

SIERRA MADRE GOLD AND SILVER LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2026

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 STATEMENTS OF FINANCIAL POSITION**

Expressed in U.S. Dollars

Unaudited

ASSETS	March 31, 2026	December 31, 2025
Current		
Cash and cash equivalents	\$ 9,615,136	\$ 13,676,593
Short-term investment <i>(Note 14)</i>	3,594,020	3,642,987
Trade receivables <i>(Note 3)</i>	982,830	1,362,083
Value added taxes receivable	2,985,779	3,196,000
Inventories	1,518,589	1,611,500
Prepaid expenses and other	698,111	413,179
	<u>19,394,465</u>	<u>23,902,342</u>
Mining interests <i>(Note 4)</i>	18,125,470	17,868,736
Exploration and evaluation assets <i>(Note 5)</i>	12,087,085	11,871,411
Plant and equipment <i>(Note 6)</i>	10,259,043	7,446,243
Deferred income tax assets	4,704,173	5,527,406
Other assets	1,241,454	347,421
	<u>\$ 65,811,690</u>	<u>\$ 66,963,559</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 3,128,888	\$ 2,427,923
Payroll and withholding taxes payable	1,443,667	1,046,631
Subscriptions payable <i>(Note 19)</i>	-	5,777,778
Current taxes payable	432,515	611,666
	<u>5,005,070</u>	<u>9,863,998</u>
Loan payable <i>(Note 7)</i>	2,875,000	5,375,000
Decommissioning liability <i>(Note 8)</i>	2,824,596	2,748,194
	<u>10,704,666</u>	<u>17,987,192</u>
SHAREHOLDERS' EQUITY		
Share capital <i>(Note 9)</i>	181,101,102	173,583,296
Contributed surplus	2,826,579	4,405,745
Accumulated other comprehensive loss	(758,579)	(611,757)
Deficit	(128,062,078)	(128,400,917)
	<u>55,107,024</u>	<u>48,976,367</u>
	<u>\$ 65,811,690</u>	<u>\$ 66,963,559</u>

Nature of operations *(Note 1)***Contingencies** *(Note 16)***Subsequent event** *(Note 20)*

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 THREE MONTHS ENDED MARCH 31

Expressed in U.S. Dollars

Unaudited

	Share Capital (Note 9)	Contributed Surplus	Accumulated other comprehensive income (loss)	Deficit	Total
Balance, December 31, 2024	\$ 158,113,291	\$ 3,592,596	\$ (217,025)	\$ (136,535,478)	\$ 24,953,384
Share-based compensation	-	153,241	-	-	153,241
Comprehensive income (loss) for the period	-	-	(107,066)	335,875	228,809
Balance, March 31, 2025	158,113,291	3,745,837	(324,091)	(136,199,603)	25,335,434
Private placements - units	14,271,130	-	-	-	14,271,130
Share issuance costs	(2,043,208)	-	-	-	(2,043,208)
Fair value of agents' compensation options	(449,593)	449,593	-	-	-
Shares issued – exercise of stock options	1,244,128	-	-	-	1,244,128
Fair value of stock options exercised	907,227	(907,227)	-	-	-
Shares issued – exercise of warrants	1,164,403	-	-	-	1,164,403
Shares issued – exercise of agent options	251,010	-	-	-	251,010
Fair value of agent options exercised	124,908	(124,908)	-	-	-
Share-based compensation	-	1,242,450	-	-	1,242,450
Foreign exchange impact on retirement provision	-	-	(15,451)	-	(15,451)
Comprehensive income (loss) for the period	-	-	(272,215)	7,798,686	7,526,471
Balance, December 31, 2025	173,583,296	4,405,745	(611,757)	(128,400,917)	48,976,367
Shares issued – exercise of stock options	2,721,043	-	-	-	2,721,043
Fair value of stock options exercised	2,103,047	(2,103,047)	-	-	-
Shares issued – exercise of warrants	1,705,059	-	-	-	1,705,059
Shares issued – exercise of agent options	663,032	-	-	-	663,032
Fair value of agent options exercised	325,625	(325,625)	-	-	-
Share-based compensation	-	849,506	-	-	849,506
Foreign exchange impact on retirement provision	-	-	(209)	-	(209)
Comprehensive income (loss) for the period	-	-	(146,613)	338,839	192,226
Balance, March 31, 2026	\$ 181,101,102	\$ 2,826,579	\$ (758,579)	\$ (128,062,078)	\$ 55,107,024

