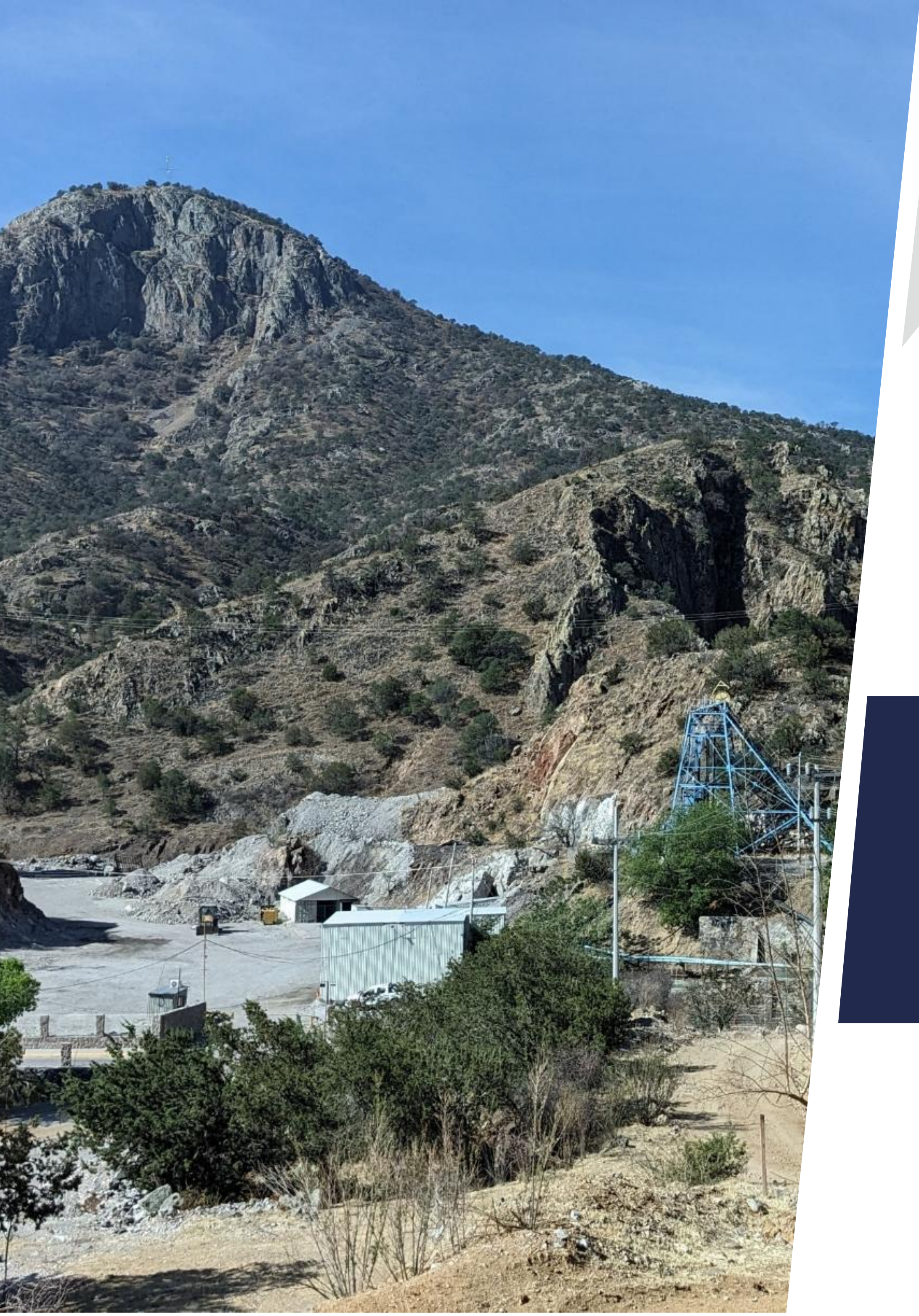

PRELIMINARY ECONOMIC ASSESSMENT

CUSI PROJECT

CHIHUAHUA, MEXICO

EFFECTIVE DATE – March 31, 2026
REPORT DATE – May 21, 2026

PREPARED FOR

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DATE AND SIGNATURE PAGE

This report entitled Preliminary Economic Assessment Technical Report for the Cusi Project, effective as of March 31, 2026 was prepared and signed by the following authors:

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NOTICE

JDS Energy & Mining, Inc. prepared this National Instrument 43-101 Technical Report, in accordance with Form 43-101F1, for Silverco Mining Ltd. The quality of information, conclusions and estimates contained herein is based on: (i) information available at the time of preparation; (ii) data supplied by outside sources, and (iii) the assumptions, conditions, and qualifications set forth in this report.

Silverco Mining Ltd. filed this Technical Report with the Canadian Securities Regulatory Authorities pursuant to provincial securities legislation. Except for the purposes legislated under provincial securities law, any other use of this report by any third party is at that party's sole risk.

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1 EXECUTIVE SUMMARY

1.1 Introduction

JDS Energy & Mining Inc. (JDS) was commissioned by Silverco Mining Ltd., (Silverco or the Company) to lead a Preliminary Economic Assessment (PEA) for the Cusi Ag-Au-Pb-Zn Project (Cusi or Project) in Chihuahua, Mexico, and to prepare a Technical Report written in support of the PEA.

The PEA follows the Mineral Resource Estimate completed by SGS Geological Services Inc. (SGS) and reported in a Technical Report dated January 14, 2026. Forte Dynamics was retained to provide metallurgical testing and process engineering services for PEA.

The Cusi project is considered a development-stage mineral project.

Silverco Mining Ltd., formerly Quetzal Copper Corp., was incorporated on November 30, 2020 pursuant to the Business Corporations Act (British Columbia). The Company is a Canadian-based mining company listed on the TSX Venture Exchange (TSX-V: SICO) with its corporate office at located 750 – 1095 W Pender St, Vancouver, BC, V6E 2M6. The Company's principal business activity is the acquisition, exploration and development of mineral properties in Mexico.

In 2024 the Company acquired the Cusi Mining Complex, a past-producing silver mine in Mexico that had zinc, gold and lead by products. The mine was placed on care and maintenance in 2023, and the Company's primary focus is now on exploration, evaluation activities and restarting the Cusi Mining Complex. The mining concessions comprising the Cusi project are held 100% by Silverco, through a wholly owned subsidiary, Minera San Bernabé, S.A. de C.V. (MSB), and were acquired in July 2024 from Sierra Metals Inc.

The current report is authored by the following QPs (collectively the "Authors"):

- Allan Armitage, Ph.D., P.Geo., and Ben Eggers, P.Geo. of SGS;
- Gord Doerksen, P.Eng., Tysen Hantelmann, P.Eng. and Mike Levy, P.Eng. of JDS; and
- Deepak Malhotra, SME-RM, of Forte Dynamics.

The Authors are independent Qualified Persons as defined by NI 43-101.

The reporting of the PEA was done using guidance from the NI 43-101 Standards of Disclosure for Mineral Projects. The classification of the MRE is consistent with the 2014 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards (2014 CIM Definitions). In completing the MRE, the Author uses general procedures and methodologies that are consistent with industry standard practices, including those documented in the 2019 CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines (2019 CIM Guidelines).

The current Technical Report will be used by Silverco in fulfillment of their continuing disclosure requirements under Canadian securities laws, including National Instrument 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101).

This Technical Report contains forward-looking information regarding projected mine production rates, construction schedules and forecasts of resulting cash flows as part of this study. The mill head grades are based on sufficient sampling that is reasonably expected to be representative of the realized grades from actual mining operations. Factors such as the ability to obtain permits to construct and operate a mine, or to obtain major equipment or skilled labour on a timely basis, to achieve the assumed mine production rates at the assumed grades, may cause actual results to differ materially from those presented in this economic analysis.

This preliminary economic assessment is preliminary in nature and includes the use of inferred mineral resources (59% of total mill feed material in the production plan) that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

1.2 Project Description

The Cusi Project is made up of four main mining zones located immediately adjacent to the town of Cusihuiriachi. Three of the four zones, Promontorio, San Juan and Eduwiges, are about one kilometre apart. Promontorio and Eduwiges were mined as recently as 2023 before being shut down due to low silver prices. The third zone, San Juan, has been included in the Promontorio mine plan due to the proximity of the two deposits.

The upper elevation of the fourth zone, San Miguel, less than 2 km from Eduwiges, was historically mined, but to a minor extent, near surface. The mine design incorporates a new portal and all new development to undeveloped zones. The San Miguel zone is being actively drilled for definition and expansion and represents the largest contributor to overall potential production. Each mining zone has several sub-zones The majority of the mining planned in this PEA comes from the lower elevations of San Miguel followed by Promontorio and then Eduwiges.

All of the deposits are made up of generally steeply dipping, stacked veins carrying approximately 200 g/t silver (Ag) mineralization with less economically important concentrations of gold (Au), lead (Pb) and zinc (Zn). Vein width can vary considerably from <1 m to over 10 m and averages about 2.5 m wide for the project.

The geometry and geotechnical characteristics of the host and mineralized rock support longitudinal sublevel stope mining methods. Mineralized and wall rock is generally of good geotechnical quality. The condition of historical development is observed to be good with only spot rock bolting for ground support. The backfilling of stopes is planned to be initiated in the second operating year to maximize mining recovery.

The mineralized material is planned to be trucked to Silverco's 1,200 t/d Malpaso processing plant located about 40 km away from the mines on paved highways. The processing plant requires some refurbishment to reach an operational condition, but it was shut down in an orderly manner without significant degradation over the past two years. A permitted tailings facility is located within 2 km of the processing plant and has one year of storage capacity available immediately. A 5-year capacity permitted addition is planned to be built adjacent to the existing facility on disturbed ground.

1.3 Location, Access and Ownership

The Cusihuiriachi (Cusi) property is located in Abasolo Mineral District in the municipality of Cusihuiriachi, Chihuahua state, Mexico. The property is 135 kilometers west of the city of Chihuahua and 19 km south from the city of Cuauhtémoc via paved highways. The mine portals and processing plant are immediately adjacent to good, paved roads. Within the Project area, access is by minor unpaved roads, drivable tracks, and footpaths. The coordinates for the Promontorio portal are approximately WGS84 UTM Zone 13, 319,000 m E; 3,125,800 m N or latitude 28° 14’ 45’’ N, longitude 106° 50’ 41’’ W.

Silverco, through their wholly owned subsidiary Minera San Bernabé, S.A. de C.V., owns a one hundred percent (100%) interest in 95 mineral concessions that comprise the Cusi property covering an area of 16,073 ha. Included in these concessions are six historical Ag-Au-Pb-Zn producers developed on several vein structures: Promontorio, Santa Eduwiges, San Miguel, La Bamba open pit, La India, and San Marina, as well as exploration concessions around the historical mine areas. In accordance with Mexican mining laws, exploration and mining on the Cusi property are subject to semi-annual payments to the Mexican Federal Government. Fees are paid to the federal government twice each year, in January and July and the amounts paid change are updated annually. All concessions are in good standing, and all property tax payments have been completed up to the effective date of this report.

1.4 History, Exploration and Drilling

In 1687, Spanish explorer Antonio Rodríguez discovered and began exploiting gold and silver deposits in the Abasolo Mining District, including the Cusi area, specifically within the San Miguel and La Candelaria zones. Intermittent mining activities occurred on the Property through to the early 1900’s, however, the early mining history and operational details in the Cusi area are not well documented. By 1911 development on the Property included the advancement of the Santa Marina and San Bartolo shafts to 1,000-foot below surface. Mining activities in the Cusi project area continued intermittently during the Mexican Revolution (1910-1920). Mining activities on the Property resumed from the 1920’s to 1937 with reportedly 0.5 to 1 Mt of material mined during this period. In the 1970s, mining resumed at several sites within the Cusi project area, producing an estimated 3,000 tons of mineralized material per month with an average silver grade of 12-18 oz/t (373-560 g/t).

Activities on the Property through the 1980’s and 1990’s predominantly comprised surface and underground exploration with limited underground development and mining during this period.

Between May 2006 and April 2008, Canadian-based Dia Bras Exploration Inc. (Dia Bras) acquired the majority of claims that make up the current exploration area. Between 2006 and 2012 exploration and research activities performed by Dia Bras included geological mapping, mineralogical studies, limited geophysical surveying, rock geochemical sampling, and 674 surface and underground drillholes totalling 121,013 m. In 2013, Dia Bras Exploration Inc. changed its name to Sierra Metals Inc. (Sierra Metals). From 2013 to 2023 exploration and grade control sampling completed by Sierra Metals included 1,341 surface and underground drillholes totalling 227,395 m and 21,522 channels totalling 48,786 m.

In 2014, Sierra Metals established commercial production at the Cusi mine, with activity at Promontorio and Santa Eduwiges. The Malpaso Mill was originally commissioned at 600 tonnes per day (t/d) and expanded to 1,200 t/d in 2019. Available production figures for the Cusi mine from 2014 to 2023 report that 2.06 Mt of material was processed at an average grade of 156 g/t Ag, 0.20 g/t Au, 0.49% Pb, and 0.85% Zn. The mine went into care and maintenance in Q3 2023.

1.4.1 Exploration

Since acquiring the Property in July 2024, Silverco has conducted geological mapping, geochemical rock sampling and diamond drilling on the Cusi project. Surface exploration to date has included geological mapping at La Matulera in the northern part of the property and reconnaissance-style rock geochemical sampling at the Monaco-Milagro, San Rafael and San Miguel South zones, as well as the Las Huertas and Gatos zones, located east of the San Miguel zone, in the central and eastern areas of the Property respectively. A total of 486 rock geochemical samples have been collected and assayed by Silverco. Mapping and sampling have confirmed anomalous silver, gold, lead, and zinc in multiple veins at surface mapped over strike lengths in excess of 1 km located outside of the areas previously developed as part of the Cusi mine complex.

1.4.2 Drilling

Silverco initiated drilling on the Property in 2024 and continues to systematically explore the Cusi vein system. Drilling by Silverco builds on substantial exploration and resource definition drilling completed on the Project since 2006. December 31, 2025, Silverco had completed 63 surface drillholes totalling 20,855 m and collected 3,748 samples. Since 2006, surface and underground drilling completed on the Project amounts to 2,078 drillholes totalling 369,263 m and comprises 107,286 samples.

Pattern drilling on target vein structures within the Cusi vein system has been completed in almost equal parts from surface and from underground development. Drilling of the Cusi vein systems by Silverco and previous explorers has delineated mineralization in multiple stacked, moderate to steeply dipping structures (63 veins are included in the 2025 MRE). Mineralized strike lengths of the major structures have been tested for up to 300 m along strike and up to 400 m down dip in the Promontorio and Eduwiges areas, up to 1,300 m along strike and up to 350 m down dip in the San Miguel area, up to 800 m along strike and up to 250 m down dip in the San Juan area, and up to 2,000 m along strike and up to 400 m down dip on the San Nicolas and Santa Rosa de Lima structures. Mineralized portions of veins that comprise the resource models vary in true thickness and are typically in the range of 0.5 to 2 m, with localized shoots up to 10 m true thickness. The local pinch and swell morphology exhibited within the Cusi vein systems is common in narrow-vein epithermal systems. Many of the mineralized veins and resource models remain open along strike and/or down dip.

1.5 Geology and Mineralization

Chihuahua is located in the Sierra Madre Occidental (SMO) physiographic province, which is part of the larger North American Cordillera. The SMO is a volcanic arc formed by subduction of the Farallon plate beneath the North American plate during the Mesozoic and Cenozoic eras. This tectonic setting has played a crucial role in shaping the geology of Chihuahua with the interaction of volcanism and faulting leading to mineralization in the Cusi region.

Significant mineral deposits occur in the area, particularly epithermal precious metal deposits. These deposits are often associated with Tertiary volcanic rocks and are thought to have formed in response to hydrothermal activity driven by magmatic processes. The state's most notable mineral deposits include those of silver, gold, copper, and zinc, with many deposits occurring in the SMO volcanic field.

Regional geological mapping was performed by the Consejo de Recursos Minerales (CRM) in 1998 and industry-funded local mapping by Ciesielski (2006). Studies agree that the Cusi area is underlain Grupo Inferior sequences comprised of Jurassic and Cretaceous sediments (not exposed), which are in-turn overlain by Tertiary andesitic tuffs and flows. These rocks were subsequently intruded and fragmented by a rhyodacitic dome that formed in a caldera setting, which resulted in the formation of ignimbrites and other pyroclastic volcaniclastic sediments ("Bufa ignimbrite"). A rhyolite resurgent dome formed in the collapsed caldera. Faulting and the circulation of metal-bearing hydrothermal fluids resulted in the formation of Ag-Au-Pb-Zn veins. The veins are hosted in rhyodacites, ignimbrites, rhyolites, and andesite tuff and lava. Overlying this sequence are Tertiary (Oligocene-Miocene) andesite, tuffs, breccias, and rhyolitic flows of the Grupo Superior.

The area northeast of the Bufa ignimbrite is underlain by fragmental rocks of andesitic composition. Texturally, these rocks vary from lapilli tuff to agglomerate, with fragments ranging from a few centimetres to several tens of centimetres in size, within a dark green, fine-grained matrix. To date, no significant mineralization has been discovered within the andesite.

The Abasolo region is characterized by large block structures that are controlled by an extensive series of northeast, northwest and north-trending faults. These faults control mineralization in the region, and on the Cusi property, with displacements up to 200 m. The faults and fracture zones are coincident ridges and gullies in the area, depending on the degree of deformation and silicification. In the Cusi property four major sets of faults are recognized. These are: northwest trending faults, e.g., Cusi fault; East-northeast-trending faults, e.g., La Bamba and San Miguel Mine; Northeast-trending faults, e.g., Santa Edwiges Mine; and North-trending faults, e.g., San Rafael Fault.

The Property contains numerous epithermal veins with notable mineralization. These veins typically dip at moderate to steep angles in various directions, including southeast, southwest, and north. Their thickness varies from less than 0.5 m to 2+ m, and they can extend 100 to 200 m along strike and up to 400 m down-dip. Small open pits, commercial and historical artisanal, are often found at vein intersections.

The mineralization is linked to structural features, breccias, and fracture fillings, which can range from under 1 m to 10 m in thickness. The filling material is polymetallic, containing silver, lead, zinc sulphides, minor copper, and variable amounts of gold. Common textures include crustiform and banded patterns, with widespread silicification accompanied by sericite and disseminated pyrite.

Alteration zones are also present, with argillic alteration often occurring at the edges of silicified areas. This alteration includes minerals like kaolinite and montmorillonite. Oxidation features hematite, limonite, and manganese oxides. Intense fracturing associated with the main structures has led to zones of micro-veinlets and dissemination.

In areas close to the main faults, such as Promontorio, zones of micro-veinlets and disseminated sulphides are associated with intense fracturing. At Eduwiges, extensive quartz veins and stockwork zones with pyrite and silicification, spanning 60 to 150 m in width and 200 to 250 m in length are observed. On the hanging wall side (Promontorio East) of the Santa Rosa de Lima vein (Cusi fault), the structural control of the mineralization is complex in a zone of cross-cutting structures with numerous veinlets and veins of variable thickness and trends.

1.6 Metallurgical Testing and Mineral Processing

The scoping level metallurgical study by Forte and the historical plant data indicates that the plant is capable of producing a bulk sulphide concentrate assaying 2,000 – 4,000 g/t Ag. The estimated plant recovery for silver is 84.0%, 90% for Lead, 79% for gold and 73% for Zinc. Estimated recoveries are based on the recently completed metallurgical testwork and are aligned with historical plant performance and capability.

The recommended grind for the Cusi feed is 150 micrometers, rather than 100 micrometers as earlier work suggested. This should improve the throughput without significant impacts to metal recovery.

Minor changes in the configuration of the plant equipment are recommended for a smooth operation.

1.7 Mineral Resource Estimate

Completion of the MRE involved the assessment of a validated drillhole and channel database, which included all data for surface and underground drilling completed between 2006 and October 20, 2025 and underground channel sampling completed between 2013 and 2023. Completion of the MRE included the construction of three-dimensional (3D) mineral resource models (resource domains) and the incorporation of a 3D topographic surface model, 3D models of existing underground development, and available written reports.

The Inverse Distance Squared (ID2) calculation method restricted to mineralized domains was used to interpolate grades for Ag (g/t), Au (g/t), Pb (%), and Zn (%) into block models for all deposit zones.

The MRE presented below takes into consideration that all deposits on the Property may be mined by underground mining methods.

The reporting of the MRE complies with all disclosure requirements for Mineral Resources set out in the NI 43-101 Standards of Disclosure for Mineral Projects. The classification of the MRE is consistent with the 2014 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards (2014 CIM Definitions). In completing the MRE, the Author uses general procedures and methodologies that are consistent with industry standard practices, including those documented in the 2019 CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines (2019 CIM Guidelines).

The MRE for the Project is presented in Table 1-1 and Table 1-2.

Highlights of the Cusi Project underground Mineral Resource Estimate are as follows:

- Combined Measured and Indicated Mineral Resources are estimated at 4.89 Mt grading 206 g/t silver, 0.15 g/t gold, 0.73% lead, and 0.86% zinc (262 g/t silver equivalent (AgEq)). The Mineral Resource Estimate includes Measured Mineral Resources of 6.1 Moz of silver, 1.8 koz of gold, 5.6 Mlbs of lead, and 6.3 Mlbs of zinc (6.7 Moz of AgEq) and Indicated Mineral Resources of 26.3 Moz of silver, 22.2 koz of gold, 72.7 Mlbs of lead, and 86.5 Mlbs of zinc (34.4 Moz of AgEq);

- Inferred Mineral Resources are estimated at 4.07 Mt grading 172 g/t silver, 0.17 g/t gold, 0.89% lead, and 1.20% zinc (243 g/t AgEq). The Mineral Resource Estimate includes Inferred Mineral Resources of 22.5 Moz of silver, 22.2 koz of gold, 79.5 Mlbs of lead, and 107.5 Mlbs of zinc (31.8 Moz of AgEq); and

- A total of 63 epithermal veins that comprise the Cusi vein systems from seven deposit areas were included in the Mineral Resource Estimate. The Mineral Resource Estimate is exclusive of mined-out material.

Table 1-1: Cusi Project Underground Mineral Resource Estimate, October 20, 2025

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

Notes:

1) The mineral resource was estimated by Ben Eggers, MAIG, P.Geo. of SGS Geological Services, an independent Qualified Person as defined by NI 43-101. Eggers conducted a site visit to the Cusi Property on September 22-23, 2025. The mineral resource was peer reviewed by Allan Armitage, Ph.D., P.Geo. of SGS Geological Services, an independent Qualified Person as defined by NI 43-101;
2) The classification of the Mineral Resource Estimate into Indicated and Inferred mineral resources is consistent with current 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves. The effective date of the Cusi Project Mineral Resource Estimate (MRE) is October 20, 2025. This is the close out date for the final mineral resource drilling database;
3) All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding;

4) All mineral resources are presented undiluted and in situ, constrained by continuous 3D wireframe models (considered mineable shapes), and are considered to have reasonable prospects for eventual economic extraction. The mineral resource is exclusive of mined out material;
5) Mineral resources are not mineral reserves. Mineral resources which are not mineral reserves, do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated or Measured Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated or Measured Mineral Resources with continued exploration;
6) The Cusi Project MRE is based on a validated database which includes data from 2,052 surface and underground drillholes totalling 360,237 m completed between 2006 and October 2025 and 21,522 channels totalling 48,786 m completed between 2013 and 2023. The resource database totals 105,585 assay intervals representing 119,756 m of drillhole data and 71,605 assay intervals representing 48,783 m of channel data;
7) The mineral resource estimate is based on 63 three-dimensional (3D) resource models representing epithermal veins which comprise the Cusi vein systems. 3D models of mined out areas were used to exclude mined out material from the current MRE;
8) Grades for Ag, Au, Pb, and Zn are estimated for each mineralization domain using 1.5 m capped composites assigned to that domain. To generate grade within the blocks, the inverse distance squared (ID2) interpolation method was used for all domains;
9) An average density value of 2.75 g/cm^3 was assigned to all domains based on a database of 244 samples;
10) It is envisioned that the Cusi Project deposits may be mined using underground mining methods. Mineral resources are reported at a base case cut-off grade of 120 g/t AgEq. The mineral resource grade blocks were quantified above the base case cut-off grade, below surface, within the constraining mineralized wireframes, and exclusive of mined out material;
11) The underground base case cut-off grade of 120 g/t AgEq considers metal prices of US$30/oz Ag, US$2400oz Au, US$1.00/lb Pb, and US$1.35/lb Zn and metal recoveries of 90% for Ag, 50% for Au, 90% for Pb, and 60% for Zn;
12) The underground base case cut-off grade of 120 g/t AgEq considers a mining cost of US$60.00/t rock and a processing, treatment and refining, transportation and G&A cost of US$35.00/t mineralized material; and
13) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

Source: SGS (2025)

Table 1-2: Cusi Project Underground Mineral Resource Estimate by Area, October 20, 2025

Area	Resource Class	Mass	Average Grade					Material Content				
			Ag	Au	Pb	Zn	AgEq	Ag	Au	Pb	Zn	AgEq
		Mt	g/t	g/t	%	%	g/t	koz	koz	Mlb	Mlb	koz
San Juan	Indicated	0.16	232	0.21	0.17	0.20	259	1,199	1.1	0.6	0.7	1,338
	Inferred	0.12	295	0.07	0.29	0.51	324	1,156	0.3	0.8	1.4	1,267
Promontorio West	Indicated	1.03	208	0.10	0.43	0.58	244	6,893	3.4	9.8	13.1	8,078
	Inferred	0.41	199	0.19	0.78	0.79	257	2,592	2.5	7.0	7.1	3,342
Promontorio East	Measured	0.53	285	0.08	0.30	0.36	309	4,824	1.3	3.4	4.1	5,229
	Indicated	0.24	211	0.19	0.81	0.60	264	1,609	1.5	4.2	3.1	2,006
	M + I	**0.76**	**262**	**0.11**	**0.46**	**0.43**	**295**	**6,432**	**2.8**	**7.7**	**7.2**	**7,235**
	Inferred	0.21	231	0.32	0.86	0.83	301	1,520	2.1	3.9	3.8	1,987
Eduwiges	Indicated	0.53	159	0.25	1.93	2.06	287	2,694	4.2	22.3	23.9	4,853
	Inferred	0.24	92	0.18	1.94	2.39	224	694	1.4	10.0	12.4	1,697
San Miguel	Indicated	1.30	193	0.15	0.83	1.11	258	8,065	6.2	23.9	31.7	10,786
	Inferred	2.03	170	0.14	1.02	1.42	249	11,117	9.3	45.5	63.5	16,237

Area	Resource Class	Mass	Average Grade					Material Content				
			Ag	Au	Pb	Zn	AgEq	Ag	Au	Pb	Zn	AgEq
		Mt	g/t	g/t	%	%	g/t	koz	koz	Mlb	Mlb	koz
San Nicolas	Indicated	0.76	196	0.17	0.41	0.43	233	4,798	4.2	6.9	7.2	5,684
	Inferred	0.62	175	0.14	0.28	0.45	207	3,472	2.9	3.8	6.2	4,105
Santa Rosa de Lima	Measured	0.16	251	0.09	0.60	0.62	291	1,290	0.5	2.1	2.2	1,496
	Indicated	0.19	176	0.29	1.20	1.63	276	1,072	1.8	5.0	6.8	1,688
	M + I	**0.35**	**210**	**0.20**	**0.93**	**1.17**	**283**	**2,362**	**2.2**	**7.2**	**9.0**	**3,183**
	Inferred	0.45	133	0.27	0.86	1.34	216	1,928	3.8	8.5	13.3	3,118
Total	Measured	0.69	277	0.08	0.37	0.42	305	6,114	1.8	5.6	6.3	6,725
	Indicated	4.21	195	0.16	0.78	0.93	255	26,330	22.2	72.7	86.5	34,433
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	Inferred	**4.07**	**172**	**0.17**	**0.89**	**1.20**	**243**	**22,479**	**22.2**	**79.5**	**107.5**	**31,753**

Source: SGS (2025)

1.8 Mineral Reserve Estimate

There are no Mineral Reserve Estimates for the project as it has not advanced to a pre-feasibility study level needed to estimate Reserves.

1.9 Mining and Production

The Cusi Silver Complex is divided into four separate mineralized zones. Each of the four zones; Promontorio, San Juan, Eduwiges, and San Miguel, contain several veins along a SW-NE strike, including several high-grade veins. The zones each average approximately 600 m long and 2 - 4 m thick.

Three mines were designed, one for each zone, with Promontorio and San Juan being combined into one plan. All mining planning was conducted utilizing longitudinal longhole (LH) stoping. This mining method entails developing a top and bottom drift above and below the active stope, the stope then being drilled and blasted using conventional methods, and the blasted material removed out from the bottom drift in a retreat sequence until the stope is exhausted. In this complex, stopes containing an average grade of 150 g/t AgEq or greater will be subject to targeted cemented rock backfilling in the lower stopes to enable recovery of the sill pillar while maintaining stability with the rib pillars, -i.e., it should enable greater recovery from those stopes.

For all four deposits, planned mining levels are planned to be spaced at 17.5 m, with 14 m tall stopes separated by 3.5 m drifts. Each level will contain a truck loadout bay, and footwall drives are placed a minimum of 40 m from production stopes. Mining will be carried out by a fleet of 4 t Load-Haul-Dump vehicles (LHDs) and 12 t articulated trucks. Historic workings will be used extensively where applicable to facilitate early access to mineralized material at Promontorio and Eduwiges, while San Miguel will comprise primarily new development.

Stopes were optimized using Maptek Vulcan™ Stope Optimizer software. Silver-equivalent (AgEq) cut-off was calculated for direct millfeed and stockpiling, and these grades informed the production schedule. A summary of relevant cut-off optimization parameters is shown in Table 1-3.

Table 1-3: Mine Optimization Parameters

Parameter	Unit	Value
Revenue, Smelting and Refining		
Silver Price	US$/oz	35.00
Gold Price	US$/oz	3,000
Lead Price	US$/lb	0.92
Payable Ag	%	95
Payable Au	%	95
Payable Pb	%	95
TC/RC/Transport Ag	US$/oz	0.75
Refining Cost Ag	US$/oz	0.65
Refining Cost Au	US$/oz	15.00
Royalty	%	2.5
Net silver value per oz	US$/oz	32.00
Estimated Operating Cost		
Underground Mining Cost	US$/t mined	45.00
Mill Feed Transport	US$/t processed	3.50
Mill Process Cost	US$/t processed	25.00
Sustaining CAPEX	US$/t processed	3.00
G&A	US$/t processed	7.00
Total OPEX Cost (including mining)	**US$/t processed**	**83.50**
Total OPEX Cost (excluding mining)	**US$/t processed**	**38.50**
Mine Losses and Dilution		
Mining Recovery	%	95
External Mining Dilution	%	5
Process Plant Recovery		
Silver Recovery	%	85
Gold Recovery	%	48
Lead Recovery	%	80

Parameter	Unit	Value
Cut-off Grade Calculations		
Break Even Cut-off grade	g/t AgEq	96
Stockpile optimization Cut-off grade	g/t AgEq	130
High grade optimization Cut-off grade	g/t AgEq	150

After stope shape optimization, development design and scheduling a production schedule for the Project was developed (Table 1-4) showing steady-state mill production of 432 kt/y starting in Year 2.

Table 1-4: Mine and Mill Production Schedule

Year	Unit	LOM Total	Y-1	Y1Q1	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Days			180	90	270	360	360	360	360	360	360	360	360
Mined Mineralized Material*	kt	**3,556**	41.5	64.8	361.7	489.2	565.2	488.1	500.4	471.5	532.7	40.4	0.0
Ag	g/t	**151.0**	172.6	169.1	152.9	174.0	143.7	181.9	122.7	130.3	147.9	167.9	-
Au	g/t	**0.15**	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	-
Pb	%	**0.849**	0.255	0.180	0.551	0.712	0.712	0.881	1.408	1.082	0.752	0.051	0.000
Zn	%	**1.103**	0.283	0.187	0.487	0.799	0.858	1.160	1.737	1.742	1.103	0.021	0.000
Stockpiled	kt	**547**	24.2	2.8	58.5	57.2	133.3	56.1	68.4	39.5	100.7	5.9	0.0
Total Waste	kt	**1,548**	166	76.4	211.8	346.0	283.2	214.2	124.8	119.3	6.2	0.0	0.0
Total Mined	kt	**5,103**	207	141	574	835	849	702	625	591	538.9	40.4	0.0
CRF Backfill Volume	km^3	**293**	-	-	-	51.6	43.8	23.9	51.1	53.4	64.1	5.4	0.0
Direct Millfeed	kt	**2,972**	12.7	49.5	283.7	432.0	432.0	432.0	432.0	432.0	432.0	34.4	0.0
Stockpile Millfeed	kt	**583**	27.0	14.3	22.3	0.0	0.0	0.0	0.0	0.0	0.0	397.6	122.1
Tonnes Milled	kt	**3,556**	39.8	63.8	306.0	432.0	432.0	432.0	432.0	432.0	432.0	432.0	122.1
Mill Head Grades													
Ag	g/t	**151.0**	175.3	169.5	161.2	186.7	160.3	193.5	125.6	132.7	158.8	102.7	96.5
Au	g/t	**0.15**	0.06	0.12	0.18	0.21	0.22	0.13	0.15	0.10	0.13	0.10	0.10
Pb	%	**0.85**	0.25	0.19	0.57	0.73	0.78	0.92	1.57	1.15	0.83	0.42	0.45
Zn	%	**1.10**	0.28	0.19	0.51	0.75	0.88	1.21	1.92	1.85	1.18	0.67	0.73
Contained Metal													
Ag	kg	**536,974**	6,970	10,806	49,326	80,642	69,269	83,612	54,249	57,327	68,622	44,364	11,787
Au	kg	**529**	2.6	7.6	54.4	92.1	95.6	57.5	66.1	41.3	56.4	43.1	12.4
Pb	kt	**30.2**	0.1	0.1	1.7	3.2	3.4	4.0	6.8	5.0	3.6	1.8	0.6
Zn	kt	**39.2**	0.1	0.1	1.6	3.2	3.8	5.2	8.3	8.0	5.1	2.9	0.9

Notes:
*Mine production material is made up of 1% Measured, 40% Indicated and 59% Inferred Resource tonnes.

1.10 Recovery Methods

The Malpaso processing facility is planned to be refurbished and utilized with the flowsheet and equipment as operated previously with the exception of the addition of a tailings thickener to manage tailings deposition and water recovery in the mill. The processing facility uses conventional jaw secondary and tertiary crushers, grinding using three ball mills and bulk sulphide flotation, at a nominal throughput rate of 1,200 t/d. The copper concentrate is planned to be thickened and then dewatered using filters and trucked to a Pacific port for shipping.

Silver will report to the concentrate which is anticipated to have an average LOM grade of 2,416 g/t Ag, 2.24 g/t Au, 14.8 % Pb, 15.3 % Zn.

1.11 Infrastructure

The Cusi Project is endowed with infrastructure and facilities remaining from the prior operation which closed in Q3 2023. The main intact facilities include:

- Paved road access to, or immediately adjacent to, all three mining area portals, the Malpaso Processing facility and tailings storage facility;
- Grid power to Promontorio and Eduwiges mines, the Malpaso processing facility and the tailings facility. Grid power near the planned San Miguel portal;
- Promontorio and Eduwiges mines currently have natural ventilation and are accessible to the bottom level of the mines;
- Eduwiges is naturally dewatered (possibly hydrogeologically connected to Promontorio, which has been dewatered to its lowest level using a series of dewatering sumps, pumps and pipelines;
- No water treatment is currently required for UG dewatering discharge. Promontorio UG water is pumped directly into the environment, following settling, into a creek that flows through Cusihuiriachi. Water quality tests support direct discharge;
- The Malpaso Mill facility has a near-complete 1,200 t/d crushing-grinding-flotation-concentrate dewatering and storage and tailings facility with ancillary buildings such as offices, warehouse, assay lab and others. Like the processing facility, buildings require some refurbishment;
- The near-by tailings storage facility has approximately one year of storage available, with permitted expansion capacity; and
- Limited waste and mineralized rock storage at the Promontorio and Eduwiges portals.

1.12 Environment and Permitting

The environmental, permitting, and social review of the Cusi Project indicates that the Project is located in a historically disturbed, non-sensitive regional area where mining, agriculture, and rural land use have shaped current conditions. Biodiversity constraints are minimal, and existing infrastructure can support future growth.

The primary factors influencing project progress include water availability, the extent of environmental and engineering definition, permitting clarity, and closure planning. Water availability is especially critical given the regional aquifer deficit and will require a technically supported water management strategy that complies with regulatory standards. The current plan is to truck make-up water from the Promontorio Mine to the Malpaso processing facility.

The current permitting framework comprises a mix of historical authorizations and existing regulatory pathways, providing a foundation for Project development in a brownfield setting. The available permitting information indicates that the Project benefits from key historical environmental approvals, notably reinforced by recently secured regulatory exemptions from the federal environmental authority, SEMARNAT (Oficina de Representación en el Estado de Chihuahua).

Specifically, the project holds an official Environmental Impact Assessment exemption (Exención de la Manifestación de Impacto Ambiental) under Article 6 of the applicable environmental regulations. This includes Oficio No. UGA.IR.08-2026/062, which exempts a total mining infrastructure footprint of 55.419 hectares spanning critical operational areas including the San Miguel, Santa Eduwiges, San Juan, Promontorio, and La India mine complexes, alongside associated patios, offices, and waste dumps. Furthermore, processing infrastructure is covered under Oficio No. UGA.IR.08-2026/056, which grants an identical impact exemption for the 20.243-hectare footprint of the Planta de Beneficio Mal Paso, encompassing the processing plant, freshwater recovery systems, and Tailings Storage Facilities (Presas de Jales 1 and 2).

Overall, the available environmental information is sufficient to describe general site conditions at the PEA level. Further technical studies, engineering refinement, and regulatory engagement are recommended to advance the Project.

1.13 Capital and Operating Cost Estimates

The cost estimate for this PEA is considered Class 5 with a target accuracy of ± 30% expressed in US$ as of Q1 2026. A summary of the Capital cost estimate for the project is shown in Table 1-5 and the Operating costs are shown in Table 1-6.

Table 1-5: Summary of Capital Cost Estimate

Capital Costs	Pre-Production (M$)	Sustaining / Closure (M$)	Total (M$)
UG Mining	19.7	73.8	93.5
Process Plant	5.1	-	5.1
Tailings Storage Facility	0.2	11.3	11.5
On-Site Infrastructure	2.0	-	2.0
Infill Drill Programs	-	4.7	4.7
Project Indirects	1.9	-	1.9
Engineering & EPCM	2.4	-	2.4
Owner's Costs	6.9	-	6.9
Closure	-	25.0	25.0
Subtotal	**38.1**	**114.8**	**152.9**
Contingency	9.4	25.8	35.2
Total Capital Costs	**47.5**	**140.6**	**188.1**
Commissioning Revenues	28.3	-	-
Net Total Capital Costs	**19.2**	**140.6**	**188.1**

Table 1-6: Summary of Operating Cost Estimate

Operating Costs	LOM Cost (M$)	Avg Annual Cost (M$)	Unit Cost ($/t)
Mining	139	17.4	40.27
Processing	80	10.1	23.23
G&A	31	3.9	9.03
Contingency	13	1.6	3.63
Total	**263**	**33.0**	**76.15**

1.14 Economic Analysis

An engineering economic model was developed to estimate annual cash flows and sensitivities of the Property. Pre-tax estimates of Property values were prepared for comparative purposes, while after-tax estimates were developed and are likely to approximate the true investment value. It must be noted, however, that tax estimates involve many complex variables that can only be accurately calculated during operations and, as such, the after-tax results are only approximations.

The results for the Cusi PEA show a post-tax internal rate of return (IRR) of 94.8% and a net present value using a 5% discount rate ($NPV_{5\%}$) of $104 M. Table 1-7 summarizes the economic results of the Property.

The life of mine all-in sustaining cost (AISC) is US$26.75/AgEq oz.

Table 1-7: Economic Results

Summary of Results	Unit	Value
AISC *	US$/AgEq oz	26.75
Capital Costs		
Pre-Production Capital	M$	47.5
Pre-Production Revenues**	M$	(28.3)
Total Pre-Production Capital	M$	19.2
Sustaining and Closure Capital	M$	140.6
Total Capital Costs Incl. Contingency	M$	159.8
Working Capital	M$	8.8
Pre-Tax Cash Flow	LOM M$	230.8
	M$/a	28.8
Taxes	LOM M$	102.2
After-Tax Cash Flow	LOM M$	128.6
	M$/a	16.1
Economic Results		
Pre-Tax $NPV_{5\%}$	M$	188.2
Pre-Tax IRR	%	155.7
Pre-Tax Payback	Years	0.6
After-Tax $NPV_{5\%}$	M$	104.1
After-Tax IRR	%	94.8
After-Tax Payback	Years	0.9

Note:
*All-in Sustaining Cost is calculated as: (TC/RC + Royalties + operating costs + sustaining and closure capital) / payable AgEq oz.
**Revenues expected from material processed during Mill Commissioning.

Univariate sensitivity analyses were performed for variations in metal prices, operating costs, capital costs, and discount rates to determine their relative importance as Property value drivers. The value of each variable was changed plus and minus 20% independently while all other variables were held constant. The results of the univariate sensitivity analyses are shown in Table 1-8. Additional sensitivities to Silver price are shown in Table 1-9.

Table 1-8: Univariate Sensitivity Analysis

Variable	Pre-Tax $NPV_{5\%}$ (M$)			Post-Tax $NPV_{5\%}$ (M$)		
	-20% Variance	0% Variance	20% Variance	-20% Variance	0% Variance	20% Variance
CAPEX	220	188	156	127	104	82
OPEX	231	188	145	132	104	76
Metal Prices or Grades (All)	77	188	300	62	104	126

Table 1-9: Silver Price Sensitivity

Silver Price ($/oz)	After-Tax NPV (M$)	After-Tax IRR (%)
15	(149)	n/a
30	(5)	2
45	101	57
Base Case (Variable)	**104**	**95**
60	207	116
75	312	187
100	487	348
120	626	541

1.15 Conclusions

It is the conclusion of the QPs that the PEA summarized in this technical report contains adequate preliminary detail and information to support a PEA-level report. Standard industry practices, equipment and design methods were used in the PEA.

Based on the assumptions used and the information gathered for this preliminary evaluation, the project shows positive economics based on a short restart timeline, current high silver prices, relatively low capital commitment due to significant existing infrastructure and facilities and a favourable permitting position.

The most significant potential risk associated with the project is the ability to transform Inferred Resources to Indicated or Measured Resources. The PEA mine plan has 59% Inferred Resource material). Further definition drilling is necessary to better define resources and improve classification and confidence.

Other risks to the project include, but are not limited to, water supply to the processing plant, uncontrolled dilution when mining narrow veins, operating and capital cost escalation, permitting and environmental compliance (including water treatment), unforeseen schedule delays, geotechnical characteristics, ground water inflows and impact, changes in regulatory requirements, and silver price.

The available permitting information indicates that the Project benefits from environmental approvals for earlier operations, including preventive filings (“*Informe Preventivo*”) and exemptions for specific infrastructure components, such as the Casa Colorada TSF.

To date, the Qualified Persons (QP) are not aware of any fatal flaws for the Cusi Project.

1.16 Recommendations

Based on Silverco’s statements that work at the mine and mill to support the restart, with concentrate production scheduled to begin in late 2026 and full ramp-up by mid-2027, it is recommended that definition drilling and Inferred Resource conversion at Promontorio and San Miguel be prioritized on the well-defined, mineralized trends to support conversion of Inferred resources to Indicated or Measured. This focus would help mitigate the risk related to lower confidence Inferred resources in the near-term mining areas as the significant amount of Inferred Resource used in the mine plan is a significant risk. The company has initiated a definition drilling program in the initial areas of the mine plan.

Additionally, the local Silverco team should conduct a thorough re-start planning process including detailed mine and infrastructure planning, plant refurbishment, tailings facility expansion and investigating local water sources to mitigate the trucking of water from the mine. These costs are covered in the Owner’s costs in the capital budget in this report.

Drilling and exploration costs added to Table 1-10 below, pending revision per discussion with Silverco.

Table 1-10: Recommended Work in Support of Restart

Program Component	Estimated Total Cost (US$M)
Surface Drilling (20,000 m @ US$200/m)	4.00
Underground Drilling (10,000 m @ US$200/m)	2.00
Surface Exploration and Geophysics	0.10
Conduct detailed, operations-level mine and infrastructure planning and cost estimation using the Silverco team on site	Within the capital budget in this report
Make modifications to the plant flowsheet as should described in this report	Within the capital budget in this report
Perform variability testing on samples as the mines advance to have performance data ahead of the feed arriving in the plant. Current recommendations are based on a single composite from San Miguel	Within the capital budget in this report
Initiate the optimization of the grind vs. silver recovery once the plant is operational	Within the capital budget in this report
Determine what is the minimum silver grade required in the concentrate that can be sold	Within the capital budget in this report
Total	**6.10**

2 INTRODUCTION

JDS was commissioned by Silverco to lead a PEA for the Cusi Ag-Au-Pb-Zn Project in Chihuahua, Mexico, and to prepare a Technical Report written in support of the PEA. The PEA follows a Mineral Resource Estimate undertaken by SGS and reported in a Technical Report dated January 14, 2026. The Cusi project is considered a development-stage mineral project.

Silverco Mining Ltd., formerly Quetzal Copper Corp., was incorporated on November 30, 2020 pursuant to the Business Corporations Act (British Columbia). The Company is a Canadian-based mining company listed on the TSX Venture Exchange (TSX-V: SICO) with its corporate office at located 750 – 1095 W Pender St, Vancouver, BC, V6E 2M6. The Company's principal business activity is the acquisition, exploration and development of mineral properties in Mexico.

In 2024 the Company acquired the Cusi Mining Complex, a past-producing silver mine in Mexico with zinc and lead by products. The mine was placed on care and maintenance in 2023, and the Company's primary focus is now on exploration and evaluation activities and advancing the restart of the Cusi Mining Complex. The mining concessions comprising the Cusi project are held 100% by Silverco, through a wholly owned subsidiary, Minera San Bernabé, S.A. de C.V. (MSB), and were acquired in July 2024 from Sierra Metals Inc.

The reporting of the MRE complies with all disclosure requirements for Mineral Resources set out in the NI 43-101 Standards of Disclosure for Mineral Projects. The classification of the MRE is consistent with the 2014 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards (2014 CIM Definitions). In completing the MRE, the Author uses general procedures and methodologies that are consistent with industry standard practices, including those documented in the 2019 CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines (2019 CIM Guidelines).

2.1 Qualified Persons

The Qualified Persons for this report are listed in Table 2-1. By virtue of their education, experience and professional association membership, they are considered Qualified Person as defined by NI 43-101. All Qualified Persons used for this study are independent of Silverco.

2.1.1 Scope of Work

This technical report summarizes the work of several consultants with the scope of work for each company listed in Table 2-1.

2.1.2 Qualifications and Responsibilities

The results of this PEA are not dependent upon any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings between Silverco and the QPs or the QPs' companies. The QPs are being paid a fee for their work in accordance with normal professional consulting practices.

Table 2-1: QP Responsibilities and Report Sections

Qualified Person	Company	QP Responsibility / Role	Report Section(s)
Allan Armitage, P.Geo.	SGS Canada Inc.	History, geology, exploration	1.4, 1.4.1, 1.5, 6, 7, 8, 9, 25.2
Gord Doerksen, P.Eng.	JDS Energy & Mining Inc.	Overall report compilation, mining, infrastructure, marketing, environmental/permitting and cost estimation sections and all sections not covered by other QPs	1.1, 1.2, 1.8, 1.9, 1.11 to 1.16 2, 3, 15, 16.1, 16.3 to 16.11, 18 to 21, 23, 24, 25.1, 25.6 to 25.8, 26 to 29
Ben Eggers, P.Geo.	SGS Canada Inc.	Property tenure, drilling, data validation, Mineral Resource Estimate	1.3, 1.4.2, 1.7, 4, 5, 10, 11, 12.1, 12.2, 12.4, 14, 25.3, 25.5
Tysen Hantelmann, P.Eng.	JDS Energy & Mining Inc.	Economic model	1.14, 22
Mike Levy, P.Eng.	JDS Energy & Mining Inc.	UG geotechnical characterization and recommendations	12.6, 16.2
Deepak Malhotra, SME Registered Member	Forte Dynamics	Mineral processing/ metallurgical testing and process description/recovery methods	1.61.10, 12.3, 12.5, 13, 17, 25.4

2.2 Terms of Reference

The current Technical Report was undertaken to provide a preliminary assessment of the Cusi project under the new Silverco ownership and considering current metal price and cost situations. The report is intended to be used by Silverco in fulfillment of their continuing disclosure requirements under Canadian securities laws, including National Instrument 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101). This Technical Report is written as a follow-up to the late-2025 MRE Technical Report by SGS.

2.3 Sources of Information

This technical report is based on the following sources of information:

- Discussions with Silverco personnel;
- Observations during late-2025 site visits of the Cusi Mine (UG and surface facilities), Malpaso processing plant and tailings facility;
- Inspection of drill core during site visits;

- Past reports and information provided by Silverco;
- Review of exploration data collected by Silverco; and
- Additional information from public domain sources.

Information regarding the Property accessibility, climate, local resources, infrastructure, and physiography, exploration history, regional property geology, deposit type, recent exploration and drilling, metallurgical testwork, and sample preparation, analyses, and security for previous drill programs etc. (Sections 5 through 13) have been sourced from recent technical reports and internal reports and updated where required. The Authors believe the information used to prepare the current Technical Report is valid and appropriate considering the status of the Project and the purpose of the Technical Report.

2.4 Site Visit

Details of the QP's site visits are shown in Table 2-2. All are considered as the current site visit, per Section 6.2 of NI 43-101CP.

Table 2-2: QP Site Visits

Qualified Person	Company	Date	Accompanied by	Description of Inspection
Allan Armitage, P.Geo.	SGS	n/a	n/a	• Allan did not conduct a site visit.
Gord Doerksen, P.Eng.	JDS	Nov. 24-26, 2025 inclusive	**Silverco:** • Nico Harvey, VP Project • Ricardo Trejo, Mine Manager • Aaron Ramirez, Procurement Manager • Carlos Beltran, Exploration Manager • Various engineers, geologists and metallurgists **JDS:** • Tad Crowie, P.Eng., Metallurgist • Jaime Delgado, Minera Consulting Inc.	• Inspection of accessible Promontorio, Eduwiges and San Miguel UG mine areas; • General surface tour of all facilities including mine breakthroughs to surface, portals, ventilation raises, explosive magazines, offices, substations, etc.; • Inspection of all facilities at the Malpaso Mill and tailings facility; and • Inspection of selected drill core and the drill core logging, processing and storage facility.

Qualified Person	Company	Date	Accompanied by	Description of Inspection
Ben Eggers, P.Geo.	SGS	Sep. 22-23, 2025	**Silverco:** • Nico Harvey, VP Project • Aaron Ramirez, Procurement Manager • Carlos Beltran, Exploration Manager	• Inspection of selected drill sites and outcrops to validate drillhole collar positions and review the drill and local geology; • Inspection of the drill core logging, processing and storage facility; • Reviewing current core sampling, QA/QC and core security procedures, and • Inspection of drill core, drill logs, and assay certificates to validate sampling, confirm the presence of mineralization in witness half-core samples, and review of the local geology.
Mike Levy, P.Eng.	JDS	Dec. 16 and 17, 2025	**Silverco:** • Ricardo Trejo, Mine Manager • Aaron Ramirez, Procurement Manager • Carlos Beltran, Exploration Manager • Various engineers and geologists	• Inspection of accessible Promontorio, Eduwiges and San Miguel UG mine areas; and • Inspection of selected drill core and the drill core logging, processing and storage facility.
Tysen Hantelmann, P.Eng.	JDS	n/a	n/a	• Tysen did not conduct a site visit.
Deepak Malhotra, SME-Registered Member	Forte	Sep. 24-25, 2025	**Silverco:** • Nico Harvey, VP Project • Ricardo Trejo, Mine Manager • Aaron Ramirez, Procurement Manager • Martin Linero, Processing Advisor **Forte:** • Barry Carlson, President	• Inspection of all facilities at the Malpaso Mill and tailings facility; and • Inspection of drill core.

2.5 List of Previous Relevant Technical Reports

In preparing this PEA technical report, the Authors utilized a digital database and technical reports provided to the Authors by Silverco. All background information regarding the Property has been sourced from previous technical reports and revised or updated as required. The past reports referenced were:

- A NI 43-101 technical report by A. Armitage, P.Geo. and B. Eggers, P.Geo., effective date October 20, 2025, report date January 14, 2026 titled "Technical Report On The Mineral Resource Estimate for the Cusi Ag-Au Pb-Zn Project, Chihuahua State, Mexico", prepared for Silverco Mining Ltd. (Posted on SEDAR+ under Silverco's profile);

- A NI 43-101 technical report by S.M. Archibald, P.Geo. in 2025 titled "NI 43-101 Technical Report Cusi Property, Chihuahua, Mexico", Effective Date May 1, 2025, Report Date September 23, 2025, prepared for Minera San Bernabé S.A. de C.V. (Posted on SEDAR+ under Silverco's profile);

- A NI 43-101 technical report by G. Oritz, P.Geo., C. Kottmeier, P.Eng. and D. H. Sepulveda, SME-RM in 2020 titled "Preliminary Economic Assessment for the Cusi Mine, Chihuahua State, Mexico", Effective Date August 31, 2020, Report Date November 13, 2020, prepared for Sierra Metals Inc. (Posted on SEDAR+ under Sierra Metals' profile); and

- A NI 43-101 technical report by G. Oritz, FAusIMM., F. Rodrigues, MMSAQP, D. H. Sepulveda, SME-RM and M. Willow, SME-RM in 2018 titled "Amended NI 43-101 Technical Report on Resources Cusi Mine, Mexico", Effective Date August 31, 2017, Report Date February 12, 2018, prepared for Sierra Metals Inc. (Posted on SEDAR+ under Sierra Metals' profile).

2.6 Units, Currency and Rounding

The units of measure used in this report are as per the International System of Units (SI) or "metric" except for Imperial units that are commonly used in industry (e.g., ounces (oz.) and pounds (lb.) for the mass of precious and base metals).

All dollar figures quoted in this report refer to United States dollars (US$ or $) unless otherwise noted.

Frequently used abbreviations and acronyms can be found in Section 28. This report includes technical information that required subsequent calculations to derive subtotals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, the QPs do not consider them to be material.

3 RELIANCE ON OTHER EXPERTS

3.1 Property Agreements, Mineral Tenure, Surface Rights and Royalties

Final verification of information concerning Property status and ownership, which are presented in Section 4 below, has been provided to Eggers by Nico Harvey for Silverco, by way of e-mail on January 6, 2026. The QP only reviewed the land tenure in a preliminary fashion and has not independently verified the legal status or ownership of the Property or any underlying agreements or obligations attached to ownership of the Property. However, the QP has no reason to doubt that the title situation is other than what is presented in this technical report (Section 4). The QP is not qualified to express any legal opinion with respect to Property titles or current ownership.

The taxation calculations in Section 22 Economic Analysis are estimates only based on general Mexican regulations. Assistance for the taxation calculation was garnered from communication with Silverco's Mexican Director of Finance, Silverco's Chief Financial Officer, guidelines provided in PWC documentation on their website: *https://taxsummaries.pwc.com/mexico/corporate/taxes-on-corporate-income* with a review date of February 24, 2026 and JDS's recent experience. It should be noted that actual taxation calculations are complex, however, for the purpose of this PEA, they are deemed to be properly accounted for at a high-level. The taxation assumptions in the Cusi economic model were compared to other recent Technical Reports for general verification.

Assistance with Section 20 Environmental Studies, Permitting and Social or Community Impacts was obtained from Ing. César Manuel Fernández Villalobos, Director General of CIMA S.C., a non-QP permitting expert in Mexico with past permitting work on the project. The permitting information in Section 20 from Mr. Fernandez was supported by non-QP Jaime Delgado of Minera Consulting Inc. who has broad project experience in Latin America.

Andrew Falls, Managing Director, Exen Consulting Services, provided advice via discussions and e-mails on concentrate marketing and smelter terms in late 2025/early 2026. Andrew has extensive concentrate marketing experience as a consultant and with commercial and marketing divisions of mining companies. Andrew provided concentrate marketing support to Sierra Metals when they operated the project. Andrew's advice was used in Section 19 Market Studies and Contracts and Section 22 Economic Analysis.

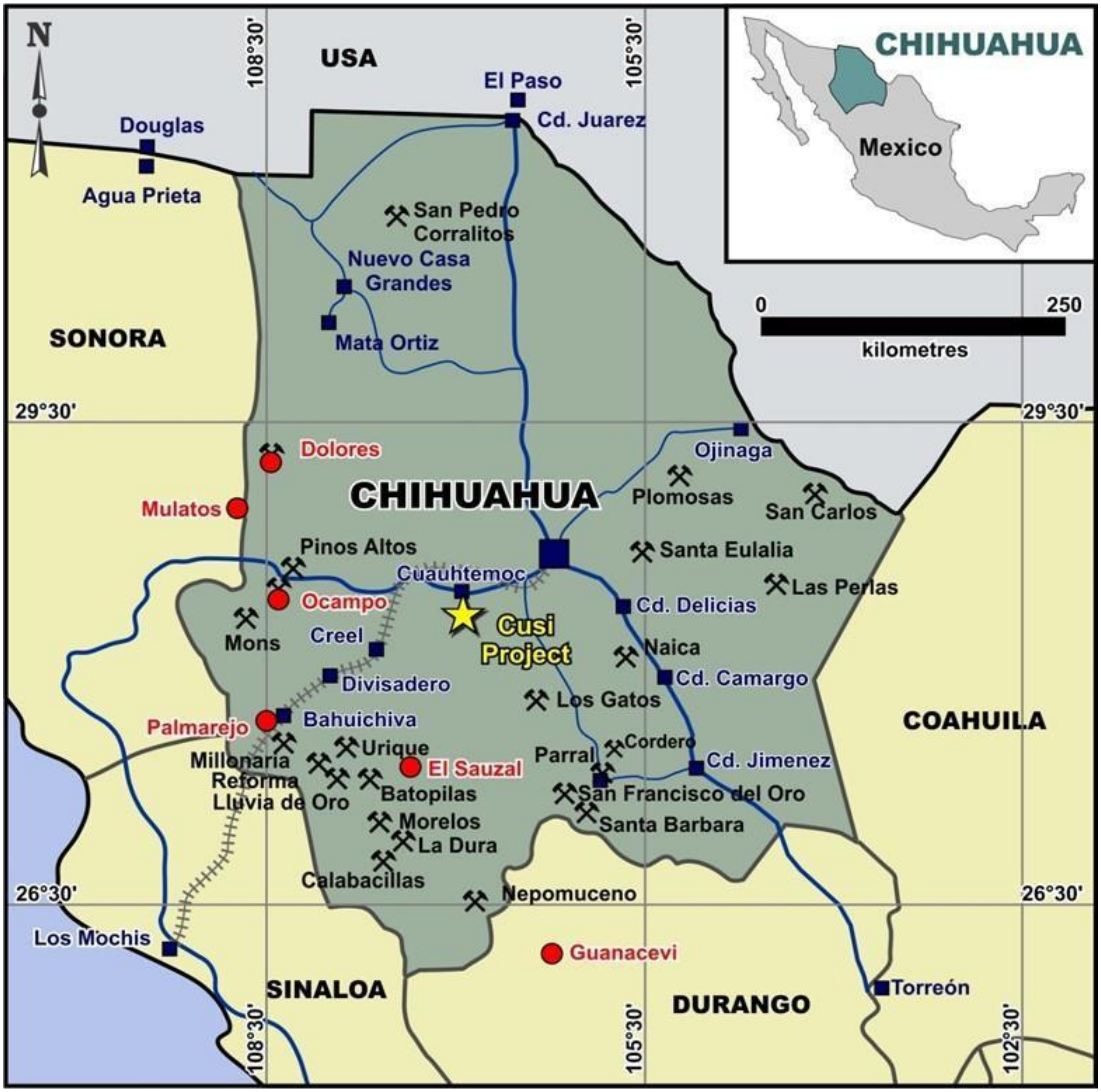
4 PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The Cusihuiriachi (Cusi) property is located in Abasolo Mineral District in the municipality of Cusihuiriachi, Chihuahua state, Mexico. The property is 135 kilometers west from Chihuahua city and 19 km south from the city of Cuauhtémoc via paved highways (Figure 4-1).

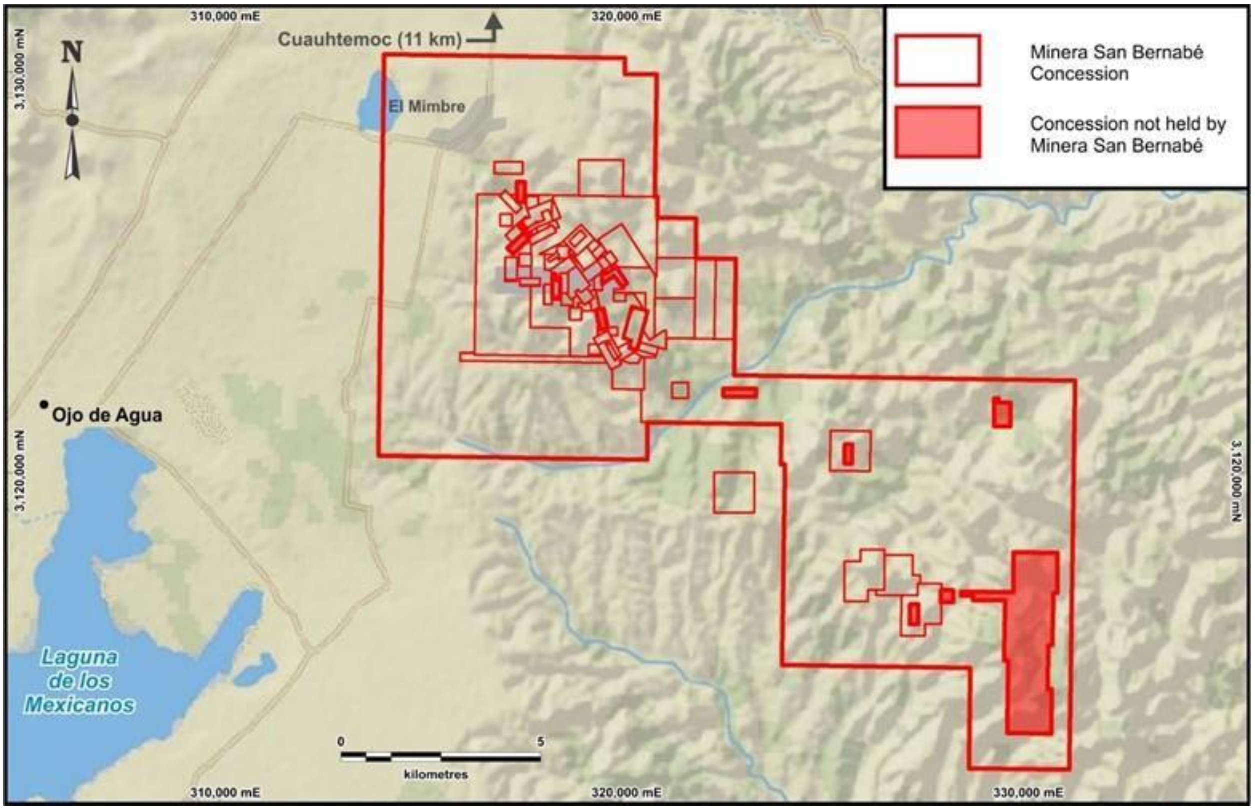
The Cusi property consists of 95 mineral concessions wholly owned by Minera San Bernabé (Figure 4-2). Included in these concessions are six historical Ag-Au-Pb-Zn producers developed on several vein structures: San Miguel, La Bamba open pit, La India, Santa Eduwiges, San Marina, and Promontorio, as well as exploration concessions around the historical mine areas. The shaft of the Promontorio mine is located at 319,019 mE and 3,125,854 mN (WGS84 UTM 13N). The Project is centred at approximately 28º 12’ 00” north latitude and 106º 48’ 00” west longitude or at 323,000 m E; 3,121,500 m N (WGS84 UTM 13N).

Figure 4-1: Project Location Map



Source: Archibald (2025)

Figure 4-2: Detailed Property Location



Source: Archibald (2025)

4.2 Mineral Tenure

4.2.1 Cusi Property

Silverco, through their wholly owned subsidiary Minera San Bernabé, S.A. de C.V., owns a one hundred percent (100%) interest in 95 mineral concessions that comprise the Cusi Property covering an area of 16,073 ha (Table 4-1, Figure 4-3 and Figure 4-4). An independent legal opinion on the validity of the concessions was provided by Joel Antonio González Labrado of ALN Mining Law Firm, Chihuahua on May 6, 2025. All concessions are in good standing, and all property tax payments have been completed up to the effective date of the report.

