988,305	1,322,908
Borrowing costs capitalized <i>(Note 7)</i>	-	239,777
Depletion	(997,833)	-
Balance – end of period	\$ 17,549,040	\$ 17,641,838

Guitarra silver-gold mine, Mexico

The Guitarra silver-gold mine is located in the Temascaltepec Mining District in the State of Mexico, near Toluca, Mexico, south-west of Mexico City. The mine consists of two underground operation centers and a flotation mill.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars
Unaudited

4. MINING INTERESTS - continued

Net smelter royalty

The Company has granted a 2% net smelter returns royalty ("NSR") over the entire Guitarra claim block to Royalty & Streaming Mexico, S.A. de C.V. The Company retains an option to buy back 1% (one-half) of the NSR for \$2,000,000.

Title

Title to mineral and exploration properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, title is in good standing and in accordance with related agreements.

5. EXPLORATION AND EVALUATION ASSETS

Details are as follows:

	Guitarra Project	Tepic Project	Total
Balance – December 31, 2023	\$ 6,345,073	\$ 3,858,378	\$ 10,203,451
Exploration capitalized	588,797	121,172	709,969
Foreign exchange	-	(12,154)	(12,154)
Balance – December 31, 2024	6,933,870	3,967,396	10,901,266
Exploration capitalized	437,021	79,080	516,101
Foreign exchange	-	4,777	4,777
Balance – September 30, 2025	\$ 7,370,891	\$ 4,051,253	\$ 11,422,144

Exploration Projects

- Guitarra, Mexico

Within the Guitarra silver-gold mine mining claims are several exploration targets, mainly concentrated in the eastern area of the Company's large claim block. The carrying value represents the historical cost of acquiring the asset and exploration and evaluation expenditures incurred and does not necessarily represent the current or future value.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars
Unaudited

5. EXPLORATION AND EVALUATION ASSETS – continued

Exploration Projects – continued

- Tepic mineral property, Mexico

In December 2017, the Company entered into an agreement providing it with the option to purchase a 100% interest in the Tepic project located in Nayarit, Mexico. Subsequently, the Company fulfilled all of the requirements under the agreement to the point of exercising its option and following a recently concluded court hearing in Mexico, the concessions were transferred to the Company on an unencumbered basis. The Company is currently investigating the impact of the court settlement on the final payment and NSR components of the December 2017 agreement. The carrying value at September 30, 2025, does not necessarily represent the current or future value.

6. PLANT AND EQUIPMENT

Details are as follows:

	September 30, 2025	December 31, 2024
Net book value – beginning of period	\$ 2,796,592	\$ 1,253,926
Additions	2,115,047	1,771,658
Disposals	(86,005)	-
Depreciation	(304,292)	(226,795)
Foreign exchange gain (loss)	769	(2,197)
Net book value – end of period	<u>\$ 4,522,111</u>	<u>\$ 2,796,592</u>
Cost	\$ 5,138,533	\$ 3,107,570
Accumulated amortization	<u>(616,422)</u>	<u>(310,978)</u>
	<u>\$ 4,522,111</u>	<u>\$ 2,796,592</u>

On July 1, 2024, the Company began depreciating certain plant and equipment that had previously been under care and maintenance. During 2025, depreciation of \$nil (2024 - \$97,942) was capitalized to mining interests (*Note 4*).

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars
Unaudited

7. LOAN PAYABLE

Project financing

In May 2024, the Company received a \$5,000,000 senior secured project financing loan from First Majestic Silver Corp. (“First Majestic”) bearing interest at 15% per annum and with a maturity date of May 8, 2026. Interest for the first six months to November 8, 2024 (\$375,000) is not payable until the maturity of the loan. Interest payments on the loan commenced on a monthly basis after the first six months. The loan is secured by a general security agreement constituting a first ranking (subject to certain permitted encumbrances, if any) security interest in all present and after-acquired personal property of the Company and certain other pledges, guarantees, and underlying general security agreements. There are no early payment penalties. First Majestic is the former parent of La Guitarra and a significant shareholder of the Company (*Note 13*).

In May 2025, the Company and First Majestic agreed to extend the maturity of the loan and the deferred interest by twelve months to May 8, 2027, with all other terms of the agreement remaining unchanged.