- 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 AND COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31

Expressed in U.S. Dollars
Unaudited

	2026	2025
Revenues <i>(Note 10)</i>	\$ 10,108,067	\$ 4,960,887
Cost of sales		
Mine operating costs <i>(Note 11)</i>	6,239,376	3,337,611
Depreciation and depletion	258,657	267,277
Gross profit	3,610,034	1,355,999
Amortization and accretion	62,760	66,785
Community relations	51,831	24,463
Environmental	156,272	132,246
Finance and other income	(115,279)	(23,625)
Foreign exchange gain	(29,787)	(64,065)
General and administrative <i>(Note 12)</i>	883,940	402,153
Interest expense	131,683	199,845
Share-based compensation <i>(Note 9)</i>	849,506	153,241
	1,990,926	891,043
Income before income taxes	1,619,108	464,956
Current income tax expense	(402,968)	(123,053)
Deferred income tax expense	(877,301)	(6,028)
Income for the period	338,839	335,875
Other comprehensive loss		
Item that may be reclassified subsequently to income or loss:		
Currency translation adjustment	(146,613)	(107,066)
Comprehensive income for the period	\$ 192,226	\$ 228,809
Earnings per share – basic and diluted	\$ 0.00	\$ 0.00
Weighted-average number of shares outstanding – basic (000's)	195,276	153,943
Weighted-average number of shares outstanding – diluted (000's)	207,038	154,296

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SIERRA MADRE GOLD AND SILVER LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31

Expressed in U.S. Dollars

Unaudited

CASH RESOURCES PROVIDED BY (USED IN)	2026	2025
Operating activities		
Income for the period	\$ 338,839	\$ 335,875
Items not involving cash		
Amortization and accretion	62,760	66,785
Depreciation and depletion	264,855	269,342
Deferred income tax expense	877,301	6,028
Unrealized foreign exchange loss (gain)	36,421	(71,175)
Share-based compensation	849,506	153,241
Changes in non-cash working capital		
Trade receivables	379,253	(802,045)
Value added taxes receivable	249,305	(168,278)
Inventories	98,384	121,668
Prepaid expenses and other	(221,015)	(7,424)
Accounts payable and accrued liabilities	162,512	472,775
Payroll and withholding taxes payable	397,036	39,899
Current income taxes payable	408,888	117,956
Income tax paid	(588,039)	-
Finance expense	156,250	194,805
	<u>3,472,256</u>	<u>729,452</u>
Investing activities		
Purchase of plant and equipment	(2,167,767)	(378,271)
Deposits on plant and equipment	(280,570)	-
Mine development costs	(343,604)	(64,467)
Exploration costs	(217,660)	(151,892)
Deferred acquisition costs	(120,698)	-
	<u>(3,130,299)</u>	<u>(594,630)</u>
Financing activities		
Shares issued – stock option exercises	2,721,043	-
Shares issued – warrant exercises	1,705,059	-
Shares issued – agent option exercises	663,032	-
Deferred financing costs	(837,252)	-
Loan repayment	(2,500,000)	-
Subscriptions payable to escrow	(5,777,778)	-
Interest paid	(156,250)	(194,805)
	<u>(4,182,146)</u>	<u>(194,805)</u>
Decrease in cash position for the period	(3,840,189)	(59,983)
Cash position - beginning of period	13,676,593	452,081
Exchange difference on cash	(221,268)	(1,196)
Cash position - end of period	\$ 9,615,136	\$ 390,902

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
MARCH 31, 2026

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. 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.

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 in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") 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. 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 the next twelve months.

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, 2025. All financial information presented herein is unaudited. The Company's board of directors approved these condensed consolidated interim financial statements for issue on May 18, 2026.