ALN Mining Law Firm noted that eight mining concessions (while owned by other parties) were subject to seizure and cancellation by judicial authority in 2009. The annulment of this cancelation was applied for before the Public Mining Registry, approved and lifted in 2025, and the affected claims are currently pending registration to Minera San Bernabé, S.A. de C.V.

4.2.2 Mexican Regulations for Mineral Concessions

The Cusi mineral concessions, granted under the Mexican Mining Code, were issued for 50-year terms. Exploration concessions grant the holder the right to conduct geological or geophysical exploration activities for mineral deposits. Exploration concessions do not grant the right to mine or extract minerals and must be converted to Mining (Exploitation) concessions for the extraction and production of specific minerals. An approved amendment to the Mexican Mining Code was published in May 2023. Under the amendment mineral concessions are now issued for 30-year terms and can be extended for an additional 25 years, provided the company meets the necessary requirements. Concessions are now awarded through a public auction process, whereas they were through a first-come, first-served system. The company must conduct a topographic survey and comply with environmental and social impact assessments. Concessions can be canceled for ecological concerns, failure to inform authorities about accidents, or non-compliance with regulations. The company must pay fees and meet work requirements, including restoration and closure plans. The Dirección General de Minas (DGM) oversees the concession process and ensures compliance with regulations. The holder of mineral concessions is required to file annual reports to DGM.

In accordance with Mexican mining laws, exploration and mining on the Cusi property are subject to semi-annual payments to the Mexican Federal Government. Fees are paid to the federal government twice each year, in January and July and the amounts paid change are updated annually.

Table 4-1: Property Mineral Concessions Held 100% by Silverco

Owner	Lot No.	Name	Concession Type	Area (ha)	File Status	Title No.	Registration Date	Expiration Date
MSB*	1	Cusihuiriachi	Mining	1002.4999	Valid	240976	16-11-2012	15-11-2062
MSB*	2	El Hueco	Mining	1.8379	Valid	172321	23-11-2003	23-11-2033
MSB*/**	3	Alma	Exploration	87.2041	Valid	227650	28-7-2006	27-7-2056
MSB*/**	4	Alma I	Exploration	106	Valid	226816	10/3/2006	9/3/2056
MSB*/**	5	Alma II	Exploration	91	Valid	227651	28-7-2006	27-7-2056
MSB*	6	Bronco 1 A	Exploration	55.6309	Valid	240329	23-5-2012	22-5-2062
MSB*	7	Bronco 1 B	Exploration	0.8801	Valid	240330	23-5-2012	22-5-2062
MSB*	8	La Mexicana	Exploration	2	Valid	165883	13-12-1979	13-12-2082
MSB*	9	Bronco 3	Exploration	8.1186	Valid	243011	30-5-2014	29-5-2064
MSB*	10	Zapopa	Mining	8.3867	Valid	240189	13-4-2012	12/4/2062
MSB*	11	Bibiana	Exploration	71.6857	Valid	239262	8/12/2011	7/12/2061
MSB*	12	Sayra	Exploration	78.6362	Valid	239403	15-12-2011	14-12-2061
MSB*	13	San Bartolo	Mining	6	Valid	150395	30-9-2018	29-9-2068
MSB*	14	La India	Mining	16	Valid	150569	29-10-1968	28-10-2018
MSB*	15	La Perlita	Mining	10	Valid	163565	10/10/1978	9/10/2028
MSB*	16	Promontorio	Mining	8	Valid	163582	30-10-1978	29-10-2028

Owner	Lot No.	Name	Concession Type	Area (ha)	File Status	Title No.	Registration Date	Expiration Date
MSB*	17	La Consolidada	Mining	22	Valid	165102	23-8-1979	22-8-2029
MSB*	18	San Ignacio	Mining	3	Valid	165662	28-11-1979	27-11-2029
MSB*	19	Mina Vieja	Mining	8.25	Valid	165742	11/12/1979	10/12/2029
MSB*	20	La Perla	Mining	15	Valid	165968	13-12-1979	12/12/2029
MSB*	21	Margarita	Mining	14	Valid	165969	13-12-1979	12/12/2029
MSB*	22	El Milagro	Mining	26.8259	Valid	166580	27-6-1980	26-6-2030
MSB*	23	La Ilusión	Mining	6	Valid	166611	27-6-1980	26-6-2030
MSB*	24	La Rumorosa	Mining	20	Valid	166612	27-6-1980	26-6-2030
MSB*	25	Los Pelones	Mining	16.3018	Valid	166981	5/8/1980	4/8/2030
MSB*	26	Ampl. Nueva Josefina	Mining	18.2468	Valid	177597	1/4/1986	31-3-2036
MSB*	27	La Gloria	Mining	10	Valid	179400	9/12/1986	8/12/2036
MSB*	28	La Hermana de la India	Mining	13.1412	Valid	180030	23-3-1987	22-3-2037
MSB*	29	La Nueva Josefina	Mining	10	Valid	181221	11/9/1987	10/9/2037
MSB*	30	Nueva Santa Marina	Mining	16	Valid	182002	8/4/1988	7/4/2038
MSB*	31	Monterrey	Mining	5.4307	Valid	183820	22-11-1988	21-11-2038
MSB*	32	La Doble Eufemia	Mining	9	Valid	188814	29-11-1990	28-11-2040
MSB*	33	El Salvador	Mining	7.7448	Valid	190493	29-4-1991	28-4-2041
MSB*	34	Año Nuevo	Mining	12	Valid	192908	19-12-1991	18-12-2041
MSB*	35	Luís	Mining	3.1946	Valid	194225	19-12-1991	18-12-2041
MSB*	36	Nueva Recompensa	Mining	21	Valid	195371	15-9-1992	13-9-2042
MSB*	37	El Presidente	Mining	8.1608	Valid	209802	9/8/1999	8/8/2049
MSB*	38	La Indita	Exploration	9.9034	Valid	212891	13-2-2001	12/2/2049
MSB*	39	Aguila	Mining	4.2772	Valid	216262	23-4-2002	22-4-2052
MSB*	40	La Suerte	Exploration	10.5402	Valid	216711	28-5-2002	27-5-2052
MSB*	41	Cima	Exploration	9.9637	Valid	217231	2/7/2002	1/7/2052
MSB*	42	Base	Exploration	23.809	Valid	217584	6/8/2002	5/8/2052
MSB*	43	San Juan	Mining	12.3587	Valid	218657	3/12/2002	2/12/2052
MSB*	44	San Juan Fracc. A	Mining	0.1727	Valid	218658	3/12/2002	2/12/2052
MSB*	45	San Juan Fracc. B	Mining	0.1469	Valid	218659	3/12/2002	2/12/2052
MSB*	46	Norma	Exploration	12.2977	Valid	218851	22-1-2003	21-1-2053

Owner	Lot No.	Name	Concession Type	Area (ha)	File Status	Title No.	Registration Date	Expiration Date
MSB*	47	Norma 2	Mining	1.7561	Valid	219283	25-2-2003	24-2-2053
MSB*	48	Marisa	Mining	5.08	Valid	220146	17-6-2003	16-6-2053
MSB*	49	La Bufa Chiquita	Mining	3.6024	Valid	220575	28-8-2003	27-8-2053
MSB*	50	Cusihuiriachi Dos	Mining	87.6748	Valid	220576	28-8-2003	27-8-2053
MSB*	51	Flor de Mayo*	Exploration	14.4104	Valid	224700	31-5-2005	30-5-2055
MSB*	52	Manuel	Mining	100	Valid	227360	14-6-2006	13-6-2056
MSB*	53	San Miguel II	Exploration	100	Valid	227363	14-6-2006	13-6-2056
MSB*	54	San Miguel III	Exploration	100	Valid	227364	14-6-2006	13-6-2056
MSB*	55	Saira	Mining	16	Valid	227365	14-6-2006	13-6-2056
MSB*	56	San Miguel IV	Exploration	96.985	Valid	227485	27-6-2006	26-6-2056
MSB*	57	Base 1	Exploration	3.9276	Valid	227657	27-7-2006	26-7-2056
MSB*	58	Alma B	Exploration	80.4612	Valid	227982	26-9-2006	25-9-2056
MSB*	59	San Miguel V	Exploration	6.5328	Valid	227984	26-9-2006	25-9-2056
MSB*	60	San Miguel VI	Exploration	98.9471	Valid	228058	29-9-2006	28-9-2056
MSB*	61	San Miguel I	Exploration	98.6218	Valid	228484	24-11-2006	23-11-2056
MSB*	62	Sayra I	Exploration	7.2195	Valid	229064	2/3/2007	1/3/2057
MSB*	63	Santa Rita	Exploration	16.6574	Valid	229081	6/3/2007	5/3/2057
MSB*	64	Santa Rita Fracc. I	Exploration	9	Valid	229082	6/3/2007	5/3/2057
MSB*	65	Santa Rita Fracc. II	Exploration	8.8141	Valid	229083	6/3/2007	5/3/2057
MSB*	66	San Miguel VII	Exploration	52.644	Valid	229084	6/3/2007	5/3/2057
MSB*	67	San Miguel	Exploration	96.2748	Valid	229166	21-3-2007	20-3-2057
MSB*	68	CUSI-DBM	Mining	4,716.66	Valid	229299	3/4/2007	2/4/2057
MSB*	69	Manuel 1 Fracc A	Exploration	1.1858	Valid	229747	13-6-2007	12/6/2057
MSB*	70	Manuel 1 Fracc B	Exploration	1.3425	Valid	229748	13-6-2007	12/6/2057
MSB*	71	CUSI-DBM 02	TCM	4,695.17	Valid	232028	10/6/2008	9/6/2058
MSB*	72	Bronco 2	Exploration	7.5296	Valid	239311	13-12-2011	13-12-2061
MSB*	73	Bronco 4	Exploration	0.5224	Valid	239312	13-12-2011	13-12-2061
MSB*	74	Bronco 6	Exploration	9	Valid	239321	13-12-2011	12/12/2061
MSB*	75	Bronco 5	Exploration	6.7121	Valid	239335	13-12-2011	13-12-2061

Owner	Lot No.	Name	Concession Type	Area (ha)	File Status	Title No.	Registration Date	Expiration Date
MSB**	76	Vale 35	Mining	100	Being recorded	226790	7/3/2007	6/3/2056
MSB**	77	Vale	Mining	100	Being recorded	226813	10/3/2006	9/3/2056
MSB**	78	Vale 3	Mining	100	Being recorded	226814	10/3/2006	9/3/2056
MSB**	79	Vale 88	Mining	100	Being recorded	226815	10/3/2006	9/3/2056
MSB**	80	Burton	Mining	95.3432	Being recorded	226840	14-3-2006	13-3-2056
MSB**	81	Alma III	Exploration	96.6187	Being recorded	227652	28-6-2006	27-6-2056
MSB**	82	Burton I	Mining	90.6831	Being recorded	228146	6/10/2006	5/10/2056
MSB**	83	Canoas II	Mining	100	Being recorded	228617	15-12-2006	14-12-2056
MSB**	84	S Judas	Mining	95.7551	Being recorded	233048	2/12/2008	1/12/2058
MSB**	85	Lorena I	Mining	288	Being recorded	246664	16-10-2018	15-10-2068
MSB**	86	Lorena II	Mining	344	Being recorded	246665	16-10-2018	15-10-2068
MSB**	87	Lorena III	Mining	352	Being recorded	246666	16-10-2018	15-10-2068
MSB**	88	Lorena IV	Mining	318	Being recorded	246667	16-10-2018	15-10-2068
MSB**	89	Lorena V	Mining	388	Being recorded	246668	16-10-2018	15-10-2068
MSB**	90	Sayra III	Mining	242	Being recorded	246671	19-10-2018	18-10-2068
MSB**	91	Sayra IV	Mining	295	Being recorded	246672	19-10-2018	18-10-2068
MSB**	92	Sayra V	Mining	257.9542	Being recorded	246673	19-10-2018	18-10-2068
MSB**	93	Sayra II	Mining	328.5077	Being recorded	246683	19-10-2018	18-10-2068
MSB**/*** /****	94	La Bamba	Mining	16	Valid	172240	27-10-1983	26-10-2033
MSB**/*** /****	95	San Miguel	Mining	20	Valid	172015	22-9-1983	21-9-2033
Total				**16,073.2396**				

Notes:

* 75 mining concessions are subject to a 2% NSR royalty payable to Dia Bras Mexicana, S.A. de C.V., derived from the assignment of rights agreement executed and ratified on July 18th, 2024, with Dia Bras Mexicana, S.A. de C.V.

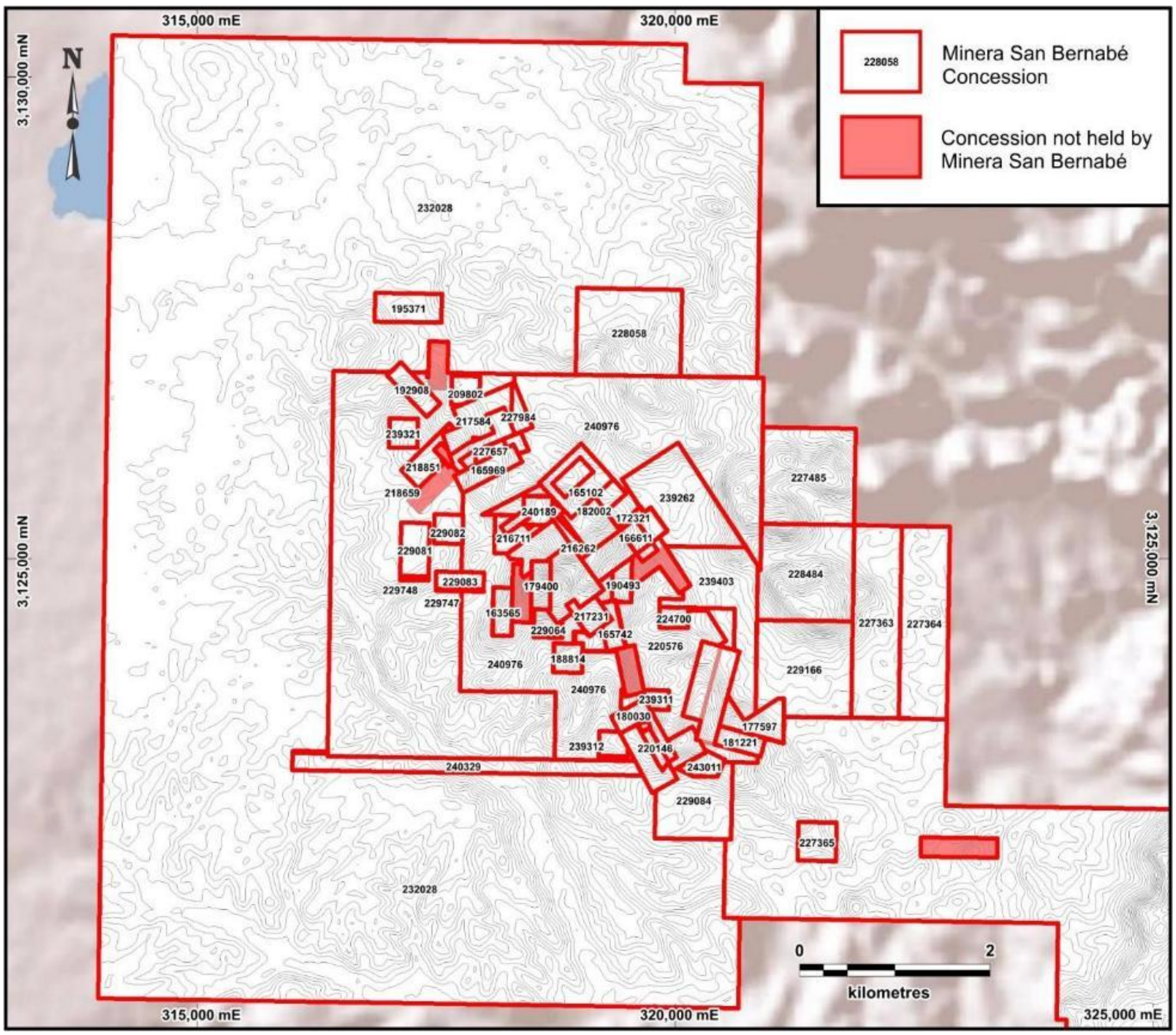
** 23 mining concessions are subject to a 1% NSR royalty payable to Minera Silverstrike, S.A. de C.V., derived from the assignment of rights agreement executed on July 3rd, 2024, with Minera Silverstrike, S.A. de C.V.

*** 2 mining concessions are subject to a 2% NSR royalty payable to Minera Homero, S.A. de C.V., derived from the assignment of rights agreement executed on June 25th, 2005, with Minera Homero, S.A. de C.V.

**** 2 mining concessions are subject to a 1% NSR royalty payable to Minerometalurgica San Miguel, S. de R.L. de C.V., derived from the assignment of rights agreement executed on June 28th, 2024, with Minerometalurgica San Miguel, S. de R.L. de C.V. "Being recorded"- Concession in the process of being recorded to Minera San Bernabé, S.A. de C.V. before the Public Mining Registry.

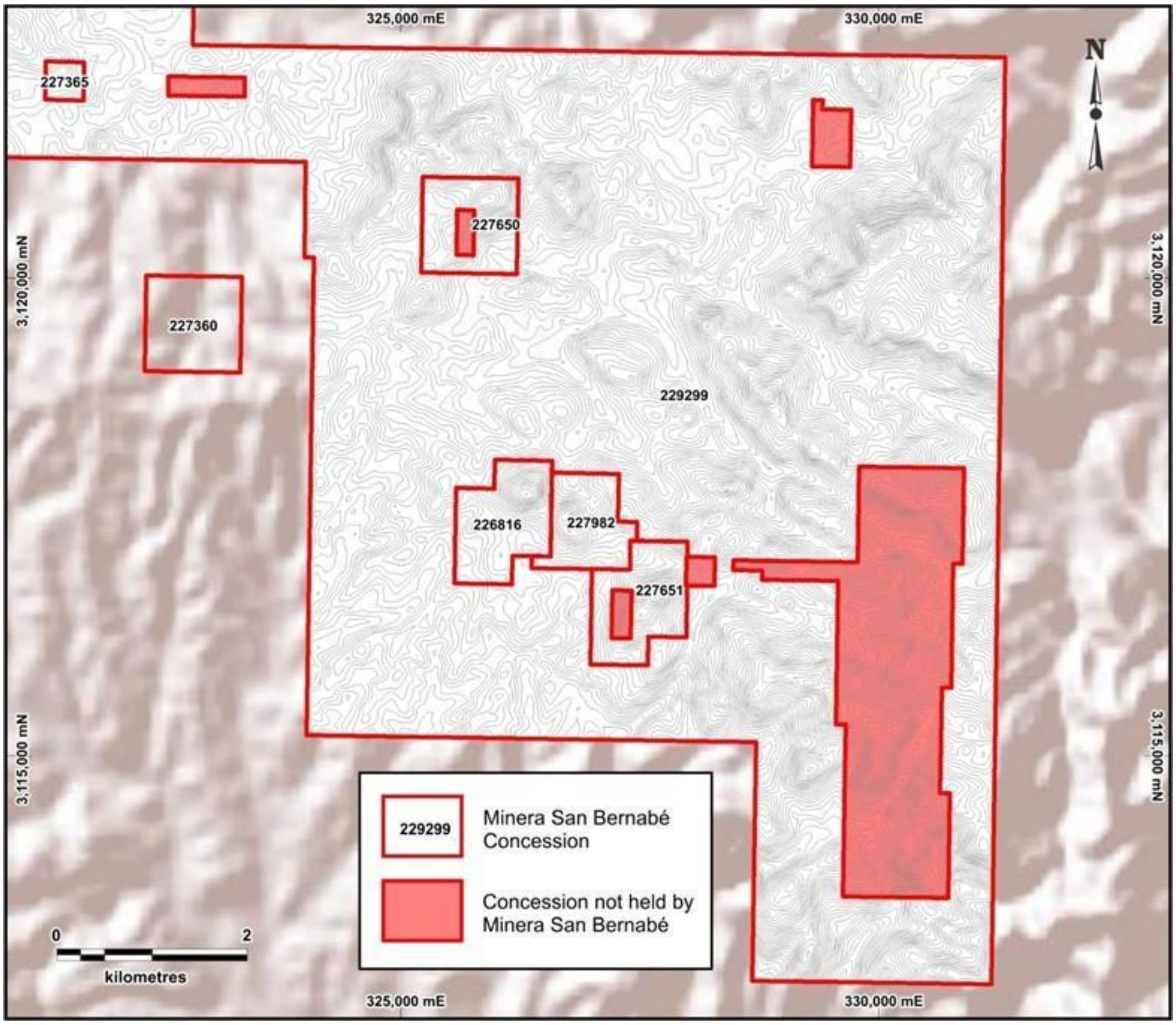
Source: SGS (2025)

Figure 4-3: Cusi Project Mineral Concessions Map (West)



Source: Archibald (2025)

Figure 4-4: Cusi Project Mineral Concessions Map (East)



Source: Archibald (2025)

4.3 Mining Rights

Surface rights can be held by the State, local authorities, or held by individuals. Holding mineral concessions does not automatically grant the owner surface access rights. Permission must be granted by the surface rights holder. This has not previously been an issue with the current permit holders.

4.4 Project Agreements

4.4.1 Acquisition from Sierra Metals

On July 19, 2024, Sierra Metals Inc announced in a press release that it had completed the 100% sale of the Cusi Mine and surrounding mineral concessions (collectively, the "Cusi Property") in Chihuahua State, Mexico, to Minera San Bernabé, S.A. de C.V., a subsidiary of Silverco Mining Corp. The Cusi Property was sold for US $2.5M in cash and a 2.0% net smelter royalty in respect of the Cusi Property granted in favor of Dia Bras Mexicana, S.A. de C.V., a wholly owned subsidiary of Sierra Metals. Silverco has the right to purchase one-half of the Royalty at any time in exchange for a cash payment to Sierra Metals of US$5.0M.

4.4.2 Silverco Mining Ltd. Trading Commencement on TSX Venture Exchange

On October 22, 2025, Quetzal Copper Corp. doing business as Silverco Mining Ltd. (the "Company") (TSX-V: SICO), announced that its common shares would commence trading on the TSX Venture Exchange at market open on October 23, 2025 under the symbol "SICO".

On October 17, 2025, the Company announced the completion of a reverse takeover ("Reverse Takeover") with Silverco Mining Corp., establishing the Company as a Tier 2 Mining issuer focused on developing the Cusi Property in Mexico. For additional information on the Reverse Takeover, please see the Company's news releases dated June 26, 2025, August 15, 2025 and October 6, 2025.

On October 31, 2025, the Company announced that it had completed its name from "Quetzal Copper Corp." to "Silverco Mining Ltd.".

4.4.3 Underlying Royalties

Royalties from the Cusi property are payable to three companies when commercial extraction takes place. Seventy-five (75) mining concessions are subject to a 2% NSR payable to Dia Bras Mexicana, S.A. de C.V. Two (2) mining concessions are subject to a 2% NSR payable to Minera Homero, S.A. de C.V., and twenty-three (23) mining concessions are subject to a 1% NSR royalty payable to Minera Silverstrike, S.A. de C.V.

4.5 Environmental Liabilities and Considerations

The Project hosts past producing silver mines first exploited in the late 1600's. Historical mining activities continued intermittently on the property through the 1800's and 1900's. Most recently mines on the property operated from 2014 until 2023 and are currently under care and maintenance.

Environmental impacts within the Project site result from historical activities. Old mine dumps and tailings related to the historical production are noted on the Property. Under the Mexican environmental and regulatory system, these impacts due to historical activities are considered pre-existing environmental liabilities deemed not significant and acknowledged by regulators.

The author and permit holders (Minera San Bernabé) are not aware of existing environmental liabilities relating to the permits that comprise the Property. However, tailings from previous mining operations are stored in two tailings piles in the vicinity of the Malpaso Mill, located 25 km to the NW of the previous mine sites. Previous technical reports (SGS, 2022) noted that the tailings pile at the Malpaso Mill may not be lined and may constitute a potential environmental liability.

The Project is not included within any specially protected, federally designated, ecological zones known as Áreas Naturales Protegidas (ANP).

The available permitting information indicates that the Project benefits from environmental approvals for earlier operations, including preventive filings ("*Informe Preventivo*") and exemptions for specific infrastructure components, such as the Casa Colorada TSF.

4.6 Permit Requirements

The environmental, permitting, and social review of the Cusi Project indicates that the Project is located in a historically disturbed, non-sensitive regional area where mining, agriculture, and rural land use have shaped current conditions. Biodiversity constraints are minimal, and existing infrastructure can support future growth.

The primary factors influencing project progress include water availability, the extent of environmental and engineering definition, permitting clarity, and closure planning. Water availability is especially critical given the regional aquifer deficit and will require a technically supported water management strategy that complies with regulatory standards.

The current permitting framework comprises a mix of historical authorizations and existing regulatory pathways, providing a foundation for Project development in a brownfield setting.

Overall, the available environmental information is sufficient to describe general site conditions at the PEA level. Further technical studies, engineering refinement, and regulatory engagement are recommended to advance the Project.

4.7 Property Risks

The Author is unaware of any other significant factors and risks that may affect access, title, or the right, or ability to perform exploration work recommended for the Property.

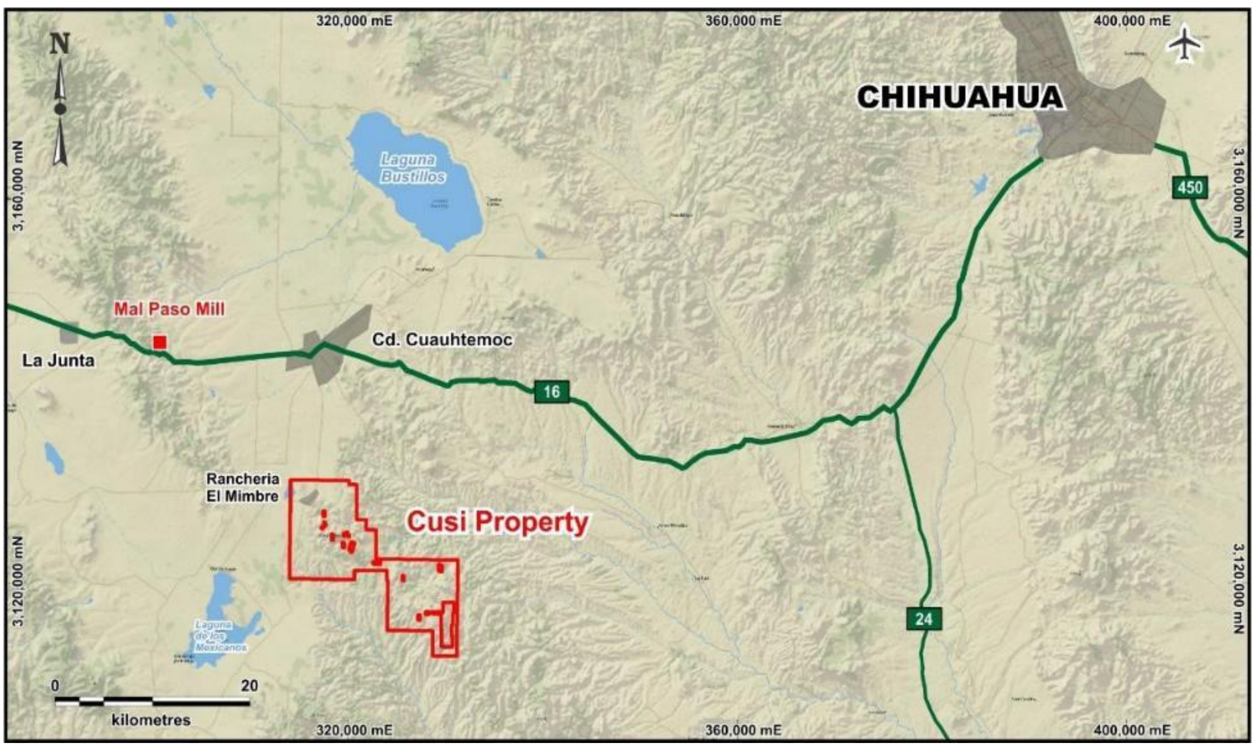
5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The Project is located in the Abasolo Mineral District in the municipality of Cusihuiriachi, state of Chihuahua, Mexico Figure 5-1). The former mine and office buildings on the Property are 135 km west from Chihuahua city via a two-lane divided highway, Federal Highway 16, with the remaining 22 km south from the city of Cuauhtemoc (population 168,482 [2015]) on a paved double lane road.

Within the Project area access is by minor unpaved roads, drivable tracks, and footpaths.

Figure 5-1: Property Location and Access Routes



Source: Archibald (2025)

5.2 Local Resources and Infrastructure

There are five civil airports in the state of Chihuahua, with the nearest one (General Roberto Fierro Villalobos International Airport) only 100 km away from the property. The nine commercial airlines operate daily flights to 14 national locations, and two international flights to Dallas/Forth Worth and Denver. All other international flights are routed through Mexico City.

The main highway (Federal Highway 16) that transects the state between Chihuahua in the east and Hermosillo, Sonora and Sikasso is paved (Figure 5-2). The majority of the major and minor roads in the region are paved (Figure 5-3), and the tertiary roads are little more than tracks passable using four-wheel drive vehicles.

Chihuahua has five universities, and the city contains all modern amenities such as running water, sewerage, and hospitals. The standard of living is comparable with North American standards, with most US companies present. The main industries are manufacturing (electronics, textiles, and automotive parts), mining, agriculture (corn, beans, wheat, fruit, and cotton), livestock, tourism, and technology (software development and IT services).

Chihuahua is a significant contributor to Mexico's mining industry, with 158 mines operating in the state. These mines produce a variety of minerals, including: silver, zinc, copper, lead, and gold. Chihuahua is the second-largest producer of silver in Mexico, accounting for 21.4% of the country's total production, with 120.7 tons produced in 2022.

If the Cusi project proves to be economic there is sufficient space on the property to cover tailings storage, and waste storage, if required. As stated above, there is also adequate water and power in the local area to facilitate extraction and processing, depending on the size of any mining operation. Due to the history of mining in Chihuahua, skilled local labour is available for all aspects of any mining operation.

Figure 5-2: Paved Road North of the Property - Cusihuiriachi Mountain the Tallest Peak

Source: Google (2021)

Figure 5-3: Paved Road North of the Property - Cusihuiriachi Mountain the Tallest Peak

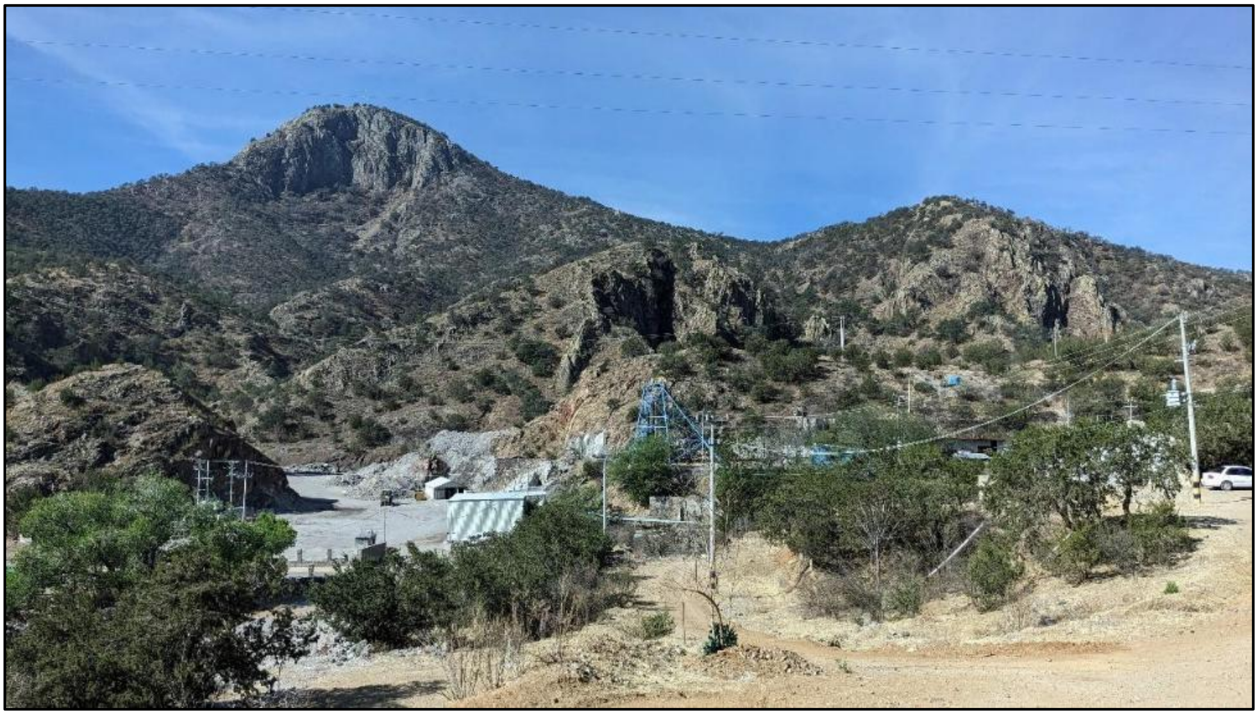
Source: Archibald (2025)

Electricity at the Cusi property is provided by the Mexican Electricity Federal Commission (Comisión Federal de Electricidad). It is transmitted in 33 kV power lines (Figure 5-4). Existing electricity was adequate for previous mining operations on the Property, and the current supply is expected to be sufficient for any future mining operations.

Water was previously recovered from underground workings of the Promontorio and Santa Eduwiges mines, and any future mining operation would likely use the same sources. The recovered water is not treated, so potable water is trucked to the site.

Milling of any future mineralized material would likely take place at the company-owned Malpaso Mill, located 44 km from the Cusi mine. Material was previously transported from the mine to the plant in 20 tonne trucks.

Figure 5-4: Medium Voltage Power Lines Outside the Former Promontorio Mine

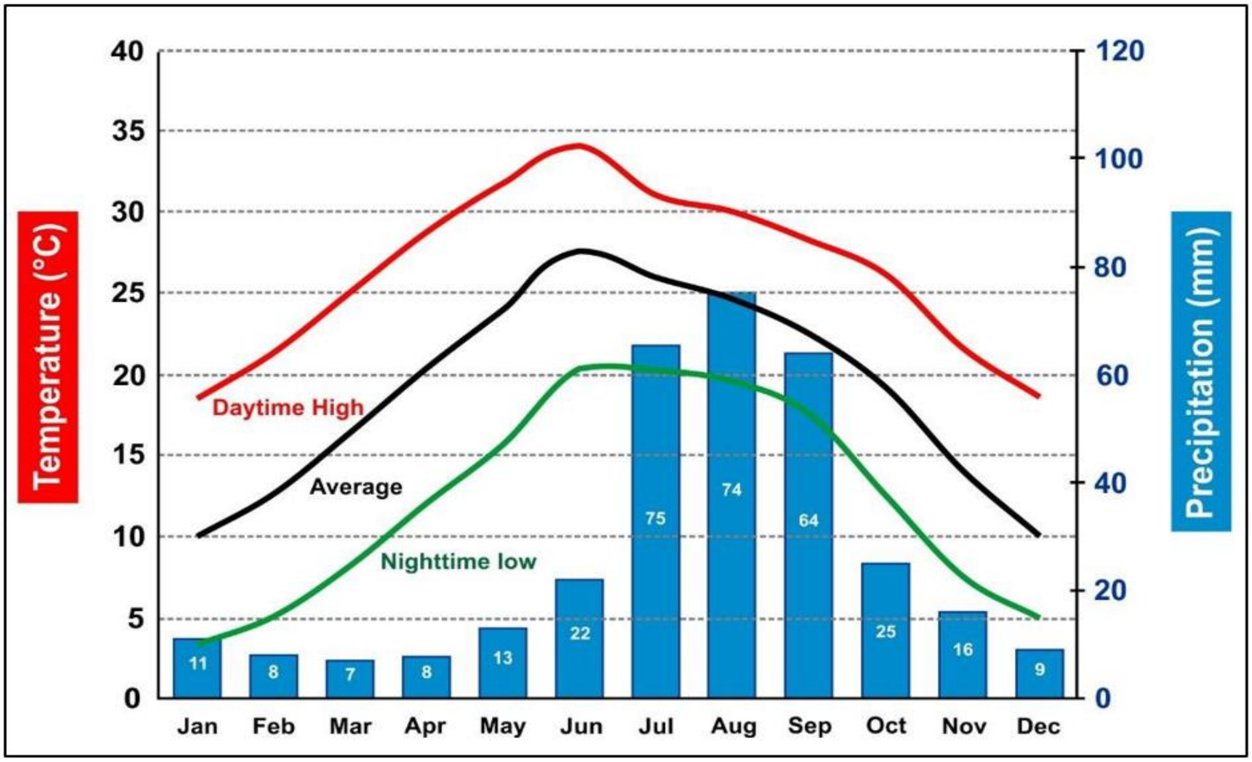


Source: Archibald (2025)

5.3 Climate

The climate at the Cusi Property is described as hot semi-arid with average daily mean temperatures per month ranging from 10°C to 25.7°C, with hotter months occurring mid-year (May to August). Annual precipitation is approximately 332 mm, with monthly precipitation ranging from 7 to 74 mm. The highest rainfall during the year is recorded between July and September. Snow is recorded in December and January but tends not to lie. Climate is conducive for year-round exploration and mining operations. The climate graph below for Chihuahua (Figure 5-5) typifies weather at the property.

Figure 5-5: Climate Chart for Cusi Property, Chihuahua (1,415 m)



Source: Data from climate-data.org, Archibald (2025)

5.4 Physiography

The Cusi property terrain varies in elevation from 1,950 to 2,460 metres above sea level (masl). This region's landscape is marked by significant topographic variation, with differences in elevation ranging from 50 to 500 m. Notable geographic features include the Bufa and Bufita hills, as well as the Cusi fault, which runs parallel to the Cusi River. The area is predominantly covered by vegetation, with exposed rock formations frequently observed along roadsides and streams.

The depth of the surface layer in this area typically spans from 1 to 3 m, with an average depth of about 1.5 m. This surface layer is composed of loose conglomerate, featuring volcanic rock fragments and boulders suspended in a mixture of sand and small amounts of clay. Additionally, deposits of recent volcanic ash may be incorporated into this surface layer.

Vegetation in the Cusi property consists of deciduous forest in the valleys and coniferous forest at higher altitudes. Around the Property the land use is primarily agricultural, which includes arable crops, fruit, and cattle ranching. Wildlife in and around the Property consists of insects, birds, snakes, lizards, and small mammals.

6 HISTORY

6.1 Management and Ownership

Silverco Mining Ltd., formerly Quetzal Copper Corp., was incorporated on November 30, 2020 pursuant to the Business Corporations Act (British Columbia). The Company is a Canadian-based mining company listed on the TSX Venture Exchange (TSX-V: SICO) with its corporate office at located 750 – 1095 W Pender St, Vancouver, BC, V6E 2M6. The Company's principal business activity is the acquisition, exploration and development of mineral properties in Mexico.

In 2024 the Company acquired the Cusi Mining Complex, a past-producing silver mine in Mexico with zinc and lead by products. The mine was placed on care and maintenance in 2023, and the Company's primary focus is now on exploration and evaluation activities and advancing the restart of the Cusi Mining Complex. The mining concessions comprising the Cusi project are held 100% by Silverco, through a wholly owned subsidiary, Minera San Bernabé, S.A. de C.V. (MSB), and were acquired in July 2024 from Sierra Metals Inc.

6.2 Exploration History

6.2.1 Early Property Exploration and Development History

In 1687, Spanish explorer Antonio Rodríguez discovered and began exploiting gold and silver deposits in the Abasolo Mining District, including the Cusi area, specifically within the San Miguel and La Candelaria zones. Mining activities continued in the region until the outbreak of the Mexican War of Independence in 1810. However, the quantities of gold and silver extracted during the Spanish colonial period are not well documented.

The Mexican War of Independence took place from 1810 to 1821. Following this period, the mining history and operational details in the Cusi area from 1821 to 1881 are not well documented. Mining activities resumed with the Don Enrique Mining Co. from 1881 to 1890. Later, the Helena Mining Company acquired the site and conducted mining operations from 1896 to 1911. During this time, the company developed the Santa Marina and San Bartolo shafts, extending them to 1,000-foot below surface.

In 1911, Cusi Mexicana Mining Co. acquired the property from the Helena Mining Company. Mining activities in the Cusi project area continued intermittently during the Mexican Revolution (1910-1920). The total amount of material extracted from 1821 to 1920 remains unknown due to a lack of documentation. The Cusi Mexicana Mining Co. were forced to abandon the project by Generalisimo Pancho Villa due to civil unrest, and the mines remained idle until the mid-1920s.

The Cusi project area concessions were operated by The Cusi Mining Company of American Capital from the 1920s to 1937. According to Sierra Metals, approximately one million tonnes of material was mined during this period. RPA (2006) reports that between 1924 and 1942, a total of 504,048 tons were extracted, yielding 265,460 kg of silver, although the specific mining locations are not documented. Mining activities then reportedly ceased from 1937 to the 1970s.

In the 1970s, mining resumed at several sites within the Cusi Project area, producing an estimated 3,000 tons of mineralized material per month with an average silver grade of 12-18 oz/t (373-560 g/t).

In 1975, Slocan Development Corp. (Slocan) considered acquiring the property and planned to produce by dewatering old workings at several mines. Slocan also conducted mineralogical studies (Bryant, 1975; Chisholm, 1975).

In the 1980s, Minera Cusi carried out surface and underground geochemical studies, minor underground development, and limited mining (Clark & Castañeda, 1989; Clark, 1988, in Dupéré and Camus, 2008).

In 1990 a single inclined diamond drill hole was drilled close to the Tescate adit (Eduwiges mine) and intersected the San Antonio/Santa Marina vein system at approximately 220 m below the San Antonio/Santa Marina open pit. This showed the system was open down dip, but no assays were recorded (RPA, 2006).

In 1995, Pacific Islands Gold optioned the property from Minera Cusi and performed a variety of exploration, which included: geological mapping, surface and underground chip sampling, and a limited reverse circulation (RC) drilling program along the San Miguel vein system (Day, 2001, in Dupéré and Camus, 2008). No results of this work are available.

In January 1996, Silver Standard Resources Inc. entered into a joint venture agreement with Pacific Islands Gold and planned to carry out exploration. No record of work is known for this period, so it is unknown if it was performed.

6.2.2 Dia Bras Exploration and Sierra Metals (2006-2024)

Between May 2006 and April 2008, Canadian-based Dia Bras Exploration Inc. (Dia Bras) acquired the majority of claims that make up the current exploration area. Exploration and research activities performed by Dia Bras included the following activities:

- Exploration summary and recommendations report (Braun, 2006);
- Geological mapping at a scale of 1:20,000 (Ciesielski, 2006; and Pelletier, J.,2008);
- Mineralogical studies and fluid inclusion studies on the quartz-sulphide veins, and a review of assay data for mineralized zones (Meinert, 2006, 2007a, 2007b);
- Zonge International performed a ground induced polarization (IP) survey over the La Bamba-San Manuel-La India part of the property in May 2013. No report is available, but it appears the survey consisted of four lines, 3 km in length, 500 m line separation. The work was performed by Dia Bras;
- Surface chip sampling was performed at several location in the Cusi mine area, including at La Matulera by Dia Bras; and

- From 2006 to 2012 Dia Bras completed 674 surface and underground drillholes (for 121,013 m) with a variety of diameters ranging from BQ to HQ core size. A summary is presented in Section 10 - Drilling.

In 2009, Dia Bras merged with EXMIN Resources Inc., another Mexican-focused exploration Company.

In 2013, Dia Bras Exploration Inc. changed its name to Sierra Metals Inc. From 2013 to 2023 exploration and grade control sampling completed by Sierra Metals included the following activities:

- Surface and underground drilling totalling 1,341 drillholes (for 227,395 m). This included exploration and resource definition drilling. A summary is presented in Section 10 – Drilling; and

- Underground channel (chip) sampling was performed in historic workings and new workings when the mines went into commercial production. A total of 21,522 channels were sampled for a total of 48,786 m (Table 6-1). These samples were used for grade control rather than exploration.

Table 6-1: Sierra Metals Underground Channel Sampling Summary from 2013 to 2023

<table>
<tr><th>Year</th><th>Company</th><th>Sample Type</th><th>Channel Prefix</th><th>Channel Count</th><th>Sampled Length (m)</th><th>Sample Count</th></tr>
<tr><td>2013</td><td>Sierra Metals</td><td>UG Channel Sample</td><td>-</td><td>1,410</td><td>2,966</td><td rowspan="5">43,048</td></tr>
<tr><td>2014</td><td>Sierra Metals</td><td>UG Channel Sample</td><td>-</td><td>4,383</td><td>8,572</td></tr>
<tr><td>2015</td><td>Sierra Metals</td><td>UG Channel Sample</td><td>-</td><td>4,535</td><td>6,823</td></tr>
<tr><td>2016</td><td>Sierra Metals</td><td>UG Channel Sample</td><td>-</td><td>2,276</td><td>3,932</td></tr>
<tr><td>2017</td><td>Sierra Metals</td><td>UG Channel Sample</td><td>-</td><td>1,701</td><td>3,567</td></tr>
<tr><td>2018</td><td>Sierra Metals</td><td>UG Channel Sample</td><td>M18</td><td>1,290</td><td>3,762</td><td>5,112</td></tr>
<tr><td>2019</td><td>Sierra Metals</td><td>UG Channel Sample</td><td>M19</td><td>1,398</td><td>4,988</td><td>4,882</td></tr>
<tr><td>2020</td><td>Sierra Metals</td><td>UG Channel Sample</td><td>M20</td><td>1,165</td><td>3,883</td><td>4,186</td></tr>
<tr><td>2021</td><td>Sierra Metals</td><td>UG Channel Sample</td><td>M21</td><td>1,335</td><td>3,930</td><td>5,313</td></tr>
<tr><td>2022</td><td>Sierra Metals</td><td>UG Channel Sample</td><td>M22</td><td>1,193</td><td>3,801</td><td>5,315</td></tr>
<tr><td>2023</td><td>Sierra Metals</td><td>UG Channel Sample</td><td>M23</td><td>836</td><td>2,561</td><td>3,749</td></tr>
<tr><td>Total</td><td></td><td></td><td></td><td>21,522</td><td>48,786</td><td>71,605</td></tr>
</table>

Source: SGS (2025)

6.3 Production History

6.3.1 Historical Mine Production and Metallurgical Performance

In 2014, Sierra Metals established commercial production at the Cusi mine, with activity at Promontorio and Santa Eduwiges. The Malpaso Mill was originally commissioned at 600 t/d and expanded to 1,200 t/d in 2019. Available production figures for the Cusi mine from 2014 to 2023 (Table 6-2) have been compiled from Sierra Metals annual reports. The mine went into care and maintenance in Q3 of 2023.

Table 6-2: Production Figures for Cusi Mine from 2014 to 2023

	Unit	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total/Avg.
Tonnage	t	155,268	202,034	186,897	88,011	186,889	285,236	230,429	295,771	291,907	139,922	2,062,364
Head Grade												
Ag	g/t	167	176	172	165	140	129	150	160	170	145	156
Au	g/t	0.42	0.22	0.26	0.26	0.16	0.15	0.18	0.18	0.18	0.14	0.20
Pb	%	0.78	0.78	1.22	1.12	0.36	0.19	0.29	0.32	0.25	0.32	0.49
Zn	%	N/A	N/A	1.16	1.14	0.40	N/A	N/A	N/A	N/A	N/A	0.85
Lead Concentrate												
Ag Recovery	%	75.7	76.5	70.7	72.0	83.1	79.1	80.3	82.9	85.4	83.9	79.8
Au Recovery	%	61.7	57.3	61.9	58.2	39.5	36.2	45.5	44.9	46.9	53.4	48.7
Pb Recovery	%	78.5	78.6	81.5	80.6	79.2	74.8	92.8	80.6	78.9	87.3	81.0
Zinc Concentrate												
Ag Recovery	%	N/A	N/A	2.0	2.0	0.1	N/A	N/A	N/A	N/A	N/A	1.2
Zn Recovery	%	N/A	N/A	37.5	42.2	4.2	N/A	N/A	N/A	N/A	N/A	24.9
Metal Production												
Ag	oz	630,160	873,496	730,000	336,000	700,000	936,000	890,000	1,260,000	1,363,000	549,000	8,267,656
Au	oz	1,289	832	954	423	373	491	619	762	794	331	6,868
Pb	lbs	2,120,000	2,747,000	4,111,000	1,770,000	1,194,000	904,000	1,366,000	1,703,000	1,282,000	859,000	18,056,000
Zn	lbs	N/A	N/A	1,805,000	937,000	71,000	N/A	N/A	N/A	N/A	N/A	2,813,000

Notes:

1) Zinc concentrate details not reported in 2014 to 2015 as circuit was being commissioned. No zinc concentrate was produced in from Q2 2018 onwards; and
2) The mine went into care and maintenance in Q3 of 2023

Source: SGS (2025)

6.4 Historical Resource Estimates

The most recent historical Mineral Resource Estimate was produced by SRK in 2020 (Table 6-3, Ortiz et al., 2020) in support of a Preliminary Economic Assessment. The historical estimate was based on a merged dataset of drillhole and channel sample data. Historical resources were reported at a 95 g/t AgEq cut-off grade for the historical 2020 MRE. Details of the historical estimate are provided in Sierra Metals November 18, 2020 press release and a NI 43-101 technical report filed in December, 2020.

The 2020 MRE is considered historical in nature, and Silverco is not treating the historical resources as current. The historical resources for the Cusi deposits are superseded by the 2025 Measured, Indicated and Inferred MRE for the deposits.

Table 6-3: Historical Cusi Mineral Resource Estimate on August 31, 2020 (Oritz, 2020)

Source	Class	Tonnes (000's)	AgEq (g/t)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
SRL	Measured	850	231	213	0.06	0.26	0.3
Total Measured		**850**	**231**	**213**	**0.06**	**0.26**	**0.3**
Promontorio	Indicated	1,790	199	168	0.1	0.45	0.6
Eduwiges		828	270	194	0.17	3	1.27
SRL		644	179	165	0.11	1.42	2.04
San Nicolas		657	190	167	0.14	0.28	0.32
San Juan		179	179	165	0.11	0.14	0.17
Minerva		59	198	178	0.3	0.1	0.05
Candelaria		131	176	157	0.1	0.19	0.42
Durana		168	168	160	0.05	1.1	0.08
San Ignacio		49	149	113	0.05	0.33	1.1
Total Indicated		**4,506**	**212**	**176**	**0.13**	**0.54**	**0.63**
Measured + Indicated		**5,356**	**215**	**182**	**0.12**	**0.49**	**0.58**
Promontorio	Inferred	384	174	141	0.15	0.33	0.71
Eduwiges		549	186	117	0.18	1.16	1.1
SRL		1579	222	188	0.19	0.37	0.59
San Nicolas		2020	156	124	0.18	0.28	0.66
San Juan		102	171	160	0.05	0.13	0.22
Minerva		4	169	162	0.08	0.08	0.05
Candelaria		202	191	139	0.12	0.73	1.09
Durana		1	102	99	0.05	-	0.01
San Ignacio		53	118	96	0.13	0.27	0.29

Source	Class	Tonnes (000's)	AgEq (g/t)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Total Inferred		**4,893**	**183**	**146**	**0.18**	**0.43**	**0.69**

Notes:

1) Mineral Resources have been classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards on Mineral Resources and Mineral Reserves, whose definitions are incorporated by reference into NI 43-101;
2) Mineral resources are not ore reserves and do not have demonstrated economic viability. All figures rounded to reflect the relative accuracy of the estimates. Gold, silver, lead and zinc assays were capped where appropriate;
3) Mineral resources are reported at a single cut-off grade of 95 g/t AgEq based on metal price assumptions*, metallurgical recovery assumptions, personnel costs (US$10.56/t), mine operation, transport and maintenance costs (US$24.86/t), processing operation and maintenance (US$11.86/t), and general and administrative and other costs (US$3.20/t);
4) Metal price assumptions considered for the calculation of the cut-off grade and equivalency are: Silver (Ag): US$/oz 20.0, Lead (US$/lb. 0.91), Zinc (US$/lb. 1.07) and Gold (US$/oz 1,541.00). CIBC, Consensus Forecast, September 30, 2020;
5) The resources were estimated by SRK. Giovanny Ortiz, B.Sc., P.Geo., FAusIMM #304612 of SRK, a Qualified Person, performed the resource estimation for the Cusi Mine; and
6) Based on the historical production information of Cusi, the metallurgical recovery assumptions are: 87% Ag, 57% Au, 86% Pb, 51% Zn.

Source: SGS (2025)

7 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

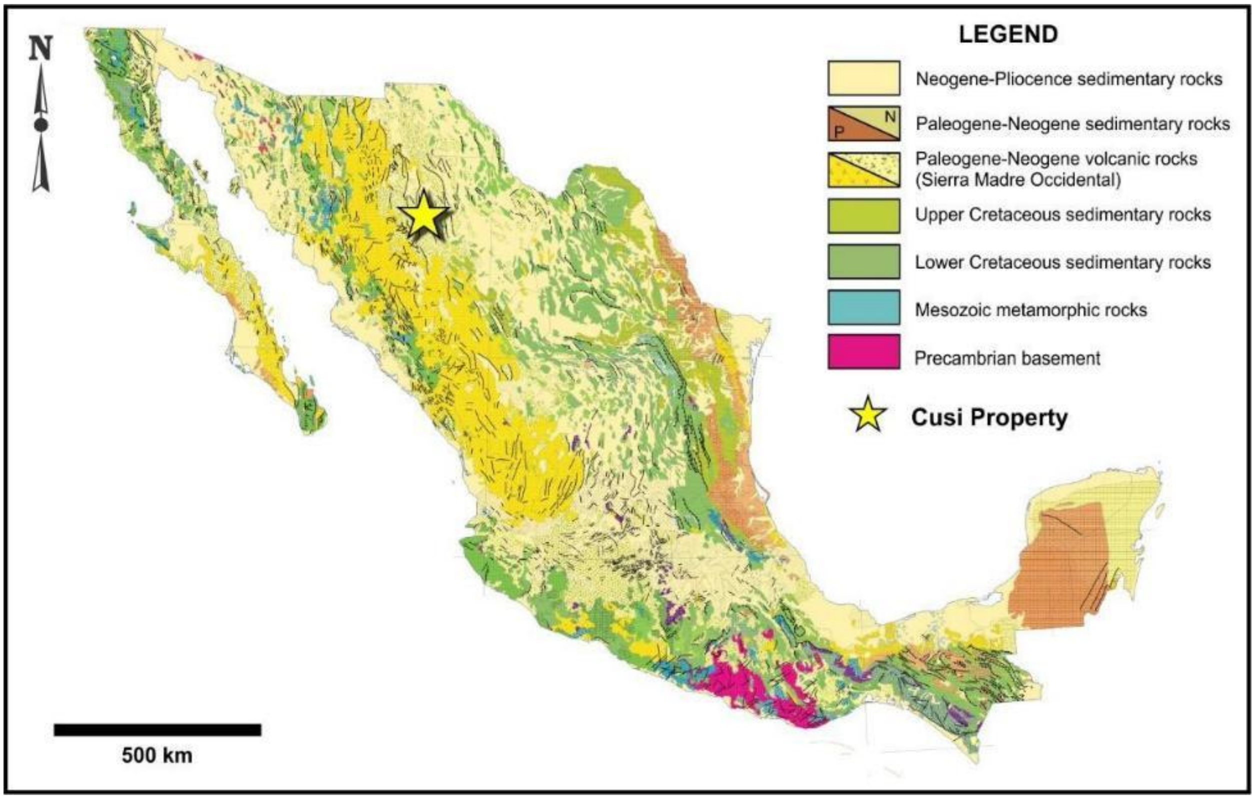
Chihuahua is located in the Sierra Madre Occidental (SMO) physiographic province, which is part of the larger North American Cordillera. The SMO is a volcanic arc formed by subduction of the Farallon plate beneath the North American plate during the Mesozoic and Cenozoic eras (McDowell and Clabaugh, 1979). This tectonic setting has played a crucial role in shaping the geology of Chihuahua with the interaction of volcanism and faulting leading to mineralization in the Cusi region (Figure 7-1).

Figure 7-1: Chihuahua Regional Mineralization and the Sierra Madre Occidental

Source: SGS (2025)

The geology of Chihuahua is characterized by a complex sequence of rocks, ranging from Precambrian basement rocks to Quaternary alluvial deposits (Figure 7-2 and Figure 7-3). The oldest rocks in the region are Precambrian metamorphic and igneous rocks, which are overlain by Paleozoic sedimentary rocks (Valenzuela-Navarro et al., 2016). Mesozoic sedimentary and volcanic rocks, including the iconic ignimbrite deposits of the SMO, dominate the geology of the region. Sedimentary rocks are also widespread in Chihuahua, with a range of formations present, including limestone, sandstone, and shale. These rocks were deposited in a variety of environments, including shallow marine, fluvial, and lacustrine settings (González-León et al., 2011).

Figure 7-2: Simplified Geology Map of Mexico

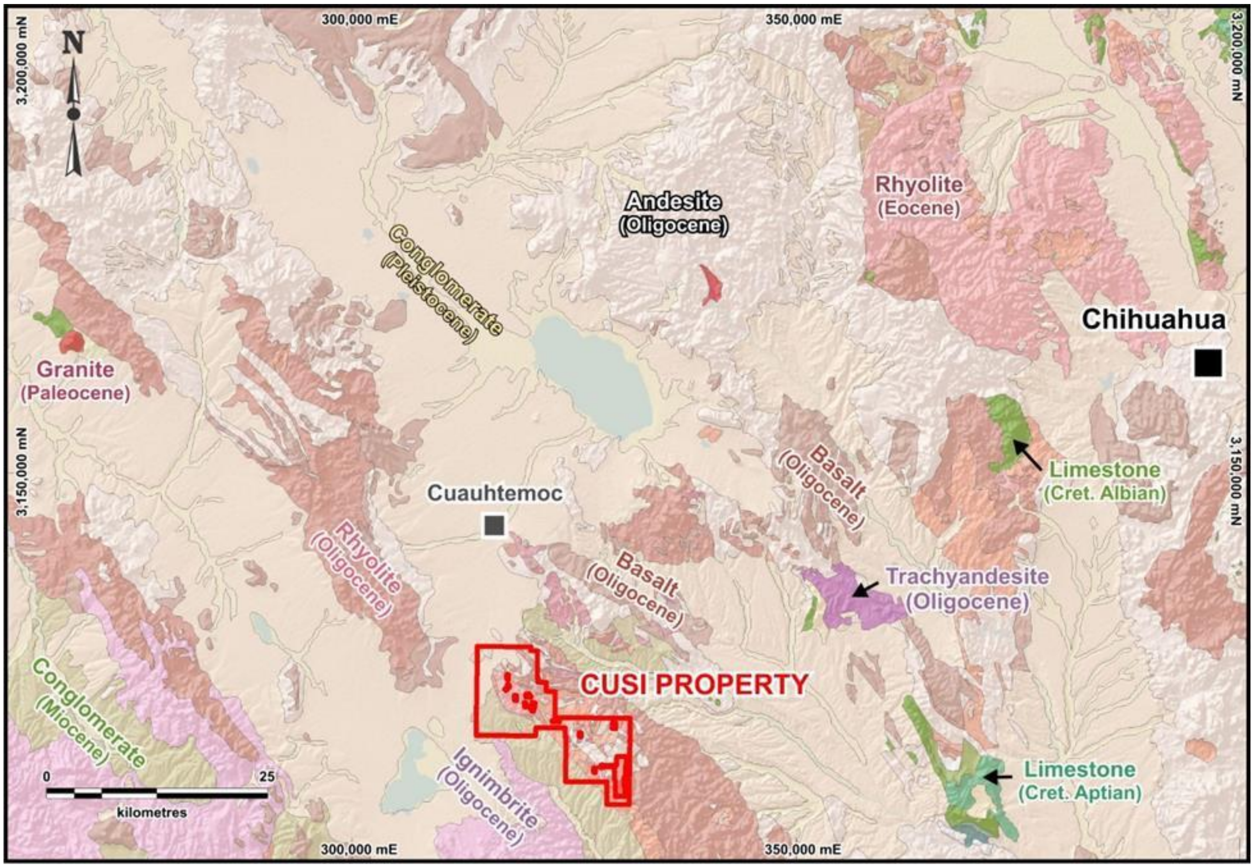


Source: Archibald (2025) Modified after Sanchez (2013)

The region is characterized by a series of northwest-trending faults and folds, which are thought to have formed in response to regional tectonic stresses (Stewart and Roldán-Quintana, 1991). These structures have played a crucial role in controlling the distribution of mineral deposits and the formation of economic deposits.

Significant mineral deposits occur in the area, particularly epithermal precious metal deposits. These deposits are often associated with Tertiary volcanic rocks and are thought to have formed in response to hydrothermal activity driven by magmatic processes (Simmons et al., 2005). The state's most notable mineral deposits include those of silver, gold, copper, and zinc, with many deposits occurring in the SMO volcanic field.

Figure 7-3: Regional Geology Map of the Area Surrounding the Cusi Property



Source: Archibald (2025) Geology map from Servicio Geológico Mexicano (sheet H13-10)

7.2 Property Geology

The geology of the Cusi property is poorly documented. Regional geological mapping was performed by the Consejo de Recursos Minerales (CRM) in 1998 (Montiel et al., 1998) and industry-funded local mapping by Ciesielski (2006). Studies agree that the Cusi area is underlain Grupo Inferior sequences comprised of Jurassic and Cretaceous sediments (not exposed), which are in-turn overlain by Tertiary andesitic tuffs and flows. These rocks were subsequently intruded and fragmented by a rhyodacitic dome that formed in a caldera setting, which resulted in the formation of ignimbrites and other pyroclastic volcaniclastic sediments ("Bufa ignimbrite"). A rhyolite resurgent dome formed in the collapsed caldera. Faulting and the circulation of metal-bearing hydrothermal fluids resulted in the formation of Ag-Au-Pb-Zn veins. The veins are hosted in rhyodacites, ignimbrites, rhyolites, and andesite tuff and lava. Overlying this sequence are Tertiary (Oligocene-Miocene) andesite, tuffs, breccias, and rhyolitic flows of the Grupo Superior.

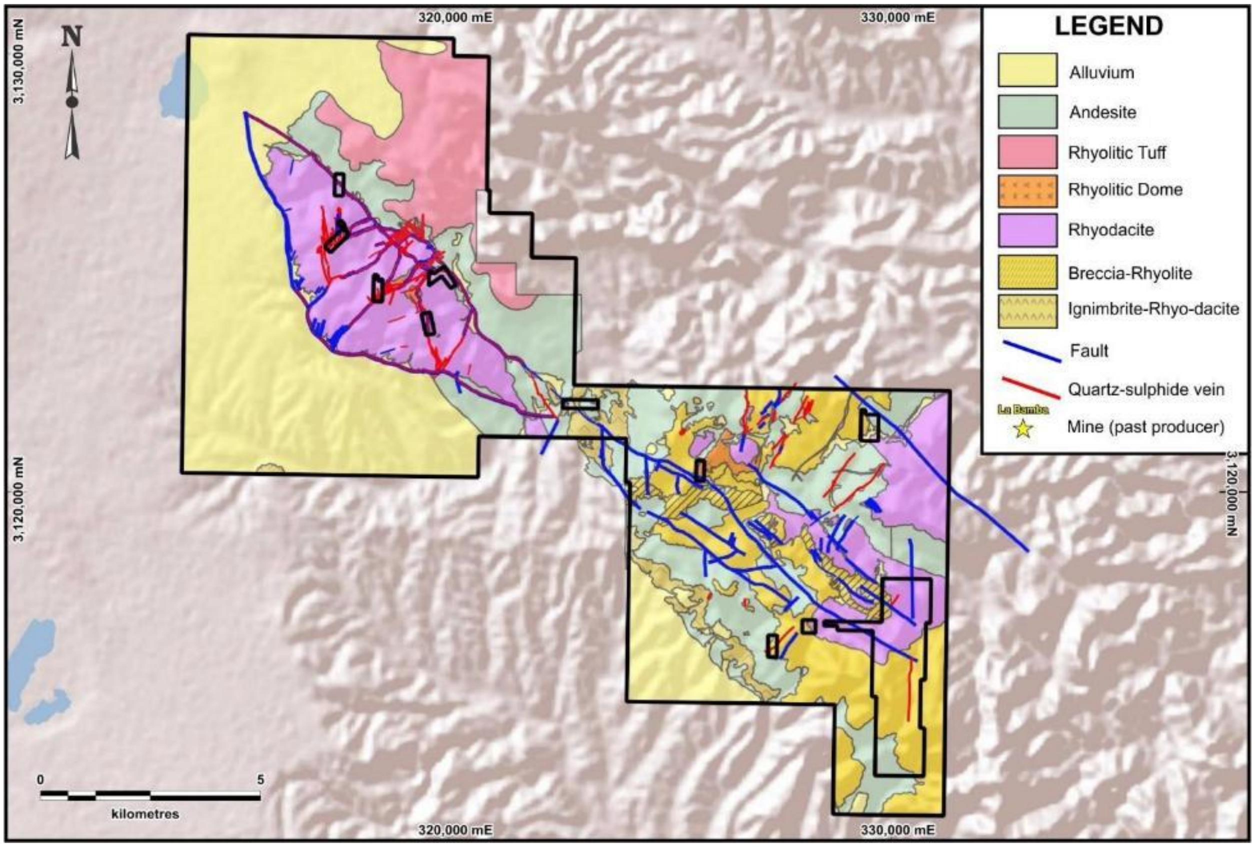
The geology of the whole property is presented in Figure 7-4, and a more detailed geology map of the Cusi mine area is illustrated in Figure 7-5.