To December 31, 2024, the Company capitalized \$239,777 of the interest on this loan to mining interests as a qualifying borrowing cost (*Note 4*).

8. DECOMMISSIONING LIABILITY

Details are as follows:

	September 30, 2025	December 31, 2024
Balance – beginning of period	\$ 2,532,281	\$ 2,432,334
Interest or accretion expense	181,193	263,547
Change in estimated cash flows (<i>Note 4</i>)	(83,270)	321,130
Foreign exchange loss (gain)	360,456	(484,730)
Balance – end of period	<u>\$ 2,990,660</u>	<u>\$ 2,532,281</u>

A provision for decommissioning liabilities is estimated based on current regulatory requirements and is recognized at the present value of such estimated future costs. The expected timing of cash flows in respect of the provision is based on the estimated life of the Company’s mining operations. The undiscounted cash flows are estimated at \$4.3 million (December 31, 2024 - \$4.3 million). The discount rate is a risk-free rate determined based on the 10-year Mexican peso default swap rate of 8.594% (December 31, 2024 – 10.416%) for the respective estimated life of the operations. The inflation rate used is based on the historical 10-year average Mexican inflation rate of 4.71% (December 31, 2024 – 4.71%).

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars
Unaudited

9. SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of voting common shares without par value.

Details of the issued and outstanding shares are as follows:

	Number of Shares	Share Capital
Balance – December 31, 2023	149,121,493	\$ 157,040,086
Private placement – March 2024	3,571,500	738,513
Share issuance costs	-	(28,919)
Private placement – September 2024	1,250,000	370,656
Share issuance costs	-	(7,045)
Balance – December 31, 2024	153,942,993	158,113,291
Private placement – July 2025	27,858,000	14,271,130
Share issuance costs	-	(2,045,380)
Fair value of agents' compensation options	-	(449,593)
Shares issued – exercise of stock options	2,261,333	843,229
Fair value of stock options exercised	-	581,435
Shares issued – exercise of warrants	212,500	131,138
Balance – September 30, 2025	184,274,826	\$ 171,445,250

Share issuances

In March 2024, the Company issued 3,571,500 common shares at a price of CAD \$0.28 for gross proceeds of \$738,513. The Company paid a finders' fee of \$10,783 and legal and filing fees totalling \$18,136 in respect of the placement.

In September 2024, the Company issued 1,250,000 common shares at a price of CAD \$0.40 for gross proceeds of \$370,656. The Company paid legal and filing fees totalling \$7,045 in respect of the placement.

In July 2025, the Company completed a brokered private placement by issuing 27,858,000 units at a price of CAD\$0.70 per unit for gross proceeds of CAD\$19,500,600. Each unit consisted of one common share of the Company and one-half of one share purchase warrant with each whole warrant entitling the holder to acquire one additional common share at a price of CAD\$0.85 per share for a period of twelve months from the date of closing. The Company paid commissions of \$889,486, a corporate finance fee of \$19,114, and other fees of \$907,845 in respect of the placement. In addition, the Company paid legal costs of \$173,059, filing fees of \$55,876, and issued 1,799,700 agents' compensation options allowing the agents to purchase up to 1,799,700 common shares of the Company at a price of CAD\$0.70 for a period of twelve months from the date of closing. The agents' compensation options were valued at \$449,593 using the Black-Scholes Option-Pricing Model using the following assumptions: risk-free interest rate of 2.74%; expected dividend yield of 0.00%; expected stock price volatility of 100%; expected forfeiture rate of 0.00%; and an expected option life of 1.00 year.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars
Unaudited

9. SHARE CAPITAL – continued

Stock options

Details of stock option activity for the period including the related exercise prices and weighted-average exercise prices are as follows:

	Number	CAD
Outstanding, December 31, 2023	5,070,000	\$ 0.74
Granted	7,875,000	\$ 0.50
Expired	(111,667)	\$ 0.50
Forfeited	(223,333)	\$ 0.50
Outstanding, December 31, 2024	12,610,000	\$ 0.60
Granted	3,700,000	\$ 0.72
Exercised	(2,261,333)	\$ 0.51
Expired	(106,667)	\$ 0.63
Forfeited	(40,000)	\$ 0.50
Outstanding, September 30, 2025	13,902,000	\$ 0.64
Exercisable, September 30, 2025	11,322,000	\$ 0.63

At September 30, 2025, the Company had outstanding stock options enabling holders to acquire common shares as follows:

	Number of Shares	Exercise Price CAD	Expiry Date
Options	4,400,000	\$ 0.74	April 26, 2026
	500,000	\$ 0.74	April 29, 2027
	4,777,000	\$ 0.50	May 23, 2029
	225,000	\$ 0.50	May 23, 2026
	300,000	\$ 0.50	December 9, 2029
	950,000	\$ 0.69	June 5, 2030
	2,750,000	\$ 0.73	July 28, 2030
	13,902,000		

At September 30, 2025, the weighted-average remaining life for the outstanding stock options was 2.87 years.