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

Principles of consolidation

These consolidated 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 monetary 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 consolidated 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: impairment indicators for its mining interests, exploration and evaluation assets, and plant and equipment; the determination of when an asset is ready for its intended use; determining decommissioning liabilities; deferred tax asset recognition; and the determination of fair values of exploration assets acquired through an asset purchase agreement.

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's mining interests, exploration and evaluation assets, and plant and equipment 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.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2026

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

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

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 resources, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Mineral 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 resources are determined in accordance with National Instrument 43-101 Technical Report standards. There are numerous uncertainties inherent in estimating 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.

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 in the period 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.

The Company's decommissioning liability represents management's best estimate of the present value of the future cash outflows required to settle the obligation. 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.

The Company has considered its operating results in its wholly owned subsidiary, La Guitarra, and has considered its estimates of future taxable income and has recognized the deferred tax assets available to reduce future taxable income on the basis of the determination that it is more likely than not that these assets will be recovered. The Company has not recognized its deferred tax assets in Canada or for any of the other subsidiaries, as management does not currently consider it more likely than not that these assets will be recovered.

The determination of the fair values of exploration and evaluation assets acquired in an asset purchase agreement, involves significant judgement in relation to the valuation methodology employed, including management's selection of replacement cost as the most representative indicator of the fair values.

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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3. TRADE RECEIVABLES

Details are as follows:

	March 31, 2026	December 31, 2025
Trade receivables	\$ 1,445,068	\$ 2,356,701
Less: Advance payments received	-	(2,121,031)
	1,445,068	235,670
Provisional pricing adjustment	(462,238)	1,126,413
	\$ 982,830	\$ 1,362,083

4. MINING INTERESTS

Details are as follows:

	March 31, 2026	December 31, 2025
Balance – beginning of period	\$ 17,868,736	\$ 17,641,838
Change in decommissioning liability <i>(Note 8)</i>	-	(395,186)
Mine development costs	343,604	1,024,674
Depletion	(86,870)	(402,590)
Balance – end of period	\$ 18,125,470	\$ 17,868,736
Cost	\$ 18,614,930	\$ 18,271,326
Accumulated depletion	(489,460)	(402,590)
	\$ 18,125,470	\$ 17,868,736

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.

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.

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5. EXPLORATION AND EVALUATION ASSETS

Details are as follows:

	Guitarra Project	Tepic Project	Total
Balance – December 31, 2024	\$ 6,933,870	\$ 3,967,396	\$ 10,901,266
Exploration capitalized	859,846	103,441	963,287
Foreign exchange	-	6,858	6,858
Balance – December 31, 2024	7,793,716	4,077,695	11,871,411
Exploration capitalized	158,509	59,151	217,660
Foreign exchange	-	(1,986)	(1,986)
Balance – March 31, 2025	\$ 7,952,225	\$ 4,134,860	\$ 12,087,085

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.

- 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. Due to the death of the principal of the optionor, the Company was not able to exercise its option in the normal course. Following a 2025 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 March 31, 2026, does not necessarily represent the current or future value.

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6. PLANT AND EQUIPMENT

Details are as follows:

	March 31, 2026	December 31, 2025
Net book value – beginning of period	\$ 7,446,243	\$ 2,796,592
Additions	2,706,220	4,313,193
Deposits on plant and equipment purchases	280,570	768,590
Depreciation	(173,801)	(433,125)
Foreign exchange (loss) gain	(189)	993
Net book value – end of period	<u>\$ 10,259,043</u>	<u>\$ 7,446,243</u>
Cost	\$ 11,178,103	\$ 8,192,112
Accumulated depreciation	<u>(919,060)</u>	<u>(745,869)</u>
	<u>\$ 10,259,043</u>	<u>\$ 7,446,243</u>

7. LOAN PAYABLE

Details of the loan and deferred interest payable are as follows:

	March 31, 2026	December 31, 2025
Balance – beginning of period	\$ 5,375,000	\$ 5,375,000
Principal payment	<u>(2,500,000)</u>	-
Balance – end of period	<u>\$ 2,875,000</u>	<u>\$ 5,375,000</u>

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.