The area northeast of the Bufa ignimbrite is underlain by fragmental rocks of andesitic composition. Texturally, these rocks vary from lapilli tuff to agglomerate, with fragments ranging from a few centimetres to several tens of centimetres in size, within a dark green, fine-grained matrix. To date, no significant mineralization has been discovered within the andesite.

The Abasolo region is characterized by large block structures that are controlled by an extensive series of northeast, northwest and north-trending faults (Figure 7-3 and Figure 7-4). These faults control mineralization in the region, and on the Cusi property, with displacements up to 200 m. The faults and fracture zones are coincident ridges and gullies in the area, depending on the degree of deformation and silicification. In the Cusi property four major sets of faults are recognized. These are: northwest trending faults, e.g., Cusi fault; East-northeast-trending faults, e.g., La Bamba and San Miguel Mine; Northeast-trending faults, e.g., Santa Edwiges Mine; and North-trending faults, e.g., San Rafael Fault. The location of the faults is illustrated on Figure 7-5.

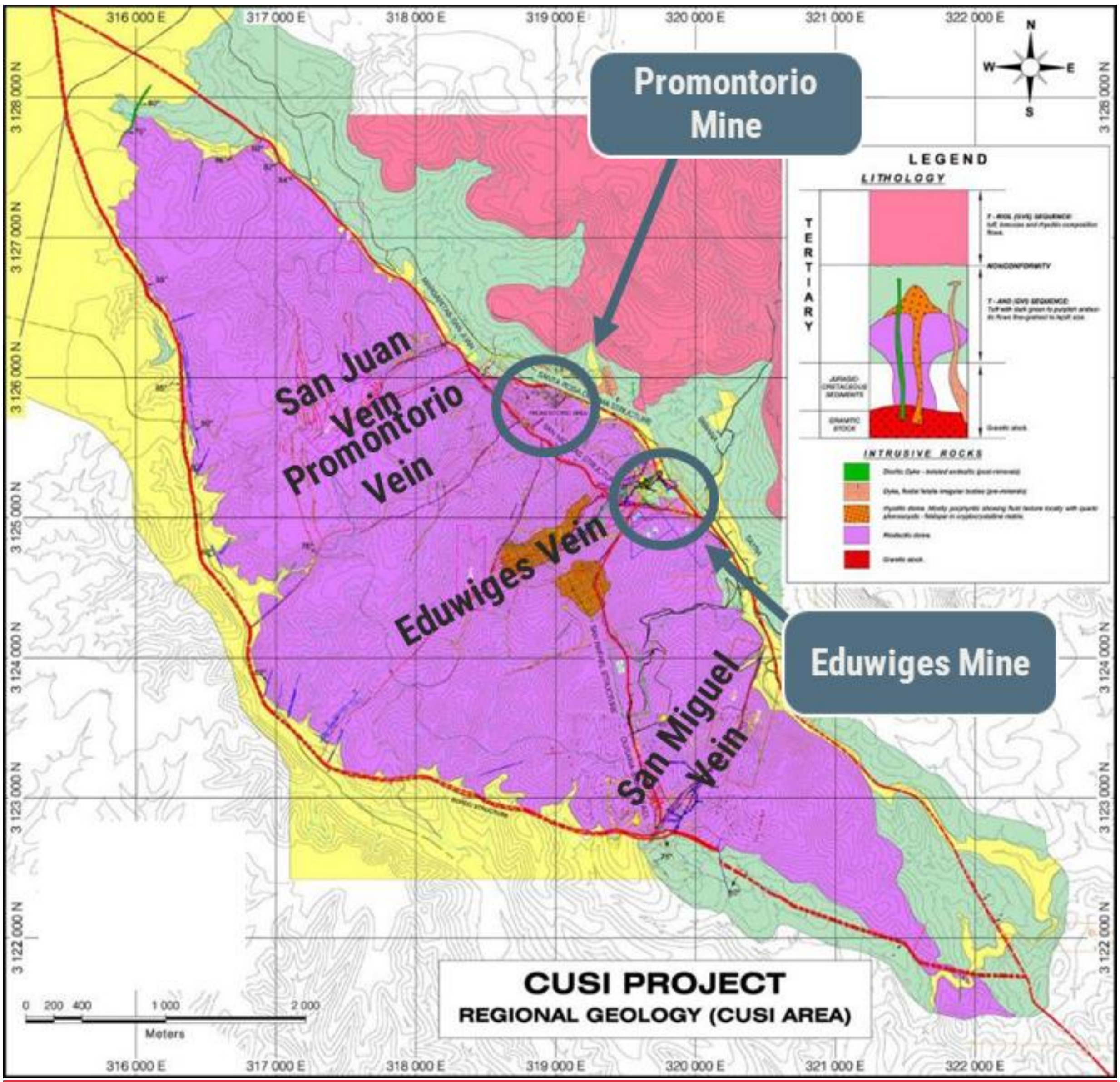
Brecciated zones without mineralization are found near the northeast side of the contact area between the Bufa ignimbrite and andesite. These zones typically trend north-northwest, aligning with the contact, and can measure up to 20 m in width and 200 m in length, as documented in previous research (Ciesielski, 2006).

Figure 7-4: Geology Map of the Cusi Property



Source: Archibald (2025)

Figure 7-5: Geology Map of the Cusi Mine Area and a Simplified Stratigraphic Section



Source: Silverco (2026) with modifications

7.3 Mineralization

The Property contains numerous epithermal veins with notable mineralization. These veins typically dip at moderate to steep angles in various directions, including southeast, southwest, and north. Their thickness varies from less than 0.5 m to 2 m, with localized shoots up to 10 m true thickness. Mineralized strike lengths of the major structures have been tested for up to 300 m along strike and up to 400 m down dip in the Promontorio and Eduwiges areas, up to 1,300 m along strike and up to 250 m down dip in the San Miguel area, up to 800 m along strike and up to 250 m down dip in the San Juan area, and up to 2,000 m along strike and up to 400 m down dip on the San Nicolas and Santa Rosa de Lima structures. Small open pits, commercial and historical artisanal, are often found at vein intersections (Braun, 2006).

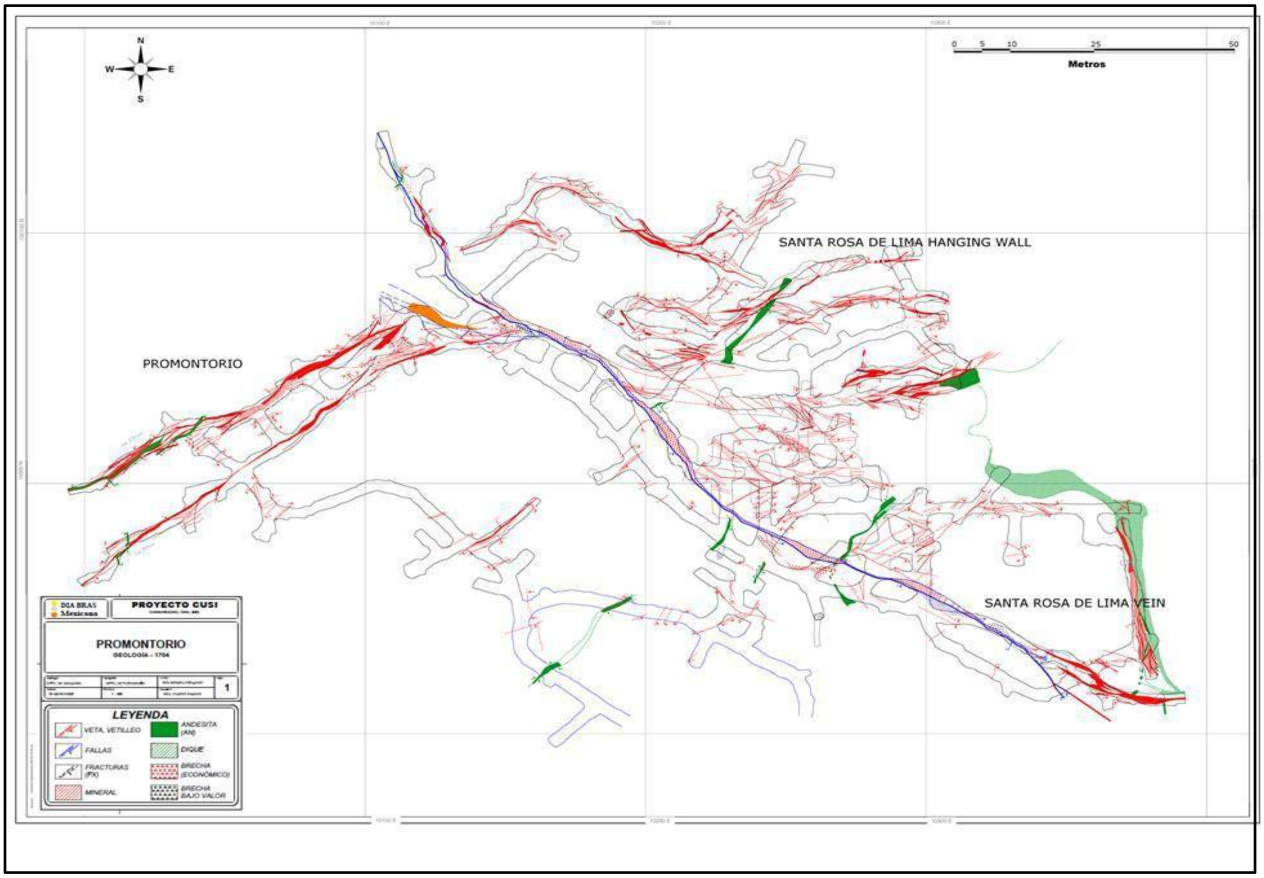
The mineralization is linked to structural features, breccias, and fracture fillings, which can range from under 1 m to 10 m in thickness. The filling material is polymetallic, containing silver, lead, zinc sulphides, minor copper, and variable amounts of gold (Meinert 2006, 2007a, 2007b). Common textures include crustiform and banded patterns, with widespread silicification accompanied by sericite and disseminated pyrite.

Alteration zones are also present, with argillic alteration often occurring at the edges of silicified areas. This alteration includes minerals like kaolinite and montmorillonite. Oxidation features hematite, limonite, and manganese oxides. Intense fracturing associated with the main structures has led to zones of micro-veinlets and dissemination.

In areas close to the main faults, such as Promontorio, zones of micro-veinlets and disseminated sulphides are associated with intense fracturing. At Eduwiges, extensive quartz veins and stockwork zones with pyrite and silicification, spanning 60 to 150 m in width and 200 to 250 m in length are observed (Geomaps, 2012).

Figure 7-6 presents the geological map of the Promontorio mine structures either side of the Santa Rosa de Lima vein (Cusi fault). On the hanging wall side (Promontorio East) of the Santa Rosa de Lima vein, the structural control of the mineralization is complex in a zone of cross-cutting structures with numerous veinlets and veins of variable thickness and trends.

Figure 7-6: Geology and Mineralized Structures in the Area of the Promontorio and Santa Rosa de Lima Mine



Source: Sierra Metals (2020)

8 DEPOSIT TYPES

Mineralization at Cusi occurs in veins with mineralogical characteristics and alteration assemblages typical of low to intermediate sulphidation epithermal deposits. Ag-Au-Pb-Zn mineralization occurs along narrow fractures containing quartz, sphalerite, and galena, with wall rock alteration characterized by silicification, clay development, and iron oxides. The veins exhibit quartz with crustiform and banded textures, typical of epithermal systems. Mexico is known for its rich silver deposits, particularly in the Sierra Madre Occidental province, where the Cusi mine is located. This region has a long history of silver mining, with many notable deposits found in the state of Chihuahua. The epithermal systems in this region are often associated with volcanic rocks and are thought to have formed in response to hydrothermal activity.

8.1 Epithermal Systems

Epithermal deposits form at depths of 1.0 to 1.5 km in volcanic-hydrothermal and geothermal environments. They define a spectrum with two end members, low and high sulphidation (Hedenquist et al., 2000). Figure 8-1 shows the genetic model for epithermal deposits proposed by Hedenquist et al., (2000). Low and Intermediate sulphidation deposits form part of the epithermal spectrum. Their genesis is complex due to the participation of fluids with meteoric and magmatic origin during their formation and the fluid evolution during water-rock interactions. According to several authors, the fluids that formed the Mexican epithermal deposits represent a mixture of fluids with diverse origins varying from meteoric to magmatic (Simmons et al., 1988; Benton, 1991; Norman et al., 1997; Simmons, 1991; Albinson et al., 2001; Camprubí et al., 2006; Camprubí and Albinson, 2007). Mineral deposits at Cusi exhibit characteristics of the low-to-intermediate sulphidation types of deposits.

Epithermal deposits typically consist of fissure veins and disseminations with gold, silver, and base metals concentrations. Most low sulphidation epithermal deposits form as open-space filling of faults and fractures resulting in vein deposits. Some gold deposits occur as replacements or disseminations in permeable host rocks, particularly the high-sulphidation types. Epithermal deposits are more common in extensional settings in volcanic island and continent margin arcs. Due to its relatively shallow deposition level within the Earth’s crust, most epithermal deposits are preserved in Tertiary or younger volcanic rocks. Mineral deposition in the epithermal environment occurs due to complex fluid boiling and mixing processes that involve cooling, decompression, and degassing.

Historically, epithermal gold and silver deposits are an important part of the world’s precious metal budget. Approximately 6% and 16% of the world’s gold and silver have been produced from epithermal deposits. These deposits are significant in Mexico. Mineable epithermal veins range from 50,000 to more than 2,000,000 tonnes in size, with typical grades ranging from 1 to 20 g/t Au and 10 to 1,000 g/t Ag. Locally exceptional, or “bonanza” grades above 20 g/t Au can be important contributors to many gold deposits. Lead and zinc are also important contributors to epithermal deposits' low- and intermediate-sulphidation classes. Veins that host mineralization are about several kilometres long; however, economic mineralization is present in plunging mineralized shoots with dimensions of tens of metres to hundreds of metres or more. Single veins commonly host multiple mineralized shoots. The wide range of tonnage and grade characteristics make these deposits attractive targets for small and large mining companies.

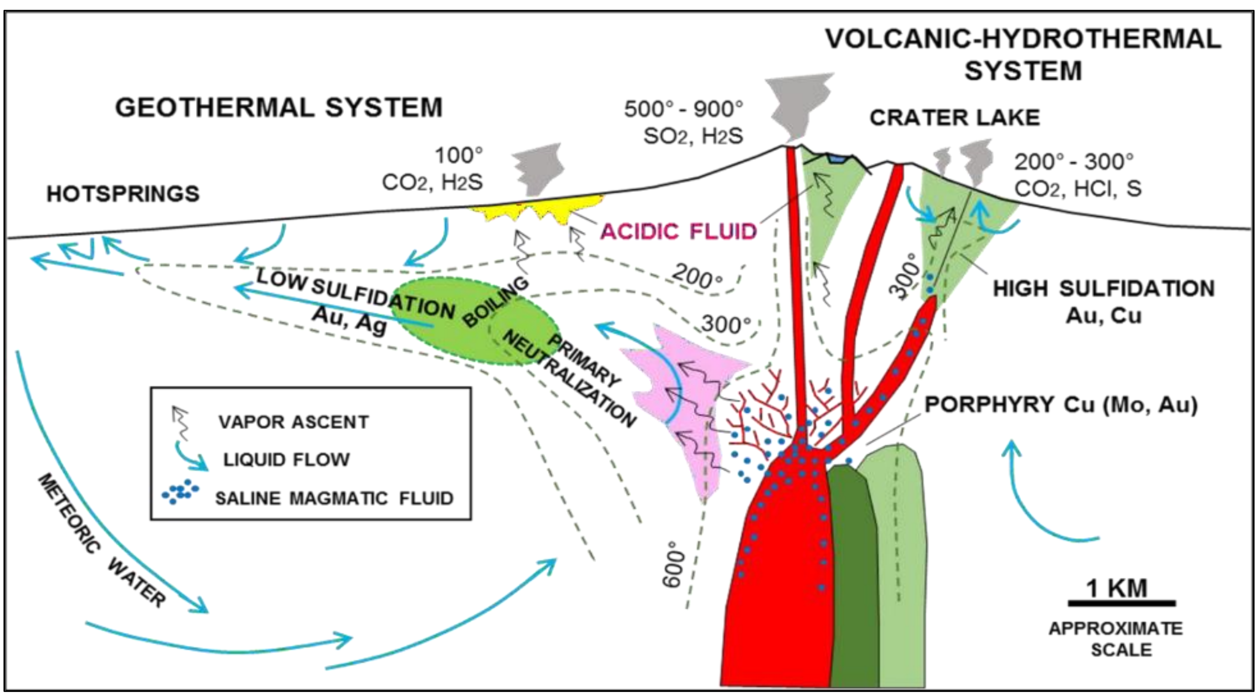
Quartz veins are typical hosts for low and intermediate sulphidation mineralization, and these veins have characteristic alteration assemblages that indicate temperatures of deposition between 100°C and 300°C. These alteration assemblages include quartz, carbonates, adularia white phyllosilicates, and barite in the veins; illite, adularia, smectite, mixed-layer clays, and chlorite proximal to the vein walls; and distal chlorite, calcite, epidote, and pyrite more peripherally. Also, unmineralized but related, steam-heated argillic alteration and silica sinters may be present above, or above and laterally from, the veins.

Vein textures are also important guides for targeting low-and intermediate-sulphidation mineralization. Quartz commonly occurs with cockade and comb textures, as breccias; as microcrystalline, chalcedonic, and colloform banded quartz; and as bladed or lattice quartz. Bladed or lattice quartz forms by replacing bladed calcite formed from a boiling fluid and is a diagnostic indication of the level of boiling in a vein.

Minerals include pyrite, electrum, gold, silver, argentite, acanthite, silver sulphosalts, sphalerite, galena, chalcopyrite, and/or selenide minerals. In alkalic host rocks, tellurides, vanadium mica (roscoelite), and fluorite may be abundant, with lesser molybdenite. These mineralized systems have strong geochemical signatures in rocks, soils, and sediments and Au, Ag, Zn, Pb, Cu, As, Sb, Ba, F, Mn, Te, Hg, and Se may be used to vector to mineralization.

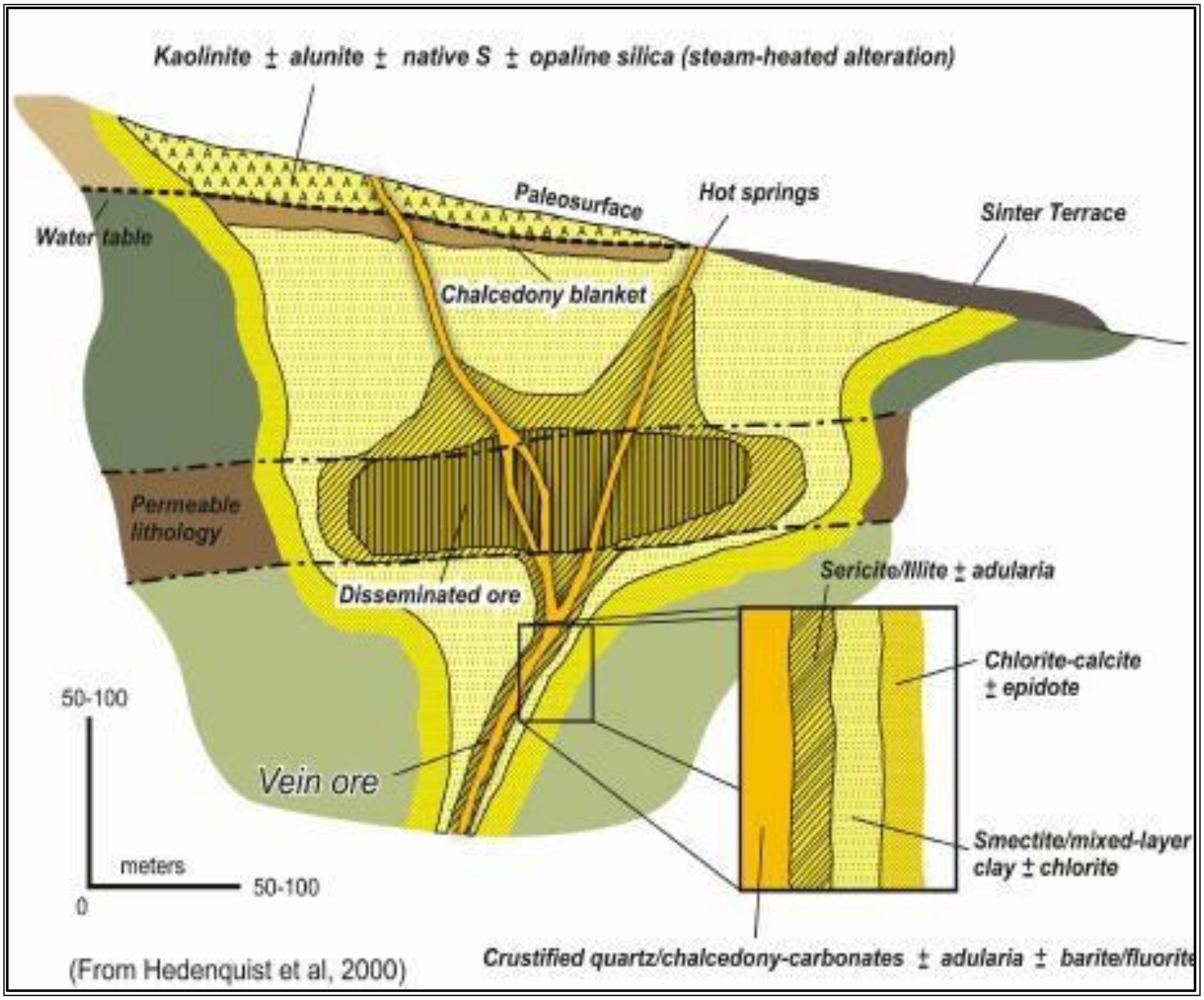
Figure 8-2 shows the associated alteration components of epithermal systems and mineralization.

Figure 8-1: Genetic Model for Epithermal Deposits



Source: Hedenquist et. al. (2000)

Figure 8-2: Schematic of Alteration and Mineralization in Low Sulphidation Precious Metal Deposits



Source: Hedenquist et al. (2000)

9 EXPLORATION

9.1 Summary

Since acquiring the Property in July 2024, Silverco has conducted geological mapping, geochemical rock sampling and diamond drilling on the Cusi project (see Section 10). Surface exploration to date has included geological mapping at La Matulera in the northern part of the property and reconnaissance-style rock geochemical sampling at the Las Huertas and Gatos zones, located east of the San Miguel zone, in the central and eastern areas of the Property respectively. A total of 486 rock geochemical samples have been collected and assayed by Silverco. Mapping and sampling have confirmed anomalous silver, gold, lead, and zinc in multiple veins at surface mapped over strike lengths in excess of 1 km located outside of the areas previously developed as part of the Cusi mine complex.

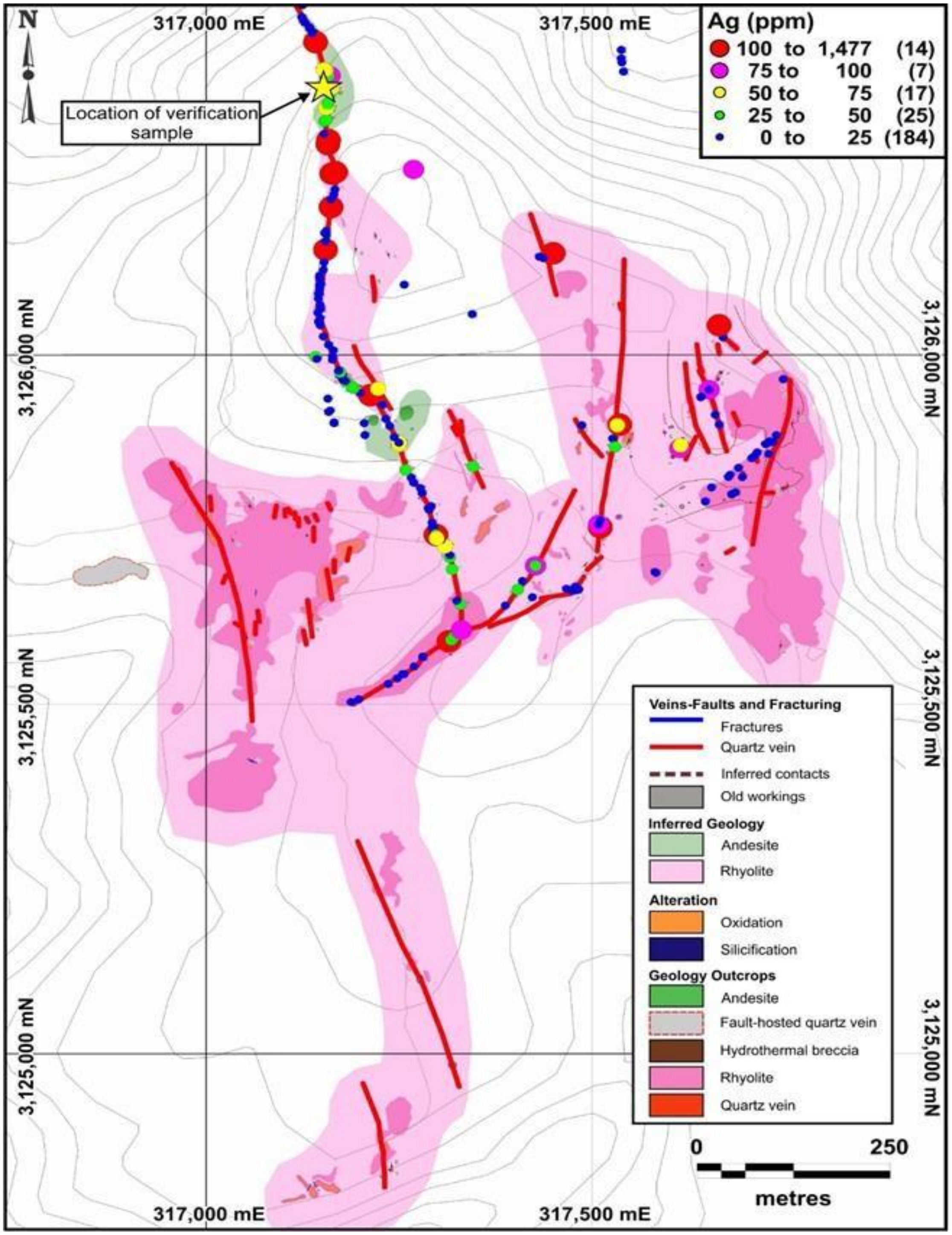
9.2 Geological Mapping

Dia Bras performed several geological mapping and sampling programs on the Cusi property and identified a number of mineralized structures in the La Matulera area. Fourteen of the 247 historical chip samples, collected by Sierra Minerals, contained silver concentration in excess of 100 g/t, up to a maximum of 537 g/t Ag. Gold concentrations up to 1.1 g/t were coincident with the high silver samples. These encouraging results prompted Silverco to remap the area between January, 2025 and March, 2025. The mapping was performed with a digital tablet using Qfield data acquisition software. A variety of observations were captured, which included: lithology, alteration, mineralization, presence of artisanal workings, and structural measurements (dip, strike) on lithologies, veins, and fault surfaces. The overall aim of the work is to determine the orientation of the best surface mineralization to support drill targeting at La Matulera.

The geology map of the whole La Matulera prospect is presented in Figure 9-1, and the historical Dia Bras lithogeochemical results have been overlain on the map for clarity. The highest concentration of elevated silver concentrations is located on the main north-south trending vein. A more detailed view of the central map area is presented in Figure 9-2.

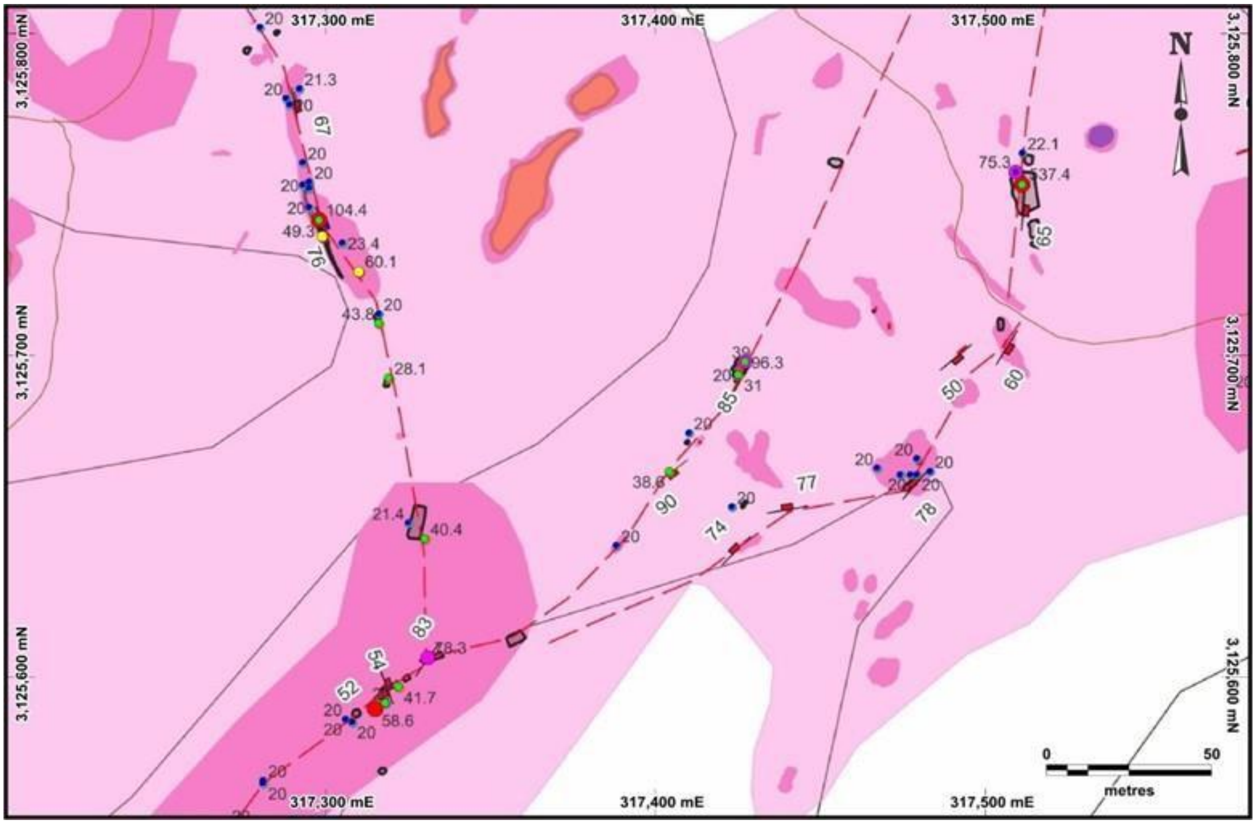
Reconnaissance-style surface mapping was completed in September and October, 2025 designed to review and evaluate historical mapping and interpretations of the Cusi host lithologies, vein systems, and structural framework to support exploration targeting. A total of 14 mapping days were completed with examinations of surface exposures in the San Miguel, Matulera, San Juan, Promontorio East, Eduwiges, San Nicolas, La Gloria, San Ignacio. Mapping and geological interpretation work by Silverco of the Cusi deposits is in its early stages and is expected to continue in 2026.

Figure 9-1: Field Mapping at the Matulera Vein System Epithermal Vein System (2025)



Source: Archibald (2025) Geochemistry data from Sierra Metals database

Figure 9-2: Detailed View of the Geological Mapping at the Matulera Vein System (2025)



Source: Archibald (2025)

9.3 Rock Geochemistry

Rock sampling is usually conducted in conjunction with geological mapping and prospecting. Geologists take outcrop samples (rock chip channels and grab) and float samples. Reconnaissance-style surface rock sampling was initiated in 2025 by Silverco and targeted historically mapped structures in the Las Huertas and Gatos zones, located east of the San Miguel zone, in the central and eastern areas of the Property respectively. In 2026 surface exploration and sampling focused on structures exposed in the Monaco-Milagro, San Rafael and San Miguel South zones. Table 9-1 summarizes the rock geochemistry sampling completed by Silverco. Table 9-2 summarizes selected high-grade rock samples collected from the Property by Silverco. Rock geochemical sampling Ag, Au, Pb, and Zn results are shown for the Las Huertas zone (Figure 9-3 through Figure 9-6), Gatos zone (Figure 9-7 through Figure 9-10), Monaco-Milagro zone (Figure 9-11 through Figure 9-14), San Rafael zone (Figure 9-15 through Figure 9-18), and San Miguel South zone (Figure 9-19 through Figure 9-22).

To date, 486 rock samples have been collected by Silverco from surface and underground exposures on the Property. The lithology, alteration, style, and structure of mineralization are logged to determine controls on mineralization. To the degree possible, rock chip channel samples are oriented perpendicular to mineralized structures and variations in mineralization are sampled separately. When possible, samples are collected as continuous rock chip channels, with sample lengths ranging from 0.3 m to 1.5 m.

Sampling is carried out by geologists or trained field assistants under the direct supervision of a geologist. Samples are placed in a sample bag with a uniquely labelled sample number.

Rock samples were sent to ALS Minerals for analysis with sample preparation in Chihuahua, Mexico and analysis in North Vancouver, British Columbia. Samples remained under Company custody until delivery to ALS; sealed bags were transported by Company personnel to ALS Chihuahua. The ALS Chihuahua and North Vancouver facilities are ISO/IEC 17025 certified. Samples are dried, weighed, and crushed to at least 70% passing 2 mm, and a 250 g split is pulverized to at least 85% passing 75 µm (ALS Method code: PREP-31). Silver and base metals are analyzed using a four-acid digestion and ICP-AES (ALS Method code: ME-ICP61). Over-limit analyses for silver (>100 ppm), lead (>10,000 ppm), and zinc (>10,000 ppm) are re-assayed using an ore-grade four-acid digestion and ICP-AES (ALS Method code: ME-OG62). Samples with over-limit silver assays > 1500 ppm are analyzed by 30-gram fire assay with a gravimetric finish (ALS Method code: Ag-GRA21). Gold is assayed by 30-gram fire assay and AAS (ALS Method code: Au-AA23).

Table 9-1: Summary of Silverco Rock Geochemistry Samples

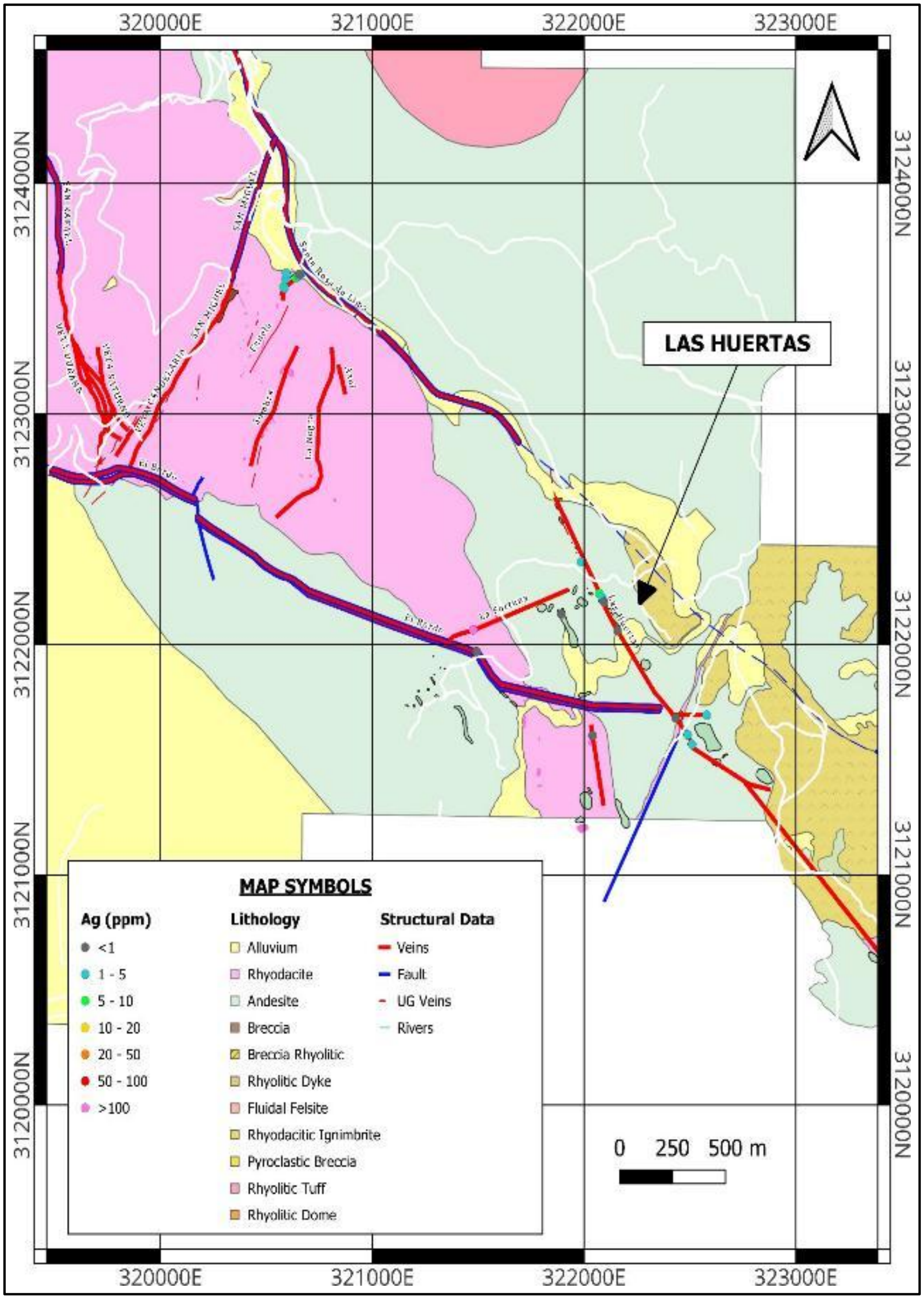
Year	Rock Geochemical Sampling			
	Rock Chip Channel Samples	Grab Samples	Float & Other Samples	Total
2025	101	-	-	101
2026	375	5	5	385
Total	**476**	**5**	**5**	**486**

Table 9-2: Selected Silverco High-Grade Samples from 2026 Surface Exploration

Year	Sample ID	Location	Sample Type	Area	Prospect	Sample Length (m)	Ag (ppm)	Au (ppm)	Pb (ppm)	Zn (ppm)
2025	218874	Surface	Rock chip	Las Huertas	Las Huertas	0.4	842	0.234	8540	2100
2025	219155	Underground	Rock chip	Santa Edwiges	Veta Gorda	0.2	816	0.407	10000	163000
2026	G852209	Surface	Rock chip	San Miguel Norte	San Carlos	0.4	727	5.54	1910	2260
2026	G852047	Surface	Rock chip	Monaco-Milagros	Monaco-Milagros Sur	-	459	1.105	5580	7890

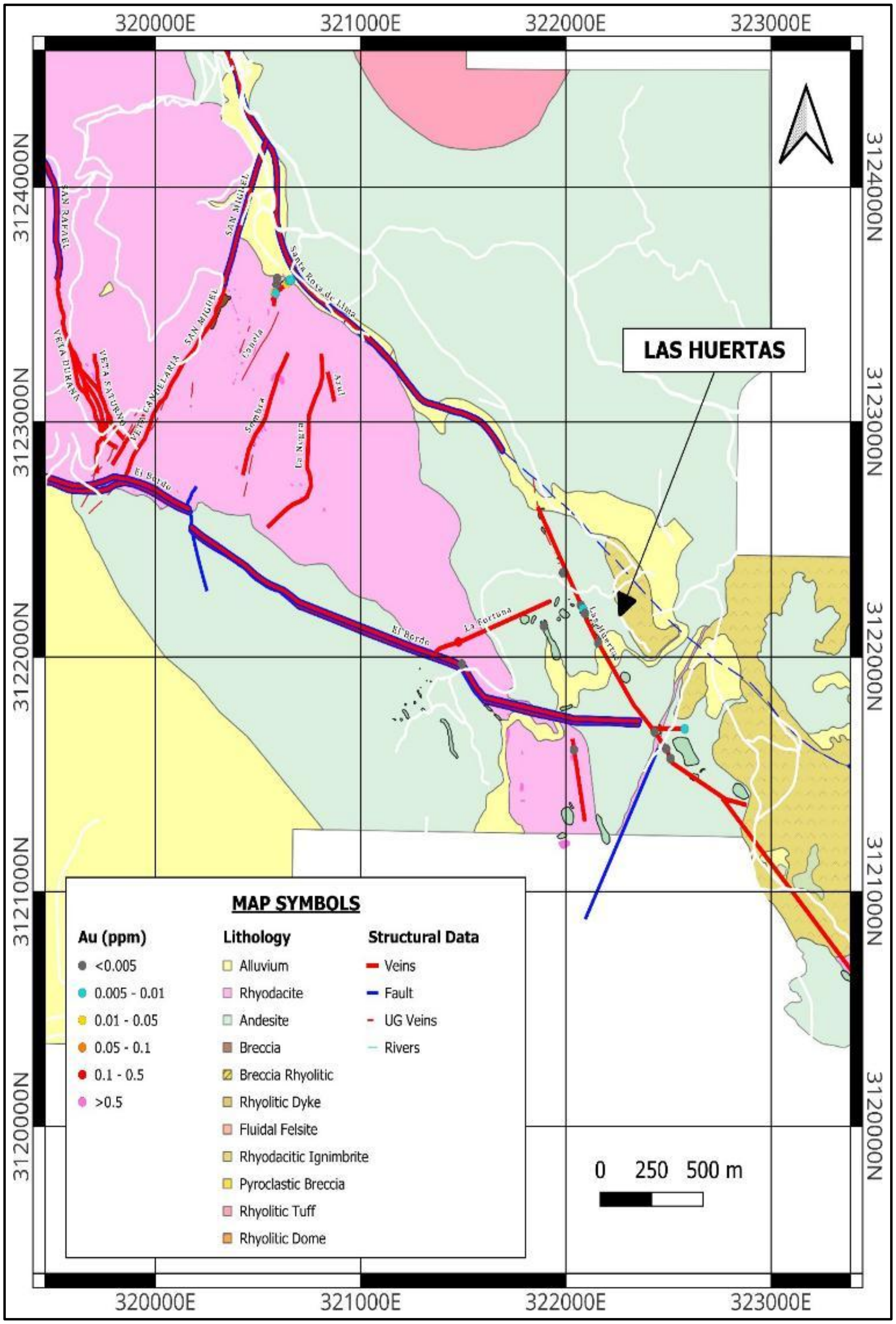
Year	Sample ID	Location	Sample Type	Area	Prospect	Sample Length (m)	Ag (ppm)	Au (ppm)	Pb (ppm)	Zn (ppm)
2026	G852033	Surface	Rock chip	Monaco-Milagros	Monaco-Milagros Sur	-	394	2.07	3200	1290
2026	G852253	Surface	Rock chip	San Miguel	Viernes	0.2	394	0.267	4950	191
2025	219147	Underground	Rock chip	Santa Edwiges	Veta Gorda	0.25	303	1.23	10000	42800
2026	219202	Surface	Rock chip	San Miguel	San Miguel	-	270	0.273	3440	1615
2026	G852003	Surface	Rock chip	San Miguel	Candelaria	-	265	0.176	636	1270
2026	219201	Surface	Rock chip	San Miguel	San Miguel	-	255	0.265	1180	2050
2026	219493	Surface	Rock chip	San Miguel	Saturno	-	255	0.134	555	335
2026	219434	Surface	Rock chip	San Miguel	Lesly	0.2	244	0.373	914	146
2026	219495	Surface	Rock chip	San Miguel	Candelaria	-	236	0.048	1305	1245
2026	G852046	Surface	Rock chip	Monaco-Milagros	Monaco-Milagros Sur	-	209	0.605	6160	1645
2026	219467	Surface	Rock chip	San Miguel	Azul	0.3	204	0.059	5180	748
2025	218858	Surface	Rock chip	Santo Niño	Las Almas	1	201	0.032	4340	1920
2025	218842	Surface	Rock chip	Santo Niño	Las Almas	1	193	0.037	4510	405
2025	218845	Surface	Rock chip	Santo Niño	Las Almas	1	179	0.116	737	338
2026	G852091	Surface	Rock chip	Sombra Sur	Sombra	-	171	0.218	411	133
2026	G852043	Surface	Rock chip	Monaco-Milagros	Monaco-Milagros Sur	-	161	0.226	783	1030

Figure 9-3: Las Huertas Zone Surface Rock Sampling Ag Grades 2025



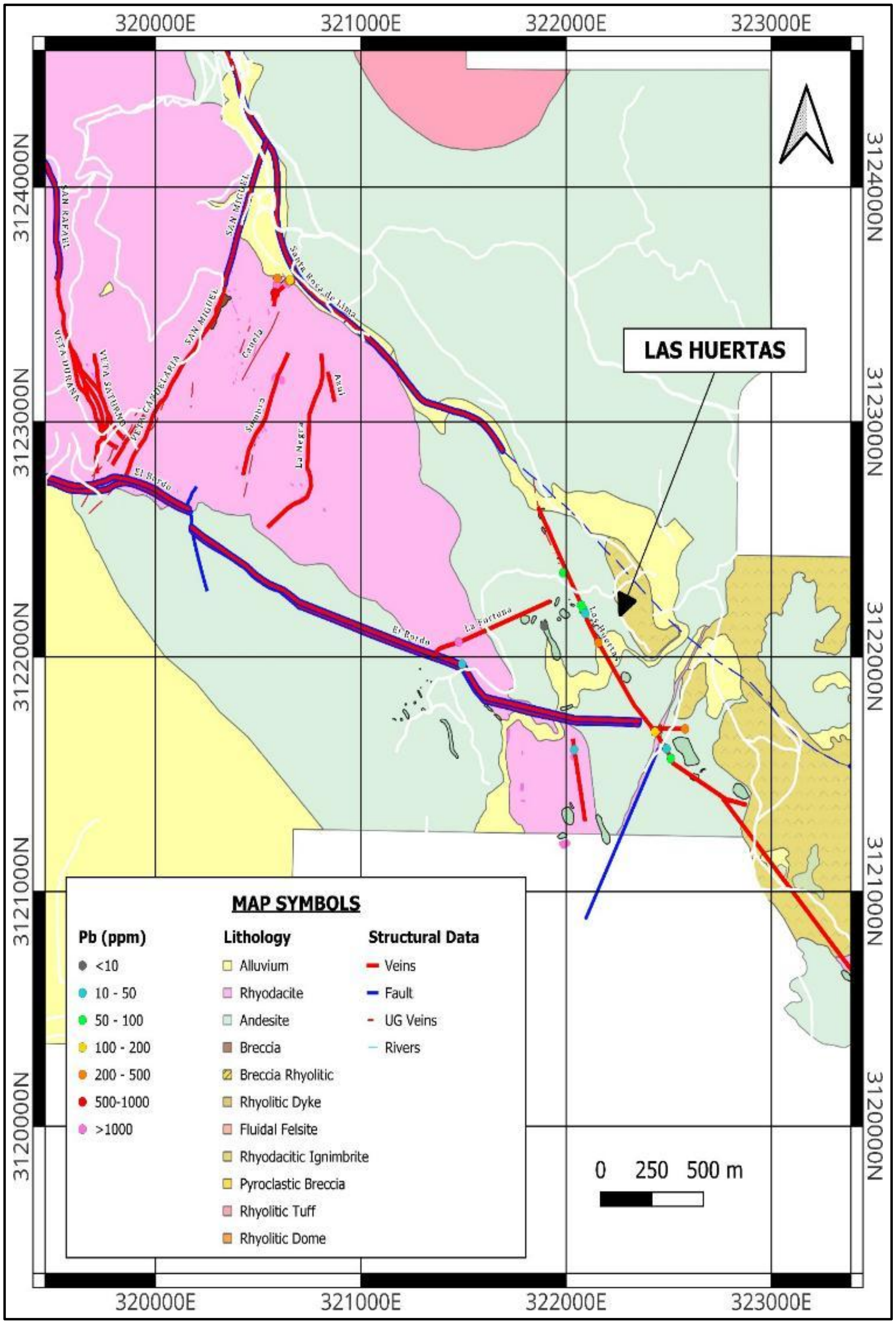
Source: SGS (2025)

Figure 9-4: Las Huertas Zone Surface Rock Sampling Au Grades 2025



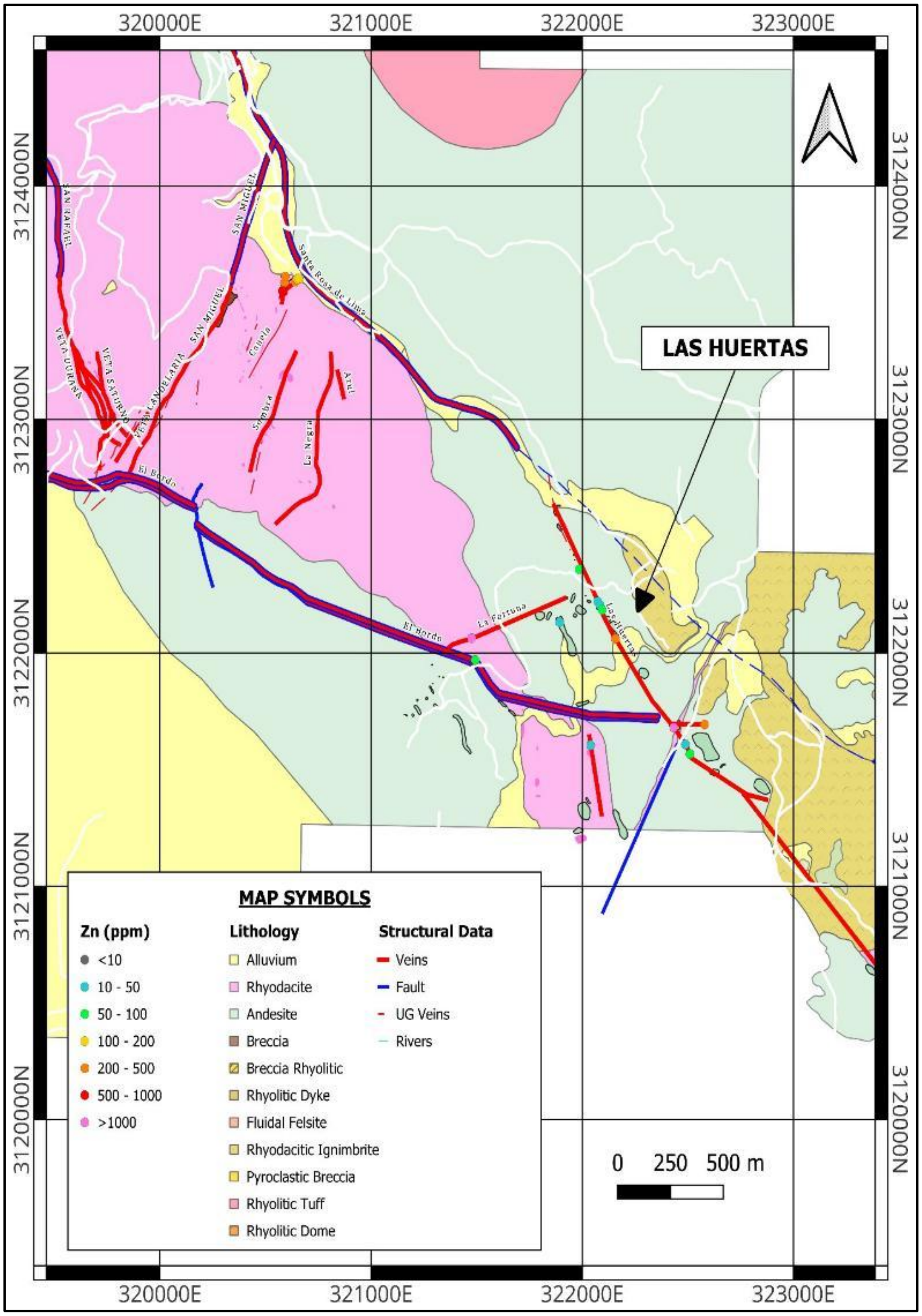
Source: SGS (2025)

Figure 9-5: Las Huertas Zone Surface Rock Sampling Pb Grades 2025



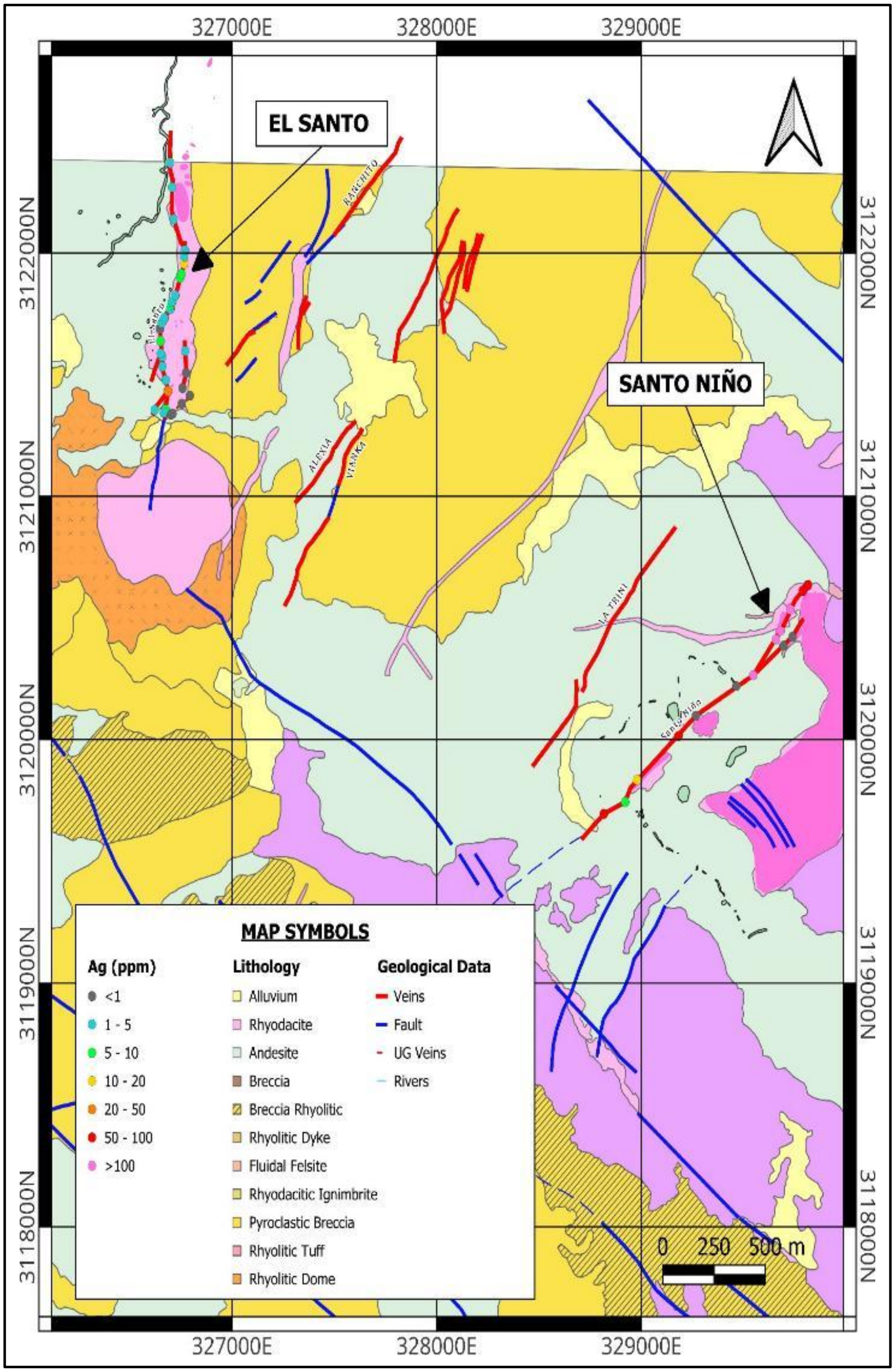
Source: SGS (2025)

Figure 9-6: Las Huertas Zone Surface Rock Sampling Zn Grades 2025



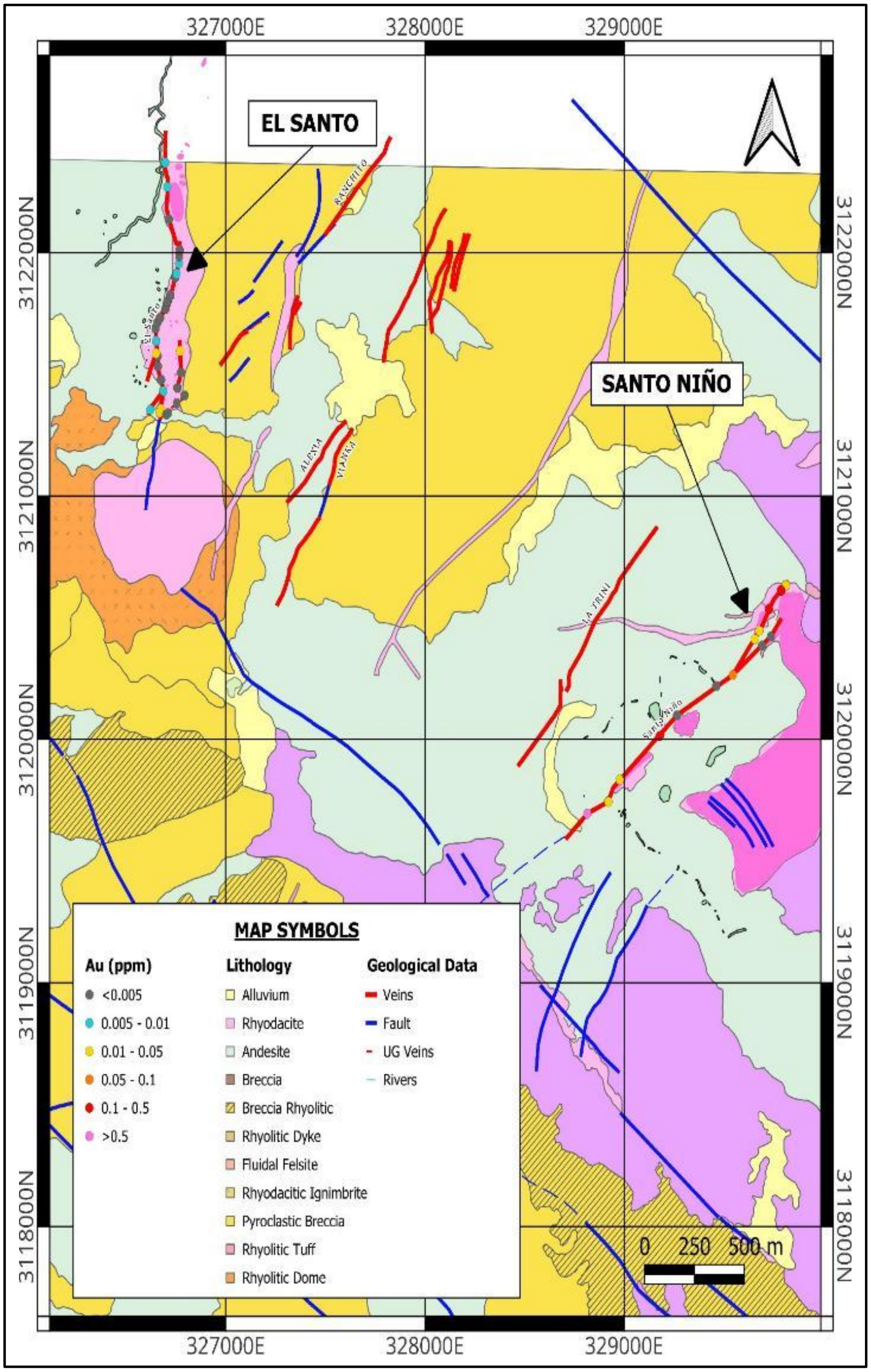
Source: SGS (2025)

Figure 9-7: Gatos Zone Surface Rock Sampling Ag Grades 2025



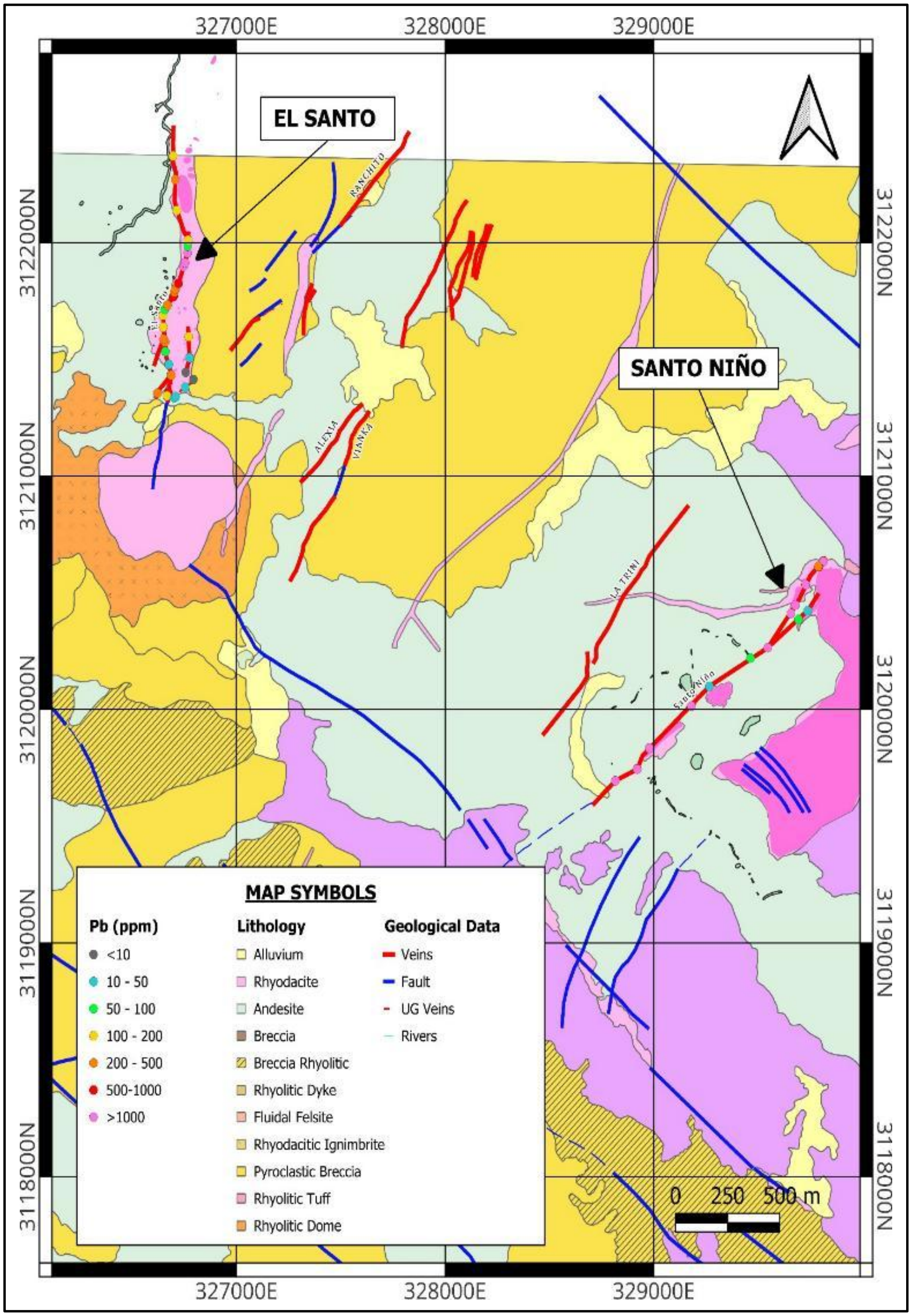
Source: SGS (2025)