Share-based compensation

The following table presents information relating to incentive stock options granted during the periods ended September 30:

	2025	2024
Options granted	3,700,000	7,575,000
Average exercise price – Canadian dollars	\$ 0.72	\$ 0.50
Estimated fair value per option	\$ 0.40	\$ 0.34
Estimated fair value of options granted	\$ 1,468,297	\$ 2,554,195

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars
Unaudited

9. SHARE CAPITAL - continued

Share-based compensation - continued

The fair value of the share-based compensation to be recognized in the accounts has been estimated using the Black-Scholes Option-Pricing Model with the following weighted-average assumptions:

	2025	2024
Risk-free interest rate	3.02%	3.70%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	100%	100%
Expected forfeiture rate	0.00%	0.00%
Expected option life in years	5.00	4.91

Share-based compensation is recorded over the vesting periods. The following table presents options vested and share-based compensation recognized during the nine-month periods ended September 30:

	2025	2024
Options vested	3,730,833	2,506,250
Compensation recognized	\$ 1,050,393	\$ 1,290,629

Warrants

Details of warrant and agents' compensation option activity for the period including the related exercise prices and weighted-average exercise prices are as follows:

	Number	CAD
Outstanding, December 31, 2024	444,949	\$ 0.65
Warrants issued	13,929,000	\$ 0.85
Agents' options issued	1,799,700	\$ 0.70
Warrants exercised	(212,500)	\$ 0.85
Agent's options expired	(444,949)	\$ 0.65
Outstanding, September 30, 2025	15,516,200	\$ 0.83

At September 30, 2025, the Company had outstanding share purchase warrants and agents' compensation options enabling holders to acquire common shares as follows:

	Number of Shares	Exercise Price CAD	Expiry Date
Warrants	13,716,500	\$ 0.85	24 July 2026
Agents' options	1,799,700	\$ 0.70	24 July 2026
	15,516,200		

At September 30, 2025, the warrants and agents' options were exercisable and had a weighted-average remaining life of 0.81 years.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars
Unaudited

10. REVENUES

Details of concentrate sales for the nine-month periods ended September 30 are as follows:

	2025	2024
Silver	\$ 7,171,556	\$ 1,409,324
Gold	9,762,403	1,334,258
	16,933,959	2,743,582
Smelting, treatment and refining costs	(1,215,455)	(207,965)
	<u>\$ 15,718,504</u>	<u>\$ 2,535,617</u>

Off-take agreement

The Company has signed an off-take agreement with Swiss-based global minerals trader MRI Trading AG for 100% of concentrate sales from the Guitarra silver-gold mine for a 24-month term.

During the nine-month period ended September 30, 2025, the Company recorded \$918,591 (2024 - \$133,374) in provisional pricing adjustments in connection with concentrate delivered and pending final settlement.

11. MINE OPERATING COSTS

Details for the nine-month periods ended September 30 are as follows:

	2025	2024
Production costs		
Labour costs	\$ 3,431,237	\$ 819,055
Mine and plant maintenance	1,412,095	340,804
Consumables and materials	2,210,802	508,416
Contracted services	1,290,550	322,009
Energy	775,495	214,935
Insurance	242,323	82,024
Other	-	17,182
Production inventory changes	117,422	(145,199)
	9,479,924	2,159,826
Depreciation and depletion	1,295,766	-
Other costs		
Transportation and selling costs	246,679	63,058
Mine royalty expense	306,382	50,599
Production taxes	161,241	14,104
	<u>\$ 11,489,992</u>	<u>\$ 2,287,587</u>
Cost of sales		

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars
Unaudited

12. GENERAL AND ADMINISTRATIVE EXPENSES

Details for the nine-month periods ended September 30 are as follows:

	2025	2024
Accounting and audit	\$ 309,137	\$ 300,306
Consulting	311,198	181,913
Depreciation	6,359	6,342
Director fees	49,320	50,792
Exploration and evaluation	-	5,350
Investor relations and promotions	302,067	298,624
Legal	7,555	85,384
Management fees	289,488	299,052
Office	158,311	202,603
Shareholder and regulatory	49,471	45,294
Travel	115,594	138,171
	<u>\$ 1,598,500</u>	<u>\$ 1,613,831</u>

13. RELATED PARTY TRANSACTIONS

The Company had transactions with related persons or corporations, which were undertaken in the normal course of operations. Key management includes directors and officers. The compensation paid or payable to key management and parties related to them for the periods ended September 30 is as follows:

	2025	2024
Accounting	\$ 167,989	\$ 88,216
Administration	121,114	67,500
Director fees	49,324	50,792
Geological	24,126	24,811
Management and mine supervision fees	383,873	333,015
	<u>\$ 746,426</u>	<u>\$ 564,334</u>

In addition, the Company recorded share-based compensation of \$362,610 (2024 - \$574,831), which relates to incentive stock options granted to directors and officers. Share-based compensation is a non-cash item calculated using the Black-Scholes Option-Pricing Model with the assumptions detailed in Note 9.

The Company has a project financing loan with First Majestic (*Note 7*). The principal balance of the loan as at September 30, 2025, was \$5,000,000 and deferred accrued interest totalled \$375,000. During the period, the Company paid or accrued \$562,500 (2024 - \$300,000) of interest on this loan. First Majestic is the former parent of La Guitarra and a significant shareholder of the Company.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars

Unaudited

14. RISK MANAGEMENT

The Company is exposed to various financial risks as detailed below:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's primary credit risk is associated with its cash balances, which are held through major Canadian and Mexican financial institutions with high investment grade ratings, and its trade receivables (*Notes 3 and 10*). 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 in respect of the buyers of its concentrate. Should this counterparty not honour the purchase arrangement, or should it become insolvent, the Company may incur losses for products already shipped and be forced to sell its concentrate on the spot market or it may not have a market for its concentrate and therefore its future operating results may be materially adversely impacted. At September 30, 2025, the Company had a receivable balance associated with the buyer of its concentrate of \$1,621,712 (December 31, 2024 - \$286,469). All of the Company's concentrate is sold to an established and well-known concentrate buyer. The carrying value of the Company's cash and trade receivables totalling \$13,181,577 represents the Company's maximum exposure to credit risk at September 30, 2025 (December 31, 2024 - \$748,087).

Management continually monitors and assesses the credit risk resulting from its concentrate sales and its trading counterparty. Except as noted above, the Company believes it is not exposed to significant credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the Company's financial instruments will fluctuate due to changes in exchange rates.

The Company presents its financial statements in U.S. dollars, however, the Company operates in jurisdictions that utilize other currencies. As a consequence, the financial results of the Company's operations as reported in U.S. dollars are subject to changes in the value of the U.S. dollar relative to local currencies. Since the Company's sales are denominated in U.S. dollars 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 U.S. dollar and positively impacted by the inverse.

At September 30, 2025, the Company carried cash and accounts payable balances denominated in Mexican pesos and U.S. dollars in the Canadian dollar functional entities, which are subject to currency risk due to fluctuations in the exchange rates with the Canadian dollar. Due to the volatility of the exchange rates between the Canadian dollar, the peso, and the U.S. dollar, such currency risk could result in future gains or losses to the Company. Based on the Company's net monetary liabilities denominated in U.S. dollars in the Canadian dollar functional entity at September 30, 2025, a 10% increase in the number of Canadian dollars required to buy a U.S. dollar would result in a loss of approximately \$212,000 and a 10% decrease would have the inverse effect.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars
Unaudited