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.

On February 6, 2026, the Company made a principal repayment on the loan in the amount of \$2,500,000. Interest recorded on the loan during the period ended March 31, 2026 totalled \$132,292 (2025 - \$189,583).

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8. DECOMMISSIONING LIABILITY

Details are as follows:

	March 31, 2026	December 31, 2025
Balance – beginning of period	\$ 2,748,194	\$ 2,532,281
Interest or accretion expense	62,760	220,535
Change in estimated cash flows <i>(Note 4)</i>	-	(395,186)
Foreign exchange loss	13,642	390,564
Balance – end of period	\$ 2,824,596	\$ 2,748,194

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 \$4.5 million (December 31, 2025 - \$4.5 million). The discount rate is a risk-free rate determined based on the 10-year Mexican peso default swap rate of 8.910% (December 31, 2025 – 8.910%) for the respective estimated life of the operations. The inflation rate used is based on the historical 10-year average Mexican inflation rate of 3.69% (December 31, 2025 – 3.69%).

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, 2024	153,942,993	158,113,291
Private placement – July 2025	27,858,000	14,271,130
Share issuance costs	-	(2,043,208)
Fair value of agents' compensation options	-	(449,593)
Shares issued – exercise of stock options	3,091,333	1,244,128
Fair value of stock options exercised	-	907,227
Shares issued – exercise of warrants	1,907,500	1,164,403
Shares issued – exercise of agent options	500,000	251,010
Fair value of agents' options exercised	-	124,908
Balance – December 31, 2025	187,299,826	173,583,296
Shares issued – exercise of stock options	5,400,000	2,721,043
Fair value of stock options exercised	-	2,103,047
Shares issued – exercise of warrants	2,752,500	1,705,059
Shares issued – exercise of agent options	1,299,700	663,032
Fair value of agents' options exercised	-	325,625
Balance – March 31, 2026	196,752,026	\$ 181,101,102

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9. SHARE CAPITAL - *continued*

Share issuances

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 \$14,271,130. 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 \$905,673 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.

Stock options

The Company has an Incentive Stock Option Plan that complies with the rules of the TSX Venture Exchange ("TSX-V"), limiting the total number of incentive stock options to 10% of the issued common shares. Stock options may be issued at the discretion of the board of directors, exercisable during a period not exceeding ten years. Vesting provisions and exercise price are at the discretion of the board of directors, subject to the policies of the TSX-V.

In February 2026, the Company granted 1,000,000 five-year stock options to employees and consultants; 900,000 of these options vested upon grant, 100,000 options vest quarterly over twelve months.

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

	Number	CAD
Outstanding, December 31, 2024	12,610,000	\$ 0.60
Granted	3,700,000	\$ 0.72
Exercised	(3,091,333)	\$ 0.56
Expired	(114,167)	\$ 0.64
Forfeited	(66,666)	\$ 0.59
Outstanding, December 31, 2025	13,037,834	\$ 0.64
Granted	1,000,000	\$ 2.18
Exercised	(5,400,000)	\$ 0.69
Expired	(77,501)	\$ 0.70
Forfeited	(69,999)	\$ 0.70
Outstanding, March 31, 2026	8,490,334	\$ 0.79
Exercisable, March 31, 2026	7,228,666	\$ 0.78

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9. SHARE CAPITAL - continued

Stock options - continued

At March 31, 2026, the Company had outstanding stock options enabling holders to acquire common shares as follows:

	Number of Shares	Exercise Price CAD	Expiry Date
Options	3,979,500	\$ 0.50	May 23, 2029
	833,333	\$ 0.69	June 5, 2030
	2,677,501	\$ 0.73	July 28, 2030
	1,000,000	\$ 2.18	February 16, 2031
	8,490,334		

At March 31, 2026, the weighted-average remaining life for the outstanding stock options was 3.83 years.