Figure 9-8: Gatos Zone Surface Rock Sampling Au Grades 2025



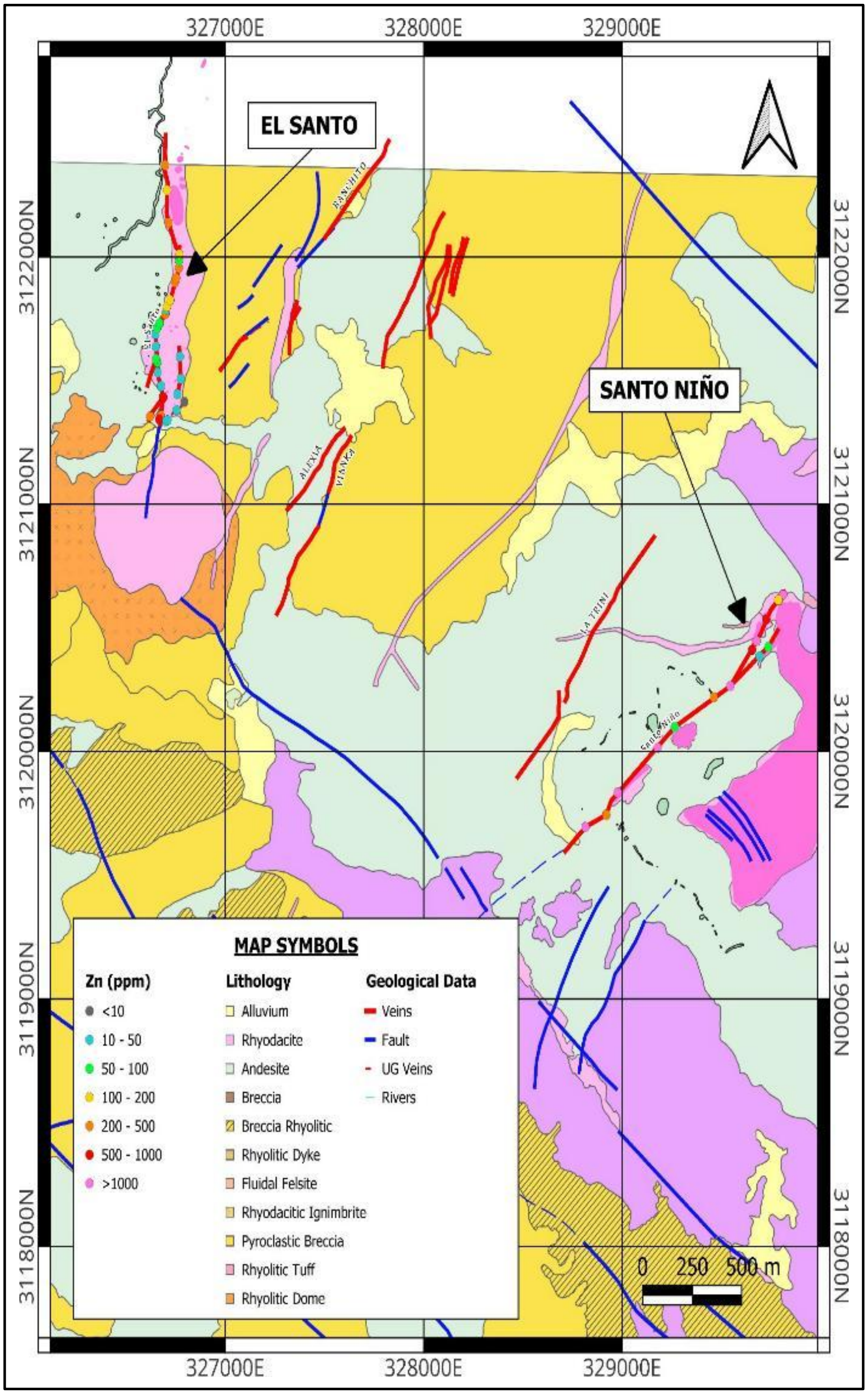
Source: SGS (2025)

Figure 9-9: Gatos Zone Surface Rock Sampling Pb Grades 2025



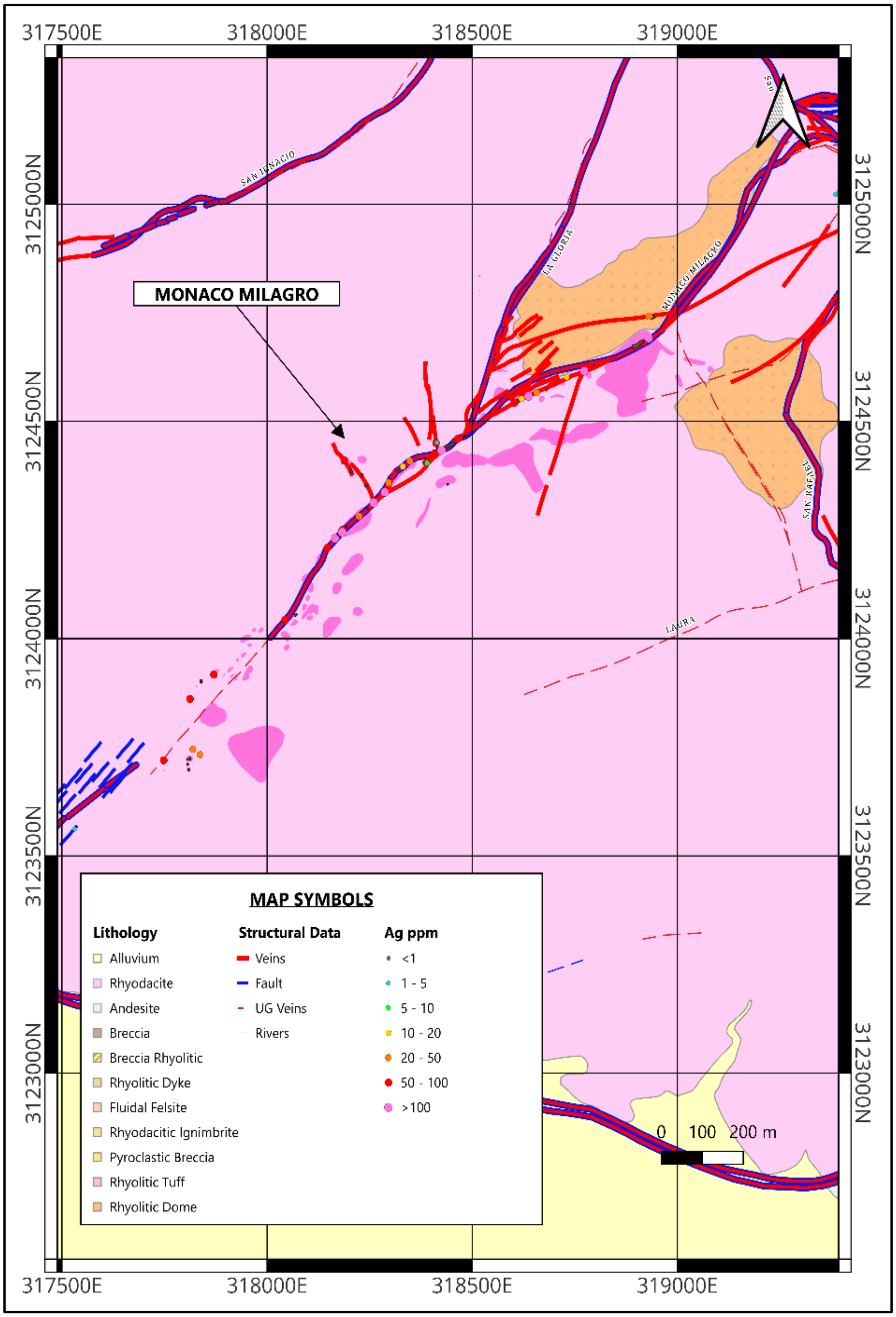
Source: SGS (2025)

Figure 9-10: Gatos Zone Surface Rock Sampling Zn Grades 2025



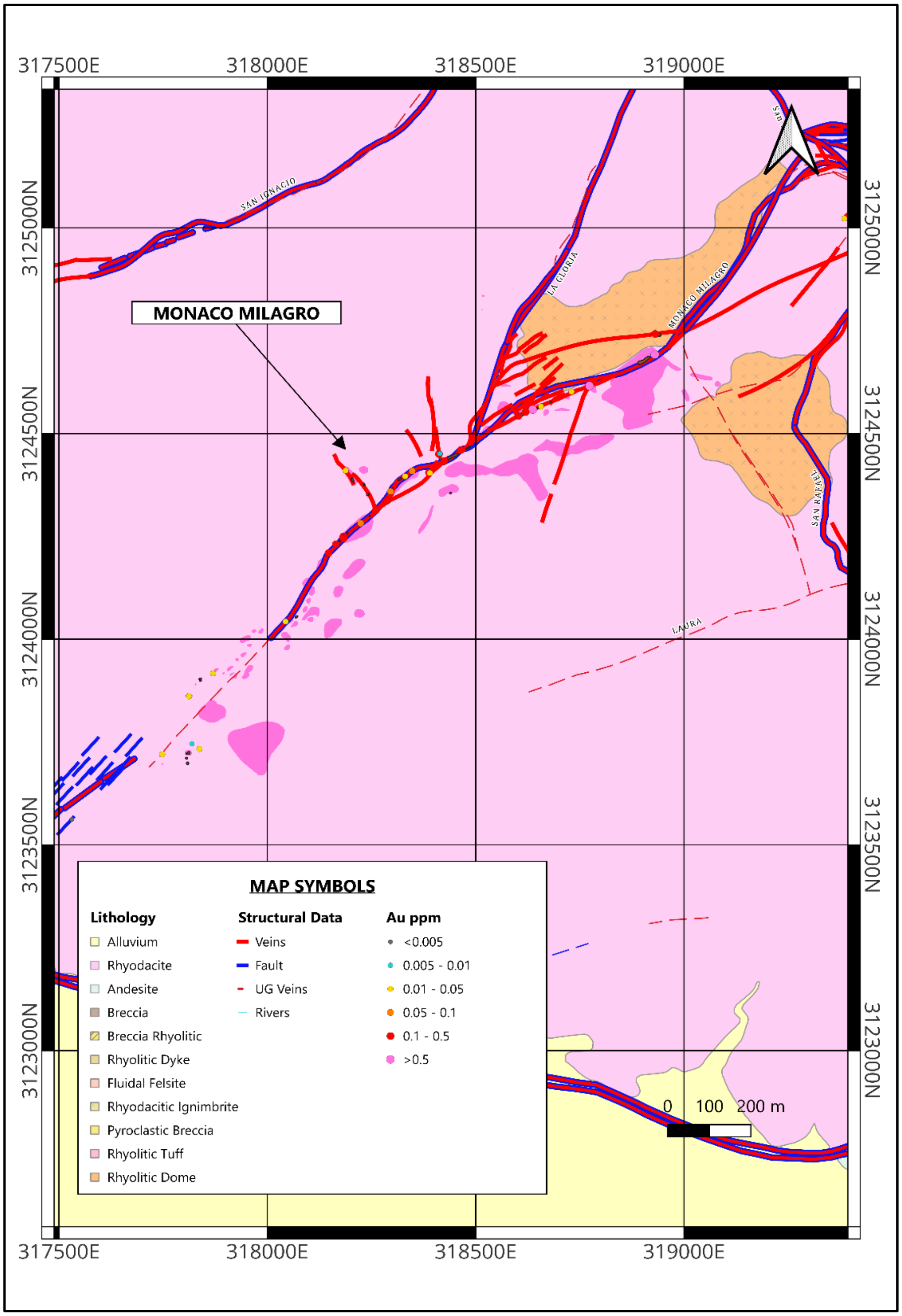
Source: SGS (2025)

Figure 9-11: Monaco-Milagro Zone Surface Rock Sampling Ag Grades 2026



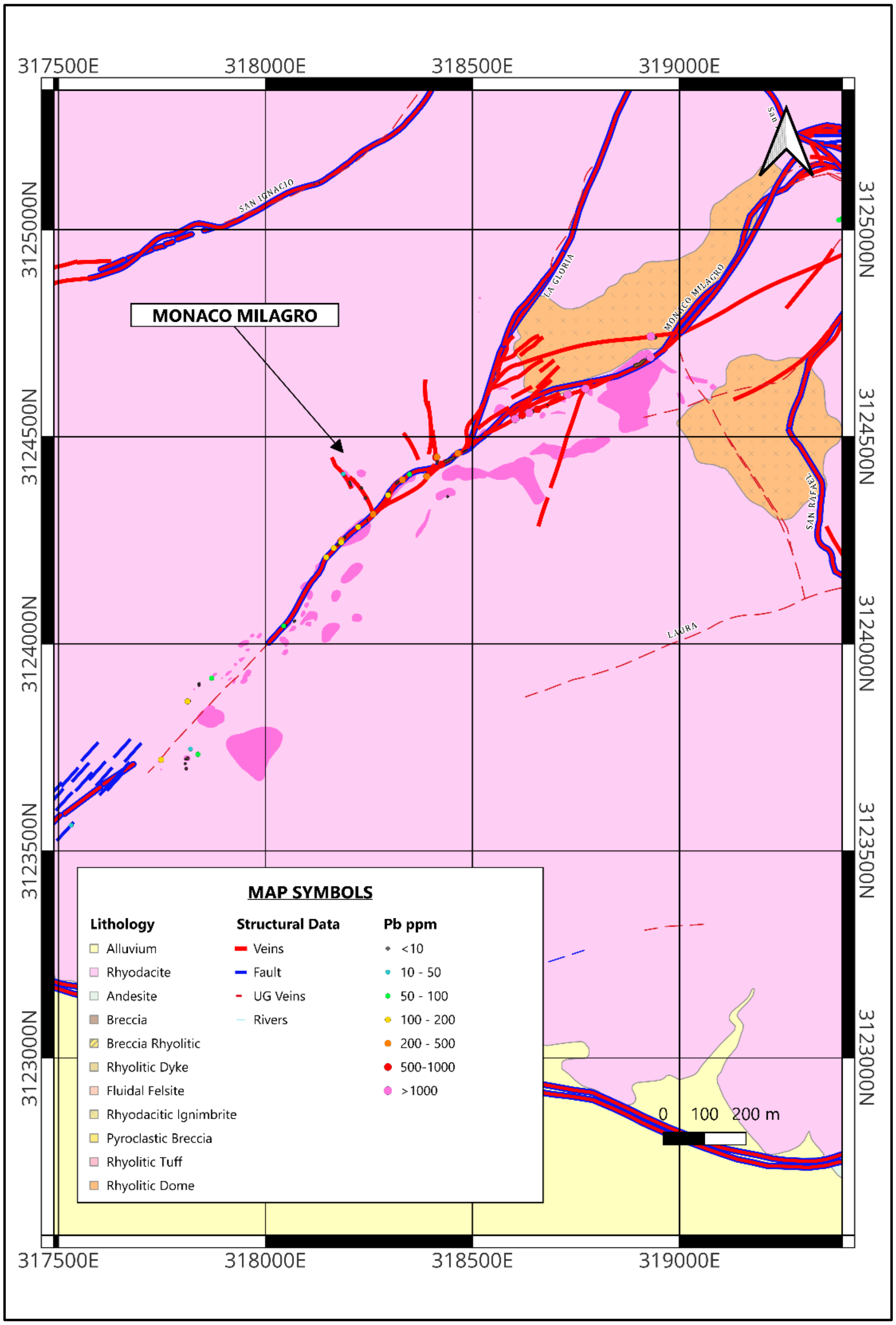
Source: Silverco (2026)

Figure 9-12: Monaco-Milagro Zone Surface Rock Sampling Au Grades 2026



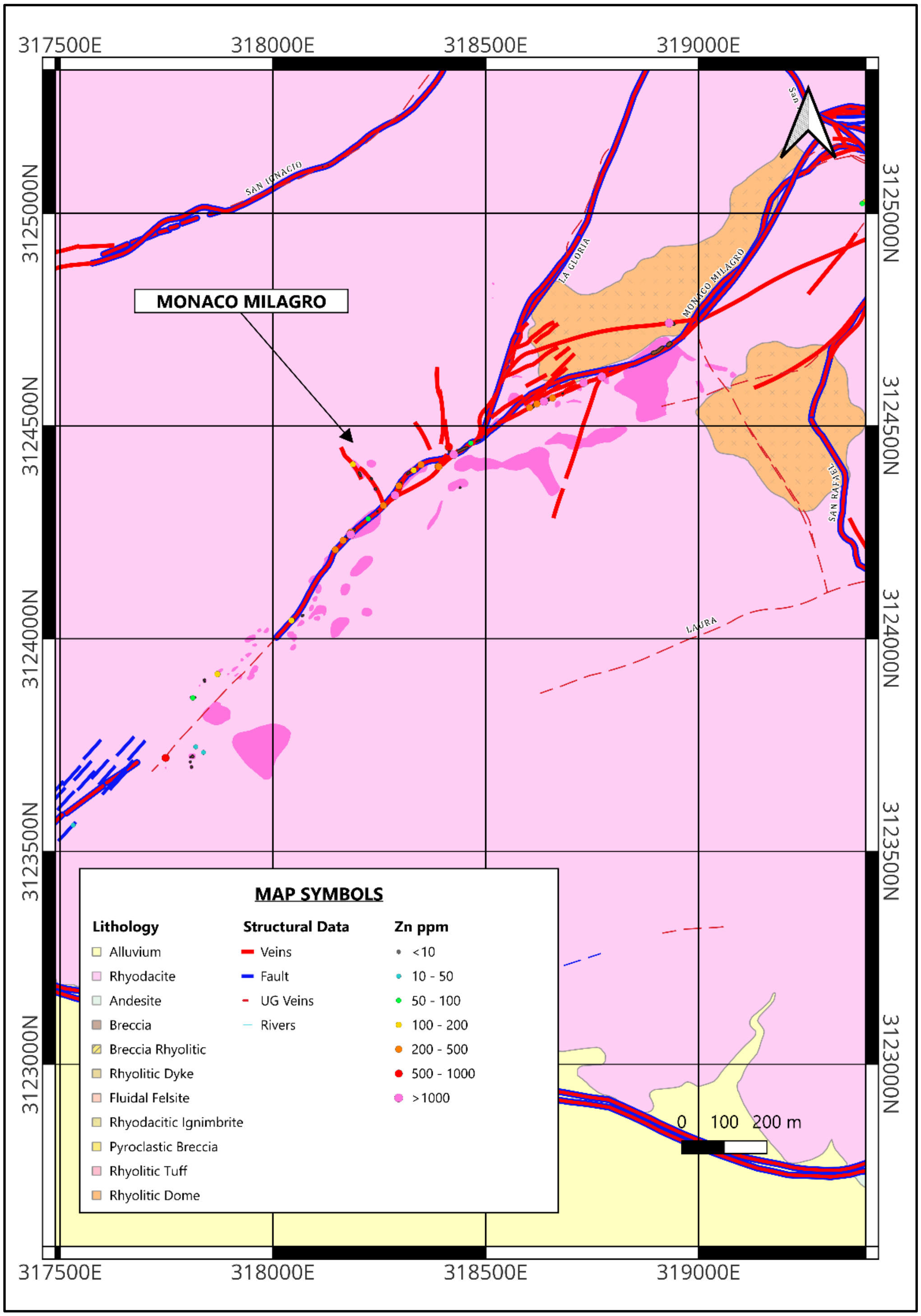
Source: Silverco (2026)

Figure 9-13: Monaco-Milagro Zone Surface Rock Sampling Pb Grades 2026



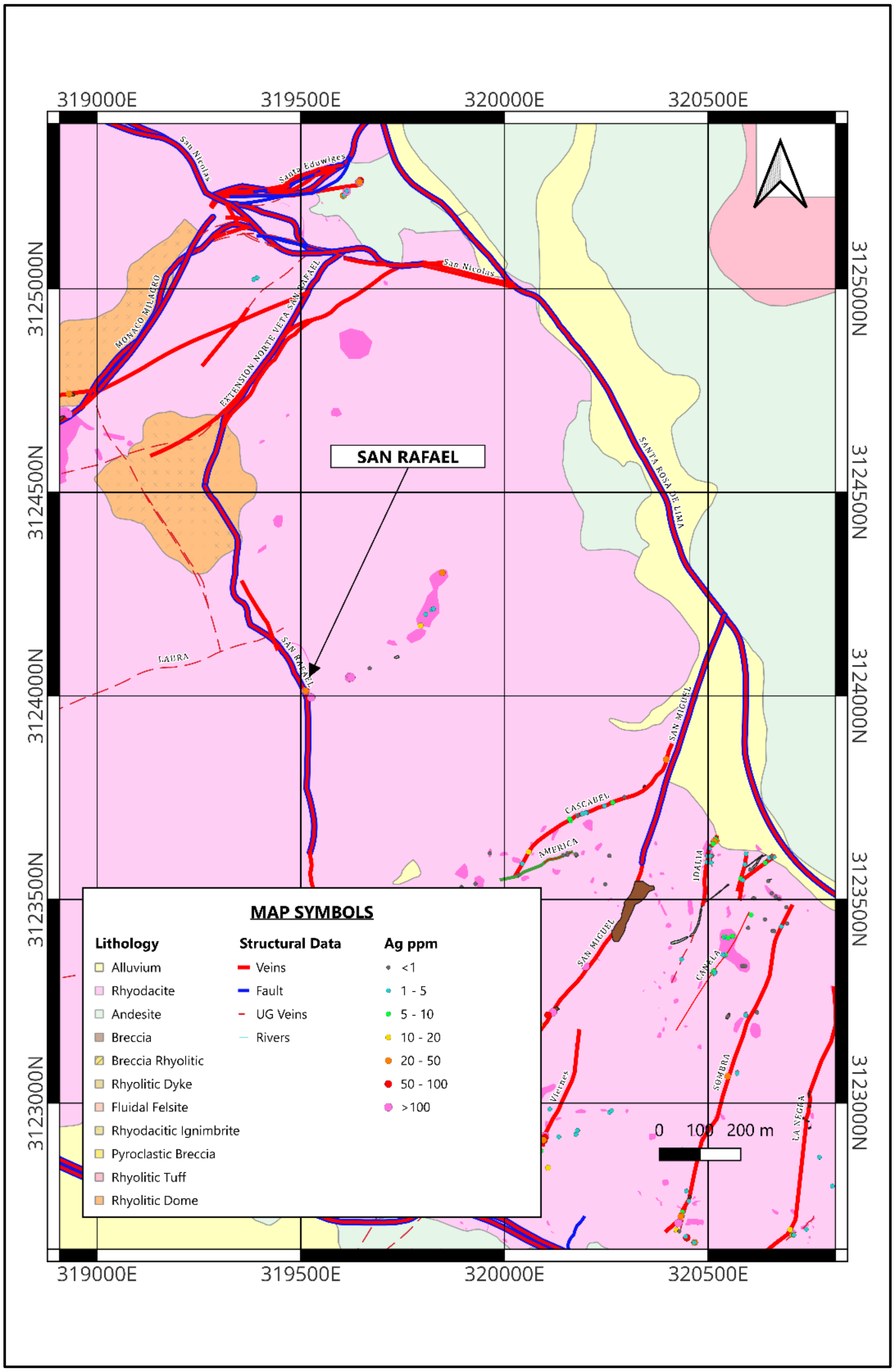
Source: Silverco (2026)

Figure 9-14: Monaco-Milagro Zone Surface Rock Sampling Zn Grades 2026



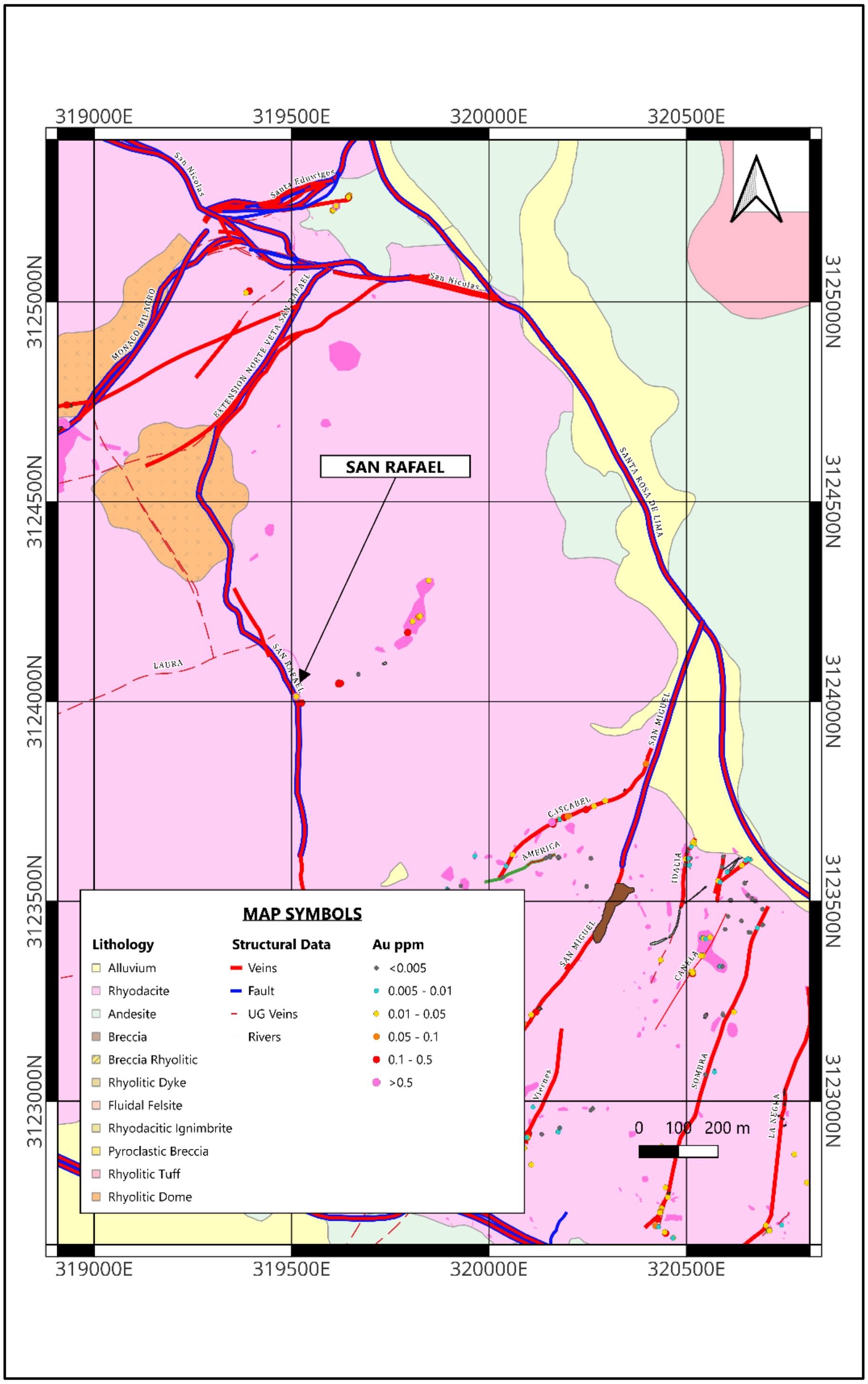
Source: Silverco (2026)

Figure 9-15: San Rafael Zone Surface Rock Sampling Ag Grades 2026



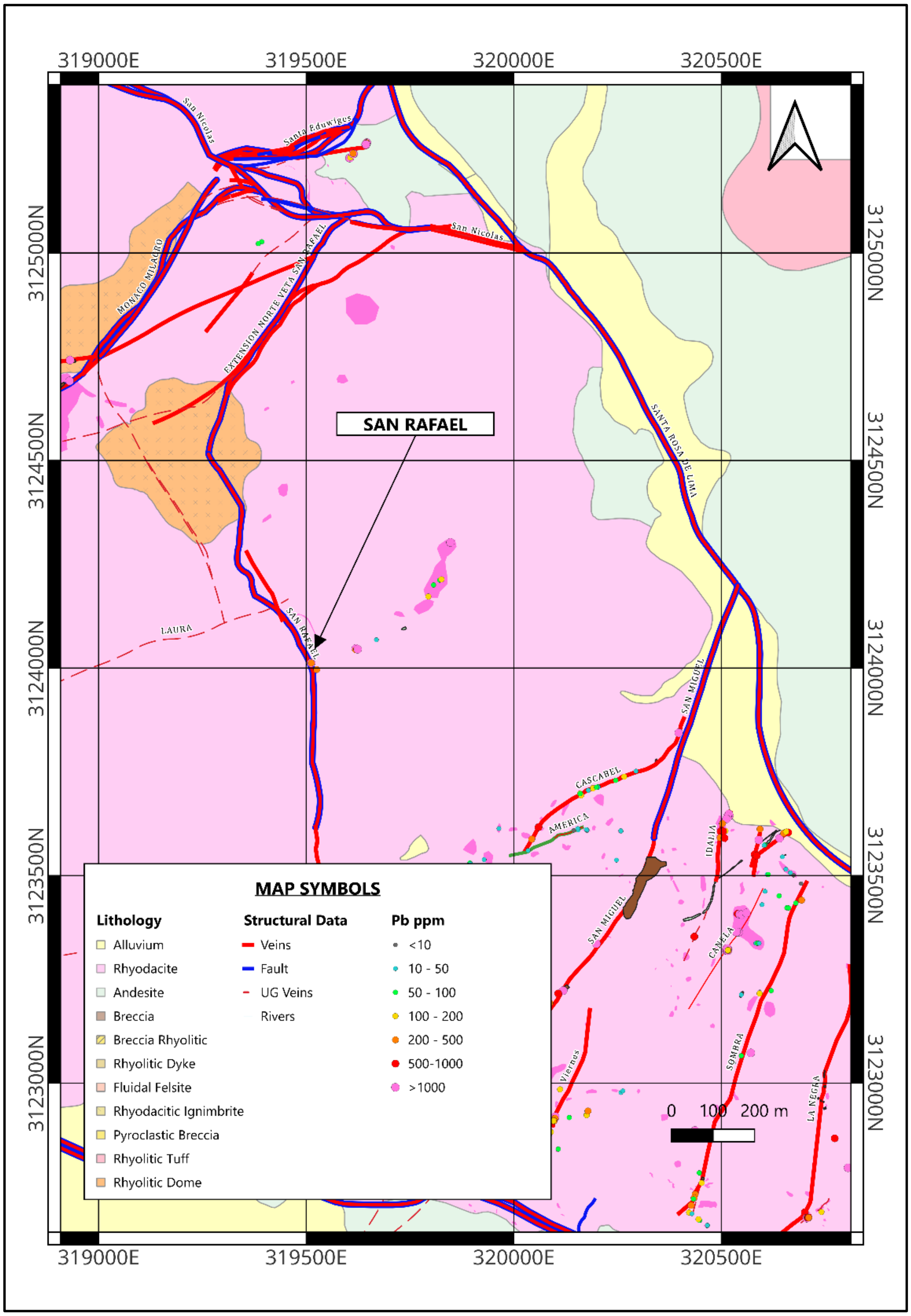
Source: Silverco (2026)

Figure 9-16: San Rafael Zone Surface Rock Sampling Au Grades 2026



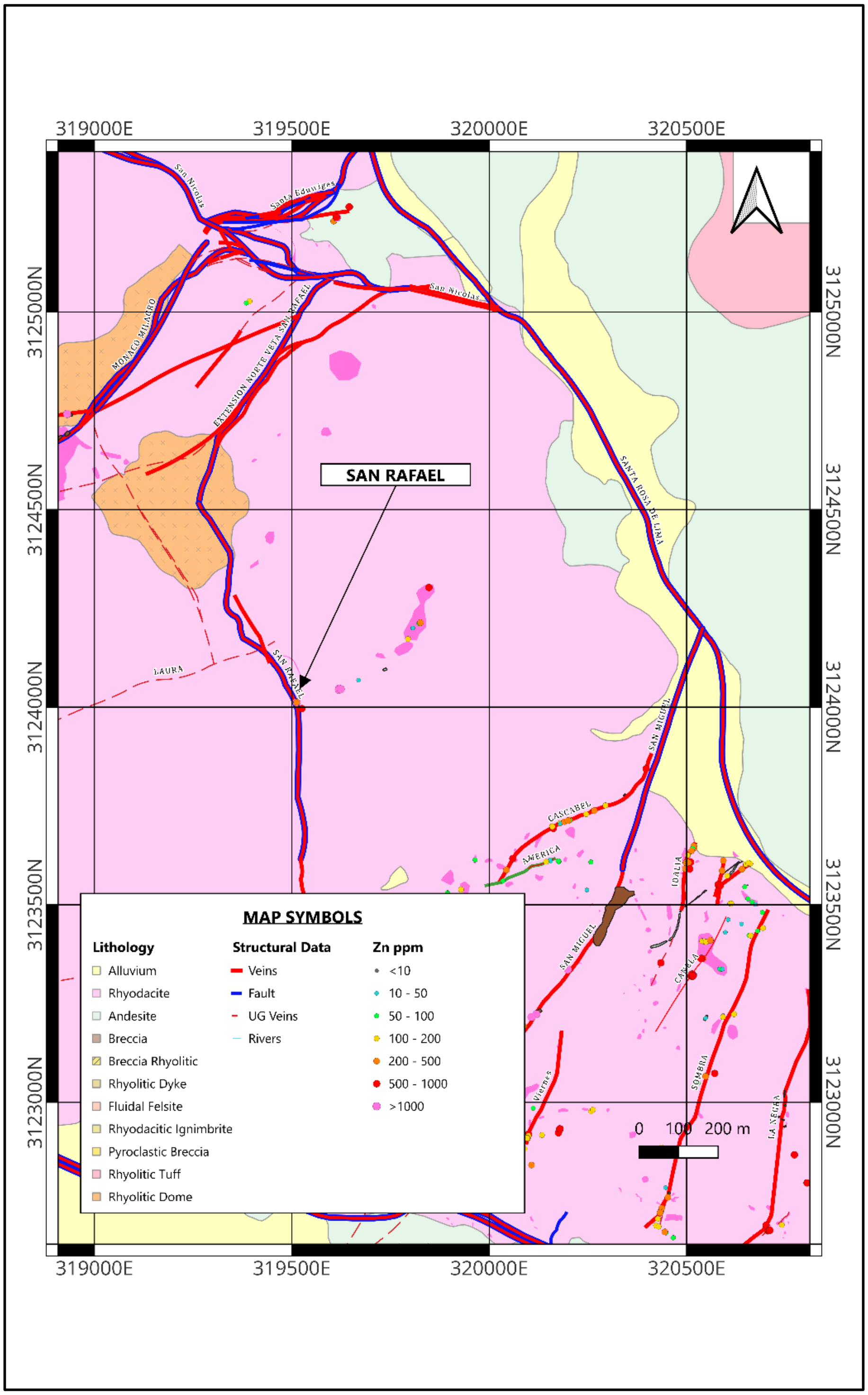
Source: Silverco (2026)

Figure 9-17: San Rafael Zone Surface Rock Sampling Pb Grades 2026



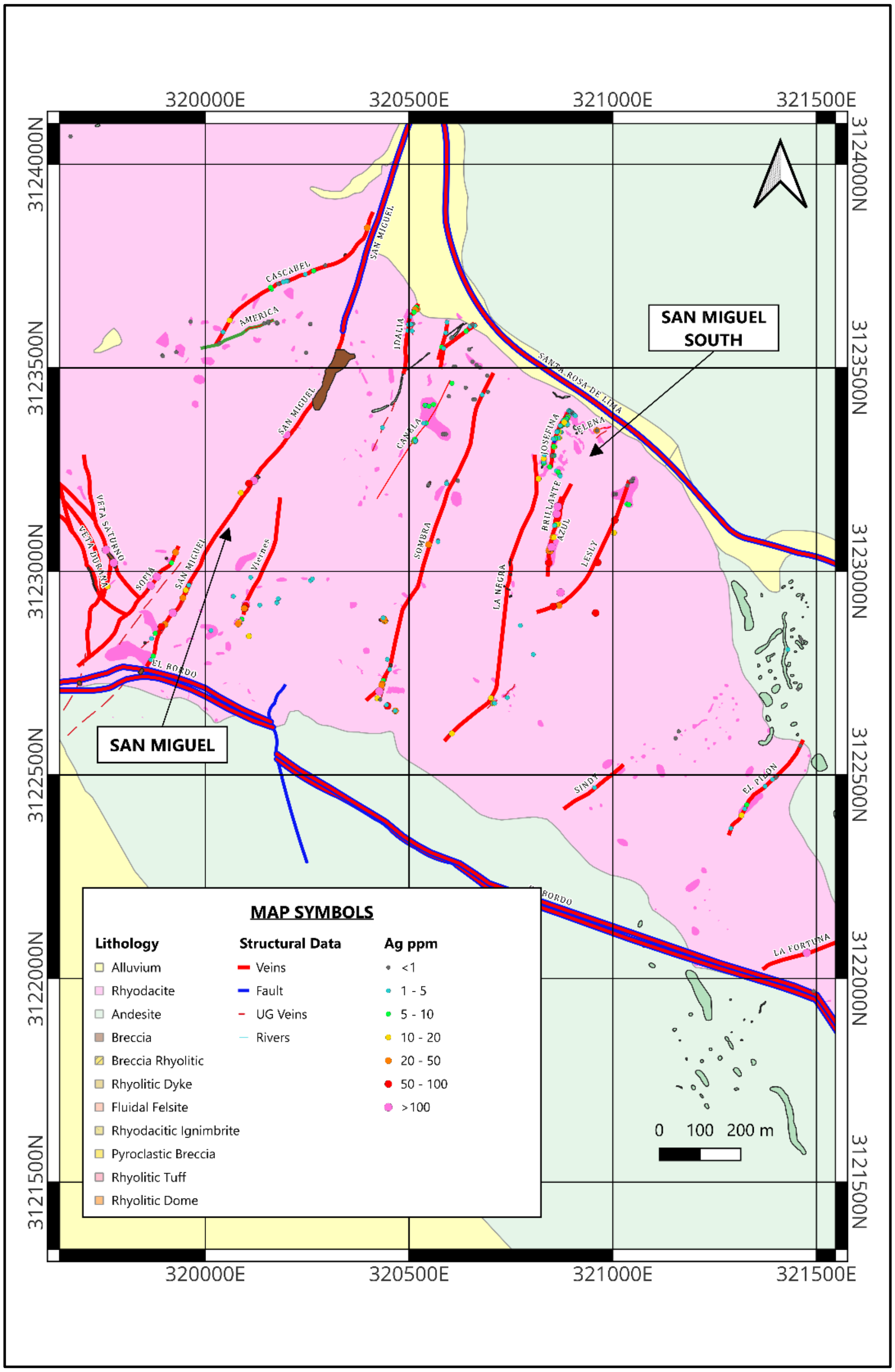
Source: Silverco (2026)

Figure 9-18: San Rafael Zone Surface Rock Sampling Zn Grades 2026



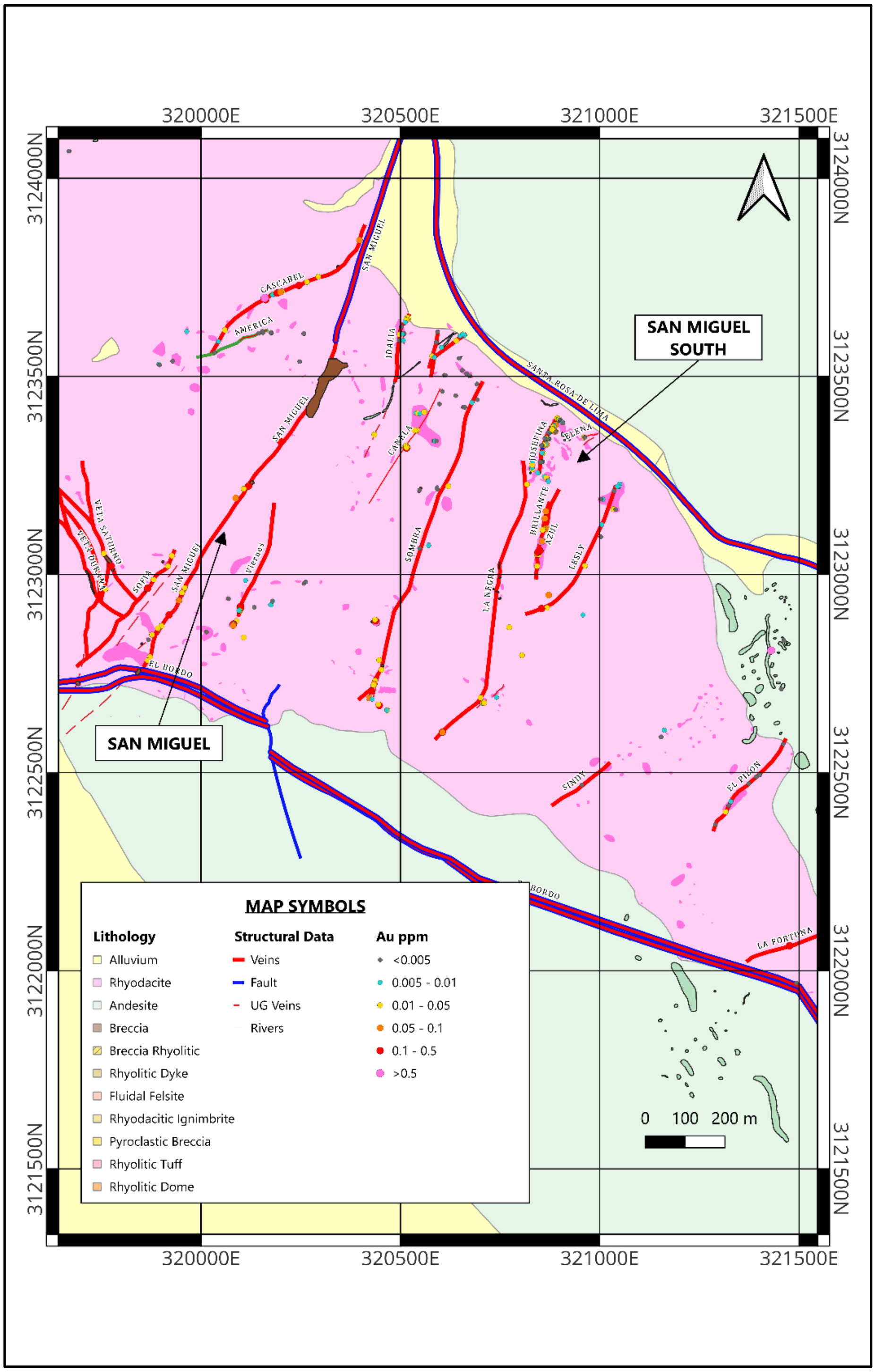
Source: Silverco (2026)

Figure 9-19: San Miguel South Zone Surface Rock Sampling Ag Grades 2026



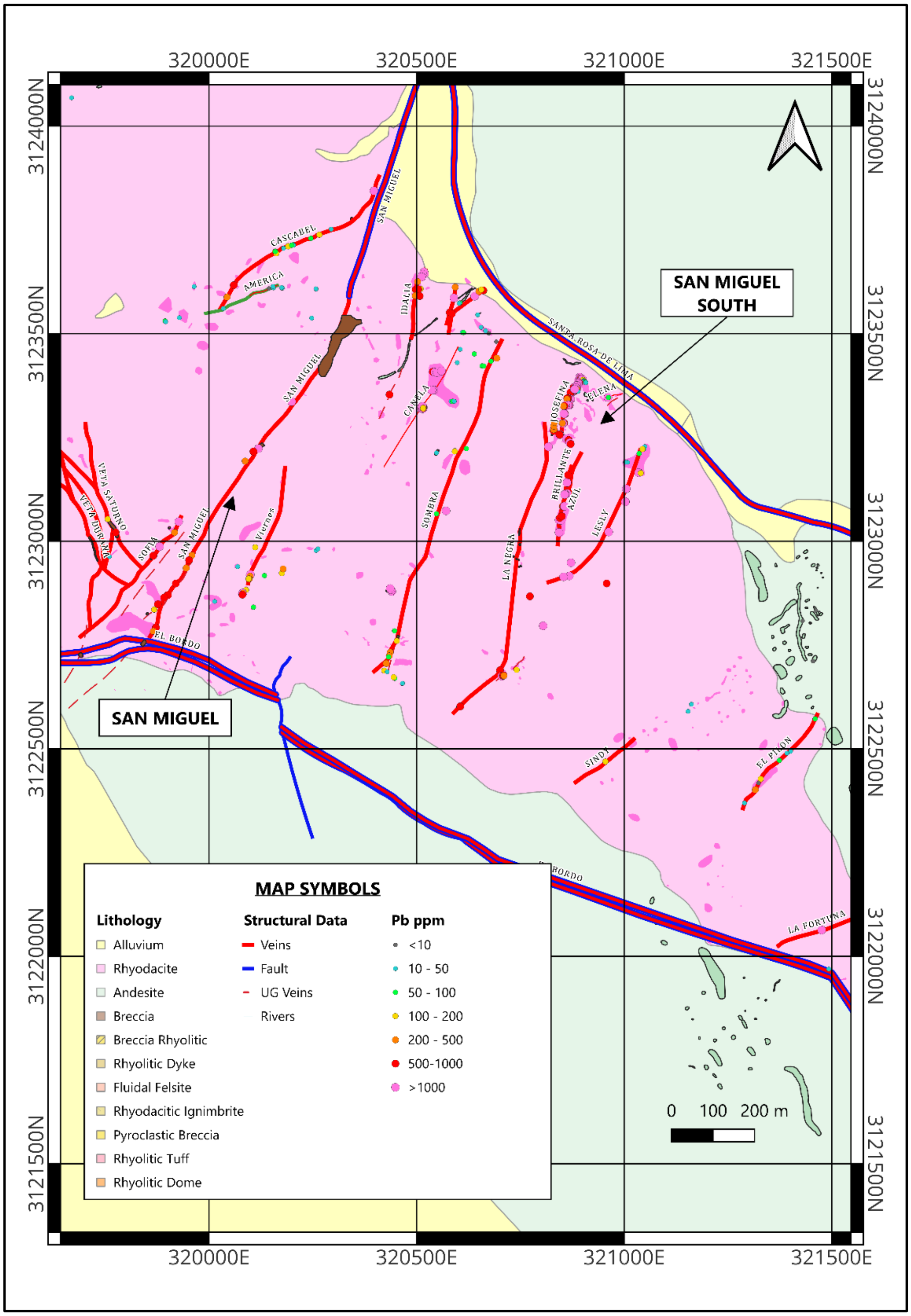
Source: Silverco (2026)

Figure 9-20: San Miguel South Zone Surface Rock Sampling Au Grades 2026



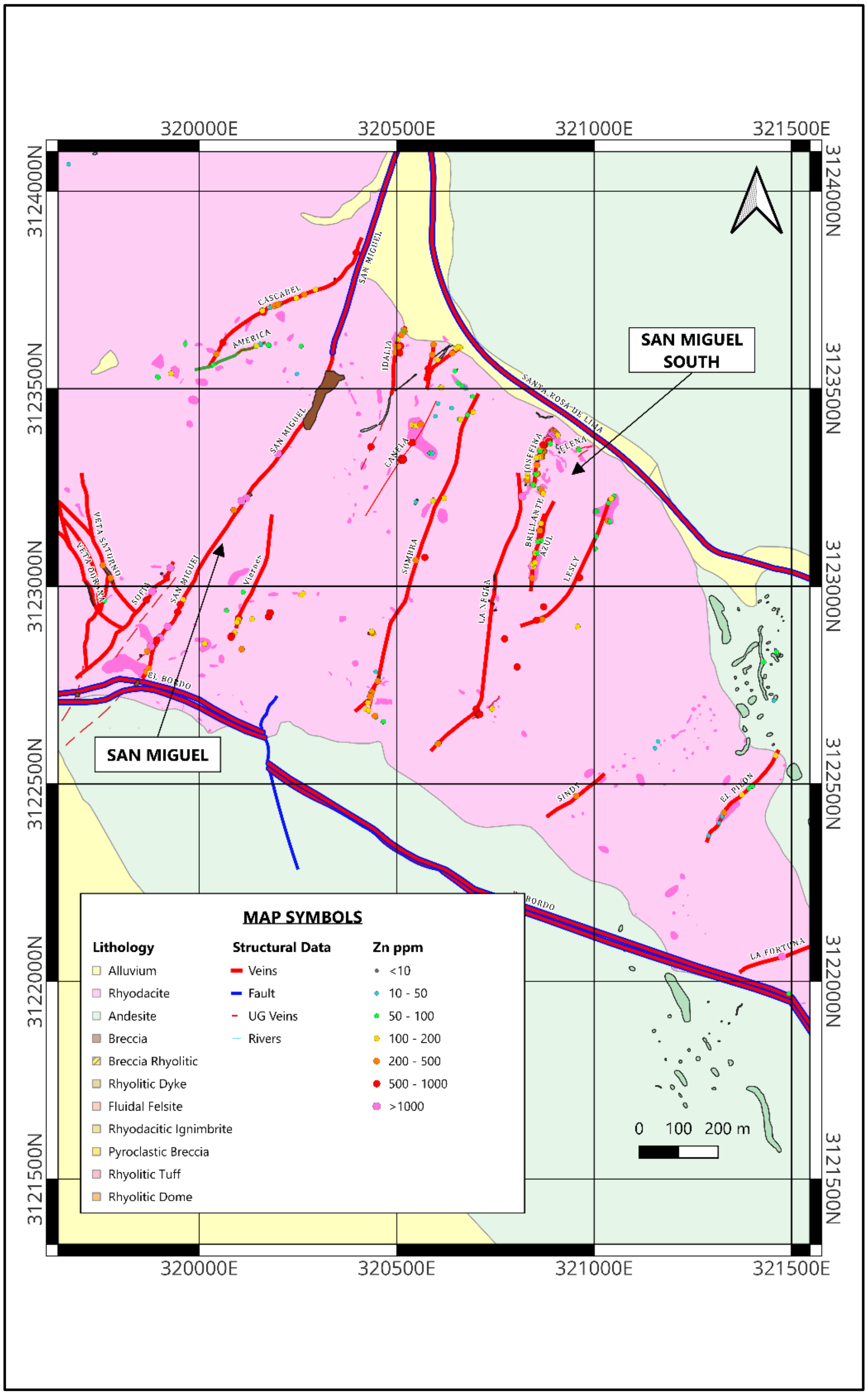
Source: Silverco (2026)

Figure 9-21: San Miguel South Zone Surface Rock Sampling Pb Grades 2026



Source: Silverco (2026)

Figure 9-22: San Miguel South Zone Surface Rock Sampling Zn Grades 2026



Source: Silverco (2026)

9.4 LiDAR Imagery

In late 2025 Eagle Mapping Ltd based in Langley, BC, Canada was contracted to complete an airborne LiDAR topographic survey and provide and orthographic imagery of the Property. The survey was flown on December 20-21, 2025. No control was available to verify the absolute accuracy of the dataset. However, due to a robust trajectory solution and good calibration results, it is Eagle Mapping's conclusion that the delivered dataset is positioned with a horizontal accuracy of ± 0.30 m and vertical accuracy of ± 0.15 m. Visual inspection of the rectified imagery determined the orthophoto is accurate to within ± 2 pixels.

10 DRILLING

10.1 Drilling Summary

Silverco initiated drilling on the Property in 2024 and continues to systematically explore the Cusi vein system. Drilling by Silverco builds on substantial exploration and resource definition drilling completed on the Project since 2006. As of December 31, 2025, Silverco had completed 63 surface drillholes totalling 20,855 m and collected 3,748 samples. Since 2006, surface and underground drilling completed on the Project amounts to 2, 078 drillholes totalling 369,263 m and comprises of 107,286 samples (Table 10-1, Figure 10-1).

Pattern drilling on target vein structures within the Cusi vein system has been completed in almost equal parts from surface and from underground development. Drilling of the Cusi vein systems by Silverco and previous explorers has delineated mineralization in multiple stacked, moderate to steeply dipping structures (63 veins are included in the 2025 MRE). Mineralized strike lengths of the major structures have been tested for up to 300 m along strike and up to 400 m down dip in the Promontorio and Eduwiges areas, up to 1,300 m along strike and up to 350 m down dip in the San Miguel area, up to 800 m along strike and up to 250 m down dip in the San Juan area, and up to 2,000 m along strike and up to 400 m down dip on the San Nicolas and Santa Rosa de Lima structures. Mineralized portions of veins that comprise the resource models vary in true thickness and are typically in the range of 0.5 to 2 m, with localized shoots up to 10 m true thickness. The local pinch and swell morphology exhibited within the Cusi vein systems is common in narrow-vein epithermal systems. Many of the mineralized veins and resource models remain open along strike and/or down dip.

Silverco diamond drillholes are typically HQ diameter, with reduction to NQ diameter on deeper holes beyond 400 m or when ground conditions necessitate it. Drilling to date by Silverco has been completed using man-portable drill rigs which limits surface disturbance and provides maximum positioning versatility on the Property terrain. Drillhole collars are positioned for drilling using handheld GPS and subsequently surveyed by high precision RTK GPS on completion. Downhole orientations of drillhole azimuth and inclination are recorded by a magnetic survey instrument every 30 to 40 m downhole. Magnetic declination is used for correcting drillhole azimuths to true north values. Drillhole geology is recorded for lithology, alteration, mineralization, structure, and veins. Drillhole recovery and RQD are recorded for all drilled intervals and field density measurements are collected on selected intervals. Selective geochemical sampling and assaying is completed on prospective mineralized intervals at nominal 1 m intervals based on changes in lithology, alteration, mineralization, and structure.

SILVERCO MINING

JDS ENERGY & MINING

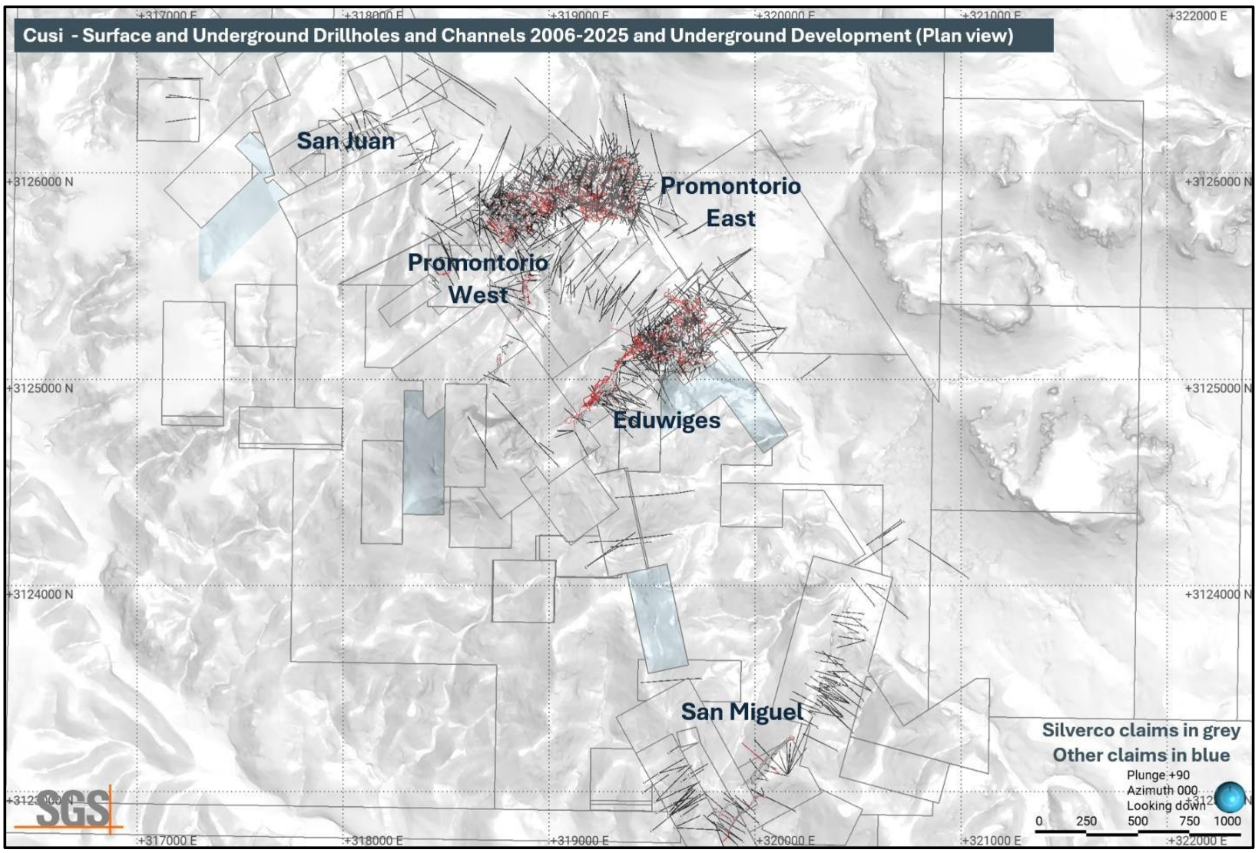
Table 10-1: Summary of Drilling on the Cusi Project 2006 to December 31, 2025

Year	Company	Hole Type	Drillhole Prefix	Drillhole Count	Length Drilled (m)	Sample Count
2006	Dia Bras	DDH Surface	DC06B	54	10,475	2,016
		DDH Underground	-	-	-	-
2007	Dia Bras	DDH Surface	DC07B	89	20,637	5,376
		DDH Underground	DC07M	11	1,658	693
2008	Dia Bras	DDH Surface	DC08B	29	8,050	1,775
		DDH Underground	DC08M	56	5,125	2,137
2009	Dia Bras	DDH Surface	DC09B	65	7,250	1,057
		DDH Underground	DC09M	19	956	365
2010	Dia Bras	DDH Surface	DC10B	67	9,678	632
		DDH Underground	DC10M	3	214	12
2011	Dia Bras	DDH Surface	DC11B	79	18,949	5,637
		DDH Underground	DC11M	4	571	162
2012	Dia Bras	DDH Surface	DC12B	153	33,576	13,507
		DDH Underground	DC12M	45	3,875	3,462
2013	Sierra Metals	DDH Surface	DC13B	65	20,157	12,255
		DDH Underground	DC13M	38	4,344	2,618
2014	Sierra Metals	DDH Surface	DC14B	14	3,378	434
		DDH Underground	DC14M	61	7,181	2,837
2015	Sierra Metals	DDH Surface	DC15B	10	4,010	409
		DDH Underground	DC15M	137	23,021	6,840
2016	Sierra Metals	DDH Surface	DC16B	13	4,670	633
		DDH Underground	DC16M	25	3,537	702
2017	Sierra Metals	DDH Surface	DC17B	89	40,977	3,361
		DDH Underground	DC17M	78	5,073	2,247
2018	Sierra Metals	DDH Surface	DC18B	103	25,494	3,411
		DDH Underground	DC18M	70	5,112	3,191
2019	Sierra Metals	DDH Surface	DC19B	27	5,339	897
		DDH Underground	DC19M	85	11,569	4,334
2020	Sierra Metals	DDH Surface	DC20B	45	6,500	1,132
		DDH Underground	DC20M	116	11,603	5,251
2021	Sierra Metals	DDH Surface	DC21B	13	4,680	699
		DDH Underground	DC21M	205	21,625	7,364
2022	Sierra Metals	DDH Surface	-	-	-	-
		DDH Underground	DC22M	113	13,384	6,110
2023	Sierra Metals	DDH Surface	-	-	-	-
		DDH Underground	DC23M	34	5,740	1,982

Year	Company	Hole Type	Drillhole Prefix	Drillhole Count	Length Drilled (m)	Sample Count
2024	Silverco Mining	DDH Surface	CU-24	14	5,518	785
2025	Silverco Mining	DDH Surface	CU-25	49	15,337	2,963
Subtotal	**DDH Surface**			**978**	**244,675**	**56,979**
	DDH Underground			**1,100**	**124,587**	**50,307**
Total	**DDH Surface & Underground**			**2,078**	**369,263**	**107,286**

Source: SGS (2026)

Figure 10-1: Location of Drillholes on the Cusi Project from 2006 to December 2025



Source: SGS (2026)

10.2 Historical Drilling: 2006-2023 Dia Bras and Sierra Metals

Dia Bras initiated surface exploration drilling on the Property in 2006 and added underground exploration drilling in 2007. Drillholes were completed using a variety of core diameters ranging from BQ to HQ core. From 2006 to 2012 drilling completed by Dia Bras amounted to:

- Surface drilling: 536 drillholes for 108,614 m and 30,000 samples;
- Underground drilling: 138 drillholes for 12,399 m and 6,831 samples; and
- Combined surface and underground drilling: 674 drillholes for 121,013 m and 36,831 samples.

Dia Bras changed its name to Sierra Metals in 2013 and subsequently commissioned mining operations on the Property. During the period from 2013 to 2023 both surface exploration and underground exploration and resource definition drilling were completed. Drilling completed by Sierra Metals amounted to:

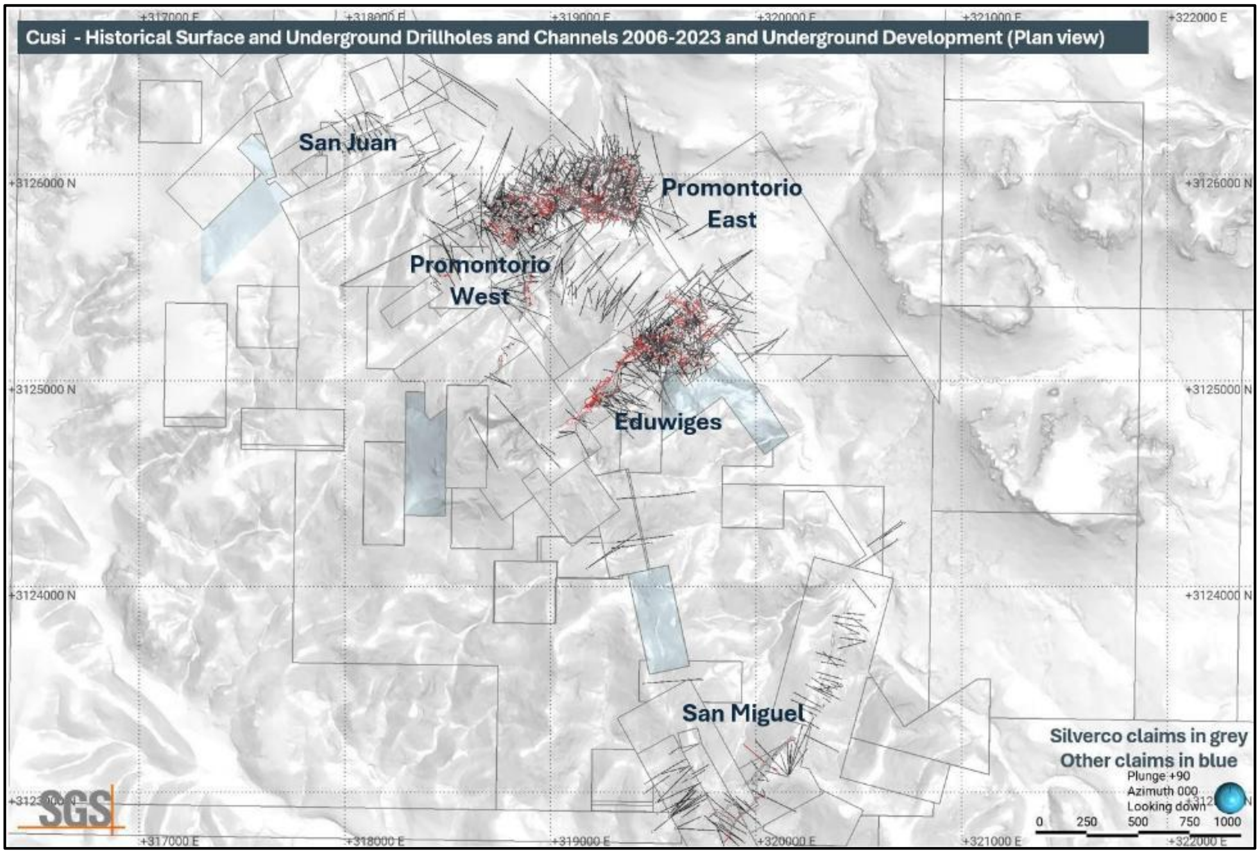
- Surface drilling: 379 drillholes for 115,207 m and 23,231 samples;
- Underground drilling: 962 drillholes for 112,188 m and 43,476 samples; and
- Combined surface and underground drilling: 1,341 drillholes for 227,395 m and 66,707 samples.

Historical drilling on the Property by Dia Bras and Sierra Metals collectively from 2006 to 2023 amounted to:

- Surface drilling: 915 drillholes for 223,821 m and 53,231 samples;
- Underground drilling: 1,100 drillholes for 124,587 m and 50,307 samples; and
- Combined surface and underground drilling: 2,015 drillholes for 348,408 m and 103,538 samples.

Drilling in from 2006 to 2023 is summarized in Table 10-1 and Figure 10-2.