14. RISK MANAGEMENT - *continued*

Foreign Currency Risk - *continued*

At September 30, 2025, the Company carried cash, trade receivables, value added taxes receivable, accounts payable, and payroll and other provisions denominated in Mexican pesos in the U.S. dollar functional entity, which are subject to currency risk due to fluctuations in the exchange rates with the U.S. dollar. Due to the volatility of the exchange rates between the Mexican peso and the U.S. dollar, such currency risk could result in future gains or losses to the Company. Based on the Company's net monetary liabilities denominated in Mexican pesos in the U.S. dollar functional entity at September 30, 2025, a 10% decrease in the number of Mexican pesos required to buy a U.S. dollar would result in a loss of approximately \$239,000 and a 10% increase would have the converse effect.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due (*Note 1*). The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows. The Company has in place a 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 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 table summarizes the remaining contractual maturities of the Company's financial liabilities and operating commitments on an undiscounted basis as at September 30, 2025:

	< 1 year	1-2 years	2-5 years	< 5 years	Total
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	2,795,581	-	-	-	2,795,581
Loan payable	-	5,375,000	-	-	5,375,000
Lease liabilities	8,115	-	-	-	8,115
Commitments	3,554,921	-	-	-	3,554,921
	6,358,617	5,375,000	-	-	11,733,617

The Company's capital requirements have typically been met through equity and debt financings. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The Company's working capital (current assets less current liabilities) at September 30, 2025, was \$13,707,391. The Company estimates that its recently completed financing (*Note 9*), current cash reserves, and planned operating results will provide sufficient working capital for its present obligations and planned activities for at least twelve months commencing September 30, 2025.

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. The Company holds cash and cash equivalents, which earn market rates of interest. The Company does not consider its interest rate risk in respect of these instruments to be material. The Company's loan payable is at a fixed rate of interest and therefore not subject to the risk of fluctuations in market rates of interest.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars

Unaudited

14. RISK MANAGEMENT - *continued*

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's revenue derives from the sale of silver and gold concentrate. 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 silver and gold.

15. CAPITAL DISCLOSURES

The Company is in the business of mineral exploration, development, and extraction and, until reaching Commercial Production at the Guitarra mine on January 1, 2025, had no ongoing source of operating revenue. To December 31, 2024, the Company typically financed its operations through the issuance of capital stock and through the issuance of debt instruments.

Capital raised is held in cash and cash equivalents in interest-bearing bank accounts or guaranteed investment certificates until such time as it is required to pay operating expenses, exploration and development costs, or for capital acquisitions. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for use in operations as well as exploration and development activities. The Company's objectives have not changed during the period ended September 30, 2025.

16. CONTINGENCIES

Customs

On January 9, 2018, La Guitarra received a ruling from the Manzanillo Customs Tax Authority assessing a tax penalty of \$4.1 million (78.4 million Mexican pesos) for allegedly failing to comply with Mexican Customs Law on a concentrate shipment made in March 2017. La Guitarra filed an appeal with the Federal Tax Court. On September 17, 2020, the Federal Tax Court in Durango granted La Guitarra a definitive injunction against collection. Based on advice from legal advisors, La Guitarra believes it was in compliance with the applicable Mexican law and therefore no liability was recognized in the financial statements.

First Majestic has assumed full responsibility for the dispute and at September 30, 2025, had posted a letter of credit supported by an underlying bond as security for the dispute with the Servicio de Administracion Tributaria in the amount of approximately \$5.3 million (108.6 million Mexican pesos).

La Tigra

In June 2021, a Mexican subsidiary of the Company entered into an agreement pursuant to which it obtained the right to explore and the option to acquire an interest in the La Tigra project located in Nayarit, Mexico. During 2023, the Company's subsidiary notified the owner of the property and requested negotiations to amend the option agreement. The Company was unsuccessful in re-negotiating the terms of the option agreement and accordingly the accumulated costs of \$2,906,681 were written off in the year ended December 31, 2023.

During the nine-month period ended September 30, 2025, the Company's subsidiary received notification that the optionor was suing the subsidiary for outstanding payments totalling \$625,000, which the optionor alleges were not made in accordance with the agreement. The Company disagrees with the optionors interpretation of the events leading up to this allegation and intends to defend its position vigorously.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars
Unaudited

17. SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS

Details for the periods ended September 30 are as follows:

	2025	2024
Increase (decrease) in decommissioning liability capitalized to mining interests (Notes 4 and 8)	\$ (83,270)	\$ 138,890
Depreciation capitalized to mining interests (Note 4)	\$ -	\$ 157,618
Borrowing costs deferred and capitalized to mining interests (Note 4)	\$ -	\$ 224,400
Increase in capital payables	\$ 585,667	\$ -
Fair value of agents' options issued in financing (Note 9)	\$ 449,593	\$ -
Fair value of stock options exercised (Note 9)	\$ 581,435	\$ -

18. SEGMENTED 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, in assessing performance and in determining the allocation of resources. The Company primarily manages its business by looking at individual producing, test mining, and developing resource projects, as well as the aggregate of exploration and evaluation properties, and segregates these projects between producing, test mining, development, and exploration.