Share-based compensation

The following table presents information relating to incentive stock options granted during the periods ended March 31:

	2026	2025
Options granted	1,000,000	-
Average exercise price – CAD	\$ 2.18	\$ -
Estimated fair value per option	\$ 0.75	\$ -
Estimated fair value of options granted	\$ 751,587	\$ -

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:

	2026	2025
Risk-free interest rate	2.79%	-
Expected dividend yield	0.00%	-
Expected stock price volatility	58.6%	-
Expected forfeiture rate	0.00%	-
Expected option life in years	4.00	-

Share-based compensation is recorded over the vesting periods. The following table presents options vested and share-based compensation recognized during the periods ended March 31:

	2026	2025
Options vested	1,795,000	56,250
Compensation recognized	\$ 849,506	\$ 153,241

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9. SHARE CAPITAL - *continued*

Warrants

Details of warrant and agents' compensation option activity including the 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	(1,907,500)	\$ 0.85
Agent's options exercised	(500,000)	\$ 0.70
Agent's options expired	(444,949)	\$ 0.65
Outstanding, December 31, 2025	13,321,200	\$ 0.84
Warrants exercised	(2,752,500)	\$ 0.85
Agent's options exercised	(1,299,700)	\$ 0.70
Outstanding, March 31, 2026	9,269,000	\$ 0.85

At March 31, 2026, the Company had outstanding share purchase warrants enabling holders to acquire 9,269,000 common shares at an exercise price of \$0.85 until July 24, 2026. The weighted-average remaining life of the outstanding warrants was 0.32 years.

10. REVENUES

Details for the periods ended March 31 are as follows:

	2026	2025
Silver	\$ 5,875,436	\$ 2,338,666
Gold	5,093,402	2,891,585
Provisional and final adjustments	(175,898)	119,645
	10,792,940	5,349,896
Smelting, treatment and refining costs	(684,873)	(389,009)
	\$ 10,108,067	\$ 4,960,887

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 in Mexico for a 24-month term.

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11. MINE OPERATING COSTS

Details for the periods ended March 31 are as follows:

	2026	2025
Direct production costs		
Labour costs	\$ 1,994,577	\$ 1,062,523
Mine and plant maintenance	884,223	309,643
Consumables and materials	995,911	791,842
Contracted services	688,948	448,774
Energy	656,885	259,387
Capitalized mine development costs	(343,604)	-
Finished goods inventory decrease	394,868	179,572
	<u>5,271,808</u>	<u>3,051,741</u>
Other costs		
Transportation and selling costs	99,204	78,699
Mine royalty expense	228,991	83,862
Insurance	91,098	74,936
Production taxes	124,032	48,373
	<u>543,325</u>	<u>285,870</u>
Employee profit sharing	<u>424,243</u>	<u>-</u>
Mine operating costs	<u>\$ 6,239,376</u>	<u>\$ 3,337,611</u>

12. GENERAL AND ADMINISTRATIVE EXPENSES

Details for the periods ended March 31 are as follows:

	2026	2025
Accounting and audit	\$ 130,815	\$ 101,038
Consulting	255,573	26,635
Depreciation	2,014	2,065
Director fees	22,956	16,016
Investor relations and promotions	137,883	73,900
Legal	6,030	1,045
Management fees	197,315	94,007
Office	71,018	52,626
Shareholder and regulatory	22,719	11,321
Travel	37,617	23,500
	<u>\$ 883,940</u>	<u>\$ 402,153</u>

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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 March 31 is as follows:

	2026	2025
Accounting	\$ -	\$ 31,336
Administration	30,000	22,500
Director fees	22,956	16,016
Geological	9,838	7,834
Management and mine supervision	197,315	119,075
	<u>\$ 260,109</u>	<u>\$ 196,761</u>

In addition, the Company recorded share-based compensation of \$41,788 (2025 - \$64,325), 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 (*Note 9*).

The Company has a project financing loan with First Majestic (*Note 7*). The principal balance of the loan as at March 31, 2026 was \$2,500,000 and deferred accrued interest totalled \$375,000. During the period, the Company paid or accrued \$132,292 (2025 - \$189,583) in interest on this loan. First Majestic is the former parent of La Guitarra and a significant shareholder of the Company.