Figure 10-2: Historical Drillholes on the Cusi Project from 2006 – 2023



Source: SGS (2025)

10.2.1 Collar Surveying

Collar locations were surveyed on surface using handheld GPS and underground using a total station system. Collar surveys were considered accurate for both types of drilling. Underground drill stations commonly contained clusters of underground drill collars.

10.2.2 Downhole Surveying

About 30% (559 of 2,015) of the historical drillholes have no downhole deviation surveys and are positioned from a collar survey only. Downhole surveying began on the Project in 2012. Surveys were completed using a Reflex deviation tool at intervals ranging between 25 m and 50 m, or as available due to drilling conditions.

Many of the historic drillholes lacking downhole surveys are relatively long and their precise location is considered uncertain due to the lack of downhole deviation surveys; this uncertainty contributes to the inaccuracy in the geological model in places. More recent drilling, completed using downhole deviation surveys, has improved the precision in areas of early drilling. To reduce the inaccuracy related to non-surveyed drillholes, the historical non-surveyed drillhole intercepts with offsets of more than 5 m from the projection of the structures using new surveyed drill holes and/or channel samples, were not flagged and not used during the construction of the geological model and estimation.

10.2.3 Core Recovery

Core recovery was assessed prior to logging and sampling. This is based on the percentage of an interval that is recovered into the core box compared to the expected length of the interval. Recoveries are generally very good at Cusi with an average historical recovery of 95% in mineralized intervals.

10.3 Silverco Drilling: 2024-2025

10.3.1 2024 Drilling

Silverco initiated drilling on the Cusi project in 2024. The 2024 program was primarily focused on testing the down-dip plunge of historical drilling on the consolidated San Miguel inset claims and testing the extension of Eduwiges to the east of the Cusi fault. Drilling was performed from surface by a local contractor, utilizing portable drill rigs. All cores were HQ in size.

The 2024 drilling in the San Miguel area targeted the interpreted, down-plunge extension of the San Miguel vein system. The objective was to test the continuity of the structure within the Company's recently acquired inset claims. A strike length of approximately 250 m was tested with the deepest intercept at 250 m below surface. This drilling was on average 175 m below the historical drilling intersections on the San Miguel vein system.

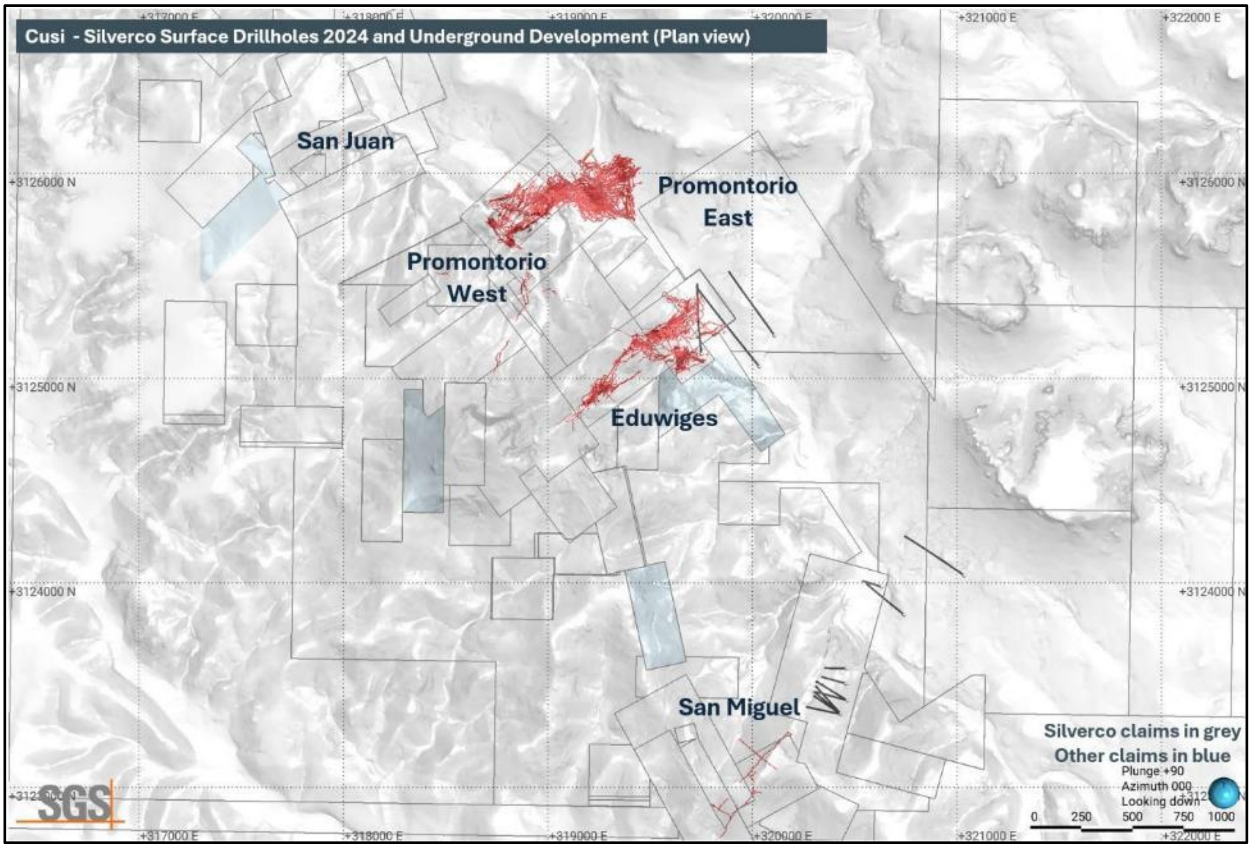
At San Miguel drilling intersected a series of mineralized, steeply-dipping, parallel veins, primarily presenting as a hydrothermal breccia. This breccia is a fractured and cemented rock, with fragments of the host rock and angular quartz clasts cemented by silica. Vein widths are variable, ranging from less than 1.0 m to exceeding 5.0 m, and are steeply dipping at 70-80º.

Drilling in the Eduwiges area was designed to test the interpreted continuation of the Eduwiges vein system on the east side of the Santa Rosa de Lima vein (also referred to as the Cusi fault). Mineralized vein systems on the east side of the Cusi fault had previously been discovered and partially mined in the Promontorio zone. Similar mineralization was also discovered east of the Cusi fault in the San Juan area.

Drilling successfully intersected the Eduwiges vein structures to the east of the Cusi fault, intersecting mineralization 200 m east of historical workings at Eduwiges. Historical drilling in the area had been unable to successfully target mineralized veins.

Drilling in 2024 totaled 14 surface drillholes for 5,518 m and 785 samples were collected for geochemical assay (Table 10-1, Figure 10-3). Highlights of the 2024 drilling are presented in Table 10-2.

Figure 10-3: Location of 2024 Silverco Drillholes on the Cusi Project



Source: SGS (2025)

Table 10-2: Highlights of the 2024 Silverco Drilling

Hole ID	Zone	From (m)	To (m)	Length (m)	Ag (g/t)	Au (g/t)	Pb %	Zn %
CU-24-01	Eduwiges	220.3	222	1.7	202	0.13	0.83	4.46
CU-24-01	Eduwiges	415.3	415.9	0.6	116	0.14	9.47	1.76
CU-24-03	San Miguel	168	171.3	3.3	450	0.15	0.31	0.42
	incl.	170.7	171.3	0.6	1,766	0.41	0.76	0.7
CU-24-04	San Miguel	190.2	193	2.8	306	0.2	0.28	0.29
CU-24-05	Eduwiges	332.5	334.9	2.5	236	0.62	0.81	0.62
CU-24-06	San Miguel	178.9	183.3	4.4	270	0.22	0.33	0.17
	incl.	182.1	183.3	1.2	1,740	1.35	1.47	0.16
CU-24-06	San Miguel	201	205.3	4.4	114	0.06	1.08	0.36
CU-24-07	San Miguel	177.5	180	2.6	385	0.26	0.29	0.13
CU-24-07	San Miguel	184.5	189.9	5.4	184	0.14	0.08	0.08
CU-24-08	San Miguel	171.4	174.4	3	181	0.2	0.1	0.08
	incl.	171.4	171.7	0.3	1,590	2.51	20	5.06
CU-24-08	San Miguel	223.5	227.9	4.4	129	0.1	0.07	0.05
CU-24-08	San Miguel	237.1	244.7	7.5	291	0.3	2.17	2.45
	incl.	239	239.7	0.7	958	0.96	2.01	5.02
CU-24-09	San Miguel	125.8	126.5	0.7	288	0.13	0.25	0.67
CU-24-09	San Miguel	191.4	197.2	5.9	315	0.16	0.42	0.12
	incl.	193.4	194.3	0.9	803	0.23	0.76	0.06
CU-24-10C	Eduwiges	383.2	386.4	3.2	498	0.23	1.34	1.83
CU-24-11	Eduwiges	647.6	649.5	1.9	78	0.12	1.76	1.53
CU-24-11	San Miguel	165.1	168.7	3.7	304	0.26	1.28	0.66

Source: SGS (2025)

10.3.2 2025 Drilling

The 2025 drilling program was primarily focused on following up on the San Miguel results from 2024, with the aim of extending drilling coverage of the vein along strike and at depth. In addition, some exploratory and infill drilling of vein systems on the east side of the Cusi fault was completed along with initial drill testing of the Matulera target located to the west of the San Juan area. Drilling was performed from surface by a local contractor, utilizing portable drill rigs. All core was HQ in size for holes up to 400 m in depth. Any holes beyond this depth were switched to NQ upon reaching 400 m.

Drilling at San Miguel was completed in approximately 50 m step outs from 2024 and historical drilling. Nearly all holes drilled intersected significant mineralization. The San Miguel vein system had been traced upwards of 1,300 m along strike in historical mapping, drilling and workings, but

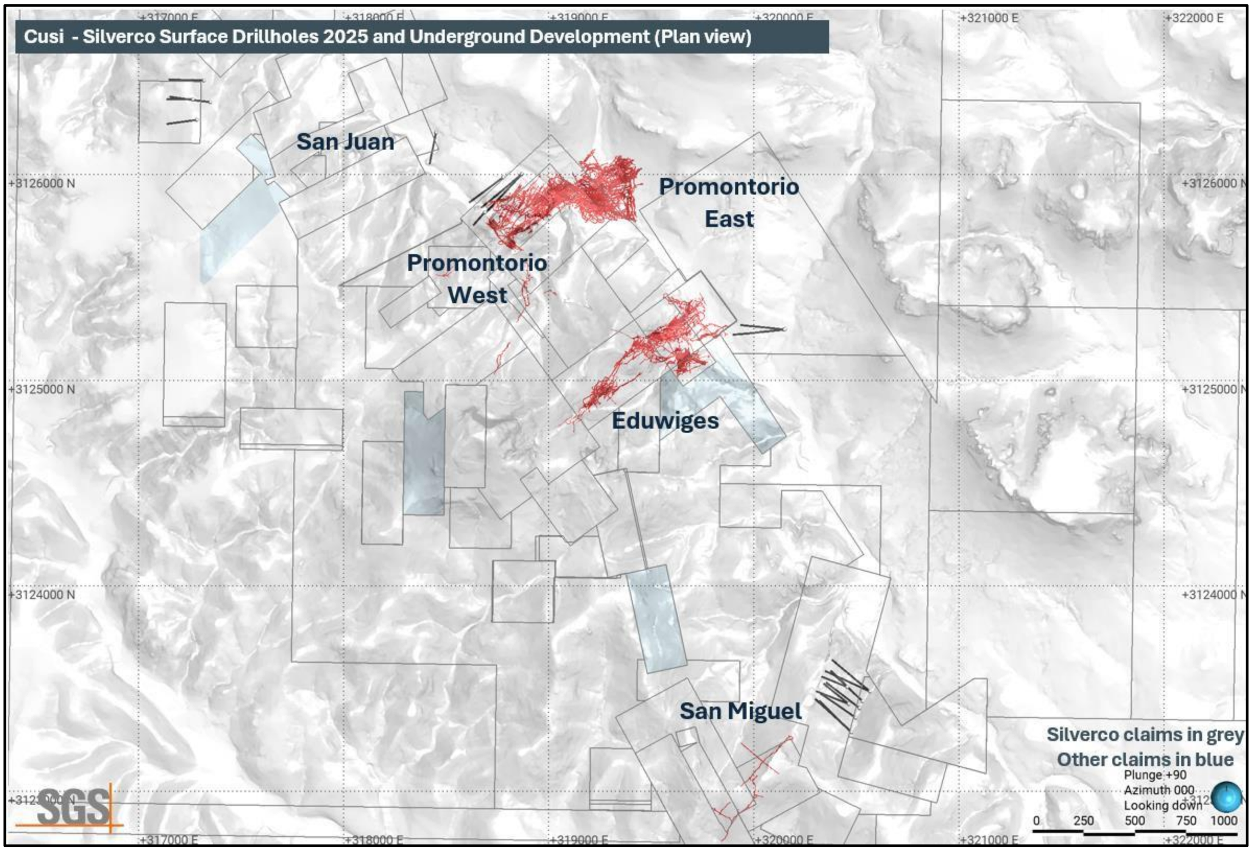
Silverco's drilling has been limited to a strike of 750 m to date. Limited historical drilling was typically shallow, intersecting the vein on average at 100 m depth. Silverco's drilling intersected the vein at depths of up to 350 m with increasing vein widths encountered.

At San Juan, the Company drilled two test holes to follow up on a 2021 drillhole which intersected mineralization east of the Cusi Fault. Hole CU-25-59 intersected significant mineralization 80 metres away from the 2021 intercept. This hole reaffirms the continuation of the vein to the east of the Cusi fault and represents a 585-metre step out from the main mineral resource area of San Juan.

Drilling at Eduwiges for 2025 was focused on continued testing of mineralized veins intersected east of the Cusi fault in drillhole CU-24-10c. The first two infill drillholes positioned between the historical workings and CU-24-10c successfully intersected mineralization. Drilling also tested the western extension of the Eduwiges veins, intersecting two separate mineralized veins in hole CU-25-50a. These intercepts are approximately 300 m west from the existing underground drifts at Eduwiges.

Drilling in 2025, to October 20th (the MRE drilling cut-off date), totaled 23 surface drillholes for 6,311 m and 1,262 samples were collected for geochemical assay. For 2025 to year end, drilling completed by Silverco totaled 49 surface drillholes for 15,337 m and 2,963 samples were collected for geochemical assay (Table 10-1, Figure 10-4). Highlights of the 2025 drilling are presented in Table 10-3.

Figure 10-4: Location of 2025 Silverco Drillholes on the Cusi Project



Source: SGS (2026)

Table 10-3: Highlights of the 2025 Silverco Drilling

Hole ID	Zone	From (m)	To (m)	Length (m)	Ag (g/t)	Au (g/t)	Pb %	Zn %
CU-25-15	San Miguel	206.9	208.6	1.8	198	0.13	0.09	0.05
CU-25-18	San Miguel	177	179.5	2.4	229	0.11	1.49	1.87
CU-25-18	San Miguel	249.9	253.3	3.5	139	0.17	2.2	3.22
CU-25-19	San Miguel	168.5	169.5	1	97	0.1	1.93	4.97
CU-25-19	San Miguel	214.5	216	1.5	101	0.08	1.56	1.93
CU-25-19	San Miguel	276	279.8	3.8	351	0.08	1.48	0.48
CU-25-21	San Miguel	155.5	156.1	0.7	231	0.25	3.93	18.6
CU-25-21	San Miguel	241.1	242.4	1.3	148	0.03	1.06	3.37
CU-25-22	San Miguel	252	254.2	2.2	109	0.49	0.76	1.38
CU-25-23	Promontorio	319.6	320.6	1.1	741	0.76	0.24	0.44

Hole ID	Zone	From (m)	To (m)	Length (m)	Ag (g/t)	Au (g/t)	Pb %	Zn %
CU-25-23	San Miguel	261.4	262.5	1.1	658	0.31	2	5.09
CU-25-23	San Miguel	287.4	290.9	3.5	156	0.23	7.59	4.18
CU-25-25	San Miguel	201	203.7	2.7	245	0.57	4.43	4.73
CU-25-25	San Miguel	292.3	293.6	1.4	1,830	1.98	4.38	3.77
CU-25-25	San Miguel	296.6	301.5	4.9	145	0.28	5.86	6.56
CU-25-29	San Miguel	212.8	214.9	2.1	817	0.43	7.43	7.4
CU-25-29	San Miguel	281.9	285.2	3.3	206	0.14	0.72	1.38
	incl.	284.7	285.2	0.4	898	0.41	0.67	4.02
CU-25-29	San Miguel	291	299.6	8.6	240	0.21	0.64	0.7
CU-25-30	Matulera	16.3	16.9	0.6	184	0.28	0.04	0.01
CU-25-31	San Miguel	115.6	115.9	0.3	177	0.14	11.8	0.28
CU-25-33	San Miguel	223.2	224.4	1.2	427	0.45	1.57	6.46
CU-25-33	San Miguel	274.5	275.1	0.6	241	0.18	0.67	1.88
CU-25-34	Eduwiges	311.9	313	1.1	67	0.21	2.44	7.57
CU-25-35	San Miguel	296	297.5	1.5	180	0.16	0.33	1.02
CU-25-35	San Miguel	320.9	324.3	3.4	334	0.32	2.68	3.07
	incl.	320.9	321.7	0.8	1,075	1.05	9.89	10.6
CU-25-36a	Eduwiges	343.1	344.6	1.5	231	3.17	11.2	10.74
CU-25-37	San Miguel	284.3	293	8.8	313	0.16	0.66	0.95
	incl.	285.6	289.5	4	559	0.23	1.1	1.62
	incl.	286.7	287.3	0.6	1,155	0.68	3.67	3.15
CU-25-37	San Miguel	300.8	313.2	12.4	234	0.16	0.96	1.98
	incl.	304.5	308.6	4.1	458	0.32	1.44	2.38
	incl.	304.5	305.4	0.9	956	0.58	1.5	2.9
CU-25-37	San Miguel	322.5	331.3	8.8	43	0.06	2.2	4.62
	incl.	330.7	331.3	0.6	276	0.14	4.77	8.04
CU-25-38	Eduwiges	499.5	499.9	0.4	247	0.67	0.12	0.14
CU-25-39	San Miguel	277.4	288.4	11	51	0.07	2.56	3.93
	incl.	287.2	288.4	1.2	119	0.1	11.45	13.35
CU-25-39	San Miguel	301.2	308.7	7.4	23	0.06	1.18	2.22
	incl.	301.9	302.3	0.4	94	0.24	6.08	11.1
CU-25-39	San Miguel	312.6	328.3	15.7	64	0.12	1.86	4.97
	incl.	314.2	318.6	4.5	122	0.22	2.68	10.02
CU-25-41	San Miguel	155.9	169.5	13.7	118	0.08	0.17	0.37
	incl.	155.9	156.7	0.8	471	0.27	0.19	0.51
CU-25-41	San Miguel	175.5	178.5	3	233	0.19	0.18	0.41
CU-25-42a	San Miguel	293.5	296.5	3	64	0.16	1.46	2.75
CU-25-43	San Miguel	258	270	12	137	0.27	2.06	3.21

Hole ID	Zone	From (m)	To (m)	Length (m)	Ag (g/t)	Au (g/t)	Pb %	Zn %
	incl.	266.9	270	3.1	198	0.58	4.49	6.68
CU-25-43	San Miguel	277.8	280.9	3.1	54	0.08	2.59	4.06
CU-25-45	San Miguel	238.9	242.8	3.9	500	0.22	1.62	3.04
	incl.	238.9	239.4	0.5	1,265	0.63	3.59	5.97
CU-25-45	San Miguel	257	270.6	13.6	293	0.34	1.72	3.12
	incl.	269.3	270.6	1.3	1,015	1.18	0.3	0.71
CU-25-45	San Miguel	274	281.1	7.1	95	0.06	0.31	0.63
CU-25-46	Eduwiges	189.6	190.9	1.3	235	0.17	0.07	0.32
CU-25-47	San Miguel	210	213.3	3.3	198	0.17	0.22	0.21
CU-25-47	San Miguel	246	248.4	2.4	186	0.11	0.3	0.58
CU-25-49	San Miguel	301.2	305.3	4.1	104	0.07	0.72	1.54
CU-25-50a	Eduwiges	256.9	258	1.1	457	0.26	0.04	0.79
CU-25-50a	Eduwiges	340.5	341.6	1.1	1,005	0.62	0.11	0.3
CU-25-51	San Miguel	151.1	153.6	2.5	259	0.11	0.71	1.73
CU-25-51	San Miguel	156.7	160.6	3.9	82	0.19	1.95	2.23
	incl.	156.7	157.1	0.4	503	0.4	10.25	13.85
CU-25-53	San Miguel	151.5	155.8	4.3	116	0.14	1.61	0.75
CU-25-53	San Miguel	160	162.8	2.8	101	0.16	0.93	1.49
CU-25-55	San Miguel	227.5	229.7	2.2	189	0.78	3.81	2.23
CU-25-56	San Miguel	285.9	289.4	3.5	67	0.07	3.21	3.03
CU-25-58	San Miguel	236.8	240.5	3.7	239	0.7	13.07	15.7
CU-25-59	San Juan	681.6	688.3	6.8	257	0.38	0.14	0.3

Source: SGS (2026)

11 SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 Overview

Since initiating drilling on the Property in 2024, Silverco has implemented a comprehensive and consistent system for the sample preparation, analysis and security of all surface samples and drill core samples, including the implementation of an extensive QA/QC program. The current MRE includes drilling and channel sampling data collected by Silverco and previous explorers as summarized in Table 11-1. The following describes sample preparation, analyses and security protocols implemented by Silverco and previous explorers, with analytical labs and analysis methods summarized in Table 11-2.

From 2006 to 2023, assaying of historical samples collected from the Property was completed using a combination of ALS Minerals (ALS), with sample preparation in Chihuahua, Mexico and analysis in North Vancouver, British Columbia, and an in-house assay laboratory located at the Cusi project Malpaso Mill facility. A total of 103,538 drill core samples and 71,605 channel samples were assayed during this period. Of the drill core samples, approximately 42% were assayed by ALS and 56% were assayed at the Malpaso laboratory. Lab origin information for the remaining 2% of samples is not available but they are assumed to have been assayed at one of these two facilities. All channel samples were assayed at the Malpaso laboratory.

Since 2024, all Silverco rock and drill core samples were sent to ALS Minerals (ALS) for analysis with sample preparation in Chihuahua, Mexico and analysis in North Vancouver, British Columbia. Samples remained under Company custody until delivery to ALS; sealed bags were transported by Company personnel to ALS Chihuahua. The ALS Chihuahua and North Vancouver facilities are ISO/IEC 17025 certified. Samples are dried, weighed, and crushed to at least 70% passing 2 mm, and a 250 g split is pulverized to at least 85% passing 75 µm (ALS Method code: PREP-31). Silver and base metals are analyzed with a four-acid digestion and ICP-AES (ALS Method code: ME-ICP61). Over-limit analyses for silver (>100 ppm), lead (>10,000 ppm), and zinc (>10,000 ppm) are re-assayed with a mill-feed-grade four-acid digestion and ICP-AES (ALS Method code: ME-OG62). Samples with over-limit silver assays > 1500 ppm are analyzed by 30-gram fire assay with a gravimetric finish (ALS Method code: Ag-GRA21). Gold is assayed by 30-gram fire assay and AAS (ALS Method code: Au-AA23). Control samples comprising certified reference samples, blank samples, and duplicates are systematically inserted into the sample stream and analyzed as part of the Company's QA/QC protocol. ALS are independent of Silverco, the QPs, and SGS Geological Services.

Sampling Quality Assurance/Quality Control (QA/QC) programs are set in place to ensure the reliability and trustworthiness of exploration data. They include written field procedures and independent verifications of drilling, surveying, sampling, assaying, data management, and database integrity. Appropriate documentation of quality control measures and regular analysis of quality-control data are essential for the project data and form the basis for the quality-assurance program implemented during exploration.

Analytical quality control measures typically involve internal and external laboratory control measures implemented to monitor sampling, preparation, and assaying precision and accuracy. They are also essential to prevent sample mix-up and monitor the voluntary or inadvertent contamination of samples. Sampling QA/QC protocols typically involve regular duplicate and replicate assays as well as the insertion of blanks and standards (certified reference materials). Routine monitoring of quality control samples is undertaken to ensure that the analytical process remains in control and confirms the accuracy and precision of laboratory analyses. In addition to laboratory internal quality control protocols, sample batches should be evaluated for evidence of suspected cross-sample contamination, certified reference material performance evaluated relative to established warning and failure limits to ensure the analytical process remains in control while maintaining an acceptable level of accuracy and precision, duplicate and replicate assay performance evaluated, and any concerns communicated to the laboratory in a timely fashion. Check assaying is typically performed as an additional reliability test of assaying results. These checks involve re-assaying a set number of coarse rejects and pulps at a second umpire laboratory.

Table 11-1: Summary of Drilling and Channel Samples from the Property by Year

Year	Company	Type	Prefix	Count	Sampled Length (m)	Sample Count
2006	Dia Bras	DDH Surface	DC06B	54	10,475	2,016
		DDH Underground	-	-	-	-
2007	Dia Bras	DDH Surface	DC07B	89	20,637	5,376
		DDH Underground	DC07M	11	1,658	693
2008	Dia Bras	DDH Surface	DC08B	29	8,050	1,775
		DDH Underground	DC08M	56	5,125	2,137
2009	Dia Bras	DDH Surface	DC09B	65	7,250	1,057
		DDH Underground	DC09M	19	956	365
2010	Dia Bras	DDH Surface	DC10B	67	9,678	632
		DDH Underground	DC10M	3	214	12
2011	Dia Bras	DDH Surface	DC11B	79	18,949	5,637
		DDH Underground	DC11M	4	571	162
2012	Dia Bras	DDH Surface	DC12B	153	33,576	13,507
		DDH Underground	DC12M	45	3,875	3,462
2013	Sierra Metals	DDH Surface	DC13B	65	20,157	12,255
		DDH Underground	DC13M	38	4,344	2,618
2014	Sierra Metals	DDH Surface	DC14B	14	3,378	434
		DDH Underground	DC14M	61	7,181	2,837
2015	Sierra Metals	DDH Surface	DC15B	10	4,010	409
		DDH Underground	DC15M	137	23,021	6,840
2016	Sierra Metals	DDH Surface	DC16B	13	4,670	633
		DDH Underground	DC16M	25	3,537	702
2017	Sierra Metals	DDH Surface	DC17B	89	40,977	3,361
		DDH Underground	DC17M	78	5,073	2,247

Year	Company	Type	Prefix	Count	Sampled Length (m)	Sample Count
2018	Sierra Metals	DDH Surface	DC18B	103	25,494	3,411
		DDH Underground	DC18M	70	5,112	3,191
2019	Sierra Metals	DDH Surface	DC19B	27	5,339	897
		DDH Underground	DC19M	85	11,569	4,334
2020	Sierra Metals	DDH Surface	DC20B	45	6,500	1,132
		DDH Underground	DC20M	116	11,603	5,251
2021	Sierra Metals	DDH Surface	DC21B	13	4,680	699
		DDH Underground	DC21M	205	21,625	7,364
2022	Sierra Metals	DDH Surface	-	-	-	-
		DDH Underground	DC22M	113	13,384	6,110
2023	Sierra Metals	DDH Surface	-	-	-	-
		DDH Underground	DC23M	34	5,740	1,982
2024	Silverco Mining	DDH Surface	CU-24	14	5,518	785
2025	Silverco Mining	DDH Surface	CU-25	23	6,311	1,262
Subtotal	**DDH Surface & Underground**			**2,052**	**360,237**	**105,585**
2013	Sierra Metals	UG Channel	-	1,410	2,966	43,048
2014	Sierra Metals	UG Channel	-	4,383	8,572	
2015	Sierra Metals	UG Channel	-	4,535	6,823	
2016	Sierra Metals	UG Channel	-	2,276	3,932	
2017	Sierra Metals	UG Channel	-	1,701	3,567	
2018	Sierra Metals	UG Channel	M18	1,290	3,762	5,112
2019	Sierra Metals	UG Channel	M19	1,398	4,988	4,882
2020	Sierra Metals	UG Channel	M20	1,165	3,883	4,186
2021	Sierra Metals	UG Channel	M21	1,335	3,930	5,313
2022	Sierra Metals	UG Channel	M22	1,193	3,801	5,315
2023	Sierra Metals	UG Channel	M23	836	2,561	3,749
Subtotal	**UG Channel**			**21,522**	**48,786**	**71,605**
Total	**All Drillholes and Channels**			**23,574**	**409,023**	**177,190**

Source: SGS (2025)

Table 11-2: Summary of Analytical Labs and Analysis Methods 2006 – 2025

Year	Company/ Sample Type	Lab & Location	Prep Code	Fire Assay Method	Fire Assay Code	Multi-element Method	Multi-element Code
2006-2016	Dia Bras/Sierra Metals DDH	ALS, Chihuahua, Mexico (prep) & North Vancouver (analysis)	PREP-31	Au 30 g FA-AAS, Overlimit Ag 30 g FA-Gravimetric	Au-AA23, Ag-GRA21	Aqua Regia ICP-AES / Overlimit Ore-Grade Aqua Regia AAS	ME-ICP41, (+)-AA46, (+)-OG46
2007-2016	Dia Bras/Sierra Metals DDH	Malpaso, on site	Crush ?% <3.175 mm, ? g split, pulverize 85% < 152 or 104 µ	Ag by Fire Assay (LDL 20 ppm), Au by Fire Assay (LDL 0.5 ppm)	-	Pb & Zn by Aqua Regia ICP-AES (LDL 8 ppm)	-
2013-2016	Sierra Metals Channels	Malpaso, on site	Crush ?% <3.175 mm, ? g split, pulverize 85% < 152 or 104 µ	Ag by Fire Assay (LDL 20 ppm), Au by Fire Assay (LDL 0.5 ppm)	-	Pb & Zn by Aqua Regia ICP-AES (LDL 8 ppm)	-
2017-2018	Sierra Metals DDH	ALS, Chihuahua, Mexico (prep) & North Vancouver (analysis)	PREP-31	Au 30 g FA-AAS, Overlimit Ag 30 g FA-Gravimetric	Au-AA23, Ag-GRA21	Intermediate-Level Aqua Regia ICP-AES / Overlimit mill-feed-Grade Aqua Regia AAS	ME-ICP41a, (+)-OG46
2017-2021	Sierra Metals DDH	Malpaso, on site	Crush 70% <2 mm, 400 g split, pulverize 90% < 75 µ	Ag by Fire Assay (LDL 20 ppm), Au by Fire Assay (LDL 0.5 ppm)	-	Pb & Zn by Aqua Regia ICP-AES (LDL 8 ppm)	-
2017-2023	Sierra Metals Channels	Malpaso, on site	Crush <2 mm, 200 g split, pulverize 90% < 75 µ	Ag by Fire Assay (LDL 20 ppm), Au by Fire Assay (LDL 0.5 ppm)	-	Pb & Zn by Aqua Regia ICP-AES (LDL 8 ppm)	-
2020	Sierra Metals DDH	ALS, Chihuahua, Mexico (prep) & North Vancouver (analysis)	PREP-31	Au 30 g FA-AAS, Overlimit Ag 30 g FA-Gravimetric	Au-AA23, Ag-GRA21	Intermediate-Level Four-Acid ICP-AES / Overlimit Mill-feed-Grade Aqua Regia AAS	ME-ICP61a, (+)-OG46

Year	Company/ Sample Type	Lab & Location	Prep Code	Fire Assay Method	Fire Assay Code	Multi-element Method	Multi-element Code
2021	Sierra Metals DDH	ALS, Chihuahua, Mexico (prep) & North Vancouver (analysis)	PREP-31	Au 30 g FA-AAS, Overlimit Ag 30 g FA-Gravimetric	Au-AA23, Ag-GRA21	Aqua Regia ICP-AES / Overlimit Ore-Grade Aqua Regia AAS	ME-ICP41, (+)-OG46
2024-2025	Silverco Mining DDH	ALS, Chihuahua, Mexico (prep.) & North Vancouver, Canada (analysis)	PREP-31	Au 30 g FA-AAS, Overlimit Ag 30 g FA-Gravimetric	Au-AA23, Ag-GRA21	Four-Acid ICP-AES, Overlimit Mill-Feed Grade Four-Acid ICP-AES	ME-ICP61, (+)-OG62

Source: SGS (2025)

11.2 Historical Sampling: 2006-2023

11.2.1 Sampling Methods

11.2.1.1 Drill Core Samples

Drilling was conducted with Dia Bras / Sierra-owned drills and outside contractors. Core was transported by company personnel to the logging facility near the mine offices. All drilling utilized HQ, NQ and BQ sized rods and was logged by staff geologists. Samples intervals were determined by the geologist, and the core was then split in half and bagged by staff technicians.

Core was logged by qualified company geologists for lithology, alteration, structure, and mineralization, with sampling intervals identified during logging to delineate mineralized areas. After logging, the information was entered into a database. Sample intervals were marked in the boxes along with a line down the core axis for splitting.

Samples were split either manually using a core splitter (early programs) or with an electrical core saw (circa 2015 onwards) and then separated into labeled bags. A barcode system was used for the samples sent to ALS laboratory, however, the samples sent to the Malpaso laboratory were not controlled by a barcode.

11.2.1.2 Channel Samples

Channel samples were taken from the underground workings distanced 2 m along the veins and perpendicular to the structures varying from 0.2 m to 5 m (average length of 0.68 m).

Each day, a geologist accompanied by a group of helpers, channel sampled the faces of the underground workings as part of the exploration process. The geologist logged the geology and mineralization and defined the limits of the samples based on mineralization that included intensity, style and lithology. The limits of each sample were marked with aerosol paint. The surface was cleaned, and 1.5 to 2 kg chip channel samples (nominally 1 m samples) were collected with chisel and hammer to form a channel of approximately 10 cm width. Plastic bags with the rock chips were marked and sealed. The starting point of the channel was located by the geologist using tape and compass from the nearest survey control point. The survey of the underground workings is performed using a total station system.

11.2.2 Sample Security and Storage

Samples were collected by the logging technicians or geologists after being marked and labelled in core boxes. These were grouped into larger batches of 10 samples per reinforced sack, with a weight of no more than 25 kg. The intervals contained in each sack were documented with the hole ID and the order number for the laboratory. Samples were stored on-site and behind access-controlled gates until they were taken to the relevant laboratory. Historically, this was either the Malpaso laboratory, a Dia Bras / Sierra Metals owned mill facility, or ALS Minerals, an independent and ISO-certified laboratory with sample preparation processing facilities in Chihuahua, Mexico and analytical facilities in Vancouver, Canada. Since the middle of 2016, samples were first sent to the Malpaso Mill for analysis and any samples with positive results warranting confirmation were also sent to ALS.

11.2.3 Sample Preparation and Analyses

The analytical history of the Cusi sampling has evolved over time and includes various generations of analyses between the nearby Malpaso laboratory and ALS. Details are summarized in Table 11-2.

Historically, all samples were analyzed at Malpaso, with periodic checks of analyses at ALS. This practice was deemed to be insufficient due to analytical and preparation inconsistencies in the Malpaso lab. Thus, a series of campaigns were run with the analyses being entirely duplicated at ALS, and the findings showed significant differences between the two labs (Hastings et al, 2017).

As of circa 2020, all drill core analysis from mineralized veins was performed by ALS, although an initial analysis of the sample was done at Malpaso to determine whether analysis at ALS was warranted. The coarse reject from the initial crushing of the sample at Malpaso was retained for potential analysis at ALS. If the sample was selected for analysis at ALS, the coarse reject was submitted and the remainder of the sample preparation was completed at the ALS Chihuahua, Mexico facility. Final analysis was conducted at the primary ALS laboratory in North Vancouver, BC, Canada.

All channel samples were analyzed by the Malpaso internal laboratory as this laboratory had a considerably better turnaround time on analyses than ALS, which is critical for timely production decisions, and the analytical techniques used at the Malpaso laboratory were appropriate for the mineralization.

11.2.3.1 ALS

From 2006 to 2021 approximately 42% of the historical drill core samples (43,539 samples) were assayed by ALS Minerals with sample preparation in Chihuahua, Mexico and analysis in North Vancouver, British Columbia. The ALS Chihuahua and North Vancouver facilities were ISO/IEC 17025 certified.

Beginning in 2006, samples were dried, weighed, and crushed to at least 70% passing 2 mm, and a 250 g split was pulverized to at least 85% passing 75 µm (ALS Method code: PREP-31). Silver and base metals were analyzed with an aqua regia digestion and ICP-AES (ALS Method code: ME-ICP41). Over-limit analyses for silver (>100 ppm), lead (>10,000 ppm), and zinc (>10,000 ppm) were re-assayed with an ore-grade aqua regia digestion and atomic absorption spectroscopy (AAS) (ALS Method code: ME-AA46 till 2008, then ME-OG46 from 2009). Samples with over-limit silver assays > 1500 ppm were analyzed by 30-gram fire assay with a gravimetric finish (ALS Method code: Ag-GRA21). Gold was assayed by 30-gram fire assay and AAS (ALS Method code: Au-AA23) from 2006 to 2021.

In 2017 and 2018, silver and base metals were analyzed with an intermediate-level aqua regia digestion and ICP-AES (ALS Method code: ME-ICP41a). Over-limit analyses for silver (>200 ppm), lead (>50,000 ppm), and zinc (>50,000 ppm) were re-assayed with a mill-feed-grade aqua regia digestion and AAS (ALS Method code: ME-OG46). Samples with over-limit silver assays >

1500 ppm were analyzed by 30-gram fire assay with a gravimetric finish (ALS Method code: Ag-GRA21).

In 2020, silver and base metals were analyzed with an intermediate-level four-acid digestion and ICP-AES (ALS Method code: ME-ICP61a). Over-limit analyses for silver (>200 ppm), lead (>50,000 ppm), and zinc (>50,000 ppm) were re-assayed with a mill-feed-grade aqua regia digestion and AAS (ALS Method code: ME-OG46). Samples with over-limit silver assays > 1500 ppm were analyzed by 30-gram fire assay with a gravimetric finish (ALS Method code: Ag-GRA21).

In 2021, silver and base metals were analyzed with an aqua regia digestion and ICP-AES (ALS Method code: ME-ICP41). Over-limit analyses for silver (>100 ppm), lead (>10,000 ppm), and zinc (>10,000 ppm) were re-assayed with a mill-feed-grade aqua regia digestion and AAS (ALS Method code: ME-OG46). Samples with over-limit silver assays > 1500 ppm were analyzed by 30-gram fire assay with a gravimetric finish (ALS Method code: Ag-GRA21).

11.2.3.2 Malpaso

From 2007 to 2023 approximately 56% of the historical drill core samples (58,013 samples) were assayed on site at the Cusi project's Malpaso Mill laboratory. The Malpaso laboratory was not accredited under ISO/IEC 17025 or a similar certification standard. All historical channel samples (71,605 samples) were assayed at the Malpaso laboratory.

The sample preparation and analytical procedures used at Malpaso differ from those at ALS. Sample preparation procedures have evolved over time. Several procedural changes were implemented beginning in 2017 to more closely replicate the sample preparation and QA/QC protocols used by ALS and other commercial labs.

Upon receipt of samples from the Project, the Malpaso laboratory dried, weighed, and cataloged the samples. Drying times were four hours for channel samples and eight hours for drill core.

For samples historically assayed from 2007 to 2016 at Malpaso, samples were crushed initially to 3.175 mm grain size, then further pulverized to 85% passing rate of 100 mesh (152 µm) or 150 mesh (104 µm). The sample split size for pulverization is unknown.

Beginning in 2017, samples were crushed to at least 70% passing 2 mm (10 mesh). A split was taken from this crushed material for pulp preparation (200 g for channel samples; 400 g for core samples). Samples were dried again for 30 minutes, and split samples are pulverized to 90% passing 75 µm. This protocol is very similar to the preparation method used at ALS.

The analytical methods used at the Malpaso laboratory appear to be similar to those used at ALS, but the Malpaso laboratory has an extremely high lower limit of detection (20 g/t Ag). Most modern laboratories (such as ALS) have significantly lower limits of detection in the 1 to 5 g/t Ag range for higher mineralized grades. While this likely does not materially affect the results of the resource estimation, it should be noted that the methods used by Malpaso may not be the same as ALS and therefore may introduce a bias in comparisons made between labs.

For samples analyzed at the Malpaso laboratory, pulverized material is assayed for gold and silver by fire assay and base metals by ICP-AES. Lower limits of detection for assays at Malpaso were 20 g/t silver, 0.5 g/t gold, and 8 ppm for lead and zinc. The reporting limits for the Malpaso lab are inconsistent with industry norms for analytical precision for all known metals. The uncertainty associated with stating material that may sit in the ranges of the lower limits of detection for the Malpaso lab allows for the possibility of completely unmineralized material to have grades of 0.5 g/t Au and 20 g/t Ag, which would seem to have significantly more value than the actuals.

11.2.4 Density

Prior to 2017, bulk density was assigned based on results of density samples analyzed by the Servicio Geologico Mexicano (SGM) on behalf of Sierra Metals. Thes SGM density data is not available for review.

Since 2017 density measurements were collected at the Malpaso laboratory by pycnometer (Ortiz et al, 2020). Samples were ground to 100% passing -100 mesh (150 µm) and analyzed via the use of a pycnometer using ethanol as a solution. Distilled water was used as a reference (0.99712 g/cm^3) in the evaluations.

11.2.5 Quality Assurance/Quality Control

Sierra Metals instituted an industry standard QA/QC program in 2013 including the use of blanks, standards, and duplicates.

In April 2017, SRK conducted a thorough review of the QA/QC procedures and performance at Cusi, using data to September 2016. The review process included auditing internal QA/QC charts prepared by Sierra Metals, as well as independent analyses using data provided by the company for all QA/QC work completed since 2013 (Hastings et al, 2017).

Review of data from the 2014-2016 QA/QC monitoring at Cusi showed significant failure rates or inconsistencies across all types of QC samples. Many failures were problematic to evaluate due the fact that Sierra Metals used its own QA/QC materials for standard QC samples with standard deviations in excess of industry-standard QC material ranges (Hastings et al, 2017). The independent analysis of QC data completed in 2017 therefore included developing of a set of failure criteria for each type of QC data and determining failure rates.

Since the latter part of 2017, Sierra Metals implemented improvements to the QA/QC protocol such as the consistent use of reference materials, coarse and fine blanks, and coarse and fine duplicates. The blanks were certified by round-robin analysis. Sierra Metals established failure criteria for the QA/QC samples and began continuously monitoring sample performance. The changes made to QA/QC protocols at Cusi in 2017 led to improved results from the QA/QC program.

The historical insertion of QC samples from 2013 to 2023 is summarized in Table 11-3.

Table 11-3: Historical QC Sample Statistics for Core Sampling 2006 – 2023

QC Type	Insertion Rate	Prior to 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Standards	1:20	144	98	49	101	83	37	75	63	182	118	35
Fine blanks	1:30 or 1:50	173	72	194	82	52	28	42	42	267	187	-
Coarse blanks	1:30 or 1:50	-	-	-	-	-	26	-	22	-	-	-
Core duplicates	1:30 or 1:50	208	-	377	1,073	25	23	43	27	156	100	-
Coarse Reject duplicates	1:30 or 1:50	No data available			-	-	24	43	30	179	72	-
Pulp duplicates					-	-	24	42	30	162	91	-
External duplicates	1:30 or 1:50	No data available			-	-	-	-	-	-	-	-
Total		525	170	620	1,256	160	162	245	214	946	568	35
Meters Drilled		145,621	10,560	27,232	8,706	45,349	30,607	16,908	18,103	26,306	13,384	5,740

Source: SGS (2025)

11.2.5.1 Certified Reference Material

Following the implementation of a formal QA/QC program in 2013, Sierra Metals began inserting standards (either high grade, medium grade, or low grade) into the sample stream regularly at a rate of one standard per twenty samples. The standards are internal standards prepared at the Malpaso laboratory, from material chosen for its similarity (mineralogical and in terms of appearance) to the samples from the Cusi exploration program.

In 2017, SRK (Hastings et al, 2017) conducted a review of the use of standards for the period of 2014 to September of 2016. The internal standards are listed in Table 11-4. The results from internal standards used for the 2014 to 2016 programs are shown in charts for Ag, Pb and Zn on Figure 11-1.

The standard deviations used to define the failure criteria for standards were derived from the standards dataset and are higher than industry standard (Hastings et al, 2017). Samples of each standard were sent to three independent laboratories to define certified values for Ag, Pb, and Zn (ALS, SGM, and LIMSA). In most cases, the internally derived standard deviations are 2x to 3x higher than the standard deviations reported by external labs. This is not consistent with industry best practices for acceptable intra-lab performance.

Data was examined for failures of each standard according to ± 3SD, defined by the Malpaso lab, and is shown in Table 11-5. For all cases, QC samples were assessed on the basis of failures over time. From 2014 to 2016, there is no documentation provided by Sierra Metals regarding how failures of QC samples were addressed, if the failures have been submitted for re-assay, or to find out the problem such as sample misnaming or mix-ups.

Table 11-4: List of Internal Standards for the 2014-2016 Programs

CRM	No. Samples	Ag (g/t) ± 2SD	Pb (%) ± 2SD	Zn (%) ± 2SD	Period
Standard 1	21	703.39 ± 67.44	0.623 ± 0.074	0.419 ± 0.054	April-Sep 2016
Standard 2	142	185.66 ± 23.446	0.364 ± 0.018	0.614 ± 0.076	2014 & April-Sep 2016
Standard 3	14	2,080.22 ± 107.354	2.303 ± 0.15	2.588 ± 0.304	April-Sep 2016
Standard 4	68	75.852 ± 6.784	0.242 ± 0.052	0.464 ± 0.122	2015 & May-Sep 2016
Total	**245**				

Source: SGS (2025)

Table 11-5: Failure Statistics for Internal Standards for the 2014-2016 Programs

Failure Statistics – Ag	Failure Criterion	Number of Failures	% Failure
Standard 1	± 3SD	4	19
Standard 2	± 3SD	1	1
Standard 3	± 3SD	3	21
Standard 4	± 3SD	7	10
Failure Statistics – Pb	**Failure Criterion**	**Number of Failures**	**% Failure**
Standard 1	± 3SD	8	38
Standard 2	± 3SD	77	54
Standard 3	± 3SD	9	65
Standard 4	± 3SD	14	21
Failure Statistics – Zn	**Failure Criterion**	**Number of Failures**	**% Failure**
Standard 1	± 3SD	1	5
Standard 2	± 3SD	51	36
Standard 3	± 3SD	6	43
Standard 4	± 3SD	4	6

Source: SGS (2025)

Figure 11-1: CRM Control Charts for Ag, Pb, Zn for the 2014 to 2016 Programs

Source: Hastings et al. (2017)

In 2017, five new certified reference materials (CRM) were procured and certified via round-robin analysis for the exploration programs. These CRMs were homogenized and packaged by Target Rocks Peru (S.A.) and the round-robin analysis conducted by Smee & Associates Consulting Ltd., a consultancy specializing in provision of CRM to clients in the mining industry. Each CRM underwent a rigorous process of homogenization and analysis using aqua regia digestion and AA or ICP finish, from a random selection of 10 packets of blended pulverized material. The six laboratories participating in the round-robin for the Target Rocks CRMs were ALS Minerals – Lima, Inspectorate – Lima, Acme – Santiago, Certimin – Lima, SGS – Lima, and LAS – Peru. The means, and between lab standard deviations (SD), were calculated from the received results of the round-robin analysis, and the certified means and tolerances are provided in certificates from Smee and Associates.

For the period from 2017 to 2013, data is available for a total of 449 CRMs used across both labs. Of these CRMs, 341 were analysed at the Malpaso lab between 2017 and 2023, and 17 were analysed at ALS between 2017 and 2018. The assay lab information for the remaining 91 CRMs used between 2017 and 2018 is not available.

CRM analytical results for the Sierra Metals 2017 to 2023 programs are summarized in Table 11-6 through Table 11-9 for results from the Malpaso lab and in Table 11-10 through Table 11-13 for results from ALS. Results are shown for Ag, Au, Pb, and Zn to evaluate analytical accuracy (bias), precision (average coefficient of variation, CVAVR%), warning rates, and failure rates. Shewhart CRM control charts for Ag, Au, Pb, and Zn are presented in Figure 11-2 through Figure 11-5 for all results from the 2017 to 2023 programs.

The QA/QC program from 2017 - 2023 included the insertion of a total of 341 CRM samples assayed at the Malpaso lab. The combined CRM failure rates during this period for the Malpaso lab were 22.9% for Ag, 33.5% for Pb, and 41.9% for Zn. CRM analytical results for Ag, Pb and Zn detail a weak negative bias (bias greater than -5%) and moderate to poor analytical precision (CVAVR% outside of ±5%). The very high lower detection limit for Au at the Malpaso lab (0.5 g/t Au) is too close to the grade ranges of the Au CRM samples used to produce meaningful performance statistics. Results for Au are displayed to show in a general sense the uncertainty surrounding Au accuracy and precision at the Malpaso lab.

The QA/QC program from 2017 - 2018 included the insertion of a total of 17 CRM samples assayed at ALS. Based on the limited number of QC samples, the combined CRM failure rates during this period at ALS were 11.8% for Ag, 20.0% for Au, 5.9% for Pb, and 0.0% for Zn. CRM analytical results confirm generally acceptable analytical accuracy (bias less than ±5%) and generally acceptable analytical precision (CVAVR% within ±5%) for Ag, Au, Pb, and Zn.

Table 11-6: CRM Sample Ag Performance at Malpaso for the 2017-2023 Drill Programs

CRM Ag ppm	Certified Value		Malpaso 2017-2023							
	Mean	SD	Count	Mean	Bias %	CVAVR%	Warning # >2SD	Warning % >2SD	Failure # >3SD	Failure % >3SD
HDRT-01	126	4	8	116.6	-7.4	7.1	3	37.5	2	25.0
HDRT-02	321	7.5	76	310.1	-3.4	3.1	15	19.7	7	9.2
MCL-01	26.4	0.95	3	26.3	-0.3	1.3	0	0.0	0	0.0
MCL-02	40.8	1.7	1	40.0	-2.0	1.4	0	0.0	0	0.0
MAT-06	469	6.5	1	423.0	-9.8	7.3	0	0.0	1	100.0
PLSUL-03	192	2	2	188.5	-1.8	1.3	1	50.0	0	0.0
PLSUL-09	67	2	57	62.5	-6.7	8.5	25	43.9	7	12.3
PLSUL-11	113	4	55	107.1	-5.2	5.5	15	27.3	6	10.9
PLSUL-30	185	3.5	10	173.7	-6.1	10.5	2	20.0	2	20.0
PLSUL-42	47.6	1.95	71	43.7	-8.1	7.3	16	22.5	17	23.9
PLSUL-43	144	3.3	56	127.8	-11.3	13.7	3	5.4	36	64.3
ME-2003	106	4.5	1	105.6	-0.4	0.3	0	0.0	0	0.0
Total	**-**	**-**	**341**				**80**	**23.5**	**78**	**22.9**

Source: SGS (2025)

Table 11-7: CRM Sample Au Performance at Malpaso for the 2017-2023 Drill Programs

CRM Au ppm	Certified Value		Malpaso 2017-2023							
	Mean	SD	Count	Mean	Bias %	CVAVR%	Warning # >2SD	Warning % >2SD	Failure # >3SD	Failure % >3SD
PLSUL-09	0.056	0.002	1	0.057	1.8	1.3	0	0.0	0	0.0
PLSUL-30	0.438	0.011	5	0.960	119.2	52.8	0	0.0	5	100.0
PLSUL-43	0.71	0.021	16	0.669	-5.8	35.5	0	0.0	16	100.0
Total	**-**	**-**	**22**				**0**	**0.0**	**21**	**95.5**

Source: SGS (2025)

Table 11-8: CRM Sample Pb Performance at Malpaso for the 2017-2023 Drill Programs

CRM Pb %	Certified Value		Malpaso 2017-2023							
	Mean	SD	Count	Mean	Bias %	CVAVR%	Warning # >2SD	Warning % >2SD	Failure # >3SD	Failure % >3SD
HDRT-01	0.76	0.2	8	1.539	102.5	40.6	0	0.0	1	12.5
HDRT-02	0.81	0.015	68	0.781	-3.6	6.9	14	20.6	28	41.2
MCL-01	0.326	0.017	3	0.312	-4.3	3.2	0	0.0	0	0.0
MCL-02	0.653405	0.025	1	0.649	-0.7	0.5	0	0.0	0	0.0
MAT-06	7.75	0.2	1	7.690	-0.8	0.5	0	0.0	0	0.0
PLSUL-03	3.09386	0.042	2	3.065	-0.9	1.4	0	0.0	0	0.0
PLSUL-09	3.81	0.09	49	3.662	-3.9	4.3	13	26.5	12	24.5
PLSUL-11	7.93	0.2	50	7.265	-8.4	16.8	15	30.0	22	44.0
PLSUL-30	4.17	0.27	10	4.170	0.0	3.7	0	0.0	0	0.0
PLSUL-42	0.723	0.016	64	0.714	-1.2	19.4	7	10.9	23	35.9
ME-2003	0.475	0.008	1	0.461	-2.9	2.1	0	0.0	0	0.0
Total	**-**	**-**	**257**				**49**	**19.1**	**86**	**33.5**

Source: SGS (2025)

Table 11-9: CRM Sample Zn Performance at Malpaso for the 2017-2023 Drill Programs

CRM Zn %	Certified Value		Malpaso 2017-2023							
	Mean	SD	Count	Mean	Bias %	CVAVR%	Warning # >2SD	Warning % >2SD	Failure # >3SD	Failure % >3SD
MCL-01	0.988	0.035	3	0.951	-3.7	3.1	0	0.0	0	0.0
MCL-02	2.49	0.045	1	2.440	-2.0	1.4	0	0.0	0	0.0
MAT-06	7.98	0.23	1	8.050	0.9	0.6	0	0.0	0	0.0
PLSUL-03	3.150375	0.065	2	3.235	2.7	2.5	1	50.0	0	0.0
PLSUL-09	2.24	0.06	49	2.077	-7.3	6.4	8	16.3	21	42.9
PLSUL-43	1.01	0.025	48	0.924	-8.5	18.9	7	14.6	22	45.8
ME-2003	1.05	0.025	1	1.129	7.5	5.1	0	0.0	1	100.0
Total	**-**	**-**	**105**				**16**	**15.2**	**44**	**41.9**

Source: SGS (2025)

Table 11-10: CRM Sample Ag Performance at ALS for the 2017-2018 Drill Programs

CRM Ag ppm	Certified Value		ALS 2017-2018							
	Mean	SD	Count	Mean	Bias %	CVAVR%	Warning # >2SD	Warning % >2SD	Failure # >3SD	Failure % >3SD
MCL-02	40.8	1.7	1	41.000	0.5	0.3	0	0.0	0	0.0
MAT-06	469	6.5	1	362.000	-22.8	18.2	0	0.0	1	100.0
OXHYO-03	92.3	3.45	5	89.400	-3.1	3.7	1	20.0	0	0.0
PLSUL-03	192	2	5	189.800	-1.1	1.3	1	20.0	1	20.0
PLSUL-09	67	2	5	66.800	-0.3	0.8	0	0.0	0	0.0
Total	**-**	**-**	**17**				**2**	**11.8**	**2**	**11.8**

Source: SGS (2025)

Table 11-11: CRM Sample Au Performance at ALS for the 2017-2018 Drill Programs

CRM Au ppm	Certified Value		ALS 2017-2018							
	Mean	SD	Count	Mean	Bias %	CVAVR%	Warning # >2SD	Warning % >2SD	Failure # >3SD	Failure % >3SD
PLSUL-09	0.056	0.002	5	0.152	170.7	51.4	1	20.0	1	20.0
Total	**-**	**-**	**5**				**1**	**20.0**	**1**	**20.0**

Source: SGS (2025)

Table 11-12: CRM Sample Pb Performance at ALS for the 2017-2018 Drill Programs

CRM Pb %	Certified Value		ALS 2017-2018							
	Mean	SD	Count	Mean	Bias %	CVAVR%	Warning # >2SD	Warning % >2SD	Failure # >3SD	Failure % >3SD
MCL-02	0.653405	0.025	1	0.656	0.4	0.3	0	0.0	0	0.0
MAT-06	7.75	0.2	1	7.480	-3.5	2.5	0	0.0	0	0.0
OXHYO-03	0.346	0.018	5	0.538	55.4	37.7	0	0.0	1	20.0
PLSUL-03	3.09386	0.042	5	3.076	-0.6	1.0	0	0.0	0	0.0
PLSUL-09	3.81	0.09	5	3.734	-2.0	1.6	0	0.0	0	0.0
Total	**-**	**-**	**17**				**0**	**0.0**	**1**	**5.9**

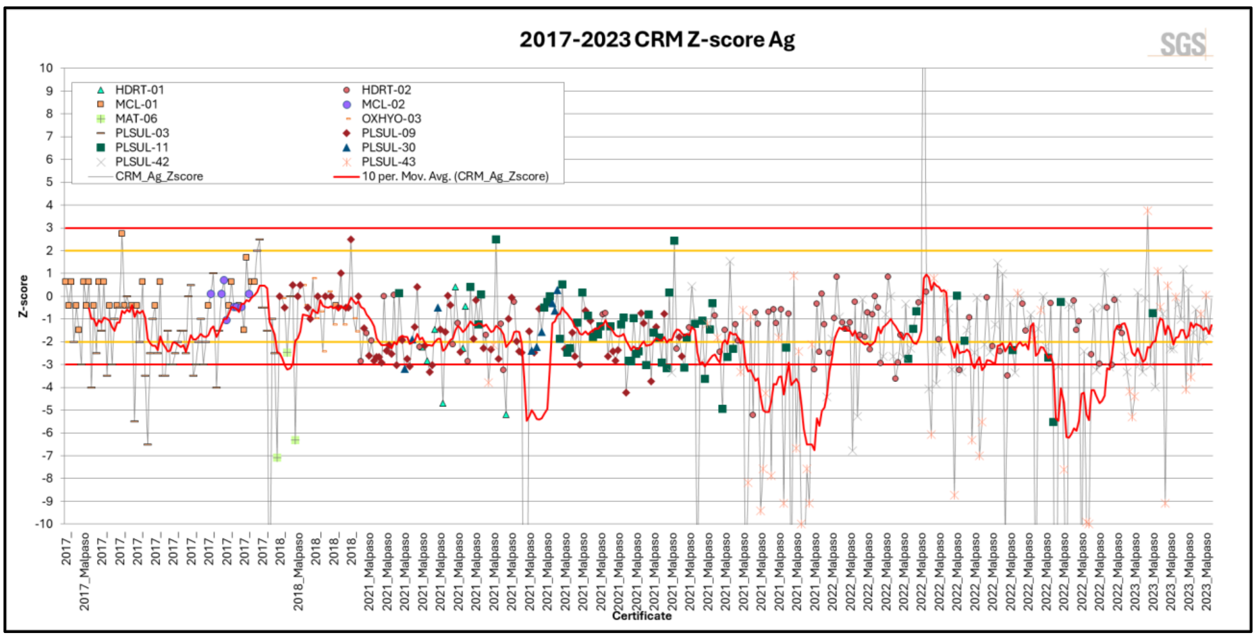
Source: SGS (2025)

Table 11-13: CRM Sample Zn Performance at ALS for the 2017-2018 Drill Programs

CRM Zn %	Certified Value		ALS 2017-2018							
	Mean	SD	Count	Mean	Bias %	CVAVR%	Warning # >2SD	Warning % >2SD	Failure # >3SD	Failure % >3SD
MCL-02	2.49	0.045	1	2.470	-0.8	0.6	0	0.0	0	0.0
MAT-06	7.98	0.23	1	7.830	-1.9	1.3	0	0.0	0	0.0
OXHYO-03	0.426	0.018	5	0.431	1.1	2.5	0	0.0	0	0.0
PLSUL-03	3.150375	0.065	5	3.266	3.7	2.8	3	60.0	0	0.0
PLSUL-09	2.24	0.06	5	2.266	1.2	1.5	0	0.0	0	0.0
Total	**-**	**-**	**17**				**3**	**17.6**	**0**	**0.0**

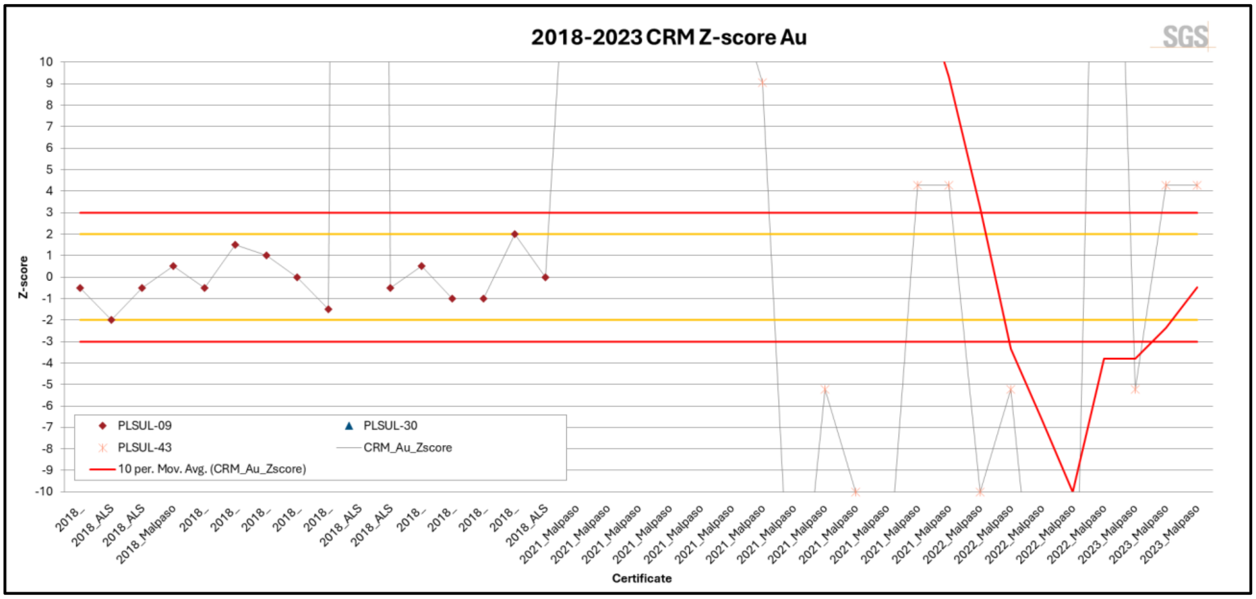
Source: SGS (2025)

Figure 11-2: CRM Control Chart for Ag for the 2017-2023 Drill Programs



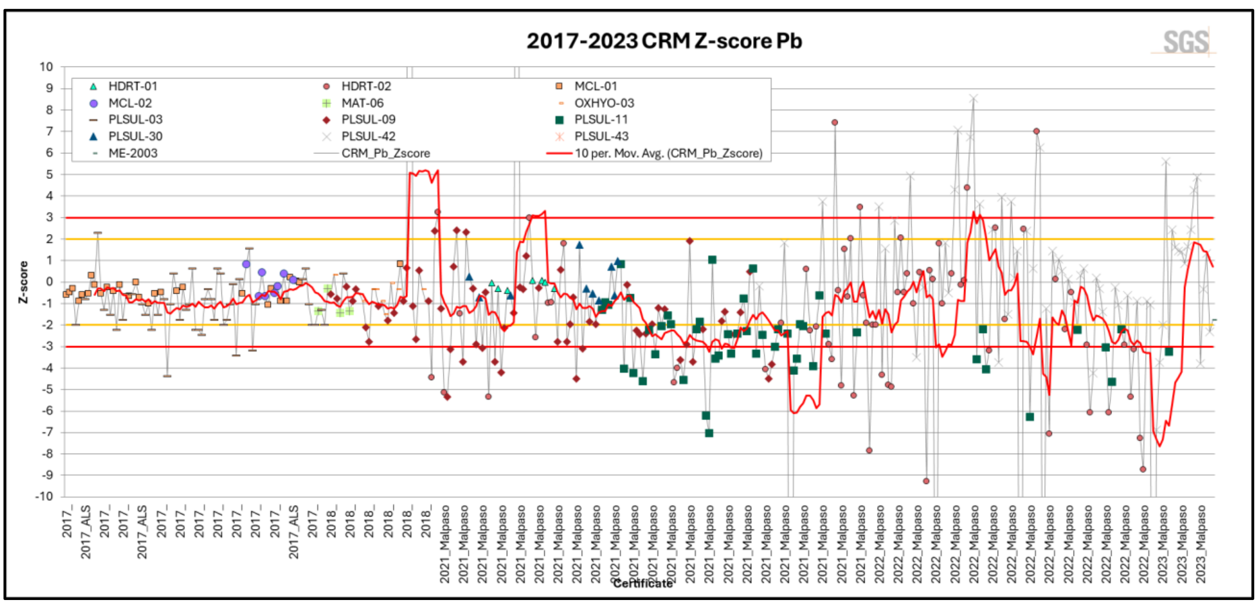
Source: SGS (2025)

Figure 11-3: CRM Control Chart for Au for the 2018-2023 Drill Programs



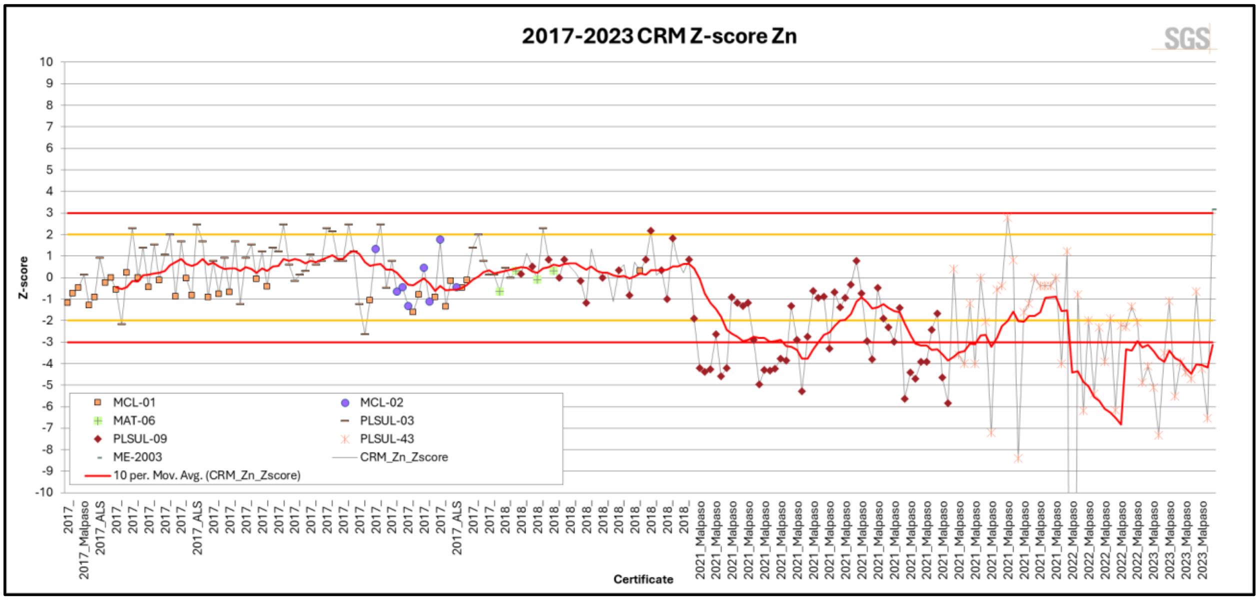
Source: SGS (2025)

Figure 11-4: CRM Control Chart for Pb for the 2017-2023 Drill Programs



Source: SGS (2025)

Figure 11-5: CRM Control Chart for Zn for the 2017-2023 Drill Programs



Source: SGS (2025)

11.2.5.2 Blank Material

During 2012 and 2013, 173 blank samples were inserted into the sample stream at Cusi. These data results are not available. The blank samples were prepared internally by Sierra Metals from pulverized andesite presumed to be unmineralized.