The following reportable operating segments have been identified: the Guitarra silver-gold mine and Corporate and Other activities. The Corporate and Other division earns income that is considered incidental to the Company's activities and therefore does not meet the definition of a segment.

Significant information related to the Company's reportable segment is summarized in the tables below:

a) Operating or test mining segment

For the nine-month period ended September 30, 2025	Guitarra, Mexico	Corporate and Other	Inter-company Eliminations	Total
Revenues	\$ 15,718,504	\$ -	\$ -	\$ 15,718,504
Cost of sales				
Production costs	(9,362,502)	-	-	(9,362,502)
Other costs	(2,010,068)	-	-	(2,010,068)
Production inventory changes	(117,422)	-	-	(117,422)
	(11,489,992)	-	-	(11,489,992)
Gross profit	\$ 4,228,512	\$ -	\$ -	\$ 4,228,512

For the nine-month period ended September 30, 2024	Guitarra, Mexico	Corporate and Other	Inter-company Eliminations	Total
Revenues	\$ 2,535,617	\$ -	\$ -	\$ 2,535,617
Cost of sales				
Production costs	(2,305,025)	-	-	(2,305,025)
Other costs	(127,761)	-	-	(127,761)
Production inventory changes	145,199	-	-	145,199
	(2,287,587)	-	-	(2,287,587)
Gross profit	\$ 248,030	\$ -	\$ -	\$ 248,030

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars
Unaudited

18. SEGMENTED INFORMATION - continued

a) Operating or test mining segment – continued

As at September 30, 2025	Guitarra, Mexico	Corporate and Other	Inter-company Eliminations	Total
Capital expenditures	\$ 3,454,367	\$ 79,080	\$ -	\$ 3,533,447
Total assets	\$ 40,613,918	\$ 54,609,530	\$ (43,547,140)	\$ 51,676,308
Total liabilities	\$ (14,808,343)	\$ (5,533,032)	\$ 8,168,470	\$ (12,172,905)

As at December 31, 2024	Guitarra, Mexico	Corporate and Other	Inter-company Eliminations	Total
Capital expenditures	\$ 3,804,535	\$ -	\$ -	\$ 3,804,535
Total assets	\$ 34,907,021	\$ 42,721,012	\$ (42,737,018)	\$ 34,891,015
Total liabilities	\$ (12,101,879)	\$ (5,487,350)	\$ 7,651,598	\$ (9,937,631)

b) Segment revenue by location and major customers

For the nine-month period ended September 30, 2025	Guitarra, Mexico	Corporate and Other	Inter-company Eliminations	Total
Silver	\$ 7,171,556	\$ -	\$ -	\$ 7,171,556
Gold	9,762,403	-	-	9,762,403
Provisional pricing adjustments	918,591	-	-	918,591
	17,852,550	-	-	17,852,550
Smelting, treatment and refining costs	(1,215,455)	-	-	(1,215,455)
Sales to external customer	\$ 16,637,095	\$ -	\$ -	\$ 16,637,095

For the nine-month period ended September 30, 2024	Guitarra, Mexico	Corporate and Other	Inter-company Eliminations	Total
Silver	\$ 4,519,075	\$ -	\$ -	\$ 4,519,075
Gold	6,477,101	-	-	6,477,101
Provisional pricing adjustments	519,227	-	-	519,227
	11,515,403	-	-	11,515,403
Smelting, treatment and refining costs	(797,519)	-	-	(797,519)
Sales to external customer	\$ 10,717,884	\$ -	\$ -	\$ 10,717,884

All of the Company's sales of silver/gold concentrate are to one customer under contract (Note 10).

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expressed in U.S. Dollars

Unaudited

19. SUBSEQUENT EVENTS

Subsequent to September 30, 2025, the Company received proceeds of \$988,665 upon the exercise of 280,000 stock options and 1,443,750 warrants.