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 and cash equivalent balances, which are held through major Canadian and Mexican financial institutions with high investment grade ratings, a six-month, at inception, fully insured guaranteed investment certificate, and its trade receivables (*Note 3*).

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 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 March 31, 2026, the Company had a receivable balance associated with the buyer of its concentrate of \$982,830 (December 31, 2025 - \$1,362,083). All of the Company's concentrate is sold to a well-known concentrate buyer. As at March 31, 2026, a 10% change to the underlying metal prices would result in a change in revenue and trade receivables of \$1,028,396, based on the total quantities of metals in sales contracts for which the provisional pricing periods were not yet closed.

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14. RISK MANAGEMENT - *continued*

Credit Risk - continued

The carrying value of the Company's cash and cash equivalents, short-term investment, and trade receivables totalling \$14,191,986 represents the Company's maximum exposure to credit risk at March 31, 2026 (December 31, 2025 - \$18,681,663). 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 March 31, 2026, 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 assets denominated in U.S. dollars in the Canadian dollar functional entity at March 31, 2026, a 10% increase in the number of Canadian dollars required to buy a U.S. dollar would result in a gain of approximately \$71,000 and a 10% decrease would have the inverse effect.

At March 31, 2026, the Company carried cash, trade receivables, value added taxes receivable, accounts payable and payroll provision balances 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 March 31, 2026, a 10% decrease in the number of Mexican pesos required to buy a U.S. dollar would result in a loss of approximately \$386,000 and a 10% increase would have the converse effect.

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14. RISK MANAGEMENT - *continued*

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 March 31, 2026:

	< 1 year	1-2 years	2-5 years	< 5 years	Total
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	4,572,555	-	-	-	4,572,555
Loan payable	-	2,875,000	-	-	2,875,000
Commitments ⁽ⁱ⁾	3,143,973	-	-	-	3,143,973
	7,716,528	2,875,000	-	-	10,591,528

- (i) Commitments related to purchase orders and contracts related to the Phase I and Phase II expansions at La Guitarra.

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 March 31, 2026 was \$14,389,395. 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 the next twelve months.

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, and a short-term investment in a guaranteed investment certificate, which earn nominal 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.

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 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.

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15. CAPITAL DISCLOSURES

The Company monitors its capital structure and, based on changes in operations and economic conditions, may adjust the structure by issuing new shares, issuing new debt, or retiring existing debt. The Company prepares annual budget and quarterly forecasts to facilitate the management of its capital requirements. The capital of the Company consists of equity (consisting of issued capital, equity reserves, and retained earnings or accumulated deficit), debt facilities, net of cash and cash equivalents as follows:

	March 31, 2026	December 31, 2025
Equity	\$ 55,107,024	\$ 48,976,367
Debt facilities	2,875,000	5,375,000
Less: cash and cash equivalents	(9,615,136)	(13,676,593)
	<u>\$ 48,366,888</u>	<u>\$ 40,674,774</u>

The Company's investment policy is to invest its cash in highly liquid short-term investments with maturities of 180 days or less, selected with regard to the expected timing of expenditures required for operations. The Company expects that its available capital resources will be sufficient to carry out its development plans and operations for at least the next twelve months. The Company is not subject to any externally imposed capital requirements and is in compliance with all the terms of the debt agreement (*Note 7*).

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. First Majestic has assumed full responsibility for the dispute and at December 31, 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 \$ 5.2 million (108.6 million Mexican pesos).

On February 12, 2026, the Mexican Supreme Court decided the extraordinary appeal and the appeal filed by the Ministry of Finance, against the extraordinary appeal admission, revoking the admission of the extraordinary appeal, and therefore confirming the legality of the customs penalty, so this case is concluded. The Company continues to work with the Tax Authority on finalizing this dispute using the letter of credit previously posted by First Majestic.

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 the project were written off in the year ended December 31, 2023.

During the year ended December 31, 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.