Gustavson (2014) notes that for gold, 97% of blank assays complied with acceptance criteria (values less than or equal to 5-times the ALS reporting limit); however, silver and lead performed less well (67% and 68% compliance, respectively), and for zinc, all blank assays exceeded the acceptance criteria. Gustavson concluded that unexpectedly high values for blank samples did not appear to be caused by carryover of the preceding sample and suggested that the andesite was in fact mineralized. Based on this result, it was recommended that Sierra Metals purchase commercially prepared blank samples.

Since 2013, Sierra Metals inserted blanks into the sample stream regularly, at a rate of one blank per every 30 to 50 samples. Blanks continued to be prepared internally from pulverized andesite. The results of the 2014-2016 program generally show poor performance for blank samples, particularly for Pb and Zn. Many blank samples for these elements report values above 10x the lower limit of detection. Although the failure rate for Ag is 1%, the lower limit of detection for Ag at the Malpaso lab is 20 g/t, significantly higher than at most commercial laboratories. Results of blank samples from the 2014-2016 programs are presented in Figure 11-6.

In 2017, Sierra Metals began using new certified blank QC material consisting of barren limestone selected by the project geologists. Lower limits of detection for this blank material were certified as <1ppm Ag, <0.005% Pb, and <0.005% Zn.

The QA/QC program from 2017– 2023 included the insertion of a total of 618 blank samples (Table 11-13). Data is available for 448 blank samples assayed at the Malpaso lab from 2021-2022 and for 112 samples assayed at ALS from 2017-2018.

Evaluation of blank samples for the Malpaso lab using a failure ceiling for Ag of 20 ppm (the lower detection limit) indicates that the combined blank failure rate from 2021 – 2022 was 2.0% (9 of 448 samples).

Evaluation of blank samples for ALS using a failure ceiling for Ag of 3 ppm (3x detection limit) indicates that the combined blank failure rate from 2017 – 2018 was 0.9% (1 of 112 samples).

The blank failure rate based on the data available from 2017-2023 assayed at the Malpaso lab and ALS is considered acceptable by industry standards. Based on the low risk of cross-sample carryover contamination and the low amounts of Ag sample carryover that may have contaminated blank material, it is considered unlikely that there is a carryover contamination issue with the Project drilling data from this period.

Figure 11-6: Blank Sample Charts for Ag, Pb, and Zn at Malpaso for the 2014-2016 Drill Programs

Source: SGS (2025)

11.2.5.3 Duplicate Material

Prior to 2013, 208 duplicates were inserted into the sample stream at Cusi. Data is not available for review.

Following the implementation of a more formal QA/QC program in 2013, three types of duplicates (field duplicates, coarse reject duplicates, and external pulp duplicates) are inserted into the sample stream every 30 to 50 samples to monitor performance of the Malpaso lab. The external pulp duplicates were sent to ALS for comparison against the Malpaso lab to ensure that the internal lab was performing in a manner consistent with industry standards.

Although a failure rate was not determined for duplicate samples, a review in 2017 (Hastings et al, 2017) determined that internal duplicates generally exhibit poor performance. The review suggested that the performance of the Malpaso lab is inconsistent, both internally and in comparison, to commercial laboratories. The review also suggested that the precision of the internal lab is higher for coarse duplicates than for core duplicates.

The review noted that the 2014-2016 intra-lab check analyses showed a general agreement. This agreement is only when evaluating the assays >20 g/t Ag, which is the Malpaso lower detection limit. In a comparison of those assays above 20 g/t Ag, ALS reports average grades that are slightly higher than Malpaso for all metals, but which generally agree. This would indicate that the Malpaso lab may be under-reporting grades in general, which is consistent with the weak negative bias observed in the CRM data.

Only a limited amount of the duplicate sample data is currently available for review. Duplicate sample data available for review comprises:

- Malpaso lab 2021 – 2022: a total of 256 field duplicates (¼ core), 251 coarse reject duplicates, and 253 pulp duplicate samples; and

- ALS 2018: a total of 23 field duplicates (¼ core), 24 coarse reject duplicates, and 24 pulp duplicate samples.

Based on the limited historical duplicate data set size for field, coarse reject, and pulp duplicates, analysis of the precision should be considered as approximate in nature only. The average relative error as quantified by the Average Coefficient of Variation (CVAVR%) for Ag, Au, Pb, and Zn is shown in Table 11-14 for samples assayed at the Malpaso lab and in Table 11-15 for samples assayed at ALS, calculated using the root mean square coefficient of variation calculated from the individual coefficients of variation.

The preliminary estimates of precisions errors (CVAVR%) for the historical data available suggests that the sampling precision at Malpaso was poor by industry standards for duplicates for this style of mineralization (Abzalov, 2008). That said, the availability of data is limited, and a larger dataset is required to establish more representative estimates of the assay precision.

Table 11-14: Average Relative Error of Duplicate Samples for Ag, Au, Pb, and Zn at Malpaso for the 2021-2022 Drill Programs

Drillhole Series	Duplicate Type	Count	Ag CVAVR%	Au CVAVR%	Pb CVAVR%	Zn CVAVR%
2021-2022 Drilling	Field	256 duplicate pairs	35.3	42.2	40.8	38.7
2021-2022 Drilling	Coarse Reject	251 duplicate pairs	17.8	29.1	24.7	24.5
2021-2022 Drilling	Pulp	253 duplicate pairs	18.7	27.7	20.9	18.8

Source: SGS (2025)

Table 11-15: Average Relative Error of Duplicate Samples for Ag, Au, Pb, and Zn at ALS for the 2018 Drill Program

Drillhole Series	Duplicate Type	Count	Ag CVAVR%	Au CVAVR%	Pb CVAVR%	Zn CVAVR%
2018 Drilling	Field	23 duplicate pairs	19.4	34.0	38.2	28.5
2018 Drilling	Coarse Reject	24 duplicate pairs	21.3	29.4	19.4	23.6
2018 Drilling	Pulp	23 duplicate pairs	22.3	28.5	22.2	8.5

Source: SGS (2025)

11.2.5.4 Check Assaying

It is reported that check assaying of Malpaso pulp duplicate samples was completed at ALS for historical sampling to evaluate the analytical accuracy of the Malpaso lab. This data has not yet been located for review.

11.3 Sampling by Silverco: 2024 - 2025

11.3.1 Sampling Methods

11.3.1.1 Rock Sampling

Surface rock samples were taken from potentially mineralized material collected as insitu composite chip or grab samples or as float samples. The lithology, alteration, and structure of outcrop is mapped to determine controls on mineralization. To the degree possible, channel samples were oriented perpendicular to mineralized structures and variations in mineralization are sampled separately. Samples are collected as continuous chip channel, with sample lengths ranging from 0.3 m to 1.5 m. Samples were placed in a bag with a unique sample ID tag and packed, together with other rock samples, into larger bags for shipment to the lab.

11.3.1.2 Drill Core

Diamond drilling completed by Silverco from 2024 to 2025 utilized man-portable drills utilizing a network of access trails to produce HQ size (63.5 mm diameter) and NQ size (47.6 mm diameter) and core.

Drill core is placed sequentially in core boxes with lids and marked with hole numbers at the drill by the drillers. A wooden block marker is inserted at the end of each core-run, recording the down-hole depth and recovered interval. Core is transported to the Cusi camp for core logging and processing.

Core depth markers and box numbers are checked and the drill core is cleaned prior to being logged and photographed. The core is logged geotechnically on a 1.5 m run by run basis including core recovery and RQD. Any void intervals, either natural or associated with historical development, are accounted for and recorded in the geology logs.

The drill core is logged for lithology, alteration, mineralization, and structure, prior to marking out sample intervals. Lithological and sample logging is done digitally using MXDeposit software and database. Sample intervals are defined to honor vein, mineralization, alteration, and lithology contacts. Suspect high-grade intervals are sampled separately. Within mineralized zones, the nominal sample length is 1.0 m with a general maximum sample length of 1.5 m and a minimum sample length of 0.2 m. The core is photographed after logging but prior to sampling.

The sampler saws core in half, with half being submitted for analysis and half remaining in the core box as a record. Only one piece of core is removed from the core box at a time, and care is taken to replace the unsampled portion of the core in the core box in the original orientation. The drillhole number and sample intervals are clearly entered into a sample book to back up the digital logging files. The geologist staples the portion of the uniquely numbered sample ticket at the beginning of the corresponding sample interval in the core box, and the sampler places one portion of the ticket in the sample bag. The sample ticket book is archived. Certified reference materials, blanks, and duplicates are inserted into the sample stream. Cut samples and sample number sequences are checked for quality control prior to dispatch.

11.3.2 Sample Security and Storage

All exploration samples taken were collected by Silverco staff. Chain of custody of samples was carefully maintained from collection at the drill rig to delivery at the laboratories to prevent inadvertent contamination or mixing of samples and render active tampering as difficult as possible.

At the core processing facility, samples are bagged in sacks for transport. Bagged samples are secured in a dedicated locked storage area prior to dispatching them to the laboratory. A control file, the laboratory sample dispatch form, includes the sack number and contained sample-bag numbers in each sack. The laboratory sample dispatch form accompanies the sample shipment and is used to control and monitor the shipment. The control files are used to keep track of the time it takes to the samples to get to the lab, and time taken to receive assay certificates, the turnaround time. The sample shipment is delivered to ALS in Chihuahua by Silverco staff. ALS sends a confirmation email with details of samples received upon delivery.

Drill core is stored in an indoor facility on the Property to preserve its condition. The plastic boxes containing the core are properly tagged with the corresponding drilling information and stored on racks in an organized way and under acceptable conditions. Sample pulps and rejects are returned to the Property for storage.

11.3.3 Sample Preparation and Analyses

Sample preparation and reduction is carried out at ALS in Chihuahua, Chihuahua, Mexico and sample pulps are further sent to ALS in North Vancouver, BC, Canada for analysis. The ALS Chihuahua and North Vancouver facilities are ISO/IEC 17025 certified. Samples are dried, weighed, and crushed to at least 70% passing 2 mm, and a 250 g split is pulverized to at least 85% passing 75 microns (µm) (ALS Method Code PREP-31).

Silver and base metals are analyzed with a four-acid digestion and ICP-AES (ALS Method code: ME-ICP61). Over-limit analyses for silver (>100 ppm), lead (>10,000 ppm), and zinc (>10,000 ppm) are re-assayed with a mill-feed-grade four-acid digestion and ICP-AES (ALS Method code: ME-OG62). Samples with over-limit silver assays > 1500 ppm are analyzed by 30-gram fire assay with a gravimetric finish (ALS Method code: Ag-GRA21). Gold is assayed by 30-gram fire assay and AAS (ALS Method code: Au-AA23).

11.4 Density Data

Specific gravity measurements made by Silverco from 2024 to 2025 were collected using the weight in air, weight in water method under a protocol designed to maximise accuracy and precision. Selected 10 cm core samples are weighed using a high precision electronic scale, in air and suspended in a bucket of water following wax immersion. The scale is tared/zeroed before every measurement, and measurement will not proceed until the scale has stabilized at each reading. All samples are photographed and logged. A daily calibration weight (200 g) and standard obsidian sample are weighed each day to ensure accurate scale calibration. Each pair of measurements produces a specific gravity (SG) using the following equation:

$$SG = \frac{(Sample\ Weight\ in\ Air)}{(Sample\ Weight\ in\ Air - Sample\ Weight\ in\ Water)}$$

11.4.1 Data Management

Data are verified and double-checked by senior geologists on site for data entry verification, error analysis, and adherence to analytical quality-control protocols. All measured and observed data is collected digitally using MXDeposit software and database.

Sample and quality control assay results are reviewed upon receipt and digital import into the database. Quality control sample performance is reviewed for each sample batch prior to the release of assay results. Any suspected quality control concerns or reruns are addressed with the laboratory prior to the release of sample assay results.

11.5 Quality Assurance and Quality Control Programs

Silverco's QA/QC program comprises the systematic insertion of standards or certified reference materials (CRMs), blanks, field, coarse reject, and pulp duplicates. Quality control (QC) samples are inserted into the sample sequence and for the drilling completed to date by the Company the insertion frequency is approximately 1 sample per 15 samples for CRMs and blanks, and 1 sample per 50 samples for field, coarse reject, and pulp duplicates. The insertion position of QC samples is defined prior to sampling to ensure random and blind insertion of QC samples. A total of 18% of samples assayed have been QC samples in the drilling programs from 2024 to 2025. Combined routine QC sample statistics for this period are presented in Table 11-16. All QC samples listed were analyzed by the primary analytical lab (ALS).

Table 11-16: Routine QC Sample Statistics for Silverco Core Sampling 2024 - 2025

Original Samples	Standards	Blanks	Field Duplicates	Coarse Reject Duplicates	Pulp Duplicates	QC Sample Total	QC Sample %
2,047	161	150	42 pairs	53 pairs	44 pairs	450	18.0

Source: SGS (2025)

Sample batches with suspected cross-sample contamination or certified reference materials returning assay values outside of the mean ± 3SD control limits are considered analytical failures by the Company, and affected batches are re-analyzed to ensure data accuracy when deemed warranted.

ALS has its own internal QA/QC program, which is reported in the assay certificates, but no account is taken of this in the determination of batch acceptance or failure.

11.5.1 Certified Reference Material

A selection of four CRMs have been used to date by Silverco in the course of the Cusi project drill programs: multi-element standards from CDN Resource Laboratories in Langley, B.C. (CDN-ME-1413, CDN-ME-2002, CDN-ME-2003, and CDN-ME-2303). The means, standard deviations (SD), warning, and control limits for standards are utilized as per the QA/QC program described below.

CRM performance and analytical accuracy is evaluated using the assay concentration values relative to the certified mean concentration to define the Z-score relative to sample sequence with warning and failure limits. Warning limits are indicated by a Z-score of between ±2 SD and ±3 SD, and control limits/failures are indicated by a Z-score of greater than ±3 SD from the certified mean. Sample batches with certified reference materials returning assay values outside of the mean ± 3SD control limits, or with suspected cross sample contamination indicated by blank sample analysis, are considered as analytical failures and selected affected batches are re-analyzed to ensure data accuracy.

For geochemical exploration analysis methods, laboratory benchmark standards are to achieve a precision and accuracy of plus or minus 10% (of the concentration) ±1 Detection Limit (DL) for duplicate analyses, in-house standards and client submitted standards, when conducting routine geochemical analyses for gold and base metals. These limits apply at, or greater than, 20 times the limit of detection. For samples containing coarse gold, native silver or copper, precision limits on duplicate analyses can exceed plus or minus 10% (of the concentration).

For mineralized material grade analysis methods, laboratory benchmark standards are to achieve a precision and accuracy of plus or minus 5% (of the concentration) ± 1 DL for duplicate analyses, in-house standards and client submitted standards. These limits apply at 20 times the limit of detection. As in the case of routine geochemical analyses, samples containing coarse gold, native silver or copper are less likely to meet the expected precision levels for mineralized material grade analysis.

CRM analytical results for the Silverco drilling programs are summarized in Table 11-17 through Table 11-20 for Ag, Au, Pb, and Zn to evaluate analytical accuracy (bias), precision (average coefficient of variation, CVAVR%), warning rates, and failure rates. Shewhart CRM control charts for Ag, Au, Pb, and Zn for the Silverco drilling programs are presented in Figure 11-7 through Figure 11-10.

The QA/QC program from 2024 - 2025 included the insertion of a total of 161 CRM samples (Table 11-16). The combined CRM failure rates during this period were 3.1% for Ag, 1.9% for Au, 1.9% for Pb, and 0.0% for Zn. CRM analytical results confirm acceptable analytical accuracy (bias less than ±5%) and acceptable analytical precision (CVAVR% within ±5%) for Ag, Au, Pb, and Zn. The QP considers this CRM performance acceptable and within industry standards. Review of the Company's CRM QC program indicates that there are no significant issues with the drill core assay data.

Table 11-17: CRM Sample Ag Performance at ALS for the 2024-2025 Drill Programs

CRM Ag ppm	Certified Value		ALS 2024-2025							
	Mean	SD	Count	Mean	Bias %	CVAVR%	Warning # >2SD	Warning % >2SD	Failure # >3SD	Failure % >3SD
ME-1413	52.2	1.4	50	52.644	0.9	2.0	5	10.0	1	2.0
ME-2002	298	9	10	298.600	0.2	2.4	1	10.0	0	0.0
ME-2003	106	4.5	56	108.855	2.7	2.9	3	5.4	0	0.0
ME-2303	330	4	45	327.489	-0.8	1.3	5	11.1	4	8.9
Total	**-**	**-**	**161**	**-**	**-**	**-**	**14**	**8.7**	**5**	**3.1**

Source: SGS (2025)

Table 11-18: CRM Sample Au Performance at ALS for the 2024-2025 Drill Programs

CRM Au ppm	Certified Value		ALS 2024-2025							
	Mean	SD	Count	Mean	Bias %	CVAVR%	Warning # >2SD	Warning % >2SD	Failure # >3SD	Failure % >3SD
ME-1413	1.01	0.057	50	1.001	-0.9	4.7	4	8.0	0	0.0
ME-2002	0.289	0.018	10	0.292	1.1	5.4	1	10.0	0	0.0
ME-2003	1.301	0.0675	56	1.336	2.7	5.4	7	12.5	3	5.4
ME-2303	3.71	0.165	45	3.728	0.5	3.6	4	8.9	0	0.0
Total	**-**	**-**	**161**	**-**	**-**	**-**	**16**	**9.9**	**3**	**1.9**

Source: SGS (2025)

Table 11-19: CRM Sample Pb Performance at ALS for the 2024-2025 Drill Programs

CRM Pb %	Certified Value		ALS 2024-2025							
	Mean	SD	Count	Mean	Bias %	CVAVR%	Warning # >2SD	Warning % >2SD	Failure # >3SD	Failure % >3SD
ME-1413	0.698	0.014	50	0.692	-0.8	1.6	3	6.0	1	2.0
ME-2002	1.57	0.035	10	1.550	-1.3	1.5	0	0.0	0	0.0
ME-2003	0.475	0.008	56	0.476	0.1	1.8	9	16.1	2	3.6
ME-2303	6.83	0.145	45	6.758	-1.1	1.2	0	0.0	0	0.0
Total	-	-	161	-	-	-	12	7.5	3	1.9

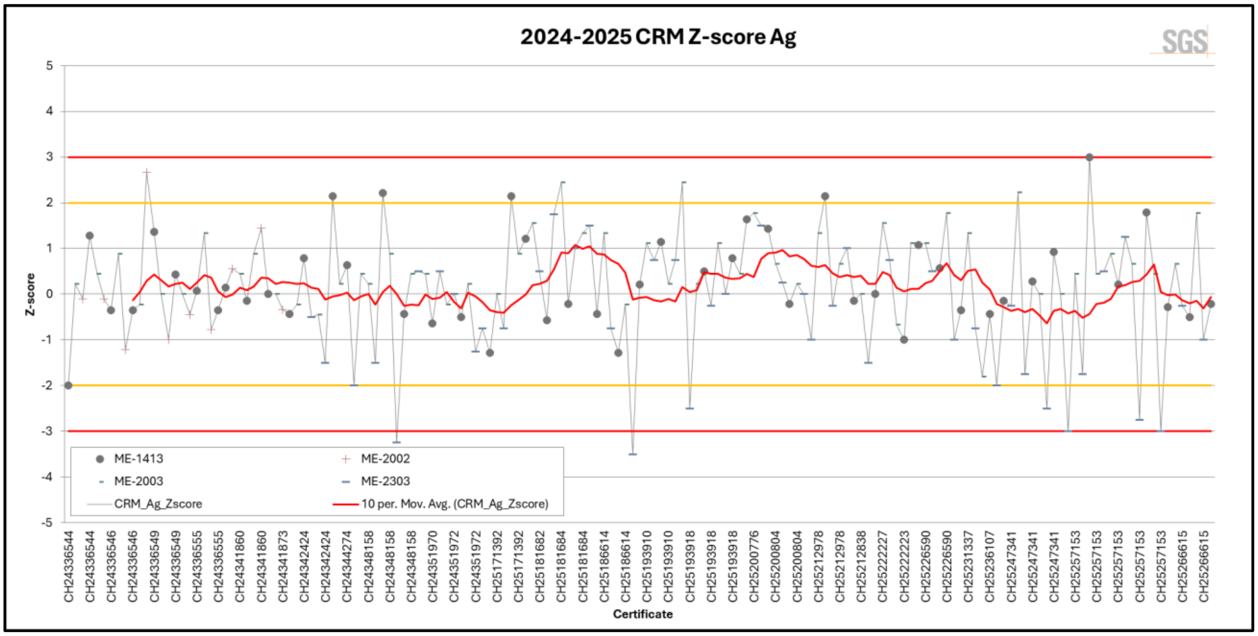
Source: SGS (2025)

Table 11-20: CRM Sample Zn Performance at ALS for the 2024-2025 Drill Programs

CRM Zn %	Certified Value		ALS 2024-2025							
	Mean	SD	Count	Mean	Bias %	CVAVR%	Warning # >2SD	Warning % >2SD	Failure # >3SD	Failure % >3SD
ME-1413	0.604	0.013	50	0.606	0.3	1.6	4	8.0	0	0.0
ME-2002	2.91	0.055	10	2.897	-0.4	1.1	0	0.0	0	0.0
ME-2003	1.05	0.025	56	1.073	2.2	2.2	11	19.6	0	0.0
ME-2303	22.39	0.405	45	22.340	-0.2	0.9	1	2.2	0	0.0
Total	**-**	**-**	**161**	**-**	**-**	**-**	**16**	**9.9**	**0**	**0.0**

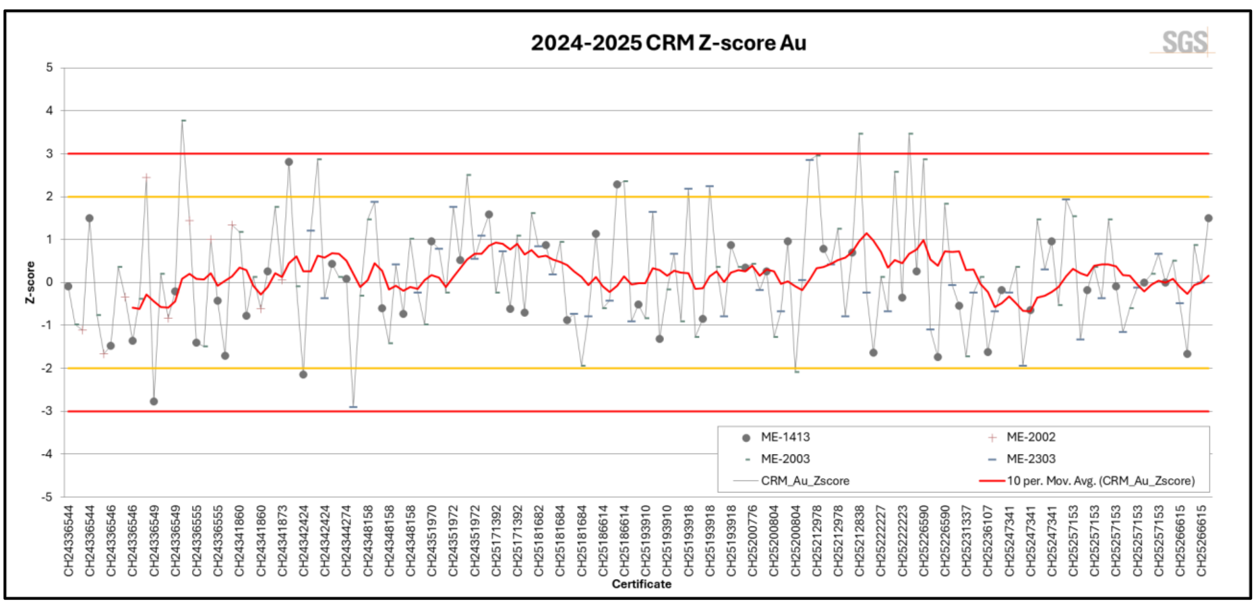
Source: SGS (2025)

Figure 11-7: CRM Control Chart for Ag at ALS for the 2024-2025 Drill Programs



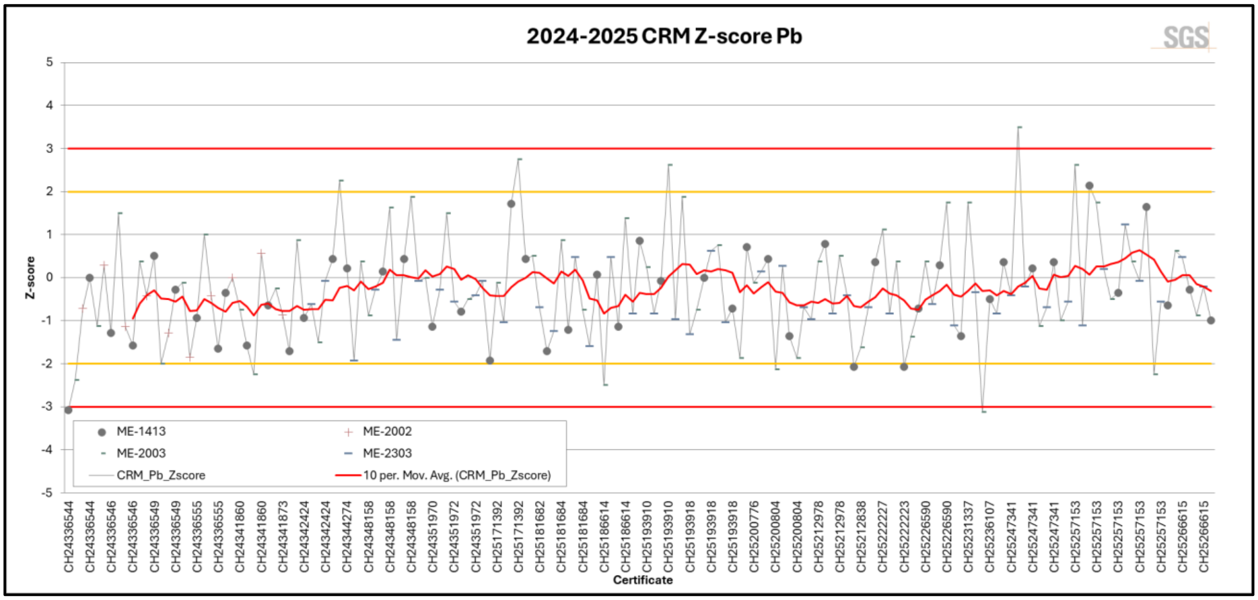
Source: SGS (2025)

Figure 11-8: CRM Control Chart for Au at ALS for the 2024-2025 Drill Programs



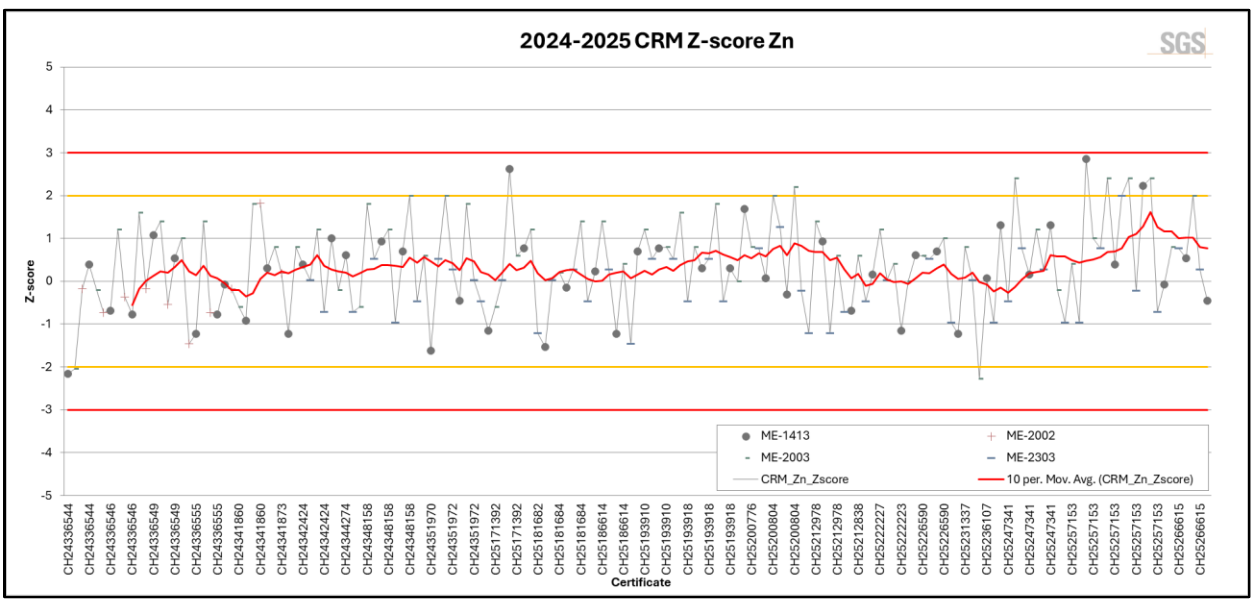
Source: SGS (2025)

Figure 11-9: CRM Control Chart for Pb at ALS for the 2024-2025 Drill Programs



Source: SGS (2025)

Figure 11-10: CRM Control Chart for Zn at ALS for the 2024-2025 Drill Programs



Source: SGS (2025)

11.5.2 Blank Material

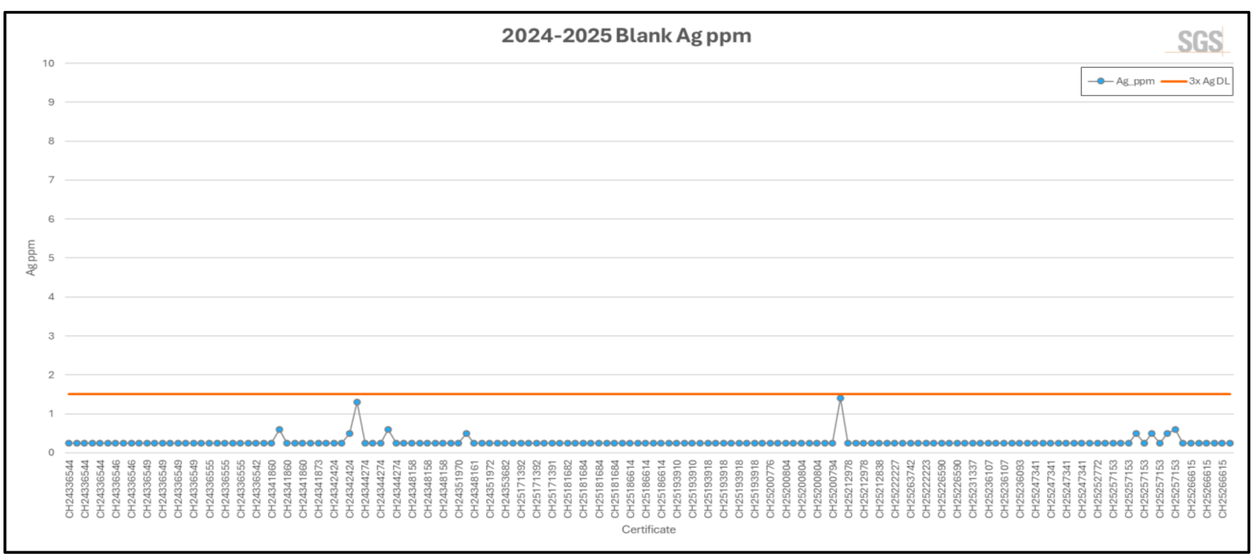
Blank samples comprising either volcanic rock or quartz sourced from local hardware stores were inserted into the sample stream in the field to determine the degree of sample carryover contamination after sample collection, particularly during the sample preparation process. This material does not have certified values established by a third party through round robin lab testing.

The QA/QC program from 2024 – 2025 included the insertion of a total of 150 blank samples (Table 11-16). For blank sample values, failure is more subjective. Some carryover within sample batches is to be expected in routine sample preparation. To minimize sample carryover within a batch, equipment is cleaned thoroughly with compressed air to remove any remaining loose material. For routine protocols, with samples of similar weights, sample carryover is usually considered acceptable if it is less than 1.0%. To ensure no batch-to-batch carryover occurs, standard quality control procedures include passing barren wash material through crushing and pulverising equipment at the start of each new batch of samples.

Evaluation of blank samples using a failure ceiling for Ag of 1.5 ppm (3x detection limit) indicates that the combined blank failure rate from 2024 – 2025 was 0.0%. No blank samples returned Ag values greater than 3x the analytical method detection limit. The highest blank sample returned values of 1.4 ppm Ag (Figure 11-11).

The blank failure rate is considered acceptable by industry standards. Based on the low risk of cross-sample carryover contamination and the low amounts of Ag sample carryover that may have contaminated blank material, it is considered unlikely that there is a carryover contamination issue with the Project drilling data.

Figure 11-11: Blank Sample Chart for Ag at ALS for the 2024-2025 Drill Programs



Source: SGS (2025)

11.5.3 Duplicate Material

Silverco's QA/QC program from 2024 – 2025 included the insertion of field duplicate, coarse reject, and pulp duplicate samples. From 2024 – 2025 a total of 42 field duplicates (¼ core), 53 coarse reject duplicates, and 44 pulp duplicate samples were assayed (Table 11-16). Duplicate samples were analyzed at the primary lab (ALS) to evaluate analytical precision and sampling error.

Figure 11-12 through Figure 11-14 illustrate the comparative assay results and precision of duplicate sample analyses for Ag, Au, Pb, and Zn.

To obtain a relatively accurate estimate of the sampling precision or average relative error a large number of duplicate data pairs are required. Reliably determining the base metal data precision, which typically exhibits relatively small average relative errors (such as 5%), would require 500 – 1000 duplicate data pairs, while reliable determination of gold data precision, which typically exhibits relatively large average relative errors (such as 25%), would require greater than 2500 duplicate data pairs (Stanley and Lawie, 2007).

In the case of the Cusi deposits, based on the current duplicate data set size for field, coarse reject, and pulp duplicates, analysis of the precision should be considered as preliminary for all elements until a larger dataset is available. The average relative error as quantified by the Average Coefficient of Variation (CVAVR%) for Ag, Au, Pb, and Zn is shown in Table 11-21, calculated using the root mean square coefficient of variation calculated from the individual coefficients of variation.

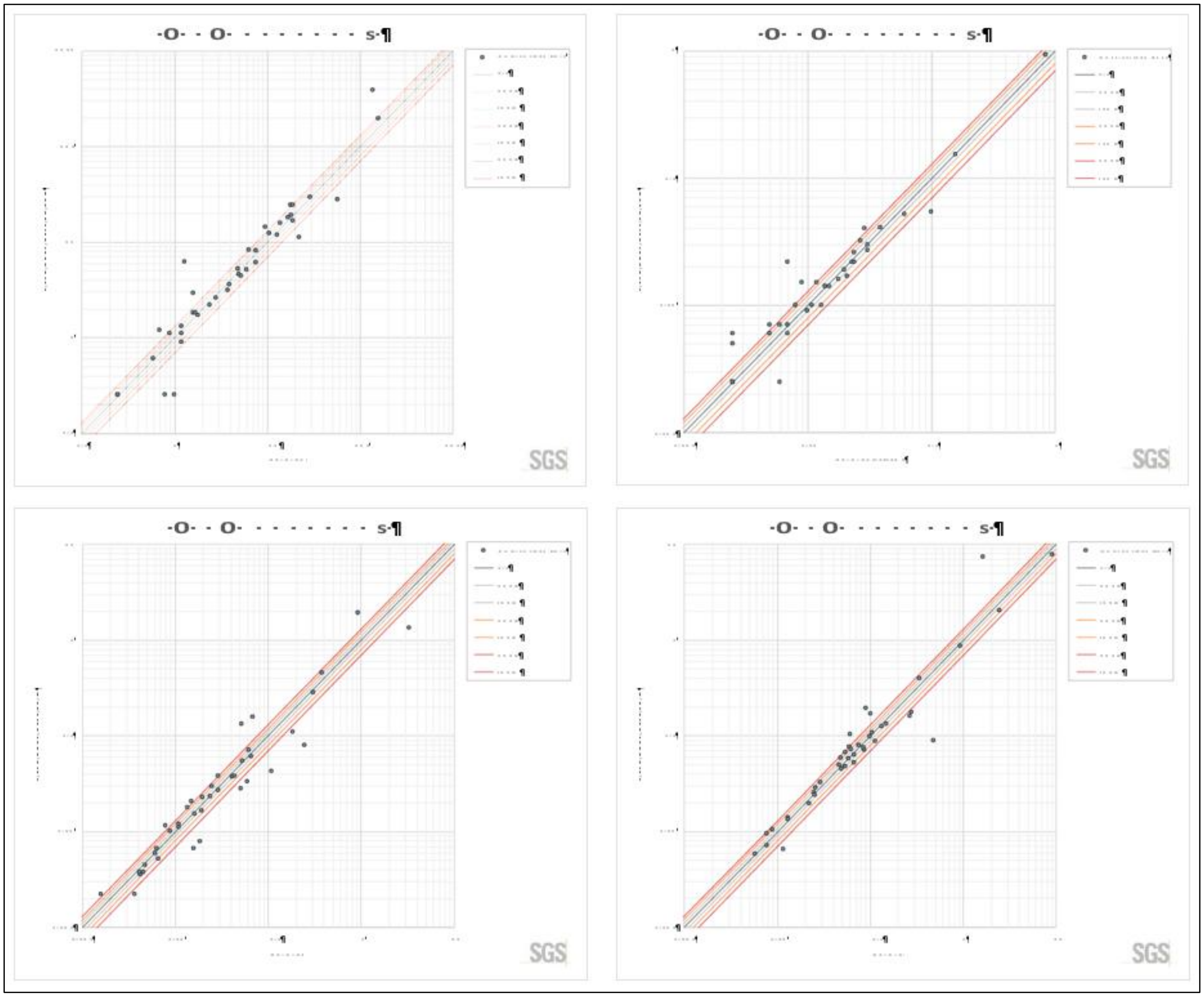
The preliminary estimates of precisions errors (CVAVR%) for Cusi sampling indicates that the sampling precision is acceptable by industry standards for duplicates for this style of mineralization (Abzalov, 2008). The precision of duplicates should continue to be monitored as the drill program progresses and the size of the duplicate data set becomes more representative.

Table 11-21: Average Relative Error of Duplicate Samples for Ag, Au, Pb, and Zn at ALS for the 2024-2025 Drill Programs

Drillhole Series	Duplicate Type	Count	Ag CVAVR%	Au CVAVR%	Pb CVAVR%	Zn CVAVR%
2024-2025 Drilling	Field	42 duplicate pairs	30.0	22.2	30.8	32.1
2024-2025 Drilling	Coarse Reject	53 duplicate pairs	14.8	17.4	16.1	13.9
2024-2025 Drilling	Pulp	44 duplicate pairs	16.9	17.1	11.6	4.6

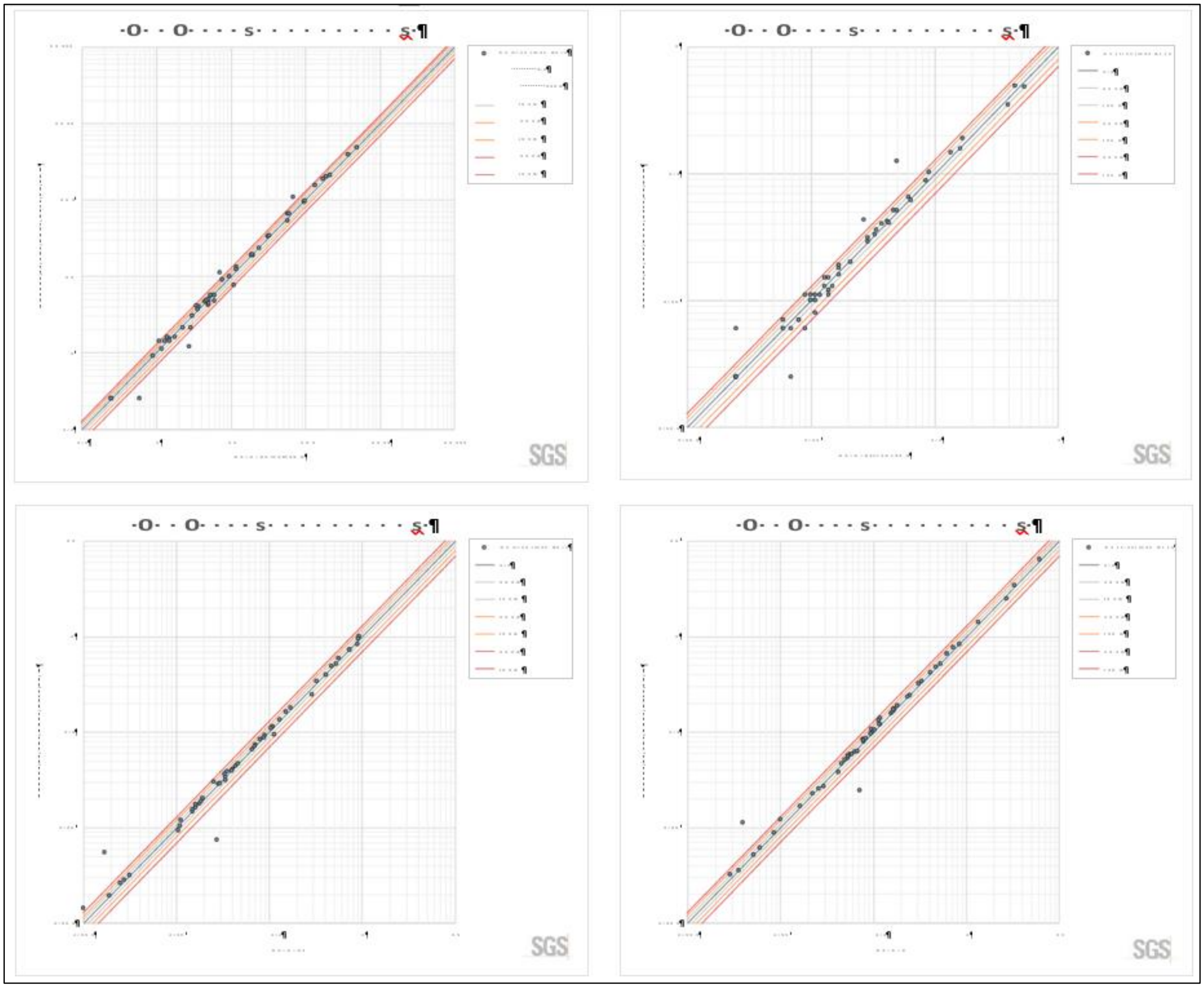
Source: SGS (2025)

Figure 11-12: Plots of Field Duplicate Samples for Ag, Au, Pb, and Zn at ALS for the 2024-2025 Drill Programs



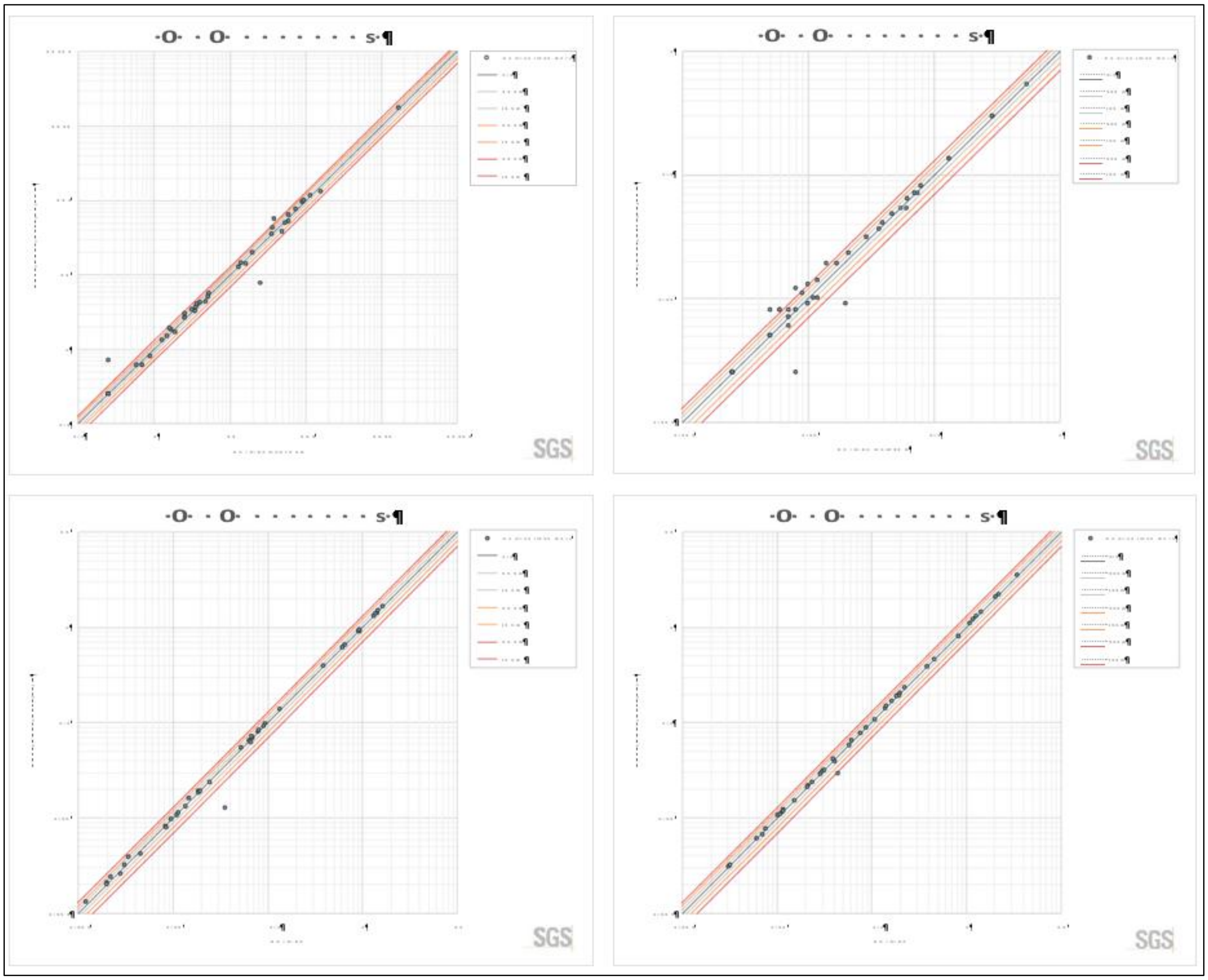
Source: SGS (2025)

Figure 11-13: Plots of Coarse Reject Duplicate Samples for Ag, Au, Pb, and Zn at ALS for the 2024-2025 Drill Programs



Source: SGS (2025)

Figure 11-14: Plots of Pulp Duplicate Samples for Ag, Au, Pb, and Zn at ALS for the 2024-2025 Drill Programs



Source: SGS (2025)

11.5.4 Check Assaying

The use of a third-party laboratory for routine check assaying is being employed by Silverco for drilling programs completed as an additional QA/QC measure to confirm the accuracy of the primary laboratory assays.

A selection of samples from the 2024-2025 drilling programs, originally assayed by ALS, is currently being re-assayed by a third-party laboratory. Sample details and results were not yet available for review as of the effective date of this report.

11.6 Adequacy Statement

It is the QP's opinion, based on a review of all possible information, that the sample preparation, analyses and security used on the Project by the Company and previous explorers meet acceptable industry standards (past and current). Review of the Company's and previous explorers' QA/QC programs indicates that there are no significant issues with the assay data. The data verification programs undertaken on the data collected from the Project support the geological interpretations, and the analytical and database quality, and therefore data can support resource estimation of Measured, Indicated, and Inferred mineral resources.

12 DATA VERIFICATION

12.1 Introduction

The following section summarizes the data verification procedures that were carried out and completed and documented by the Authors for this technical report, including verification of all drillhole data collected by Silverco during their 2024 to 2025 drill programs and drillhole and channel data collected by previous explorers, as of the effective date of this report.

12.2 Drill and Channel Sample Database

An independent verification of the assay data in the drillhole and channel sample database used for the current MRE was conducted. Approximately 4% of the digital assay records were randomly selected and checked against the available laboratory assay certificate reports. Assay certificates were available for all diamond drilling completed by Silverco. Assay certificates and lab records were available for the majority of the historical drillhole and channel sample database. Historical assay data selected for validation spanned all years from 2006 to 2023. The assay database was reviewed for errors, including overlaps and gapping in intervals, and typographical errors in assay values. In general, the database was in good condition, and no adjustments were required to be made to the assay values contained in the assay database.

Verifications were also carried out on drillhole locations, down hole surveys, lithology, density and topography information. It was noted that the database contains only top-of-hole (collar) drillhole orientation survey measurements for surface drillholes completed between 2006 and 2011, and underground drillholes completed between 2007 and 2013. The database is considered of sufficient quality to be used for the current MRE.

The sample preparation, analyses, and security (see Section 11) completed by the Company and previous explorers for the Property was reviewed. Based on a review of all possible information, the sample preparation, analyses, and security used on the Project by the Company and previous explorers, including QA/QC procedures, are consistent with standard industry practices (past and current) and the drill data can be used for geological and resource modelling, and resource estimation of Measured, Indicated, and Inferred mineral resources.

12.3 Processing History and Metallurgical Testwork

The documented performance of the Malpaso processing facility on Cusi deposit material and in-house metallurgical testwork reports were made available (see Section 13) and were reviewed. The results are plausible within the bounds of this type of deposit and style of mineralization.

Rougher flotation testwork for one composite from Promontorio and one from San Miguel was completed as described in Section 13. An additional open cycle cleaner test was run for the San Miguel composite to upgrade the silver grade in concentrate. Comparison of these new results with the historic performance shows that with optimization of the complete process flow, historical results will be representative of the plant performance.

The QP is of the opinion that the processing performance and metallurgical testwork is representative of the deposit, and the conclusions and recommendations made are reasonable.

12.4 13Site Visit – Ben Eggers

Eggers conducted a site visit to the Project on September 22-23, 2025, accompanied by Nico Harvey – VP Project Development, Carlos Beltran – Exploration Manager, Aaron Ramirez – Administration Manager, and several members of the geology team for Silverco. The site visit consisted of a field tour of the Property and inspection of the core logging and sampling facilities and core storage areas at the Project.

The field tour of the Property area included visits to several outcrops and surface excavations to review the local geology and recent drill sites. All areas were easily accessible by road and a series of access trails. Validation checks of drillhole collar locations were completed for of a selection of eight holes spanning Silverco drilling programs completed in 2024 and 2025 on the Property. Collars were appropriately marked and labeled with concrete markers placed at drillholes denoting holeID, dip, azimuth, and hole length. Individual hole monuments were observed, and collar locations were validated with the use of a handheld GPS. Drillhole collar positions reported in the Company database were validated as surveyed, with minor discrepancies noted to be within the handheld GPS instrumental error.

During the site visit selected mineralized core intervals were examined from 12 diamond drillholes intersecting the San Miguel, San Antonio (Eduwiges), Promontorio (Promontorio West), Carolina (Promontorio East), Santa Rosa de Lima, and other veins that comprise the Cusi deposits. The drillholes inspected spanned Silverco drilling programs completed in 2024 and 2025 and historical drillholes completed in 2012, 2015, 2017, and 2019. The accompanying drill logs, long sections, and assays were examined against the drill core mineralized zones. Current core sampling, QA/QC and core security procedures were reviewed. Core boxes for drillholes reviewed are properly stored in the warehouse, easily accessible and well labelled. Sample tags are present in the boxes, and it was possible to validate sample numbers and confirm the presence of mineralization in witness half-core samples from the mineralized zones.

The site visit to the Cusi project core logging, sampling, and storage facilities included the inspection of the areas used for the geologists to log and photograph core, the area used to measure density, the areas for cutting and sampling core, the sample storage area, the core storage areas, and the office area. Drilling was in progress on drillhole CU-25-43 during the time of the site visit. The entire path of the drill core, from the drill rig to the logging and sampling facility and finally to the laboratory was reviewed and discussed. The QP is of the opinion that the current protocols in place, as have been described and documented by the Company, are adequate.

As a result of the site visit, the QP was able to become familiar with conditions on the Property, was able to observe and gain an understanding of the geology and various styles mineralization, was able to verify the work done and, on that basis, could review and recommend to the Company an appropriate exploration program.

The site visit completed in September 2025 is considered as current, according to Section 6.2 of NI 43-101CP. To the Authors knowledge there is no new material scientific or technical information about the Property since that personal inspection. The technical report contains all material information about the Property.

All geological data has been reviewed and verified as being accurate to the extent possible, and to the extent possible, all geologic information was reviewed and confirmed. There were no significant or material errors or issues identified with the drillhole and channel database. Based on a review of all possible information, Eggers is of the opinion that the database is of sufficient quality to be used for the current Measured, Indicated, and Inferred MRE.

12.5 Verification of Geotechnical Information

The following actions were undertaken to verify the geotechnical characterization of the Cusi deposits:

- Review of core photographs for several resource drillholes at San Miguel (8), Promontorio (6) and Eduwiges (4);
- Geotechnical mapping information and rock quality assessments from previous consultants and mine operations;
- Core recovery and RQD data collected as part of historic resource drilling campaigns;
- Observations of rock mass quality and structure made by JDS during an underground visit to the Promontorio mine; and
- Geotechnical data and information contained in the SRK (2020) PEA report.

The JDS geotechnical QP, Mike Levy, P.Eng. has reviewed and verified the above information at a high level to confirm data quality and accuracy. This is based on review of select core photographs and comparisons with ground conditions observed underground. JDS considers the data to be suitable for a PEA level of study.

12.6 Verification of Cost Information

Information and support data for the estimation of capital and operating costs was achieved through the following means:

- Site visit review into the condition of the UG mines, surface facilities, including the Malpaso Mill and tailings storage facility conducted by QP Gord Doerksen, P.Eng., supported by Tad Crowie, P.Eng., JDS Metallurgist, and Jaime Delgado, Minera Consulting, a highly-experienced mine construction and operation professional in Latin America;
- Quotes for contract mining and mill refurbishment services by multiple local contractors;
- Quotes from multiple suppliers or recent experience of major equipment costs;

- Multiple sources of labour costs were reviewed from other Mexican mines, an independent labour survey and experience corporate experience of JDS and Silverco in Mexico; and

- Electrical power cost estimates were summarized from providers.

The JDS QP Gord Doerksen, P.Eng. considers the cost information gathered for the report is suitable for a PEA.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

The Cusi project will utilize the Malpaso Mill west of Cuauhtemoc Chihuahua on the paved highway toward Yecora to process the material from the two mines. Malpaso is approximately 40 km from Cusihuiriachi by paved road.

The facility consists of a conventional flotation concentrator for treating polymetallic material (Pb/Zn/Ag). Plant operations include crushing, grinding, froth flotation, dewatering of concentrates, and tailings disposal. The plant has historically processed as much as 1,100t/d of material when the feed was available.

13.1 Historic Metallurgical Testwork

Since the plant operated for several decades, no historical testwork was available for review. Historical production data has been compiled and reported in earlier technical reports (refer to Section 2.5). During the last few years, the plant produced a bulk sulphide concentrate containing lead, silver, gold, and zinc from the lead flotation circuit. As the concentrate assayed over 2000.0 g/t Ag (2 kg/t Ag) it was readily saleable.

13.2 Forte Analytical Testwork

Forte Analytical (the metallurgical lab of Forte Dynamics) performed a metallurgical test program in 2025 and 2026 using historical core from the Promontorio deposit and newer core from the San Miguel deposit. The goal of the testing was to confirm process conditions for production of a bulk sulphide concentrate and to project the metal recoveries, especially silver, which is the primary revenue generator.

Based on the PEA mine plan presented to Forte, the company plans to initially focus production on Promontorio transitioning to San Miguel later. Forte selected intervals from the core library based on historical logging and assay characteristics.

13.2.1 Composite Preparation and Characterization

Each drill core sample was crushed to nominal 6 mesh, blended, and split into two parts. Half was saved for future work, and the other half was utilized for preparation of the test composite. The samples were blended and split into 1 kg charges for testing.

A 1 kg charge of each composite was pulverized and analyzed for Au, Ag, Pb, Zn, species of sulphur and other elements. The test results are shown in Table 13-1.

Table 13-1: Head Grade Analysis of Composites

	Sample	Mass	Au	Ag	Pb	Zn	Total Sulphur	Sulphide	Au	Ag
	Code	g	g/t	g/t	%	%		Sulphur %	% CN Soluble	% CN Soluble
San Miguel	CU	1,001.0	0.23	194.73	1.50	1.26	2.63	2.26	87.0	70.0
Promontorio	DC	1,001.0	0.35	206.93	1.10	0.55	0.94	0.57	97.1	77.0

Source: Forte (2026)

13.2.2 Other Analyses

The ratio of cyanide shake and fire assay (total metal) for gold and silver indicates that 90% of gold and 75% of silver are free milling for each composite. The remaining silver is primarily associated with sulphosalts which are refractory.

13.2.3 Mineralogy – AMICS

An AMICS analysis (Advanced Mineral Identification And Characterization System) of each composite was performed by Eagle Engineering. (Source Eagle Engineering 2025, "AMICS ANALYSIS")

"Modal mineralogy and phase analysis were determined using energy dispersive x-ray analysis (EDX) along with associated AMICS mineralogy. According to the data, two major minerals, quartz and orthoclase, were observed. Zinc containing sphalerite and lead containing galena were identified as well as other sulphides and sulphosalts.

Average particle size was determined for acanthite, jalpaite, galena, and sphalerite. According to the data, both acanthite and jalpaite particles are approximately 25 µm or less. Sphalerite and galena particles are approximately 40 µm in size. It should be noted that the samples received were -200/+325 mesh. Since a lot of liberated sphalerite and galena particles were observed, a larger grind size should be evaluated to maximize potential flotation recovery without overgrind of rougher feed samples."

Sphalerite is the principal zinc mineral, and galena is the principal lead mineral. Silver is present in acanthite (AgS) and jalpaite (Ag3CuS2). No gold minerals were identified in the samples submitted. The average particle size of the silver minerals was less than 25 µm, with acanthite being 10-15 µm. The particle size of galena and sphalerite was coarser at 35-42 µm.

13.3 Bonds Ball Mill Work Indices

Bonds ball mill work indices were determined for each of the two composites. The results, presented in Table 13-2, indicate that Promontorio feed is slightly harder than San Miguel.

Table 13-2: Bonds Ball Mill Work Index

	Work Index Imperial	Work Index Metric
San Miguel	18.1	20.0
Promontorio	20.6	22.7

Source: Forte (2026)

13.4 Rougher Flotation

Six rougher flotation tests were performed by Forte Analytical, three on each composite, to evaluate the flotation response of the material under varying grind sizes, with P_{80} of 100, 150, and 200 micrometers.

The flotation tests were performed using common reagents for sulphide flotation:

- Xanthate as a primary collector;
- AP404 as a secondary collector; and
- AF65/MIBC as a frother.

The tests were performed at natural pH. Test results are summarized in Table 13-3.

Table 13-3: Bulk Sulphide Flotation Results - Rougher Concentrate Recovery and Grade

Sample	Grind Size (P_{80})	Recovery %						Grade				
		Wt	Au (%)	Ag (%)	Pb (%)	Zn (%)	SSul (%)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	SSul
San Miguel	100	8.5	76.4	78.4	90.7	79.9	93.6	2.75	1758.7	16.73	10.70	21.76
San Miguel	150	8.8	79.8	84.1	92.7	77.9	94.1	2.25	1699.0	14.58	9.85	19.73
San Miguel	200	8.9	79.4	83.2	91.9	75.7	93.7	2.56	1725.2	12.78	9.23	19.48
Promontorio	100	4.4	83.0	84.8	92.5	59.1	92.5	8.57	3405.3	21.36	21.36	11.04
Promontorio	150	5.2	89.1	84.6	93.2	63.7	92.8	10.60	3054.4	19.99	7.37	9.60
Promontorio	200	4.3	84.2	86.6	94.1	57.0	89.3	9.75	4017.5	25.00	8.26	10.92

Source: Forte (2026)

The results indicate the following:

- Most of the valuable minerals floated in the first 5 minutes of the test. An additional 10 minutes of flotation recovered 1-2% of mass and ±10% of gold and silver;
- A primary grind of P_{80} 100 mesh (150 µ) was optimum for maximizing the recovery of silver, lead, and gold; and
- The rougher concentrate recovered 85-86% of silver and 92-94% of lead. The rougher concentrate for Promontorio feed assayed 3-4 kg/t Ag, however, the rougher concentrate for San Miguel assayed ~1.7 kg/t Ag.

13.5 Cleaner Flotation

Since it was desirable for sales of the concentrate for a silver assay over 2.0 kg/t Ag, and San Miguel concentrates did not reach that target, and open circuit cleaner flotation test was performed on the San Miguel rougher to see if the product could be upgraded to meet the 2 kg/t Ag target.

The test results presented in Table 13-4 indicate that one stage of cleaner flotation will produce a concentrate assaying 1,985.7 g/t Ag for the San Miguel material.

Table 13-4: Cleaner Flotation Results for San Miguel Material

Cleaner	Mass	%	AU	AG	PB	ZN	Sulphide Sulphur	Mass %	Percent Distribution				
			G/MT	G/MT	%	%	%		AU %	AG %	PB %	ZN %	SULPHUR %
Cleaner 1 Con 1	173.73	61.1	2.61	1945	18.01	14.58	13.4	5.80	41.4	60.3	69.5	65.5	68.5
Cleaner 1 Con 2	36.9	13.0	2.74	2179	17.39	14.14	12.20	1.23	9.2	14.4	14.3	13.5	13.3
Cleaner 1 Con 3	17.7	6.2	2.61	1982	18.08	13.87	12.80	0.59	4.2	6.3	7.1	6.4	6.7
Comb Cleaner Conc	228	80.2	2.63	1985.7	17.915	14.45	13.16	7.62	54.9	80.9	90.8	85.4	88.4
Cleaner 1 - Tail	56.2	19.8	0.585	197	1.09	0.40	1.20	1.88	3.0	2.0	1.4	0.6	2.0
Ro Conc (Calc)	284.6	100.0	2.23	1632.4	14.59	11.68	10.80	9.5	57.9	82.9	92.2	86.0	90.4
Ro-Tail	2,710.4	90.5	0.17	35.40	0.13	0.20	0.12	90.5	42.1	17.1	7.8	14.0	9.6
Feed (Calc)	2,994.9	9.5	0.37	187.1	1.504	1.29	1.13	100.0	100	100	100	100	100

Source: Forte (2026)

The historical production data for the period from 2019-2023 is presented in Table 13-5. The silver recovery for 2020 approached 90% since the mine was producing only a bulk sulphide concentrate rather than individual lead and zinc concentrates.

Table 13-5: Cusi Metallurgical Balance (2014 to 2023)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Tonnage	155,268	202,033	186,898	88,011	186,889	285,236	230,429	292,894	260,539	133,087
Head Grades										
Ag (g/t)	166.69	175.88	171.78	170.16	140.17	129.06	149.62	157.43	164.43	138.77
Pb (%)	0.78	0.78	1.21	1.10	0.39	0.19	0.29	0.32	0.21	0.32
Zn (%)	0.80	0.71	1.16	1.11	0.43	0.21	0.33	0.37	0.24	0.36
Au (g/t)	0.42	0.22	0.26	0.25	0.16	0.15	0.18	0.18	0.17	0.11
Metallurgical Recoveries										
Pb Concentrate										
Ag recovery (%)	76	76	70	70	83	79	80.3	82.6	84.3	84.0
Pb recovery (%)	79	79	82	81	80	75	92.8	80.6	77.9	78.8
Au recovery (%)	62	57	62	58	39	36	45.5	45.7	43.8	64.7
Metal Production in Concentrates										
Ag (oz)	629,967	873,495	726,605	338,681	699,007	936,071	890,000	1,224,287	1,161,353	498,951
Zn (t)	N/A	N/A	818	417	32	N/A	N/A	N/A	N/A	N/A
Pb (t)	962	1,246	1,864	784	582	411	620	750.5	430.8	332.6
Au (oz)	1,289	831	954	419	372	493	619	763.12	631.77	307.80

Notes:
* Zn concentrate details not reported as most years are bulk sulfide conc.

Source: Silverco (2026)

13.6 Conclusion

The QP concludes that based on a limited scoping level metallurgical study and a review of historical production data, it is reasonable to expect that the plant will be able to produce a bulk sulphide concentrate assaying over 2 kg/t Ag, with 84.6% silver recovery.

The plant can be optimized for the new feed material once it is refurbished. It may be a challenge to achieve 1200 t/d throughput if it cannot maintain 93% availability, however, the QP believes that the plant can deliver 1200 t/d if it is well run.

14 MINERAL RESOURCE ESTIMATE

14.1 Introduction

Completion of the MRE involved the assessment of a validated drillhole and channel database, which included all data for surface and underground drilling completed between 2006 and October 20, 2025 and underground channel sampling completed between 2013 and 2023. Completion of the MRE included the construction of three-dimensional (3D) mineral resource models (resource domains) and the incorporation of a 3D topographic surface model, 3D models of existing underground development, and available written reports.

The Inverse Distance Squared (ID2) calculation method restricted to mineralized domains was used to interpolate grades for Ag (g/t), Au (g/t), Pb (%), and Zn (%) into block models for all deposit zones.

Measured, Indicated, and Inferred mineral resources are reported in the summary tables in Section 14.11. The MRE presented below takes into consideration that all deposits on the Property may be mined by underground mining methods.

The reporting of the MRE complies with all disclosure requirements for Mineral Resources set out in the NI 43-101 Standards of Disclosure for Mineral Projects. The classification of the MRE is consistent with the 2014 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards (2014 CIM Definitions). In completing the MRE, the Author uses general procedures and methodologies that are consistent with industry standard practices, including those documented in the 2019 CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines (2019 CIM Guidelines).

14.2 Drillhole Database

To complete the current MRE for the Property, a database comprising a series of comma delimited spreadsheets containing surface and underground diamond drillhole and underground channel information was provided by Silverco for the Cusi deposits. The database included drillhole and channel location information (Coordinate system: WGS84 UTM 13N), down-hole survey data, assay data for all metals of interest, lithology data and density data. The data in the geochemistry/assay tables included data for the elements of interest including Ag (g/t), Au (g/t), Pb (%), and Zn (%). After reviewing the database, the data was then imported into Leapfrog Geo version 2025.2.1 software (Leapfrog) for modelling of mineralization domains, statistical analysis, block modelling and resource estimation. No errors were identified when importing the data. The data was validated in Leapfrog, and no erroneous data, data overlaps or duplication of data was identified.

The database provided by Silverco for the MRE included data for 2,052 surface and underground diamond drillholes totalling 360,237 m and 21,522 underground channels totalling 119,756 m completed on the Property (Table 14-1) (Figure 14-1through Figure 14-3). The database totals 105,585 assay intervals representing 119,756 m of drilling and 71,605 assay intervals representing 48,783 m of channel sampling. The average drillhole assay sample length is 1.13 m. The average channel assay sample length is 0.68 m.

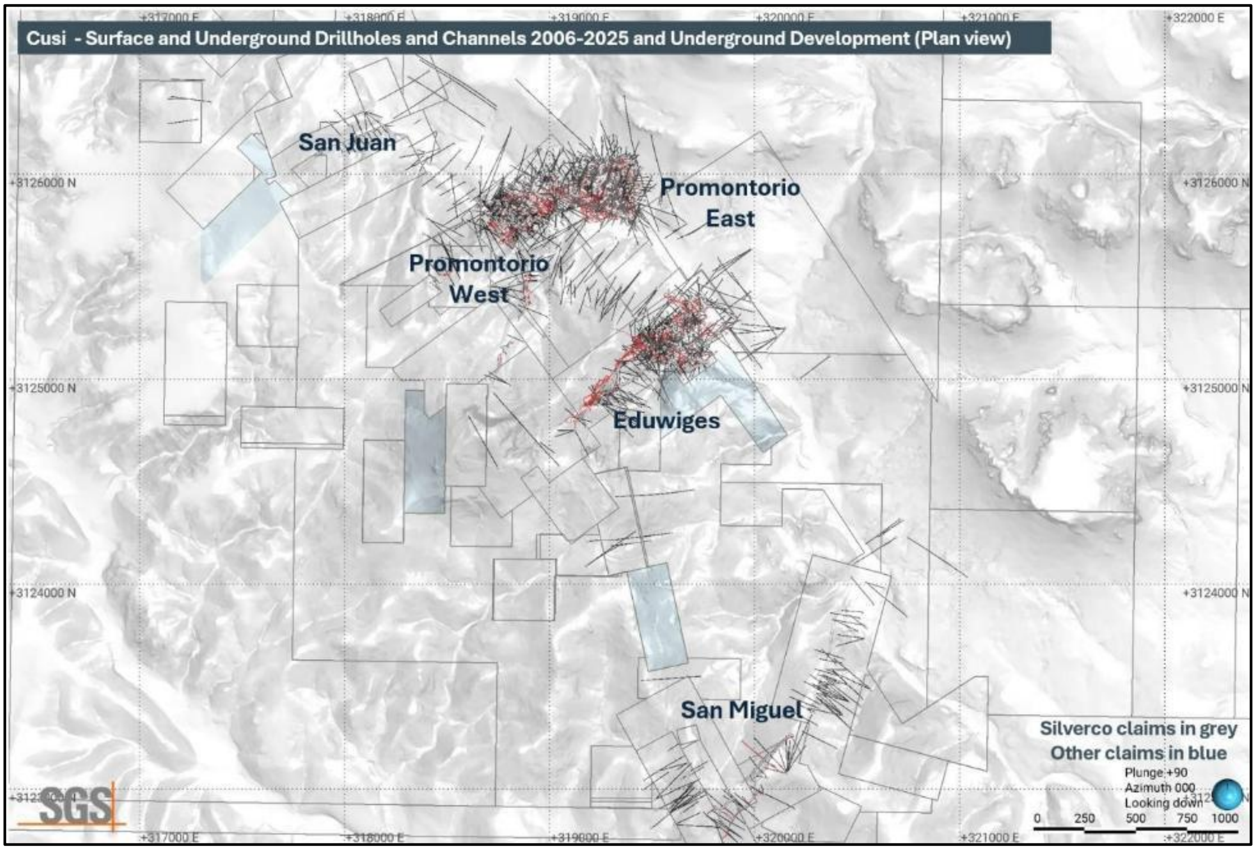
The database was checked for typographical errors in drillhole locations, down-hole surveys, lithology, assay values, and supporting information on source of assay values. Overlaps and gapping in survey, lithology, and assay value intervals were checked. Unsampled intervals and sampled assay intervals without analytical values were assigned a value of 0.0001 for Ag (g/t), Au (g/t), Pb (%), and Zn (%).

Table 14-1: Project Drillhole and Channel Database

Deposit Area	Sample Type	Count	Total Length (m)	No. of Assays	Total Assay Length (m)	Avg. Assay Length (m)	No. of Density Measurements
Cusi	Surface Drillholes	952	235,650	55,278	67,576.85	1.22	244
	Underground Drillholes	1,100	124,587	50,307	52,179	1.04	0
	Combined Drillholes	**2,052**	**360,237**	**105,585**	**119,756**	**1.13**	**244**
	Underground Channels	21,522	48,786	71,605	48,783	0.68	0
	Total	**23,574**	**409,023**	**177,190**	**168,538**	**0.95**	**244**

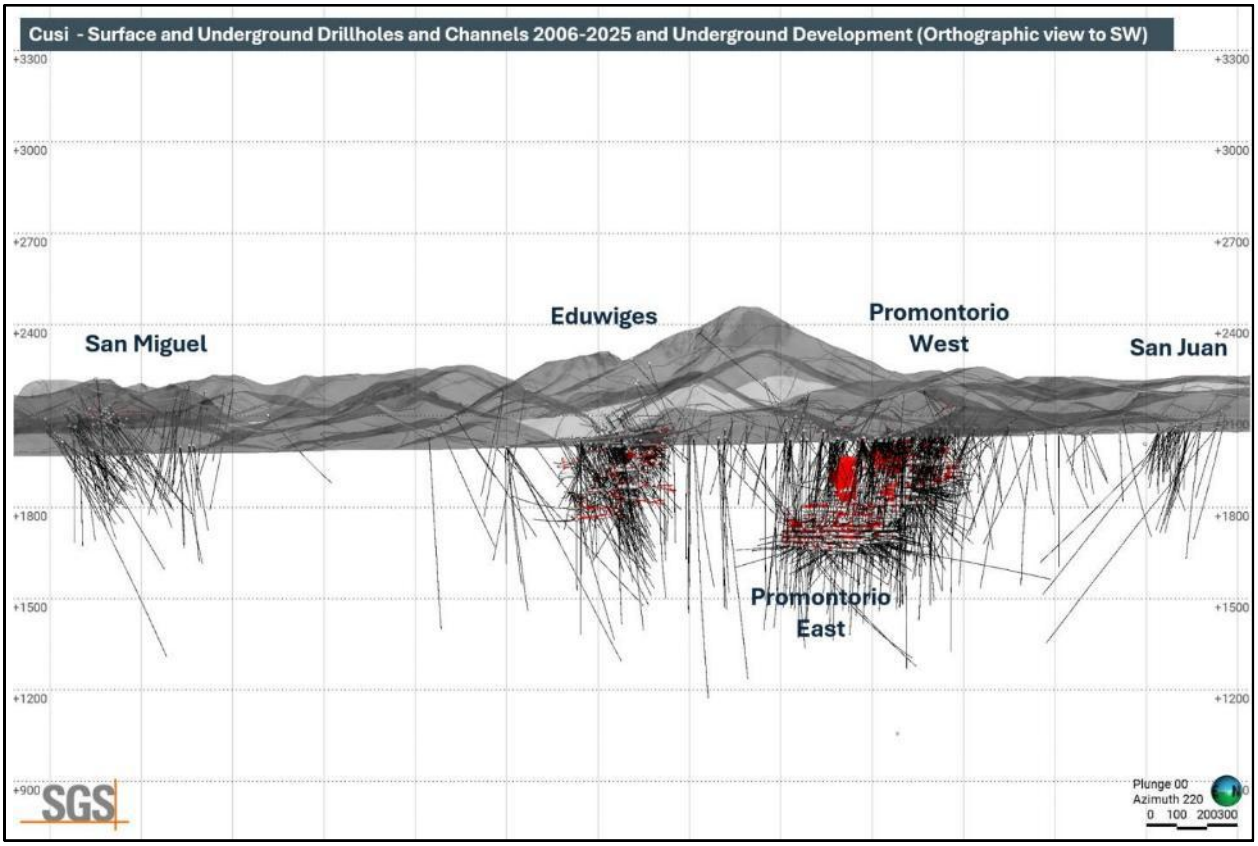
Source: SGS (2025)

Figure 14-1: Distribution of Drillholes and Channels on the Property on Topography (Plan View)



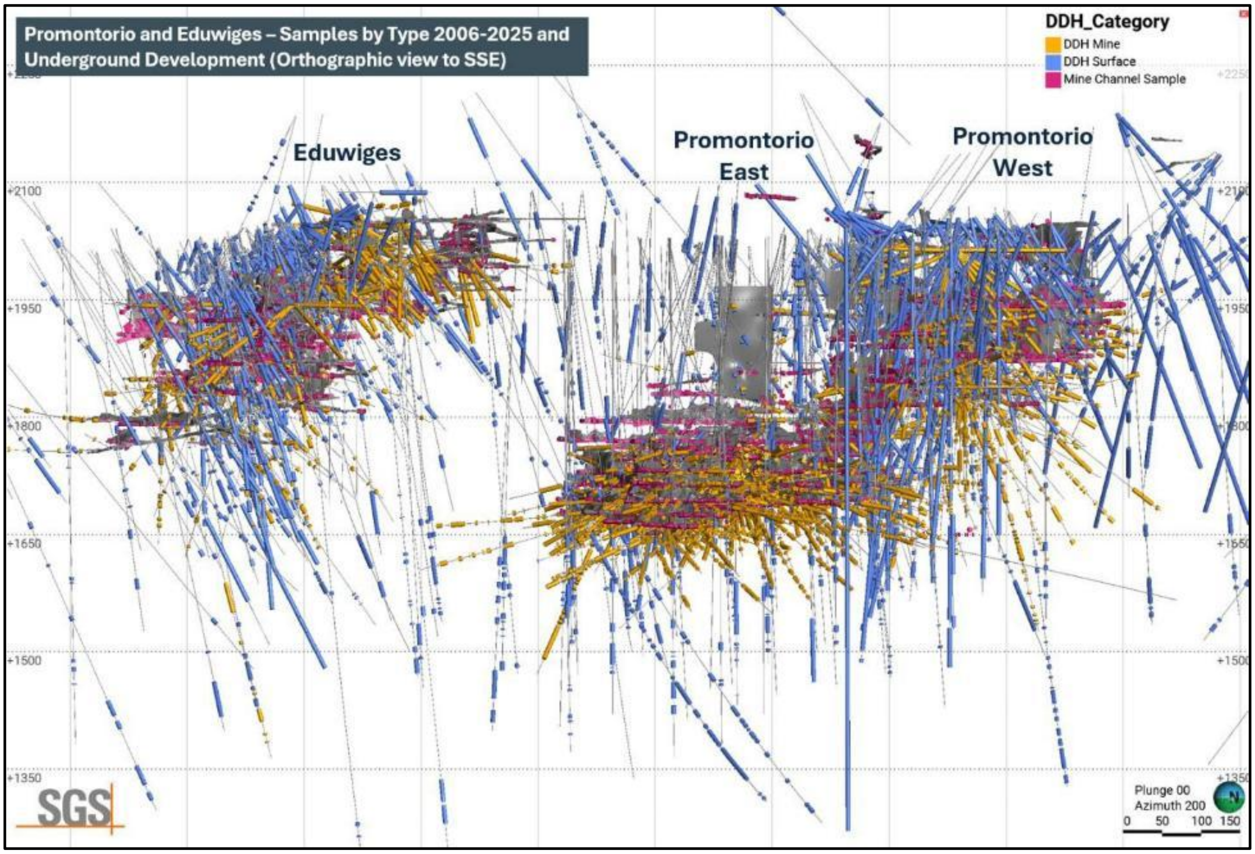
Source: SGS (2025)

Figure 14-2: Distribution of Surface Drillholes on the Property on Topography (View to SW)



Source: SGS (2025)

Figure 14-3: Distribution of Drillholes and Channels in the Promontorio and Eduwiges Areas (View to SSE)



Source: SGS (2025)

14.3 Mineral Resource Modelling and Wireframing

For the current MRE, in collaboration with Silverco, SGS constructed a total of 63 three-dimensional (3D) resource models and two lithology models (Table 14-2) (Figure 14-4) in Leapfrog.

Lithology models were produced for the rhyolite and intrusive host rocks. The Cusi vein system is modelled in its entirety using the Leapfrog Geo Vein tool incorporating drilling and channel data, surface and underground mapping, and structural data. The Cusi vein systems comprise four dominant structural orientations; 1) steeply dipping NW-trending, 2) steeply dipping NE-trending, 3) moderate to steeply dipping ENE-trending, and 4) moderate to steeply dipping NNE-trending structures. Mineralization occurring in multiple stacked structures was subdivided into seven resource areas (San Juan, Promontorio West, Promontorio East, Eduwiges, San Miguel, San Nicolas, and Santa Rosa de Lima). A total of 63 veins were modelled for inclusion in the 2025 MRE.

Mineralized strike lengths of the major structures have been tested for up to 300 m along strike and up to 400 m down dip in the Promontorio and Eduwiges areas, up to 1,300 m along strike and up to 250 m down dip in the San Miguel area, up to 800 m along strike and up to 250 m down dip in the San Juan area, and up to 2,000 m along strike and up to 400 m down dip on the San Nicolas and Santa Rosa de Lima structures. Mineralized portions of veins that comprise the resource models vary in true thickness and are typically in the range of 0.5 to 2 m, with localized shoots up to 5 m true thickness. The local pinch and swell morphology exhibited within the Cusi vein systems is common in narrow-vein epithermal systems. Many of the mineralized veins and resource models remain open along strike and/or down dip.

Individual vein mineralization models, the resource domains, were constructed using the Leapfrog Geo Vein tool from assays intervals. Historical drillhole and channel data assigned to the models was reviewed and additional very low-grade mineralization was excluded from the models using a composite cut-off grade of 25 g/t AgEq over a minimum length of 1.0 m. Vein thickness was reviewed for all vein models individually and any model thickness inconsistencies were resolved by revising model interval selections. Vein model interactions for all vein systems were reviewed and revised as needed for consistency and reasonableness with respect to the current understanding of the Cusi structural model.

New drillholes completed in 2024-2025 by Silverco were reviewed and mineralized intersections were coded to mineralization domains manually. Composited assay intervals greater than 100 g/t AgEq were assigned to the models with a minimum down hole length of 1.5 m. Drillholes with composite assay intervals less than 100 g/t AgEq were assigned to the models with a minimum length of 1.0 m in lieu of model pinch outs.

Andesite is considered a poor host for mineralization at Cusi due to its rheological properties. Mineralization within the andesite was reviewed and found to be generally limited to within 10-15 m of the rhyolite contact. The lithology model rhyolite-andesite contact was used to create an approximate 15 m buffer boundary to limit the extension of any mineralized vein models into the andesite.

A digital elevation surface model was provided for the Property area. All 3D resource models were clipped to topography. The Property claim boundaries were provided by Silverco and evaluated onto the MRE block models. Any mineralized blocks defined by the mineralization domains outside of the Property boundary were excluded from the MRE.

Existing mine development models were provided by Silverco as a combination of surveyed and modelled 3D solids and polyline boundaries of development extents on individual veins. All known development model volumes were incorporated into a depletion model and evaluated onto the MRE block models. Models were provided for two volumes (Azucarera and SRL Conos Subsidencia) of inferred underground subsidence or reduced rock geotechnical competency related to historical mining activities. These modelled volumes were incorporated into the MRE depletion model.

Resource and lithology models are summarized below and detailed in Table 14-2.

- Resource Domains (63 models):
  - San Juan (1 model);
  - Promontorio West (18 models);

- Promontorio East (30 models);
- Eduwiges (7 models);
- San Miguel (5 models);
- San Nicolas (1 model); and
- Santa Rosa de Lima (1 model).

- Lithology Models (2 models):
  - Rhyolite, Andesite.

The Author has reviewed the resource models on plan view and in section view and in the Author's' opinion the models are well constructed and appear to be representative of the main structures identified on the Property and the distribution of the Ag-Au-Pb-Zn mineralization within these structures. Models were initially created by Sierra Metals, reviewed and updated by Silverco during the modelling process, and refined by SGS before final resource estimation. All models have been extended beyond the limits of the current drilling for the purpose of providing guidance for continued exploration. However, the extension of the mineral resource beyond the limits of drilling is limited by the search radius during the interpolation procedure (a maximum of 100 m past drilling).

Table 14-2: Property Domain Descriptions

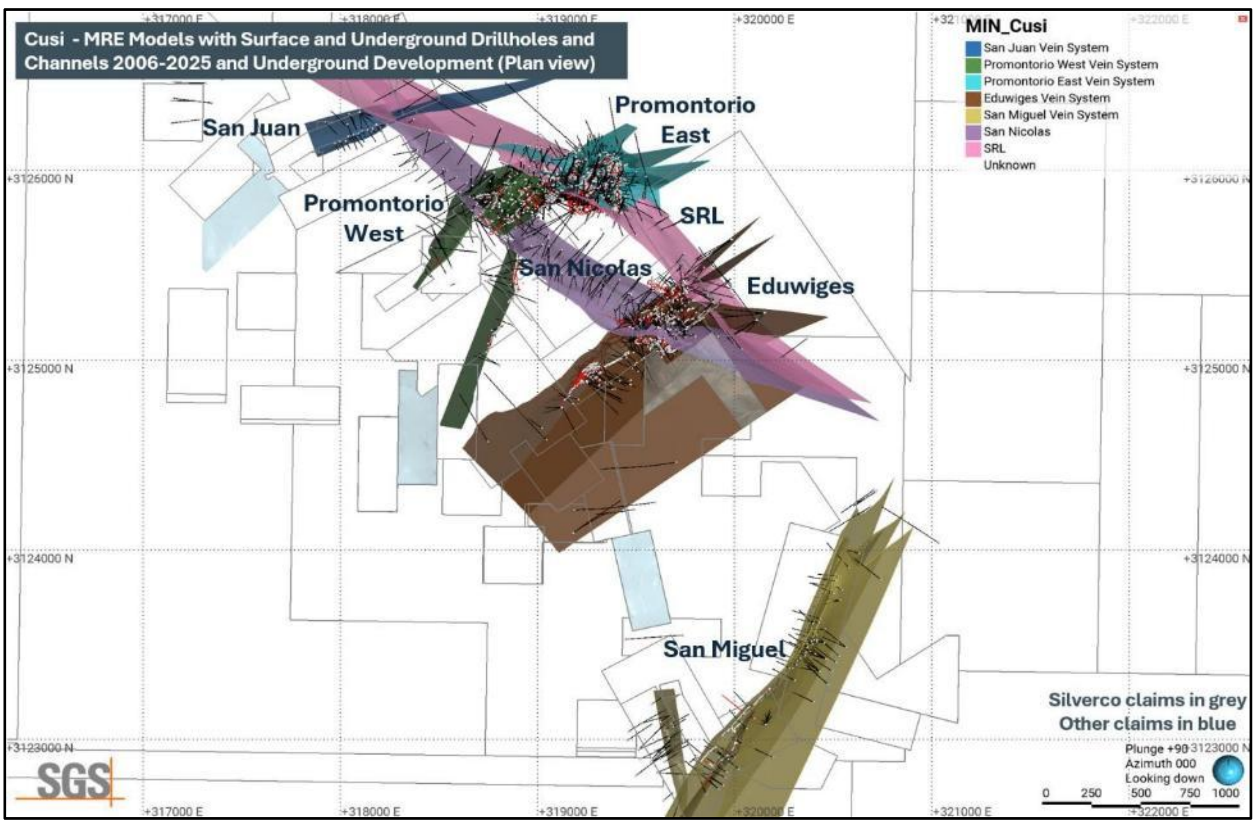
Area	Rock Code	Vein	Density
Eduwiges	100	El Portal	2.75
		La Mexicana	
		Moctezuma	
		Monaco_Milagro	
		San Antonio	
		San Bartolo	
		Santa Marina	
Promontorio West	200	Alto el Gallo	2.75
		Bajo K	
		Bajo L	
		EG	
		EGB	
		El Gallito	
		Minerva	
		Promontorio	
		San Ignacio	

Area	Rock Code	Vein	Density
		V1	
		V2	
		VBP	
		Veta H	
		Veta J	
		Veta K	
		Veta K'	
		Veta L	
		Veta L'	
Promontorio East	300	Carolina	2.75
		Devora	
		Diana	
		Dique Erika	
		Erika	
		Francis	
		Geraldine	
		Isela	
		Lorena	
		Lucia	
		Lucia L1	
		Luisa	
		Margoth	
		Miriam	
		Monica	
		Natalia	
		Perla	
		Priscila	
		Raquel	
		Raquel Lazo	
		Roberta	
		Romina	
		Sandra	
		Sonia	
		Sonia L1	
		Sonia L2	
		Susana	
		Veronica	
		Victoria	

Area	Rock Code	Vein	Density
		Yolanda	
San Juan	400	San Juan	2.75
San Miguel	500	La Durana	2.75
		San Miguel	
		San Miguel_FW	
		San Miguel_HW	
		Splay_HW	
San Nicolas	600	San Nicolas	
Santa Rosa de Lima	700	SRL	2.75
Rhyolite (Waste)	800	-	2.61
Andesite (Waste)	900	-	2.70
Mined development	000	-	0.00

Source: SGS (2025)

Figure 14-4: Property Mineral Resource Models with Drillholes and Channels (Plan View)



Source: SGS (2025)

14.4 Bulk Density

A database of 244 bulk density measurements was provided for the current MRE. Of the data collected, 180 samples are from mineralized material. Based on a review of the available density data, a fixed value for mineralized material of 2.75 g/cm^3 was used for all resource models. The average density used by domain for the current MRE is presented in Table 14-2.

It is recommended that Silverco continue to collect additional density data as drilling continues, collecting samples from the various structures, representing different styles of mineralization, ranges in grade of Ag, Au, Pb, and Zn and at different depths of the deposits.

14.5 Compositing

The assay sample database available for resource modelling totalled 177,190 samples representing 168,538 m of drilling and channel sampling (Table 14-1). A statistical analysis of the assay data from within the mineralized domains, by area, is presented in Table 14-3. There is a total of 41,210 assays within the resource domains.

The average length of all assay sample intervals within the resource domains is 0.75 m and ranges from 0.1 to 8.2 m. Of the 41,210 assays, approximately 5% are ≥1.5 m in length; 10% of the assays are ≥1.2 m; 21% of the assays are ≥ 1.00 m. To minimize the dilution and over smoothing due to compositing, a composite length of 1.50 m was chosen as an appropriate composite length for all areas for the current MRE.

Composites for the Cusi deposits were generated within each domain to a nominal length of 1.5 m. Composite residual lengths less than 1.0 m were distributed equally within the domain and a 50% minimum coverage length was used. The resultant average composite length was 1.42 m, with a minimum composite length of 0.75 m and a maximum composite length of 2.25 m. Un-assayed intervals were given a value of 0.0001 for Ag, Au, Pb, and Zn. The composites were constrained and grouped using mineral domain models for statistical analysis and capping studies in Leapfrog.

A total of 22,508 composite sample points occur within the resource models. A statistical analysis of the composite data from within the mineralized domains, by area, is presented in (Table 14-3).

Table 14-3: Statistical Analysis of the Assay and Composite Data from Within the Deposit Mineral Domains – by Area

Area	Dataset	Element	Count	Length (m)	Mean	S.D.	C.V.	Var.	Min.	Q1	Median	Q3	Max.
San Juan	Assays	Ag (g/t)	102	134	185	260	1.41	67,716	0.5000	55	110	197	1,845
		Au (g/t)	102	134	0.23	0.38	1.65	0.14	0.0001	0.00	0.02	0.34	1.96
		Pb (%)	102	134	0.16	0.28	1.82	0.08	0.0026	0.03	0.04	0.15	2.01
		Zn (%)	102	134	0.19	0.33	1.69	0.11	0.0039	0.04	0.08	0.22	2.77
	Composites	Ag (g/t)	111	166	148	217	1.46	47,004	0.0001	10	96	169	1,240
		Au (g/t)	111	166	0.18	0.34	1.84	0.12	0.0001	0.00	0.00	0.24	1.96
		Pb (%)	111	166	0.12	0.24	1.97	0.06	0.0001	0.01	0.03	0.14	2.01
		Zn (%)	111	166	0.15	0.25	1.70	0.06	0.0001	0.01	0.06	0.17	1.39
Promontorio West	Assays	Ag (g/t)	14,123	10,578	216	611	2.83	373,235	0.0001	16	69	186	26,932
		Au (g/t)	14,123	10,578	0.09	0.38	4.17	0.14	0.0001	0.00	0.00	0.00	15.30
		Pb (%)	14,123	10,578	0.40	1.10	2.73	1.20	0.0001	0.05	0.13	0.33	44.93
		Zn (%)	14,123	10,578	0.43	1.01	2.33	1.01	0.0001	0.06	0.15	0.37	23.06
	Composites	Ag (g/t)	7,109	10,112	206	398	1.93	158,383	0.0001	30	94	227	8,885
		Au (g/t)	7,109	10,112	0.09	0.26	3.09	0.07	0.0001	0.00	0.00	0.06	6.38
		Pb (%)	7,109	10,112	0.39	0.83	2.15	0.70	0.0001	0.06	0.17	0.37	24.33
		Zn (%)	7,109	10,112	0.42	0.80	1.91	0.64	0.0001	0.07	0.19	0.41	13.87
Promontorio East	Assays	Ag (g/t)	7,850	7,763	248	845	3.41	714,463	0.0001	10	66	192	33,824
		Au (g/t)	7,850	7,763	0.07	0.28	4.24	0.08	0.0001	0.00	0.00	0.00	13.60
		Pb (%)	7,850	7,763	0.26	0.89	3.46	0.80	0.0001	0.02	0.08	0.19	27.16
		Zn (%)	7,850	7,763	0.28	0.71	2.52	0.50	0.0001	0.03	0.11	0.24	21.20
	Composites	Ag (g/t)	5,317	7,621	240	637	2.66	406,147	0.0001	10	87	231	17,912
		Au (g/t)	5,317	7,621	0.06	0.21	3.26	0.04	0.0001	0.00	0.00	0.05	7.12
		Pb (%)	5,317	7,621	0.25	0.65	2.62	0.42	0.0001	0.02	0.09	0.21	20.75
		Zn (%)	5,317	7,621	0.27	0.53	1.99	0.29	0.0001	0.03	0.12	0.27	8.69

Area	Dataset	Element	Count	Length (m)	Mean	S.D.	C.V.	Var.	Min.	Q1	Median	Q3	Max.
Eduwiges	Assays	Ag (g/t)	9,289	6,255	214	541	2.53	293,074	0.0001	10	63	181	13,577
		Au (g/t)	9,289	6,255	0.47	3.54	7.46	12.52	0.0001	0.00	0.00	0.00	130.90
		Pb (%)	9,289	6,255	1.69	3.77	2.23	14.20	0.0001	0.12	0.40	1.44	46.41
		Zn (%)	9,289	6,255	1.75	3.22	1.85	10.39	0.0001	0.13	0.48	1.80	56.00
	Composites	Ag (g/t)	4,198	5,733	211	404	1.91	163,209	0.0001	30	91	222	6,966
		Au (g/t)	4,198	5,733	0.48	2.60	5.37	6.77	0.0001	0.00	0.00	0.18	65.26
		Pb (%)	4,198	5,733	1.66	2.87	1.73	8.25	0.0001	0.19	0.62	1.81	28.82
		Zn (%)	4,198	5,733	1.74	2.59	1.49	6.70	0.0001	0.19	0.78	2.16	34.25
San Miguel	Assays	Ag (g/t)	971	1,044	117	228	1.94	52,112	0.0001	5	49	133	4,430
		Au (g/t)	971	1,044	0.07	0.22	2.96	0.05	0.0001	0.00	0.00	0.06	5.40
		Pb (%)	971	1,044	0.33	1.22	3.72	1.50	0.0001	0.01	0.06	0.18	20.00
		Zn (%)	971	1,044	0.44	1.26	2.83	1.58	0.0001	0.03	0.11	0.27	18.60
	Composites	Ag (g/t)	695	999	122	185	1.51	34,246	0.0001	10	67	150	1,519
		Au (g/t)	695	999	0.08	0.18	2.32	0.03	0.0001	0.00	0.01	0.09	2.40
		Pb (%)	695	999	0.34	0.99	2.90	0.99	0.0001	0.01	0.07	0.24	14.72
		Zn (%)	695	999	0.46	1.05	2.27	1.10	0.0001	0.05	0.13	0.33	8.57
San Nicolas	Assays	Ag (g/t)	3,677	2,893	178	437	2.46	191,404	0.0001	17	60	170	10,933
		Au (g/t)	3,677	2,893	0.21	4.15	19.37	17.20	0.0001	0.00	0.00	0.01	279.16
		Pb (%)	3,677	2,893	0.34	1.13	3.34	1.28	0.0001	0.05	0.13	0.29	36.80
		Zn (%)	3,677	2,893	0.40	1.89	4.77	3.58	0.0001	0.06	0.13	0.32	95.00
	Composites	Ag (g/t)	2,003	2,938	167	335	2.00	111,955	0.0001	19	74	184	5,573
		Au (g/t)	2,003	2,938	0.20	2.65	13.45	7.03	0.0001	0.00	0.00	0.07	110.18
		Pb (%)	2,003	2,938	0.32	0.79	2.50	0.63	0.0001	0.05	0.14	0.29	12.62
		Zn (%)	2,003	2,938	0.37	1.34	3.57	1.78	0.0001	0.06	0.14	0.35	45.67

Area	Dataset	Element	Count	Length (m)	Mean	S.D.	C.V.	Var.	Min.	Q1	Median	Q3	Max.
Santa Rosa de Lima	Assays	Ag (g/t)	5,473	4,888	247	696	2.81	484,273	0.0001	10	64	200	16,696
		Au (g/t)	5,473	4,888	0.08	0.31	4.00	0.09	0.0001	0.00	0.00	0.00	8.00
		Pb (%)	5,473	4,888	0.56	1.47	2.63	2.17	0.0001	0.06	0.17	0.42	32.62
		Zn (%)	5,473	4,888	0.61	1.41	2.32	1.98	0.0001	0.08	0.19	0.50	26.64
	Composites	Ag (g/t)	3,075	4,489	261	581	2.22	337,578	0.0001	31	95	255	9,863
		Au (g/t)	3,075	4,489	0.08	0.20	2.64	0.04	0.0001	0.00	0.00	0.07	3.17
		Pb (%)	3,075	4,489	0.59	1.16	1.98	1.34	0.0001	0.10	0.22	0.52	13.90
		Zn (%)	3,075	4,489	0.63	1.13	1.79	1.27	0.0001	0.11	0.23	0.61	10.77

Source: SGS (2025)

14.6 Grade Capping

A statistical analysis of the composite database within the resource models (the "resource" population) was conducted to investigate the presence of high-grade outliers which can have a disproportionately large influence on the average grade of a mineral deposit. High-grade outliers in the composite data were investigated using statistical data (Table 14-3), histogram plots, and cumulative probability plots of the composite data. The statistical analysis was completed using Leapfrog and grade capping was applied on a deposit area basis.

After review, it is the opinion of the QP that capping of high-grade composites to limit their influence during the grade estimation is necessary for Ag, Au, Pb, and Zn for all domains. A summary of grade capping values within the mineralized domains by area is presented in Table 14-4. In the opinion of the QP, the capping applied to the deposit composites has had the desired effect of limiting the influence of high-grade outliers on the MRE. The capped composites are used for grade interpolation into the deposit block models.

Table 14-4: Composite Capping Summary – by Area

Area	Total # of Comps.	Element	Capping Value	# Capped	Mean of Raw Comps.	Mean of Capped Comps.	C.V. of Raw Comps.	C.V. of Capped Comps.
San Juan	111	Ag (g/t)	800	3	148	144	1.46	1.26
		Au (g/t)	0.9	2	0.18	0.17	1.84	1.56
		Pb (%)	0.7	1	0.12	0.12	1.97	1.49
		Zn (%)	N/A	0	0.15	0.15	1.65	1.65
Promontorio West	7,109	Ag (g/t)	3,800	11	206	204	1.93	1.72
		Au (g/t)	1.9	25	0.09	0.08	3.09	2.65
		Pb (%)	6.0	18	0.39	0.38	2.15	1.86
		Zn (%)	6.2	21	0.42	0.41	1.91	1.79
Promontorio East	5,317	Ag (g/t)	4,500	20	240	229	2.66	2.10
		Au (g/t)	1.7	13	0.06	0.06	3.26	2.77
		Pb (%)	4.7	20	0.25	0.23	2.62	2.16
		Zn (%)	4.4	12	0.27	0.26	1.99	1.88
Eduwiges	4,198	Ag (g/t)	3,100	15	211	211	1.91	1.74
		Au (g/t)	10.0	30	0.48	0.37	5.37	3.32
		Pb (%)	14.0	42	1.66	1.61	1.73	1.59
		Zn (%)	15.0	23	1.74	1.73	1.49	1.44
San Miguel	695	Ag (g/t)	920	5	122	117	1.51	1.41
		Au (g/t)	0.9	5	0.08	0.07	2.32	1.97
		Pb (%)	5.0	8	0.34	0.31	2.90	2.42
		Zn (%)	6.0	6	0.46	0.44	2.27	2.19

Area	Total # of Comps.	Element	Capping Value	# Capped	Mean of Raw Comps.	Mean of Capped Comps.	C.V. of Raw Comps.	C.V. of Capped Comps.
San Nicolas	2,003	Ag (g/t)	2,100	10	167	163	2.00	1.69
		Au (g/t)	2.2	9	0.20	0.12	13.45	2.54
		Pb (%)	5.3	8	0.32	0.30	2.50	2.04
		Zn (%)	4.6	13	0.37	0.34	3.57	1.83
Santa Rosa de Lima	3,075	Ag (g/t)	4,000	11	261	248	2.22	1.92
		Au (g/t)	1.5	10	0.08	0.07	2.64	2.44
		Pb (%)	7.5	16	0.59	0.57	1.98	1.84
		Zn (%)	7.0	19	0.63	0.62	1.79	1.73

Source: SGS (2025)

14.7 Block Model Parameters

The Property mineral resource domains are used to constrain composite values chosen for interpolation, and the mineral blocks reported in the estimate of the mineral resources. Two block models, within UTM coordinate space, were created for all Cusi resource domains (Table 14-5, Figure 14-5 and Figure 14-6). Block model dimensions, in the x (east m), y (north m), and z (level m) directions were placed over the resource models. A parent block size of 5 x 5 x 5 m was used. Sub-blocks were generated at 1 x 1 x 1 m, triggered by the resource domains and depletion models, to ensure appropriate block model volume reconciliation with resource domain and depletion models. Only sub-blocks with centroids inside the resource domains were interpolated with grades and recorded as part of the MRE.

The block size for the block model was selected based on drillhole spacing, composite length, the geometry and shape of the mineralized domains, and the selected mining methods (underground). At the scale of the deposit models, the selected block size for each model provides a reasonable block size for discerning grade distribution, while still being large enough not to mislead when looking at higher cut-off grade distribution within the model. The models were intersected with surface topography to exclude sub-blocks, which extend above the bedrock surface. The Property mineral claim boundaries were evaluated onto the block model sub-blocks to exclude mineralization outside of the Property from the MRE.

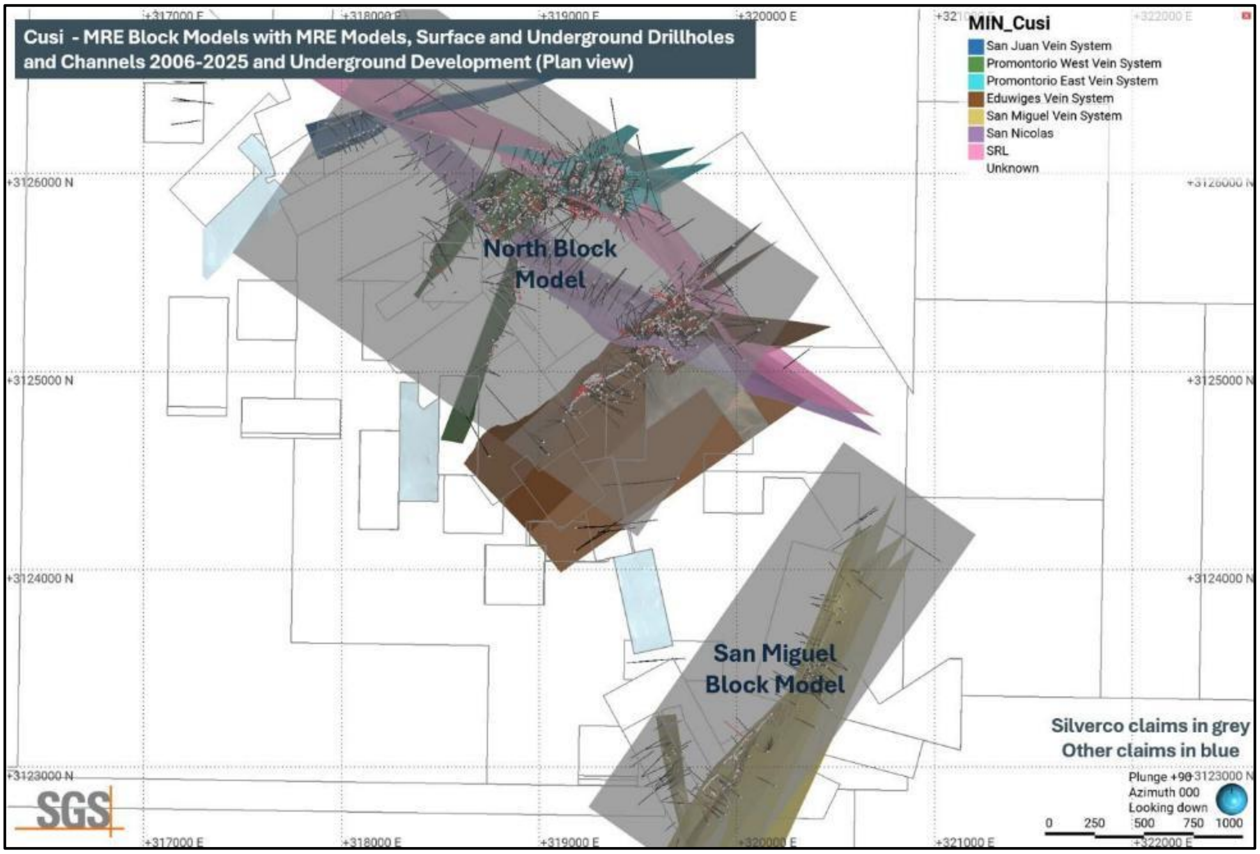
Table 14-5: Deposit Block Model Geometry

Block Model	Cusi - North		
	X (East)	Y (North)	Z (Level)
Origin (WGS 84 UTM 13N)	317,450	3,125,600	2,225
Extent (blocks)	2,500	1,600	900
Parent Block Size (m)	5	5	5
Sub-block Size (m)	1	1	1
Rotation (clockwise azimuth)	35°		

Block Model	Cusi - San Miguel		
	X (East)	Y (North)	Z (Level)
Origin (WGS 84 UTM 13N)	319,250	3,122,800	2,240
Extent (blocks)	815	2,250	640
Parent Block Size (m)	5	5	5
Sub-block Size (m)	1	1	1
Rotation (clockwise azimuth)	35°		

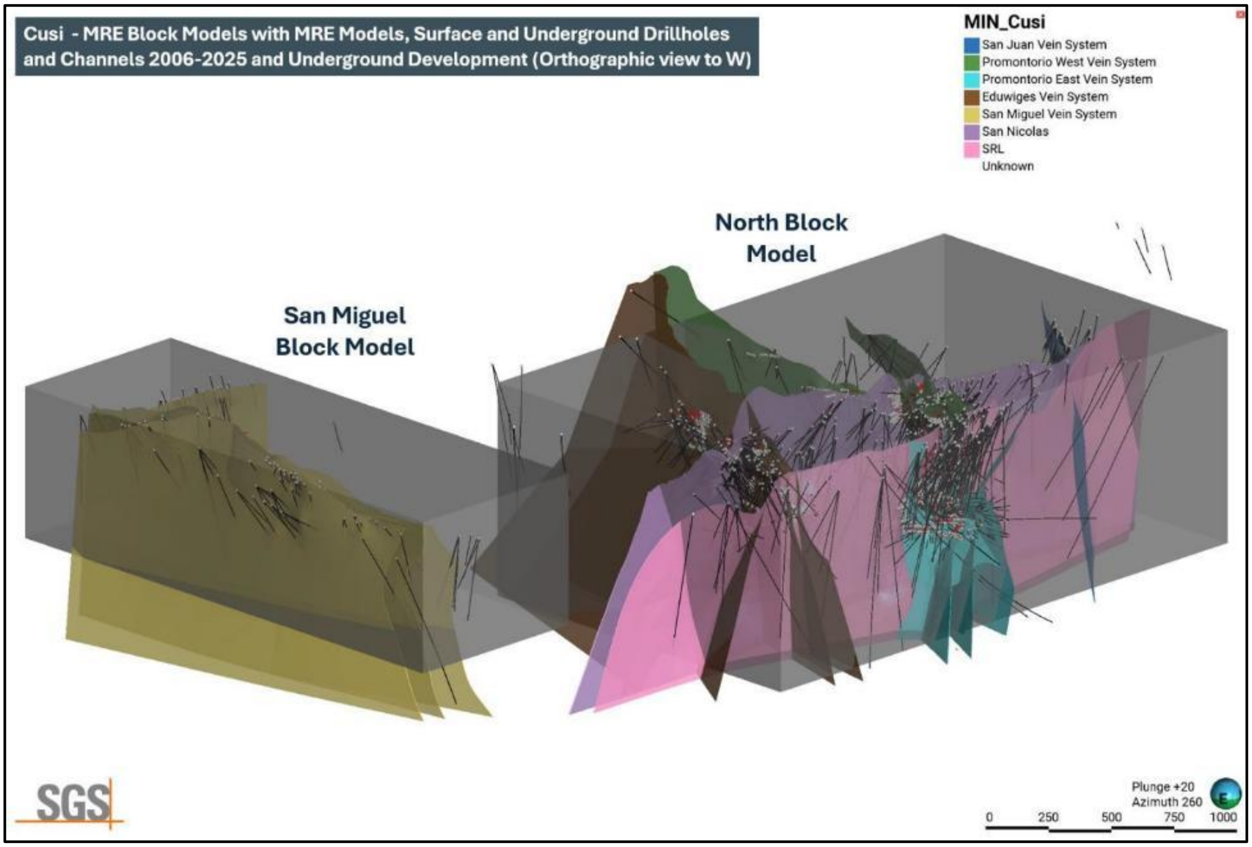
Source: SGS (2025)

Figure 14-5: Mineral Resource Block Model and Mineralization Domains (Plan View)



Source: SGS (2025)

Figure 14-6: Mineral Resource Block Model and Mineralization Domains (View to W)



Source: SGS (2025)

14.8 Grade Interpolation

Silver, gold, lead, and zinc were estimated for each mineralization domain within the block model. Blocks within each mineralized domain were interpolated using composites assigned to that domain. To generate grade within the blocks, the inverse distance squared (ID2) interpolation method was used for all domains.

For all domains, the search ellipse used to interpolate grade into the resource blocks was interpreted based on orientation and size of the mineralized domains, and the distribution of data within each domain. The search ellipse axes and ranges (Table 14-6) used to interpolate grade were defined in Leapfrog using a variable orientation based on the vein resource models. The search ellipse axes are oriented to reflect the observed preferential long axis (geological trend) of the domain and the observed trend of the mineralization down dip/down plunge.

Three passes were used to interpolate grade into blocks within the resource domains, depending on drillhole spacing (Table 14-6). Blocks populated with grade in pass 1 of the interpolation procedure in Promontorio East and Santa Rosa de Lima north of 3,125,700 mN were classified as Measured category. This area containing Measured resources corresponds to the most recently active portion of the Promontorio mine where confidence in the underground development models is improved relative to the historical upper levels of the mine. There is also improved confidence in the channel assay results obtained from the Malpaso laboratory subsequent to QA/QC protocol changes implemented in 2017 (see Section 11 for details). Underground channel samples obtained since 2017 are primarily located in the newer levels of the Promontorio mine where Measured resources have been classified. Blocks populated with grade in pass 1 & 2, excluding Measured blocks, were classified as Indicated category. All remaining blocks populated with grade during pass 3 were classified as Inferred category.

Depending of the search pass procedure (Table 14-6), grades were interpolated into blocks using a minimum of 7 and maximum of 8 composites to generate block grades during pass 1 (maximum of 3 sample composites per drillhole), a minimum of 5 and maximum of 8 composites to generate block grades during pass 2 (maximum of 3 sample composites per drillhole), and a minimum of 3 and maximum of 8 composites to generate block grades during pass 3 (maximum of 2 sample composites per drillhole).

Table 14-6: Grade Interpolation and Classification Parameters by Area

Parameter		Promontorio East and Santa Rosa de Lima		
		Pass 1	Pass 2	Pass 3
		Measured	Indicated	Inferred
Calculation Method		Inverse Distance Squared (ID2)		
Ellipsoid Orientation (°)	Dip	Variable Orientation based on vein models		
	Dip Azimuth			
	Pitch			
Ellipsoid Range (m)	Max.	30	60	100
	Int.	30	60	100
	Min.	15	25	40
Min. Samples		7	5	3
Max. Samples		8	8	8
Min. Drillholes		3	2	2

Parameter		San Juan, Promontorio West, Eduwiges, San Miguel, and San Nicolas		
		Pass 1	Pass 2	Pass 3
		Indicated		Inferred
Calculation Method		Inverse Distance Squared (ID^2)		
Ellipsoid Orientation (°)	Dip	Variable Orientation based on vein models		
	Dip Azimuth			
	Pitch			

Parameter		San Juan, Promontorio West, Eduwiges, San Miguel, and San Nicolas		
		Pass 1	Pass 2	Pass 3
		Indicated		Inferred
Ellipsoid Range (m)	Max.	30	60	100
	Int.	30	60	100
	Min.	15	25	40
Min. Samples		7	5	3
Max. Samples		8	8	8
Min. Drillholes		3	2	2

Source: SGS (2025)

14.9 Mineral Resource Classification Parameters

The MRE presented in this Technical Report is disclosed in compliance with all current disclosure requirements for mineral resources set out in the NI 43-101 Standards of Disclosure for Mineral Projects (2016). The classification of the current MRE into Inferred is consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves, including the critical requirement that all mineral resources “have reasonable prospects for eventual economic extraction”.

Following the 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves, Mineral Resources are sub-divided, in order of increasing geological confidence, into the Measured, Indicated, and Inferred categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource. There are no Indicated or Measured Mineral Resources reported.

A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction.

Interpretation of the word ‘eventual’ in this context may vary depending on the commodity or mineral involved. For example, for some coal, iron, potash deposits and other bulk minerals or commodities, it may be reasonable to envisage ‘eventual economic extraction’ as covering time periods in excess of 50 years. For many gold or base metal deposits, application of the concept would normally be perhaps 10 to 15 years.

The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

14.9.1 Measured Mineral Resource

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

Mineralization or other natural material of economic interest may be classified as a Measured Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such that the tonnage and grade or quality of the mineralization can be estimated within close limits and that variation from the estimate would not significantly affect potential economic viability of the deposit. This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.

14.9.2 Indicated Mineral Resource

An ‘Indicated Mineral Resource’ is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit.

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource Estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions.

14.9.3 Inferred Mineral Resource

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated based on limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An Inferred Mineral Resource is based on limited information and sampling gathered through appropriate sampling techniques from locations such as outcrops, trenches, pits, workings and drill holes. Inferred Mineral Resources must not be included in the economic analysis, production schedules, or estimated mine life in publicly disclosed Pre-Feasibility or Feasibility Studies, or in the Life of Mine plans and cash flow models of developed mines. An Inferred Mineral Resource can only be permitted as part of an economic analysis if the restricted disclosure under NI 43-101 Section 2.3 (3) is satisfied.

There may be circumstances where appropriate sampling, testing, and other measurements are sufficient to demonstrate data integrity, geological and grade/quality continuity of a Measured or Indicated Mineral Resource, however, quality assurance and quality control, or other information may not meet all industry norms for the disclosure of an Indicated or Measured Mineral Resource. Under these circumstances, it may be reasonable for the Qualified Person to report an Inferred Mineral Resource if the Qualified Person has taken steps to verify the information meets the requirements of an Inferred Mineral Resource.

14.10 Reasonable Prospects of Eventual Economic Extraction

The general requirement that all Mineral Resources have “reasonable prospects for economic extraction” implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. To meet this requirement, the author considers that the deposits within the project area are amenable to underground extraction.

To determine the quantities of material offering “reasonable prospects for economic extraction” by underground mining methods, reasonable mining assumptions to evaluate the proportions of the block model (Measured, Indicated, and Inferred blocks) that could be “reasonably expected” to be mined from underground are used. Based on the location, depth from surface and depth extent, size, shape, general thickness, orientation and grade of the of the mineralized zones within the project area, it is envisioned that the deposits may be mined using a combination of underground mining methods including longhole stoping (LHS) and/or drift-and-fill (DAF). The underground parameters used, based on these potential mining methods, are summarized in Table 14-7. Underground Mineral Resources are reported at a base case cut-off grade of 120 g/t AgEq. A base case cut-off grade of 120 g/t Ag is applied to identify blocks that will have reasonable prospects of eventual economic extraction.

The reporting of the underground resources is presented undiluted and in situ, constrained by continuous 3D wireframe models, and are considered to have reasonable prospects for eventual economic extraction. The underground mineral resource grade blocks were quantified above the base case cut-off grade, below topography, within the 3D constraining mineralized wireframes (the constraining volumes), and exclusive of mined out material.

Table 14-7: Parameters for Underground Cut-off Grade Calculation

Parameter	Value	Unit
Ag Price	30	US$ per oz
Au Price	2,400	US$ per oz
Pb Price	1.00	US$ per lb
Zn Price	1.35	US$ per lb
Underground Mining Cost	60	US$ per tonne mined
Processing Cost (inc. crushing)	20	US$ per tonne milled
General and Administrative (underground)	5	US$ per tonne of feed
Transport Cost	10	US$ per tonne milled
Total Operating Costs	95	US$ per tonne
Ag Recovery	90	Percent (%)
Au Recovery	50	Percent (%)
Pb Recovery	90	Percent (%)
Zn Recovery	60	Percent (%)
Mining Loss / Dilution (underground)	10 / 10	Percent (%) / Percent (%)
Underground Cut-off Grade	**120**	**g/t AgEq**

Source: SGS (2025)

14.11 Mineral Resource Statement

The MRE for the Project is presented in Table 14-8 and Table 14-9 (Figure 14-7 through Figure 14-17).

Highlights of the Cusi Project underground Mineral Resource Estimate are as follows:

- Combined Measured and Indicated Mineral Resources are estimated at 4.89 Mt grading 206 g/t silver, 0.15 g/t gold, 0.73% lead, and 0.86% zinc (262 g/t AgEq). The Mineral Resource Estimate includes Measured Mineral Resources of 6.1 Moz of silver, 1.8 koz of gold, 5.6 Mlbs of lead, and 6.3 Mlbs of zinc (6.7 Moz of AgEq) and Indicated Mineral Resources of 26.3 Moz of silver, 22.2 koz of gold, 72.7 Mlbs of lead, and 86.5 Mlbs of zinc (34.4 Moz of AgEq);

- Inferred Mineral Resources are estimated at 4.07 Mt grading 172 g/t silver, 0.17 g/t gold, 0.89% lead, and 1.20% zinc (243 g/t AgEq). The Mineral Resource Estimate includes Inferred

Mineral Resources of 22.5 Moz of silver, 22.2 koz of gold, 79.5 Mlbs of lead, and 107.5 Mlbs of zinc (31.8 Moz of AgEq); and

- A total of 63 epithermal veins that comprise the Cusi vein systems from seven deposit areas were included in the Mineral Resource Estimate. The Mineral Resource Estimate is exclusive of mined out material.