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

Details for the periods ended March 31 are as follows:

	2025	2024
Increase (decrease) in decommissioning liability capitalized to mining interests (<i>Notes 4 and 8</i>)	\$ -	\$ 160,241
Increase in capital payables	\$ 538,453	\$ -
Fair value of stock options exercised (<i>Note 9</i>)	\$ 2,103,047	\$ -
Fair value of agents' options exercised (<i>Note 9</i>)	\$ 325,625	\$ -

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 segment

For the period ended March 31, 2026	Guitarra	Corporate and Other	Inter-company Eliminations	Total
	Mexico			
Revenues	\$ 10,108,067	\$ -	\$ -	\$ 10,108,067
Cost of sales				
Production costs	(4,876,940)	-	-	(4,876,940)
Depreciation and depletion	(258,657)	-	-	(258,657)
Other costs	(967,568)	-	-	(967,568)
Finished goods inventory changes	(394,868)	-	-	(394,868)
	(6,498,033)	-	-	(6,498,033)
Gross profit	\$ 3,610,034	\$ -	\$ -	\$ 3,610,034

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18. SEGMENTED INFORMATION - continued

a) Operating segment - continued

For the period ended March 31, 2025	Guitarra	Corporate and Other	Inter-company Eliminations	Total
	Mexico			
Revenues	\$ 4,960,887	\$ -	\$ -	\$ 4,960,887
Cost of sales				
Production costs	(2,872,169)	-	-	(2,872,169)
Depreciation and depletion	(267,277)	-	-	(267,277)
Other costs	(285,870)	-	-	(285,870)
Finished goods inventory changes	(179,572)	-	-	(179,572)
	(3,604,888)	-	-	(3,604,888)
Gross profit	\$ 1,355,999	\$ -	\$ -	\$ 1,355,999
	Mexico			
As at March 31, 2026	Guitarra	Corporate and Other	Inter- company Eliminations	Total
Capital expenditures	\$ 3,009,601	\$ -	\$ -	\$ 3,009,601
Total assets	\$ 54,856,402	\$ 57,698,584	\$ (46,743,296)	\$ 65,811,690
Total liabilities	\$ (18,295,168)	\$ (2,998,818)	\$ 10,589,320	\$ (10,704,666)
	Mexico			
As at December 31, 2025	Guitarra	Corporate and Other	Inter- company Eliminations	Total
Capital expenditures	\$ 6,446,113	\$ -	\$ -	\$ 6,446,113
Total assets	\$ 52,085,770	\$ 62,025,340	\$ (47,147,551)	\$ 66,963,559
Total liabilities	\$ (18,939,073)	\$ (11,497,020)	\$ 12,448,901	\$ (17,987,192)

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18. SEGMENTED INFORMATION - continued

b) Segment revenue by location and major customers

For the period ended March 31, 2026	Guitarra	Corporate and Other	Inter-company Eliminations	Total
	Mexico			
Silver	\$ 5,875,436	\$ -	\$ -	\$ 5,875,436
Gold	5,093,402	-	-	5,093,402
Provisional pricing adjustments	(175,898)	-	-	(175,898)
	10,792,940	-	-	10,792,940
Smelting, treatment and refining costs	(684,873)	-	-	(684,873)
Sales to external customer	\$ 10,108,067	\$ -	\$ -	\$ 10,108,067

For the period ended March 31, 2025	Guitarra	Corporate and Other	Inter-company Eliminations	Total
	Mexico			
Silver	\$ 2,338,666	\$ -	\$ -	\$ 2,338,666
Gold	2,891,585	-	-	2,891,585
Provisional pricing adjustments	119,645	-	-	119,645
	5,349,896	-	-	5,349,896
Smelting, treatment and refining costs	(389,009)	-	-	(389,009)
Sales to external customer	\$ 4,960,887	\$ -	\$ -	\$ 4,960,887

The Company sells all of its silver/gold concentrate to one customer under contract.

19. ACQUISITION OF THE DEL TORO SILVER MINE

On December 17, 2025, the Company signed a share purchase agreement (“SPA”) to acquire 100% of the issued shares of First Majestic Del Toro, S.A de C.V., which holds a 100% interest in the Del Toro silver mine (“Del Toro”) in Mexico (the “Transaction”) from First Majestic. The acquisition is subject to shareholder approval (received on April 28, 2026), regulatory approvals (conditional approval received on December 30, 2025), and certain conditions precedent. The Del Toro concessions are subject to a 2% net smelter royalty and certain other royalty agreements.

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19. ACQUISITION OF THE DEL TORO SILVER MINE - *continued*

The SPA provides for the Company to make the following payments and contingent payments to First Majestic:

- upon closing, a cash payment of \$20 million and \$10 million in common shares of the Company at a deemed price of CAD\$1.30 per share;
- a payment of \$10 million within 18 months of closing, in cash or, at the option of the Company, shares at market price, subject to a maximum of 10,575,385 shares provided that if the aggregate deemed valued based on the market price of the maximum number of shares does not equal \$10 million, the remaining balance will be paid in cash;
- contingent upon the Company completing a compliant technical report within 48 months of closing, demonstrating a mineral resource of a minimum of 100 million silver equivalent ounces, a payment of \$10 million, in cash or, at the option of the Company, shares at market price, subject to a maximum of 10,575,385 shares provided that if the aggregate deemed valued based on the market price of the maximum number of shares does not equal \$10 million, the remaining balance will be paid in cash;
- contingent upon the Company achieving commercial production averaging 4,000 tonnes per day within 60 months of closing, a payment of \$10 million, in cash or, at the option of the Company, shares at market price, subject to a maximum of 10,575,385 shares provided that if the aggregate deemed valued based on the market price of the maximum number of shares does not equal \$10 million, the remaining balance will be paid in cash; and
- settlement of certain working capital adjustments.

The Company anticipates that the Transaction will constitute an asset acquisition. The shares issued to First Majestic will be subject to certain resale restrictions.

To March 31, 2026, the Company had incurred and deferred legal and consulting costs totalling \$135,901 in respect of the Transaction.

Concurrent financing

As a condition of completing the Transaction, the Company is required to complete a minimum financing of CAD\$40 million. The Company entered into an agency agreement to raise up to CAD\$50 million by issuing up to 38,461,538 subscription receipts at a price of CAD\$1.30 with an agent's option to sell up to an additional 5,769,231 subscription receipts for additional proceeds of up to CAD\$7.5 million. On January 30, 2026, the Company issued 44,231,300 subscription receipts for total proceeds of CAD\$57,500,690, with all proceeds being deposited into escrow.

Final closing of the financing is subject to closing of the Transaction and other customary escrow release conditions. Upon all escrow conditions being satisfied, each subscription receipt will automatically convert into one common share of the Company. The Company agreed to pay the agents a cash commission ranging from 3% to 5% of the gross proceeds raised, and issue compensation options ranging from 3% to 5% of the subscription receipts issued.

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19. ACQUISITION OF THE DEL TORO SILVER MINE - *continued*

Upon issuance of the subscription receipts, in addition to legal and other costs totalling \$121,579, the agents received 50% of their total compensation, being commissions of \$1,076,299 and a corporate finance fee of \$165,000. Should the financing not close as anticipated, the Company would be obligated to pay into escrow an amount equal to the commissions and corporate finance fee paid to the agents, as well as certain legal and other costs as set out in the agency agreement, such that the gross proceeds of the placement could be returned to the subscribers.

Upon issuance of the subscription receipts, the Company issued 1,908,845 compensation options to the agents, which become exercisable upon closing of the Transaction. Each compensation option will allow the holder to purchase one common share of the Company at a price of CAD\$1.30 per share for a period of 24 months following the escrow release date.

At December 31, 2025, the Company had received \$5,777,778 in subscription receipts, which were subsequently paid into escrow, pending closing of the financing.

As at March 31, 2026, the Company had incurred and deferred certain costs, totalling \$837,252 in respect of the financing. These costs will be recorded as share issuance costs upon completion of the financing or written off should the financing not close as anticipated.

20. SUBSEQUENT EVENT

Subsequent to March 31, 2026, the Company received shareholder approval for the Del Toro acquisition (*Note 19*).