Table 14-8: Cusi Project Underground Mineral Resource Estimate, October 20, 2025

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

Cusi Project Mineral Resource Estimate Notes:

1) The mineral resource was estimated by Ben Eggers, MAIG, P.Geo. of SGS Geological Services, an independent Qualified Person as defined by NI 43-101. Eggers conducted a site visit to the Cusi Property on September 22-23, 2025. The mineral resource was peer reviewed by Allan Armitage, Ph.D., P.Geo. of SGS Geological Services, an independent Qualified Person as defined by NI 43-101.
2) The classification of the Mineral Resource Estimate into Indicated and Inferred mineral resources is consistent with current 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves. The effective date of the Cusi Project Mineral Resource Estimate (MRE) is October 20, 2025. This is the close out date for the final mineral resource drilling database.
3) All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.
4) All mineral resources are presented undiluted and in situ, constrained by continuous 3D wireframe models (considered mineable shapes), and are considered to have reasonable prospects for eventual economic extraction. The mineral resource is exclusive of mined out material.
5) Mineral resources are not mineral reserves. Mineral Resources, which are not mineral reserves, do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated or Measured Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated or Measured Mineral Resources with continued exploration.
6) The Cusi Project MRE is based on a validated database which includes data from 2,052 surface and underground drillholes totalling 360,237 m completed between 2006 and October 2025 and 21,522 channels totalling 48,786 m completed between 2013 and 2023. The resource database totals 105,585 assay intervals representing 119,756 m of drillhole data and 71,605 assay intervals representing 48,783 m of channel data.
7) The mineral resource estimate is based on 63 three-dimensional (3D) resource models representing epithermal veins which comprise the Cusi vein systems. 3D models of mined out areas were used to exclude mined out material from the current MRE.
8) Grades for Ag, Au, Pb, and Zn are estimated for each mineralization domain using 1.5 m capped composites assigned to that domain. To generate grade within the blocks, the inverse distance squared (ID2) interpolation method was used for all domains.
9) An average density value of 2.75 g/cm^3 was assigned to all domains based on a database of 244 samples.
10) It is envisioned that the Cusi Project deposits may be mined using underground mining methods. Mineral resources are reported at a base case cut-off grade of 120 g/t AgEq. The mineral resource grade blocks were quantified above the base case cut-off grade, below surface, within the constraining mineralized wireframes, and exclusive of mined out material.
11) The underground base case cut-off grade of 120 g/t AgEq considers metal prices of US$30/oz Ag, US$2400/oz Au, US$1.00/lb Pb, and US$1.35/lb Zn and metal recoveries of 90% for Ag, 50% for Au, 90% for Pb, and 60% for Zn.
12) The underground base case cut-off grade of 120 g/t AgEq considers a mining cost of US$60.00/t rock and a processing, treatment and refining, transportation and G&A cost of US$35.00/t mineralized material.
13) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

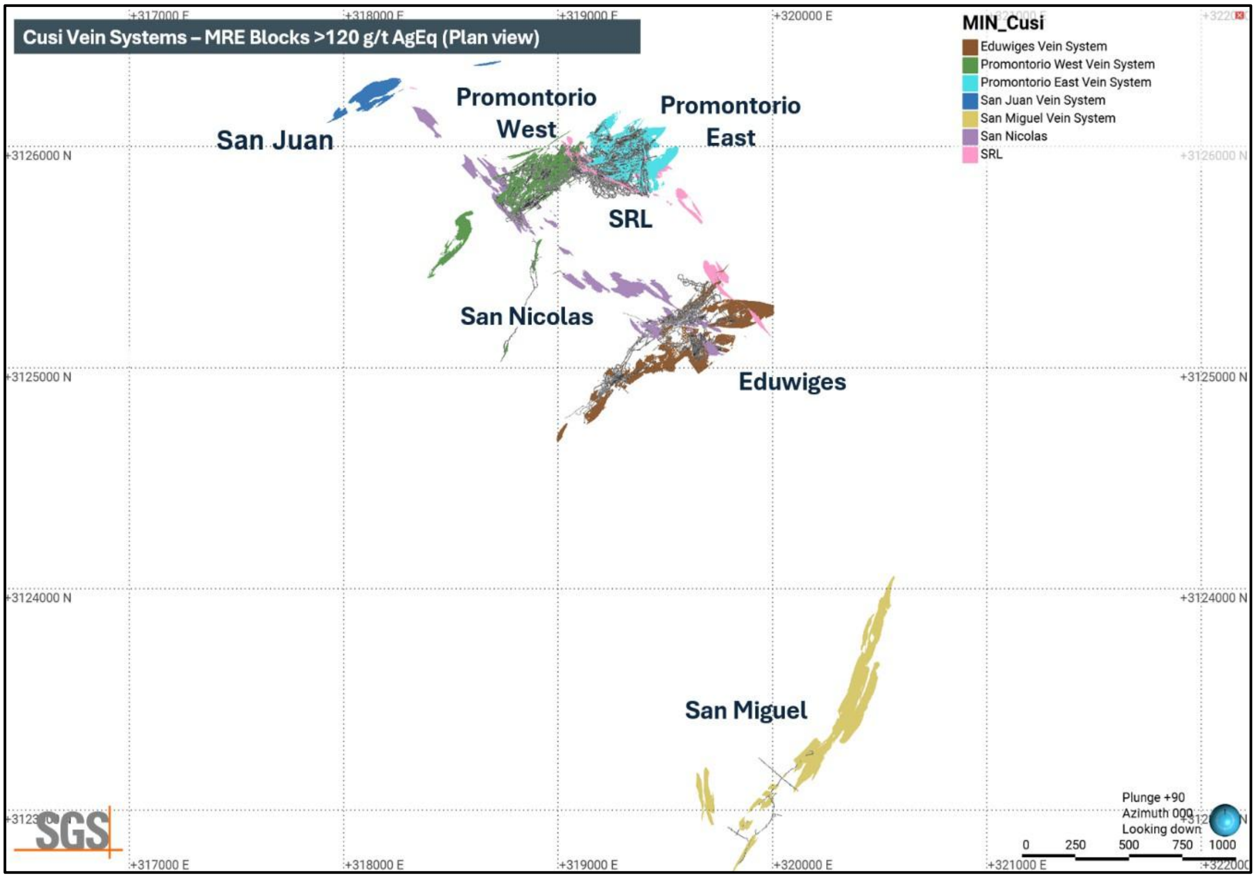
Source: SGS (2025)

Table 14-9: Cusi Project Underground Mineral Resource Estimate by Area, October 20, 2025

Area	Resource Class	Mass	Average Grade					Material Content				
			Ag	Au	Pb	Zn	AgEq	Ag	Au	Pb	Zn	AgEq
		Mt	g/t	g/t	%	%	g/t	koz	koz	Mlb	Mlb	koz
San Juan	Indicated	0.16	232	0.21	0.17	0.20	259	1,199	1.1	0.6	0.7	1,338
	Inferred	0.12	295	0.07	0.29	0.51	324	1,156	0.3	0.8	1.4	1,267
Promontorio West	Indicated	1.03	208	0.10	0.43	0.58	244	6,893	3.4	9.8	13.1	8,078
	Inferred	0.41	199	0.19	0.78	0.79	257	2,592	2.5	7.0	7.1	3,342
Promontorio East	Measured	0.53	285	0.08	0.30	0.36	309	4,824	1.3	3.4	4.1	5,229
	Indicated	0.24	211	0.19	0.81	0.60	264	1,609	1.5	4.2	3.1	2,006
	M + I	**0.76**	**262**	**0.11**	**0.46**	**0.43**	**295**	**6,432**	**2.8**	**7.7**	**7.2**	**7,235**
	Inferred	0.21	231	0.32	0.86	0.83	301	1,520	2.1	3.9	3.8	1,987
Eduwiges	Indicated	0.53	159	0.25	1.93	2.06	287	2,694	4.2	22.3	23.9	4,853
	Inferred	0.24	92	0.18	1.94	2.39	224	694	1.4	10.0	12.4	1,697
San Miguel	Indicated	1.30	193	0.15	0.83	1.11	258	8,065	6.2	23.9	31.7	10,786
	Inferred	2.03	170	0.14	1.02	1.42	249	11,117	9.3	45.5	63.5	16,237
San Nicolas	Indicated	0.76	196	0.17	0.41	0.43	233	4,798	4.2	6.9	7.2	5,684
	Inferred	0.62	175	0.14	0.28	0.45	207	3,472	2.9	3.8	6.2	4,105
Santa Rosa de Lima	Measured	0.16	251	0.09	0.60	0.62	291	1,290	0.5	2.1	2.2	1,496
	Indicated	0.19	176	0.29	1.20	1.63	276	1,072	1.8	5.0	6.8	1,688
	M + I	**0.35**	**210**	**0.20**	**0.93**	**1.17**	**283**	**2,362**	**2.2**	**7.2**	**9.0**	**3,183**
	Inferred	0.45	133	0.27	0.86	1.34	216	1,928	3.8	8.5	13.3	3,118
Total	Measured	0.69	277	0.08	0.37	0.42	305	6,114	1.8	5.6	6.3	6,725
	Indicated	4.21	195	0.16	0.78	0.93	255	26,330	22.2	72.7	86.5	34,433
	M + I	**4.89**	**206**	**0.15**	**0.73**	**0.86**	**262**	**32,443**	**24.0**	**78.3**	**92.8**	**41,157**
	Inferred	**4.07**	**172**	**0.17**	**0.89**	**1.20**	**243**	**22,479**	**22.2**	**79.5**	**107.5**	**31,753**

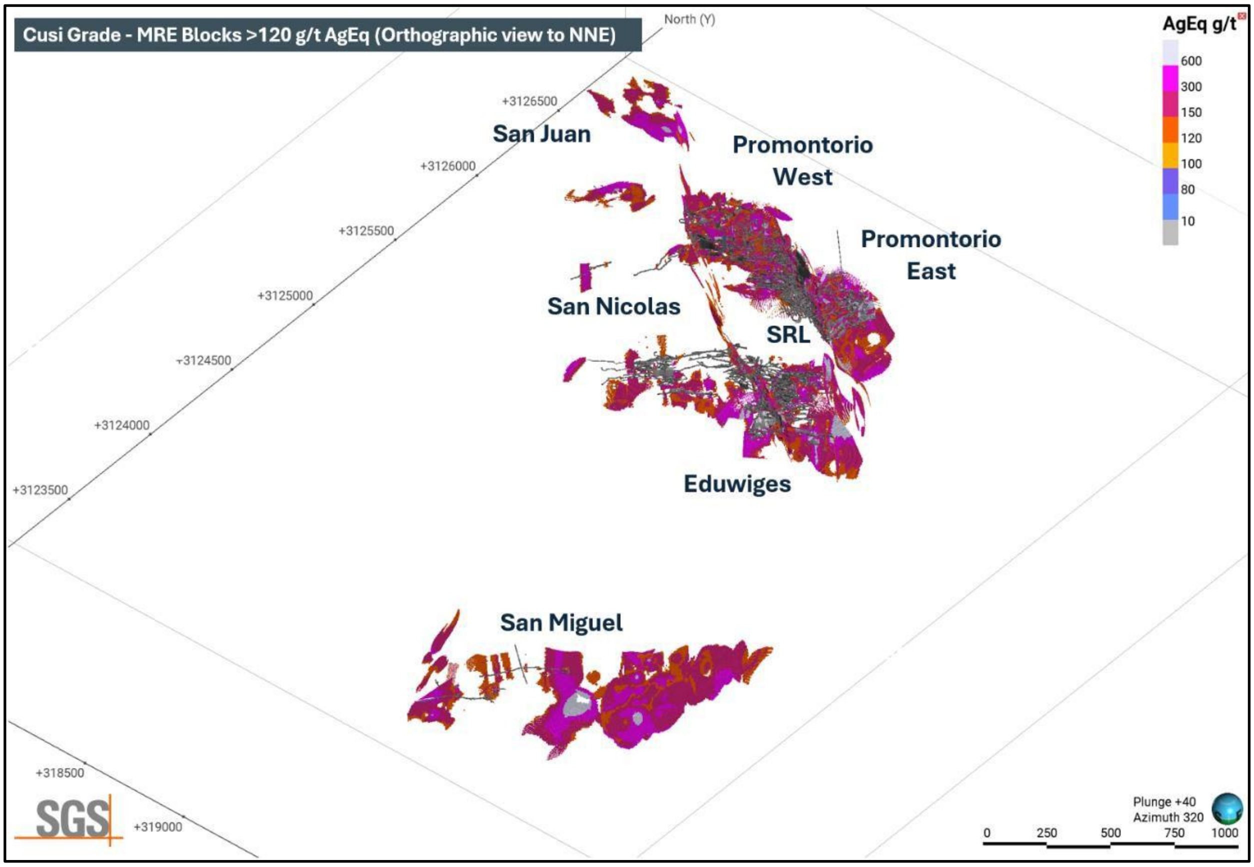
Source: SGS (2025)

Figure 14-7: Cusi Mineral Resource Blocks by Area (Plan View)



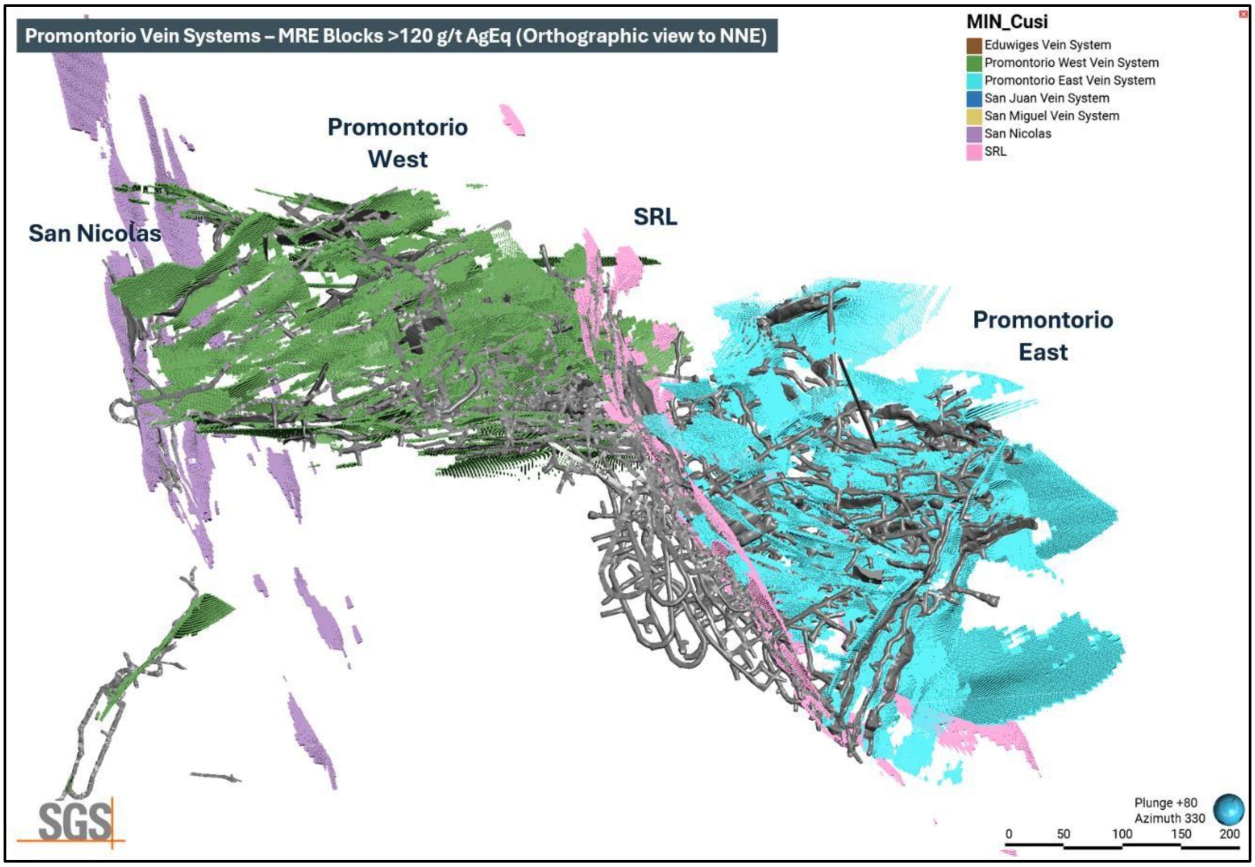
Source: SGS (2025)

Figure 14-8: Cusi Mineral Resource Blocks by Grade (View to NNE)



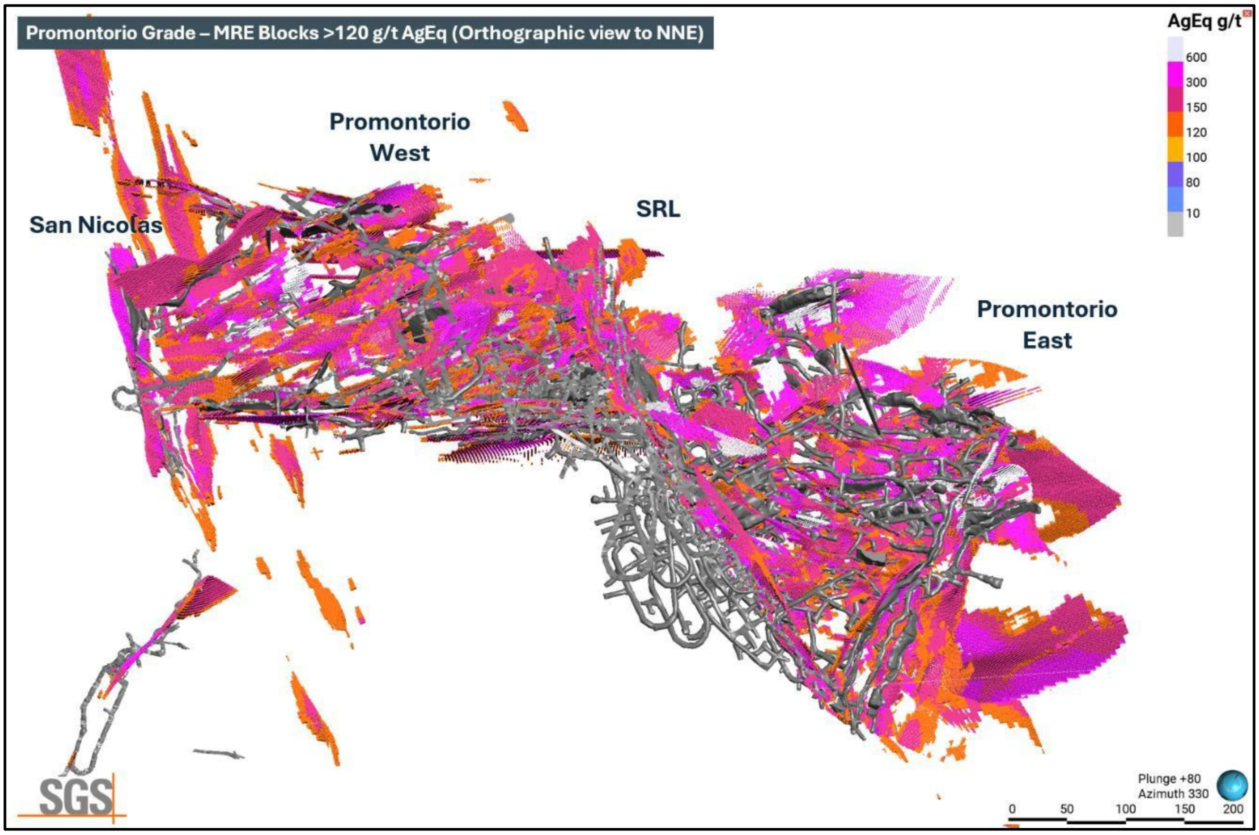
Source: SGS (2025)

Figure 14-9: Promontorio Mineral Resource Blocks by Area (View to NNE)



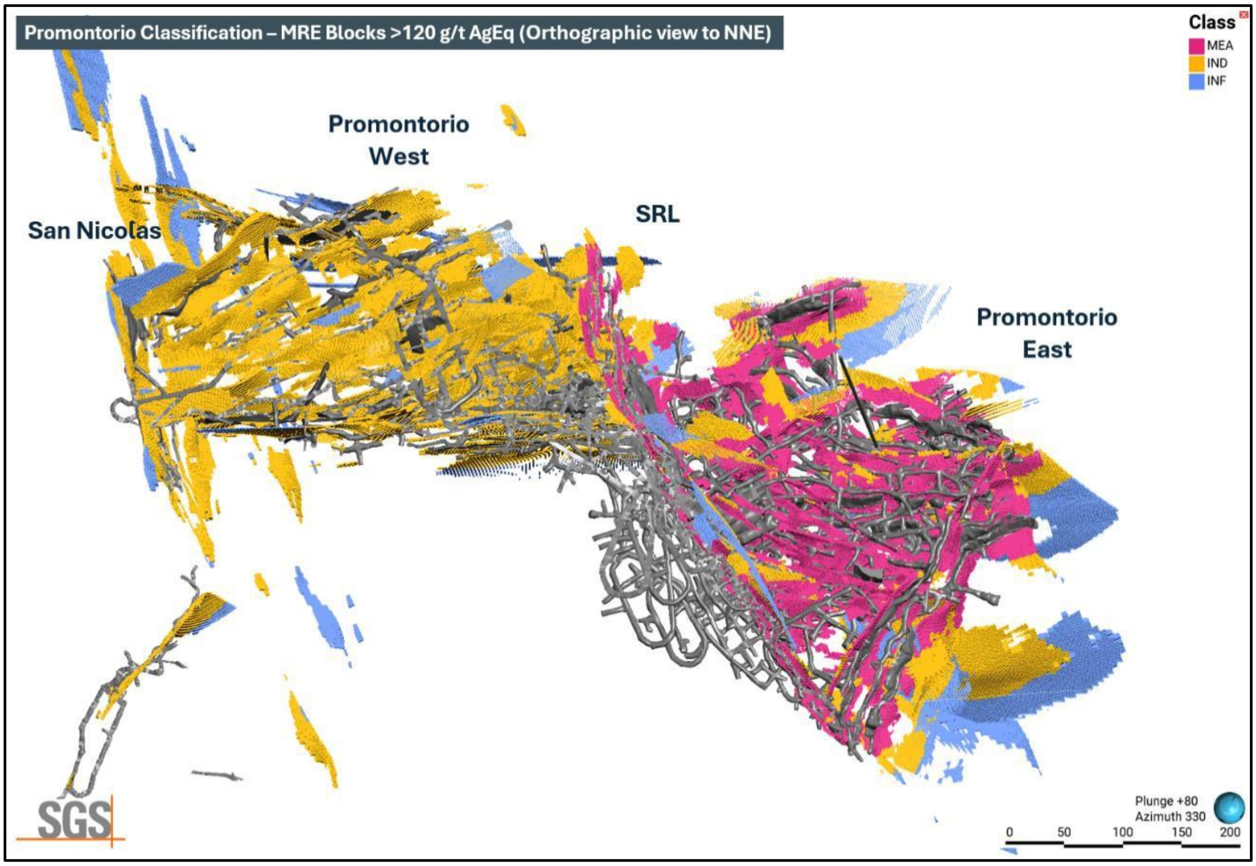
Source: SGS (2025)

Figure 14-10: Promontorio Mineral Resource Blocks by Grade (View to NNE)



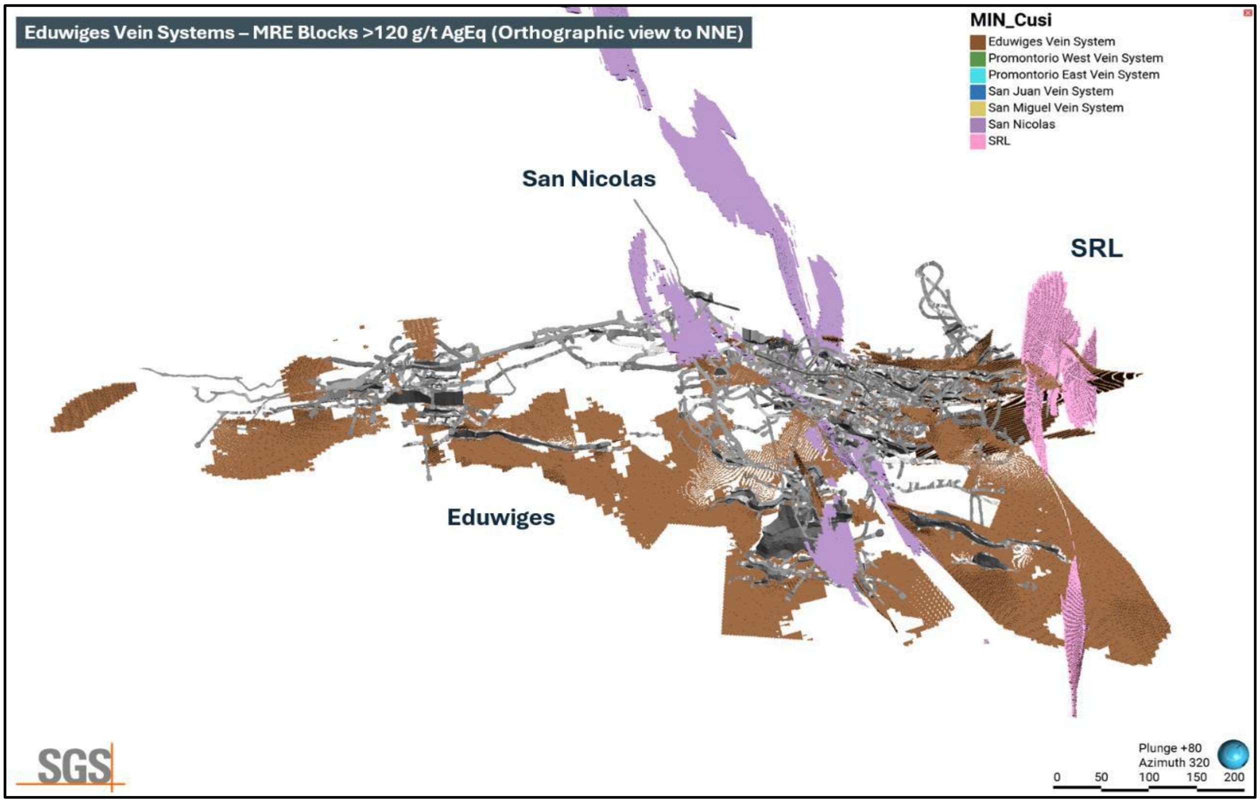
Source: SGS (2025)

Figure 14-11: Promontorio Mineral Resource Blocks by Class (View to NNE)



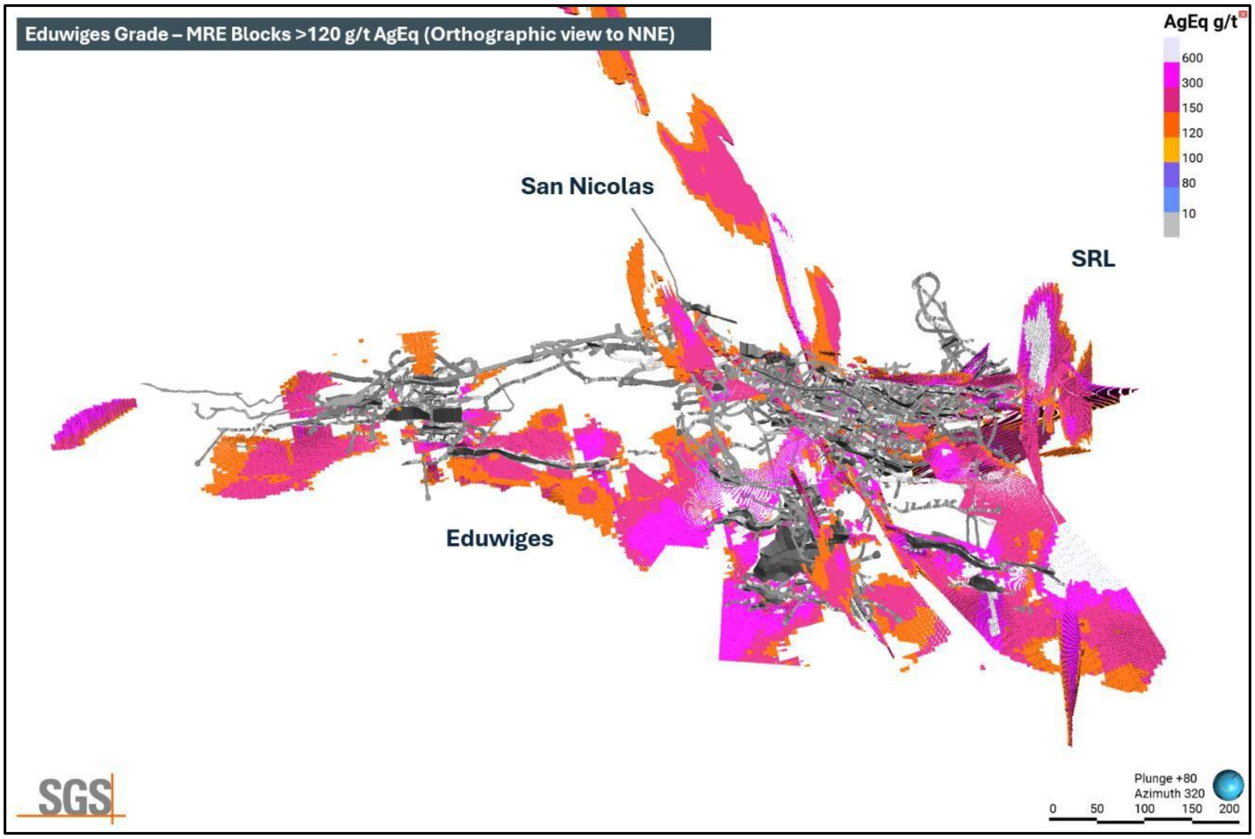
Source: SGS (2025)

Figure 14-12: Eduwiges Mineral Resource Blocks by Area (View to NNE)



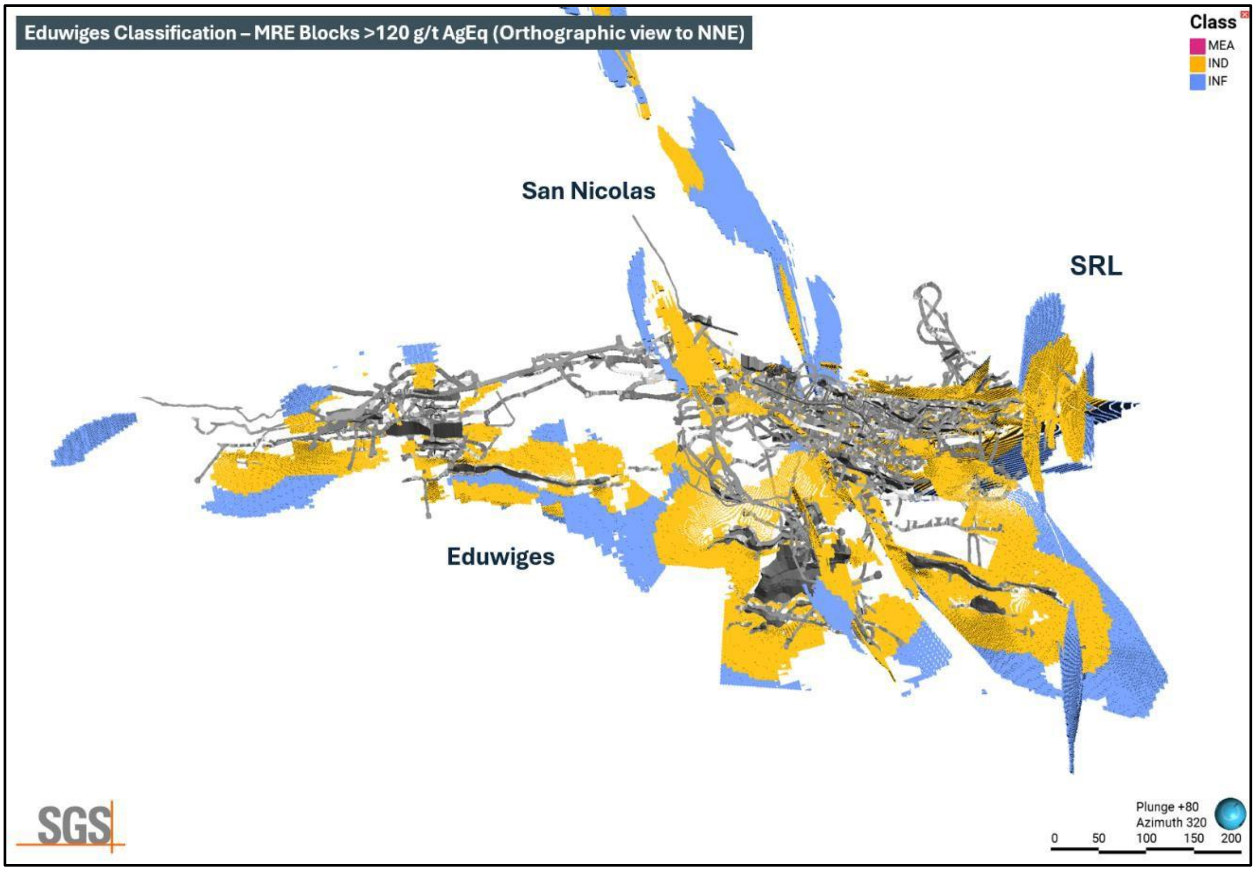
Source: SGS (2025)

Figure 14-13: Eduwiges Mineral Resource Blocks by Grade (View to NNE)



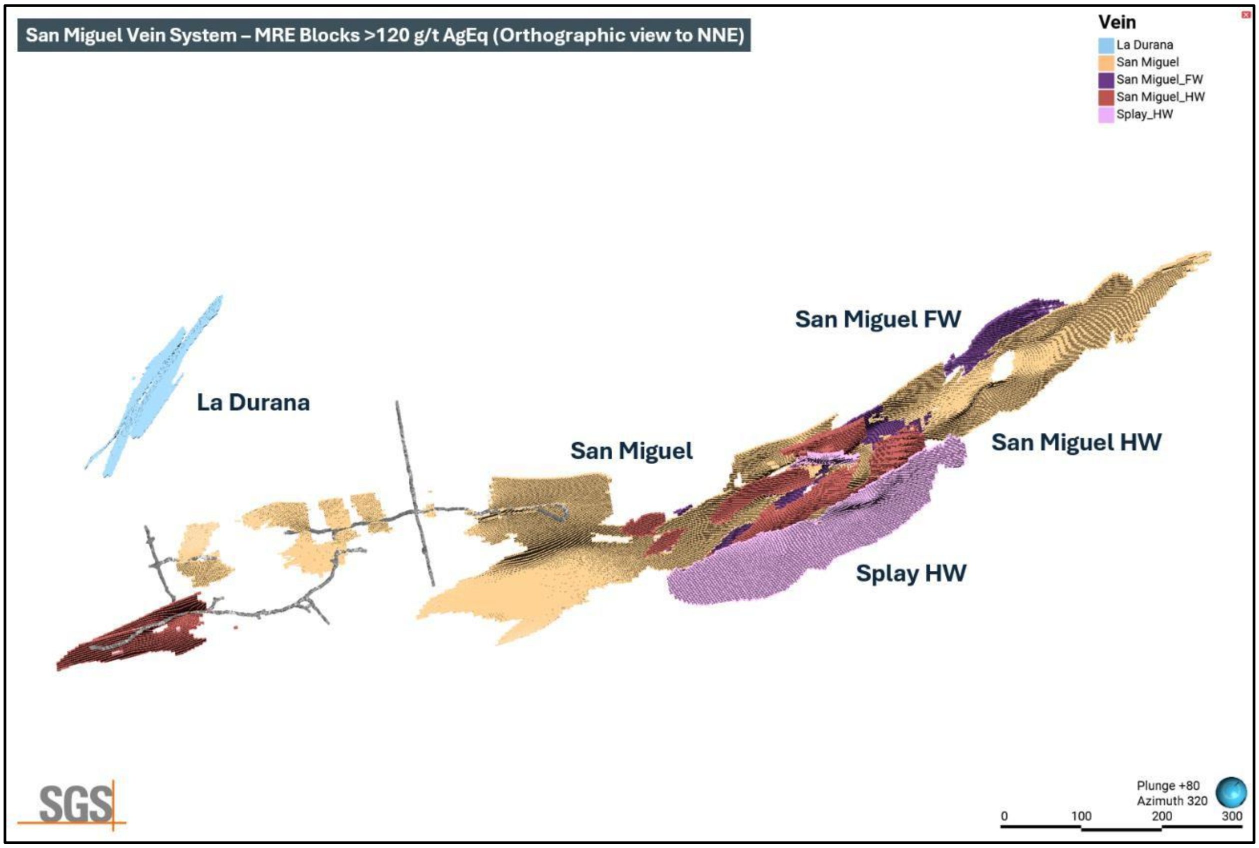
Source: SGS (2025)

Figure 14-14: Eduwiges Mineral Resource Blocks by Class (View to NNE)



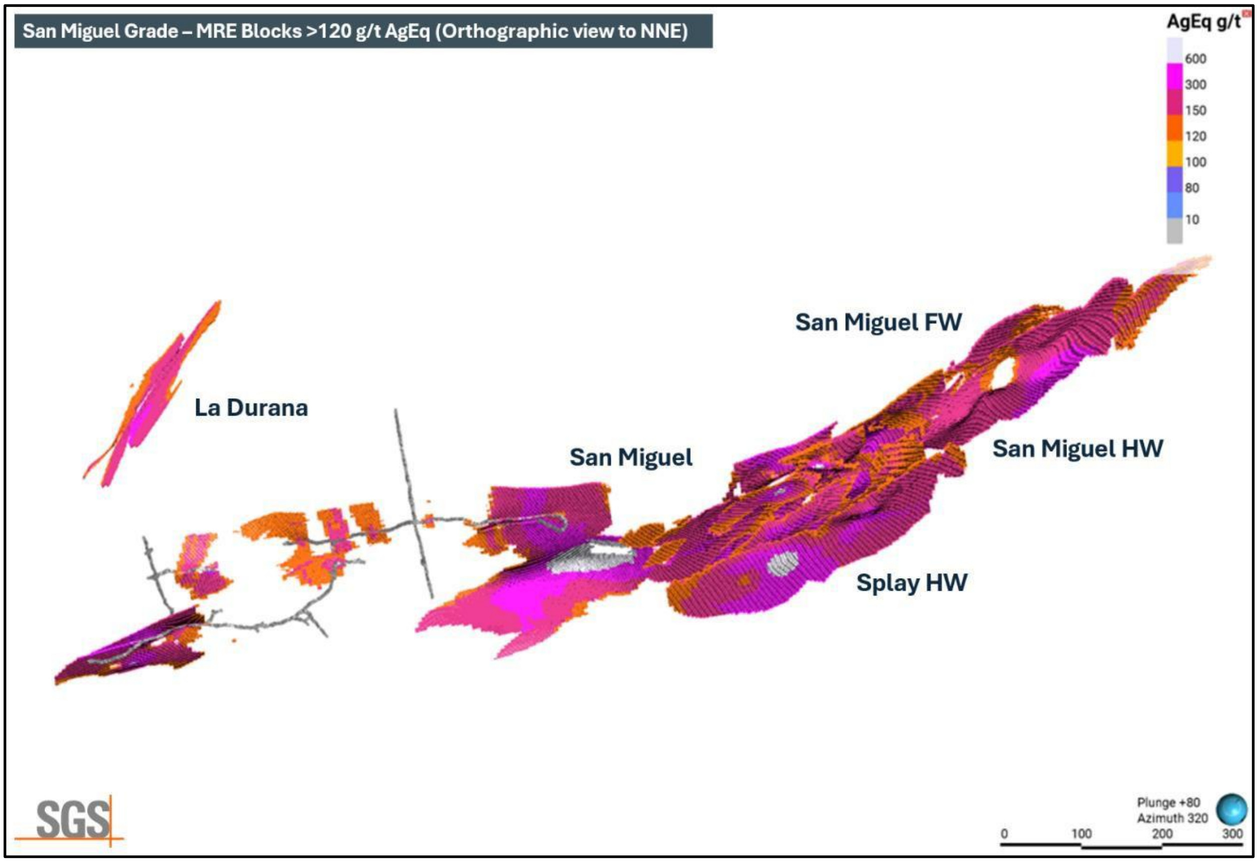
Source: SGS (2025)

Figure 14-15: San Miguel Mineral Resource Blocks by Area (View to NNE)



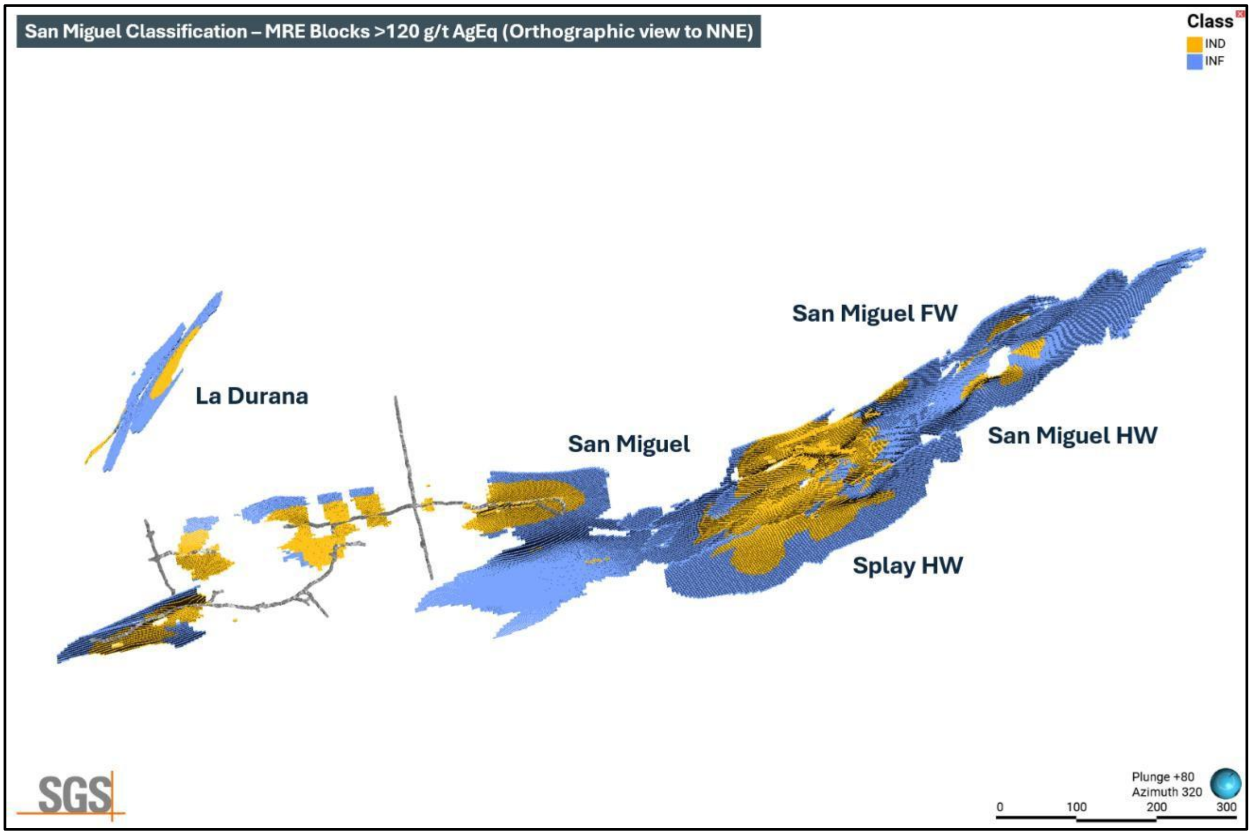
Source: SGS (2025)

Figure 14-16: San Miguel Mineral Resource Blocks by Grade (View to NNE)



Source: SGS (2025)

Figure 14-17: San Miguel Mineral Resource Blocks by Class (View to NNE)



Source: SGS (2025)

14.12 Model Validation and Sensitivity Analysis

Visual checks of block grades against the composite data and assay data on vertical section showed good correlation between block grades and drill intersections.

A comparison of the average capped composite grades, average assay grades, and average block model grades by zone is shown in Table 14-10. The block model average grades compared well with the capped composite average grades.

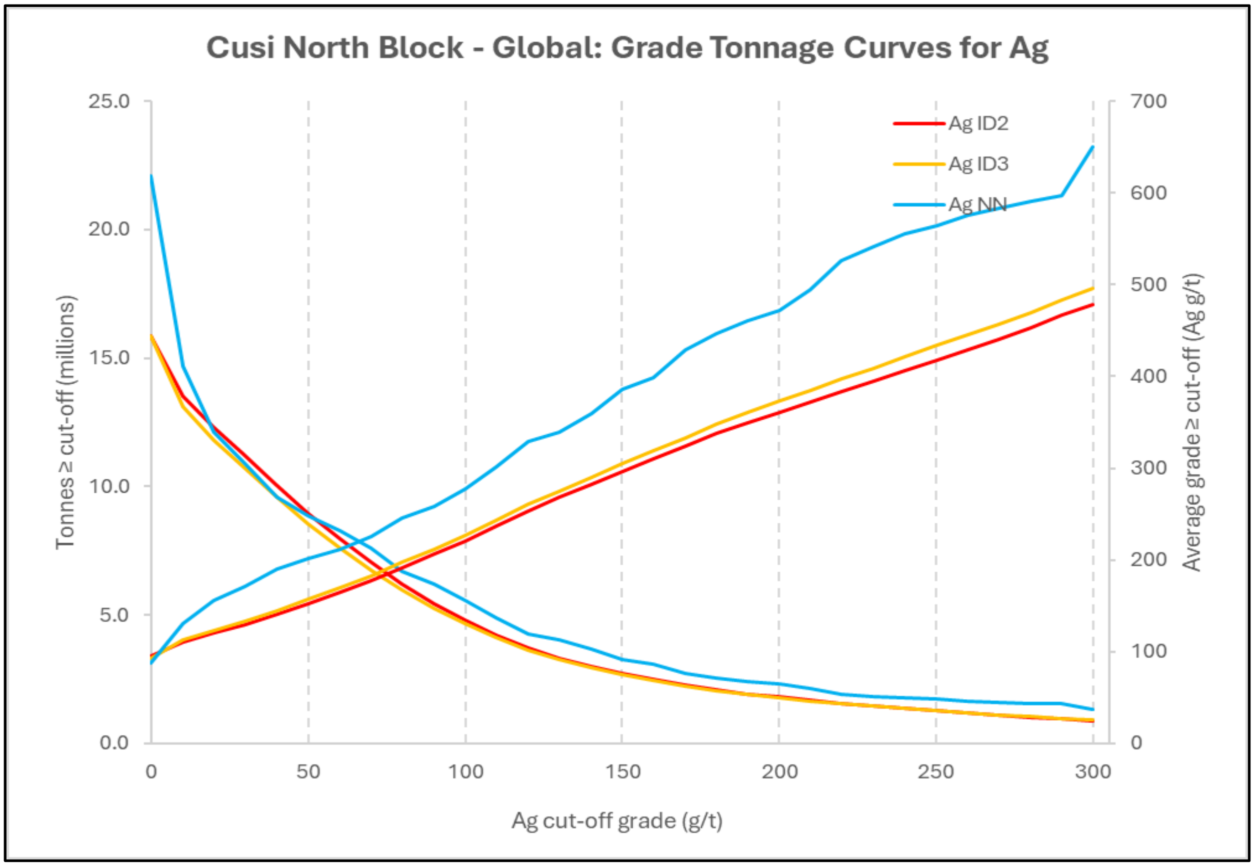
For comparison purposes, additional grade models were generated using a varied inverse distance weighting (ID3) and nearest neighbour (NN) interpolation methods. The results of these models are compared to the chosen models (ID2) at various cut-off grades in a grade/tonnage graph shown in Figure 14-18 and Figure 14-19. In general, the ID2 and ID3 models show similar results, and both are much more conservative and smoother than the NN model. For models well-constrained by wireframes and well-sampled (close spacing of data), ID2 should yield very similar results to other interpolation methods such as ID3 or Ordinary Kriging.

Table 14-10: Comparison of Average Assay, Composite, and Block Model Grades

Area	Element	Assays	Composites	Composites Capped	Blocks
San Juan	Ag (g/t)	185	148	144	191
	Au (g/t)	0.23	0.18	0.17	0.11
	Pb (%)	0.16	0.12	0.12	0.16
	Zn (%)	0.19	0.15	0.15	0.24
Promontorio West	Ag (g/t)	216	206	204	118
	Au (g/t)	0.09	0.09	0.08	0.06
	Pb (%)	0.40	0.39	0.38	0.28
	Zn (%)	0.43	0.42	0.41	0.35
Promontorio East	Ag (g/t)	248	240	229	145
	Au (g/t)	0.07	0.06	0.06	0.07
	Pb (%)	0.26	0.25	0.23	0.28
	Zn (%)	0.28	0.27	0.26	0.29
Eduwiges	Ag (g/t)	214	211	211	122
	Au (g/t)	0.47	0.48	0.37	0.16
	Pb (%)	1.69	1.66	1.61	1.08
	Zn (%)	1.75	1.74	1.73	1.17
San Miguel	Ag (g/t)	117	122	117	112
	Au (g/t)	0.07	0.08	0.07	0.09
	Pb (%)	0.33	0.34	0.31	0.57
	Zn (%)	0.44	0.46	0.44	0.80
San Nicolas	Ag (g/t)	178	167	163	92
	Au (g/t)	0.21	0.20	0.12	0.08
	Pb (%)	0.34	0.32	0.30	0.20
	Zn (%)	0.40	0.37	0.34	0.27
Santa Rosa de Lima	Ag (g/t)	247	261	248	99
	Au (g/t)	0.08	0.08	0.07	0.10
	Pb (%)	0.56	0.59	0.57	0.44
	Zn (%)	0.61	0.63	0.62	0.61

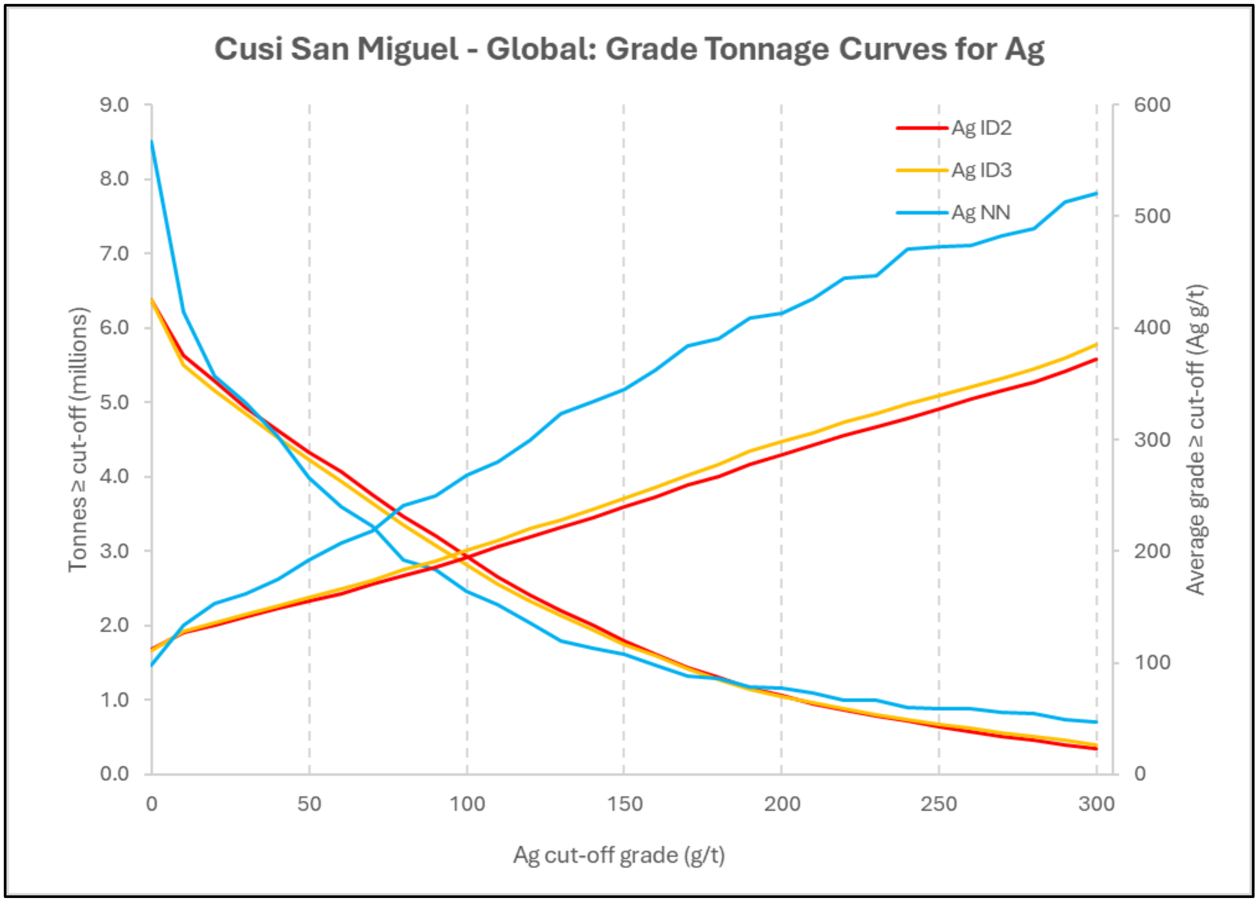
Source: SGS (2025)

Figure 14-18: Cusi North Block Grade Tonnage Curves for Ag: Comparison of ID2, ID3, and NN Models



Source: SGS (2025)

Figure 14-19: Cusi San Miguel Grade Tonnage Curves for Ag: Comparison of ID2, ID3, and NN Models



Source: SGS (2025)

14.12.1 Sensitivity to Cut-off Grade

The Project Mineral Resources have been estimated at a range of cut-off grades presented in Table 14-11 to demonstrate the sensitivity of the resources to cut-off grades. The current Mineral Resources are reported at a base-case cut-off grade of 120 g/t AgEq (highlighted).

Note: Values in these tables reported above and below the base-case cut-off 120 g/t AgEq for underground Mineral Resources should not be misconstrued with a Mineral Resource Statement. The values are only presented to show the sensitivity of the block model estimates to the selection of the base case cut-off grade. All values are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.

Table 14-11: Cusi Project Mineral Resource Estimate Sensitivity Table, October 20, 2025

Resource Class	Cut-off Grade (AgEq g/t)	Mass	Average Grade					Material Content				
			Ag	Au	Pb	Zn	AgEq	Ag	Au	Pb	Zn	AgEq
		Mt	g/t	g/t	%	%	g/t	koz	koz	Mlb	Mlb	koz
Measured	80	0.90	232	0.07	0.34	0.38	257	6,668	2.0	6.7	7.5	7,388
	90	0.83	244	0.07	0.35	0.39	269	6,531	1.9	6.4	7.2	7,222
	100	0.78	254	0.07	0.35	0.40	281	6,397	1.9	6.1	6.9	7,064
	120	**0.69**	**277**	**0.08**	**0.37**	**0.42**	**305**	**6,114**	**1.8**	**5.6**	**6.3**	**6,725**
	150	0.56	312	0.09	0.40	0.45	342	5,643	1.6	4.9	5.5	6,188
	200	0.40	375	0.11	0.45	0.49	409	4,860	1.4	4.0	4.3	5,299
	250	0.29	445	0.13	0.49	0.53	483	4,132	1.2	3.2	3.4	4,484
	300	0.22	512	0.14	0.53	0.57	553	3,571	1.0	2.5	2.7	3,858
Indicated	80	5.90	161	0.13	0.63	0.76	210	30,612	25.2	81.9	99.1	39,827
	90	5.42	170	0.14	0.67	0.81	221	29,566	24.3	79.6	96.2	38,506
	100	4.99	178	0.15	0.70	0.85	232	28,512	23.6	77.3	93.0	37,175
	120	**4.21**	**195**	**0.16**	**0.78**	**0.93**	**255**	**26,330**	**22.2**	**72.7**	**86.5**	**34,433**
	150	3.33	218	0.18	0.90	1.06	286	23,388	19.7	66.1	77.6	30,664
	200	2.30	257	0.21	1.08	1.25	337	18,988	15.6	54.8	63.2	24,913
	250	1.61	296	0.24	1.22	1.39	386	15,290	12.3	43.4	49.3	19,938
	300	1.09	338	0.26	1.38	1.54	439	11,876	9.3	33.1	37.0	15,396
Inferred	80	5.73	143	0.14	0.72	1.00	201	26,266	26.0	90.9	126.1	37,065
	90	5.27	150	0.15	0.76	1.04	211	25,377	25.1	88.0	121.2	35,787
	100	4.83	157	0.16	0.80	1.10	222	24,424	24.2	85.4	116.8	34,469
	120	**4.07**	**172**	**0.17**	**0.89**	**1.20**	**243**	**22,479**	**22.2**	**79.5**	**107.5**	**31,753**
	150	3.00	199	0.20	1.05	1.38	282	19,192	18.9	69.7	91.1	27,135
	200	1.87	246	0.24	1.36	1.67	347	14,786	14.4	56.2	69.1	20,924
	250	1.37	277	0.27	1.57	1.87	393	12,252	12.0	47.6	56.8	17,358
	300	1.00	310	0.31	1.76	2.03	437	9,965	9.8	38.8	44.8	14,061

Source: SGS (2025)

14.13 Disclosure

All relevant data and information regarding the Project are included in other sections of this Technical Report. There is no other relevant data or information available that is necessary to make the technical report understandable and not misleading.

The Authors are not aware of any known mining, processing, metallurgical, environmental, infrastructure, economic, permitting, legal, title, taxation, socio-political, or marketing issues, or any other relevant factors not reported in this technical report, which could materially affect the MRE.

15 MINERAL RESERVE ESTIMATE

There are no Mineral Reserve Estimates for the Property as the work is only at a PEA level.

16 MINING METHODS

16.1 Introduction

The Cusi Silver Complex is divided into four separate mineralized zones. Each of the four zones, Promontorio, San Juan, Eduwiges, and San Miguel, contain multiple veins and mineralized zones. The general trend for mineralization is approximately SW-NE and incorporate several narrow high-grade veins. The average strike length of the economic deposit is 600 m with an average thickness of approximately 2-4 m.

The physical separation of several hundred metres between each mining zone led to their independent planning and scheduling. Each zone is planned to have its own portal access, and infrastructure network (ventilation, dewatering power supply etc.) with the exception of Promontorio and San Miguel, which will share access and services.

Each mining area is made up of multiple vein structures, that both stacked (parallel and immediately adjacent), and discreet (separate). The general geometry of the deposits are summarized as follows:

- Promontorio and San Juan, dip to the north at 65° to 70°, although in selected areas it dips vertically;
- Eduwiges, dips to the north at approximately 70°; and
- San Miguel is near vertical.

For all zones, in areas where mineralized zones run parallel to each other, the distance between the host rock hanging wall and footwall can exceed 50 m.

Longitudinal long-hole (LH) stoping with 17.5 m level spacing and targeted cemented rock backfill is the principal mining method in all mineralization zones due to its high productivity, low cost, selectiveness, and successful history of application for deposits of this nature.

16.2 Geotechnical Analysis and Recommendations

16.2.1 Geotechnical Data Sources and Reliability

Data from geotechnical specific drilling and testing programs could not be located from historic operations or have not been completed yet for the project. Rock mass quality and structure assumptions for the PEA have been estimated based on the following:

- Review of core photographs for several resource drillholes at San Miguel (8), Promontorio (6) and Eduwiges (4);

- Geotechnical mapping information and rock quality assessments from previous consultants and mine operations;
- Core recovery and RQD data collected as part of historic resource drilling campaigns;
- Observations of rock mass quality and structure made by JDS during an underground visit to the Promontorio mine; and
- Geotechnical data and information contained in the SRK (2020) PEA report.

JDS has reviewed and verified the above information at a high level to confirm data quality and accuracy. This is based on review of select core photographs and comparisons with ground conditions observed underground. JDS considers the data to be suitable for a PEA level of study.

16.2.2 Rock Mass Characteristics

Rock mass quality described herein according to the Q rock mass classification system (Barton & Grimstad, 1994). The rock mass can be described generally as 'Fair' to 'Good' quality according to the Q system. Zones of 'Poor' rock quality are observed in core and resource RQD logging data but generally represent localized zones associated with specific geologic structures such as faults or dikes.

Although a 3D fault model has not yet been developed for the project, the major fault systems are mapped on surface and appear to be understood reasonably well. Several of the main mineralized veins are associated with faults in the hanging wall (HW) and/or footwall (FW).

A previous geomechanical assessment by Carlos Vallejo (2023) describes the Promontorio and Santa Rosa de Lima (SRL) HW and SRL FW as consisting of very strong, slightly to moderately fractured rhyodacite and rhyolitic to rhyodacitic breccias with rough, slightly altered/weathered discontinuity conditions. Q values are estimated between 5 and 100 ('Fair' to 'Very Good' rock quality) which is generally consistent with JDS observations made underground at Promontorio.

Although specific data or reports could not be located, historical reports reference laboratory UCS testing of core samples as well as field, Schmidt hammer and point load testing. Intact rock strengths from this testing are reported to be greater than 120 MPa classifying as 'Very Strong' according to ISRM (1978) standards for rock classification.

The SRL vein is associated with one of the major, regional faults that form the deposit. The steeply northeast dipping SRL fault separates andesite in the HW (to the northeast) from rhyodacite in the FW (southwest). The andesite is known to be of significantly lower rock mass quality than the rhyodacite being described by Carlos Vallejo (2023) as very fractured and moderately altered andesites with smooth, moderately altered/weathered joint conditions. Q values are estimated to range between 0.2 and 5 ('Very Poor' to 'Poor' rock quality. Poor ground conditions were also typically encountered near the SRL vein and fault.

16.2.3 Stope Dimensions and Overbreak

Maximum stable stope dimensions were estimated using the Potvin (2001) empirical method for the anticipated range of ground conditions. The Trueman & Mawdesley (2003) 'Stable' line was used as an alternative 'check' against the Potvin (2001) results.

Empirical stope design analyses are based on a series of stability graphs where the Stability Number (N') is plotted on the vertical axis against the hydraulic radius (face area divided by perimeter) of the stope face on the x axis.

Stability Number (N') is calculated for each stope face according to the following:

$$N' = Q' \times A \times B \times C$$

Descriptions of each input parameter and the corresponding values selected for the analysis are summarized as follows:

- Rock quality (Q') ranging between 5 ('Fair') and 15 ('Good') excluding the third quotient in the Q equation (stress reduction factor, Jw/SRF), stresses are accounted for with the 'A' (stress) parameter below;
- Induced stress parameter (A) is defined as the ratio of the intact rock strength (UCS) to the maximum stress induced by mining and varies between 1.0 for near surface/low stress and 0.1 for very deep and/or high horizontal stress environments. Values of 0.5 and 0.9 were selected to represent the range in depths and anticipated stress conditions;
- Joint orientation factor (B) considers the influence of the dominant structure orientation relative to the stope face with a maximum value of 1.0, where the dominant structures strike perpendicular to the stope wall. Values used in the analysis varied from 0.2 (most conservative) to 0.3 for the HW and to account for potential sub-parallel structures as described above; and
- Gravity factor, C considers the effect of gravity on potential wedges or slabs that may fall from the walls or back. Factor C is calculated based on the dip angle of each stope face using the equation: C =8 – 6 x cosine (face dip angle) and varies from 2, for the most adverse orientation (horizontal/flat backs), up to 8.0 for vertical walls or inward dipping footwalls (most favorable orientation).

A range in stope dimensions were used to assess the maximum stable hydraulic radius for each stope wall based on the following assumptions:

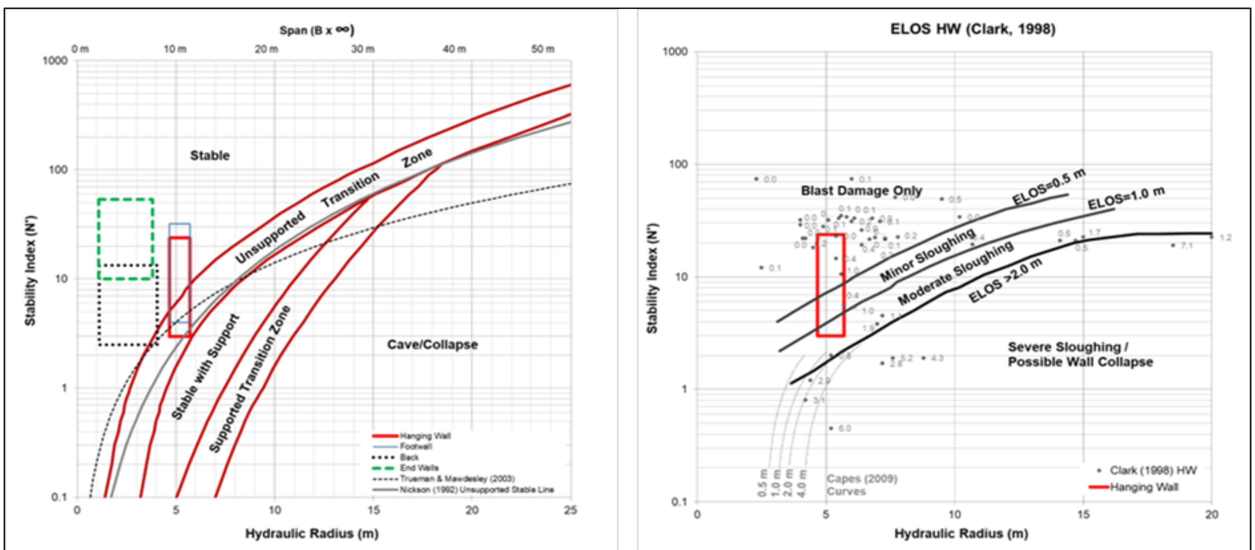
- Stope heights ranging between 17.5 m (level spacing) up to 21 m (17.5 m plus 3.5 m top cut);
- Stope widths ranging between 2.5 and 12 m; and
- Maximum stable stope lengths estimated from the stability graph considering the range of stope widths and heights listed above.

Based on the analysis discussed above, JDS recommends maximum stope lengths of 20 to 25 m be used for the PEA mine planning.

Potential for unplanned dilution or overbreak was estimated for the HW using the equivalent linear overbreak/slough (ELOS) method developed by Clark (1998). The ELOS thickness is estimated from an empirical chart like the stope stability described above but contours of dilution/overbreak are provided rather than stability conditions. The contours are shown in terms of the average thickness of overbreak across the full hanging wall area.

Results indicate overbreak or dilution will be primarily blast controlled with up to potentially 0.5 m where conditions are lowest. Results and inputs from the empirical stability and ELOS analyses are shown in Figure 16-1.

Figure 16-1: Empirical Stope Stability Analyses and Dilution Estimate



Case	Stope Face	Face Dip (deg)	Rock Mass Quality		Empirical Parameters			N'	Max. HR Allowed [C]	S
			Q'	RMR_{76} [A]	A (Stress) [B]	B (Joint Orientation)	C (Gravity)			
Lower Q / Upper HR	HW	70	5.0	58	0.5	0.2	5.9	3.0	5.4	5.7
	Back	0	5.0	58	0.5	0.5	2.0	2.5	5.1	4.1
	FW	70	5.0	58	0.5	0.2	8.0	4.0	6.0	5.7
	End	90	5.0	58	0.5	0.5	8.0	10.0	8.1	3.8
Upper Q / Lower HR	HW	70	15.0	68	0.9	0.3	5.9	23.8	10.9	4.7
	Back	0	15.0	68	0.9	0.5	2.0	13.4	9.0	1.1
	FW	70	15.0	68	0.9	0.3	8.0	32.0	12.1	4.7
	End	90	15.0	68	0.9	0.5	8.0	53.4	14.4	1.1

Notes:

A RMR76 calculated based on (Bienawski 1989) equation (Q' = $e^{[RMR76 - 44]/9}$).

B A factor may not accurately consider hanging wall and back tensile zones.

C Maximum Allowed Hydraulic Radius based on Nickson (1992).

16.2.4 Internal Waste Pillars

Due to the mineralization occurring within multiple, parallel veins and the lack of economic grades between them, internal waste lenses or pillars will be necessary along strike to avoid excess dilution. Given the steep, sub-vertical orientation of the veins and inherent jointing and blast damage from both sides of the pillar, narrow pillars are unlikely to remain stable while mining adjacent stopes.

A pillar minimum thickness of 5 m is recommended where mining closely spaced parallel stopes. A reduction in minimum pillar thickness may be possible during operation as experience is gained with local ground conditions and blasting practices are refined. Parallel stopes should be sequenced so that they are mined in retreat from the HW to FW.

16.2.5 Ground Support

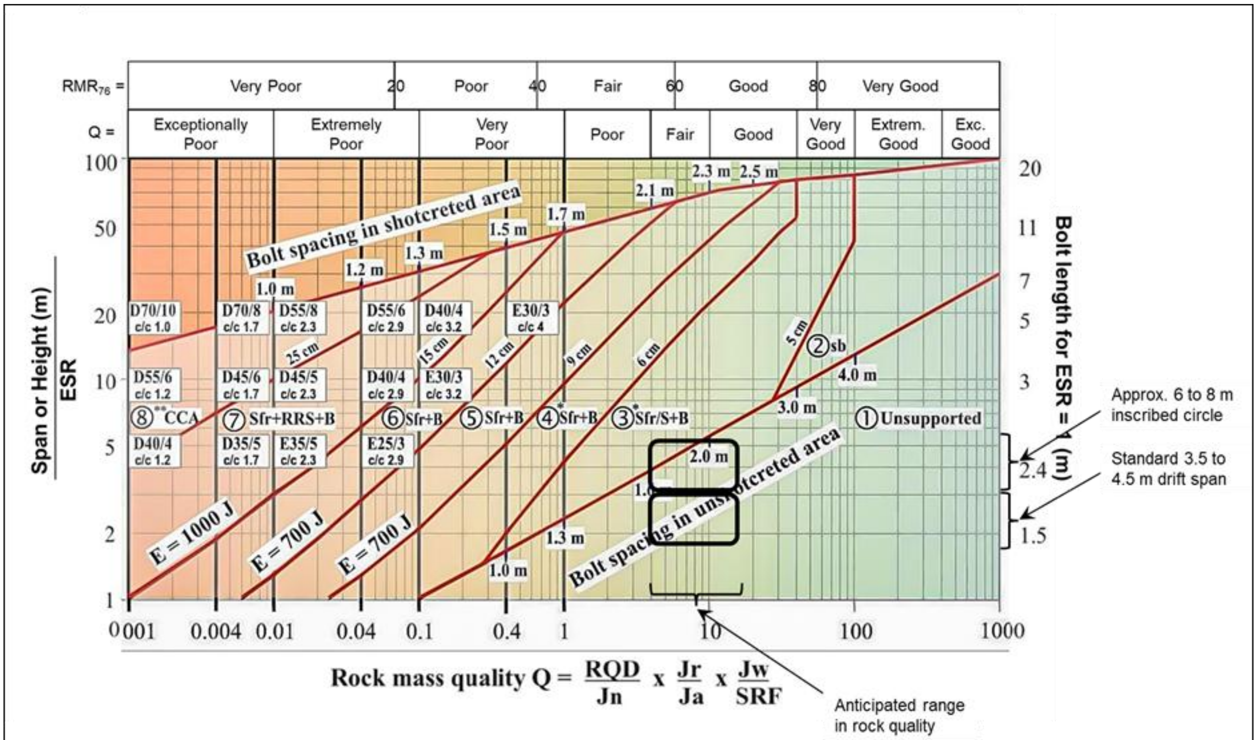
Ground support has been designed based rock mass classification and empirical designs methods such as the Barton & Grimstad (2014) Q system and industry standard rules of thumb.

Ground support requirements were initially assessed according to the Barton criteria for the anticipated range of rock quality considering excavation sizes and primary use during operation. The Q-system accounts for usage of openings by applying a more conservative excavation support ratio (ESR) for man-entry or permanent infrastructure compared to short term development or excavations that will have equipment only access.

The ESR is used to adjust the design span providing an equivalent span (De) for use in the Q Support Diagram. This adjustment to the design span in effect, imposes a higher factor of safety on life-of-mine, critical infrastructure (such as ramps, declines, underground workshops, crusher chambers and man-entry stopes) by applying a more conservative ESR than temporary excavations (such as drives, non-man-entry stopes and other mine areas requiring only short-term access).

JDS has assumed an ESR of 1.6 for permanent infrastructure and 3 for temporary drives and non-entry stopes for the PEA. The anticipated range of rock quality and dimensions are shown on the Barton Q Design Chart on Figure 16-2 for the expected development and intersection spans.

Figure 16-2: Empirical Stope Stability Analyses and Dilution Estimate



Based on the Barton & Grimstad (1994) criteria, most of the temporary and permanent, non-intersection development would require only spot bolting as a minimum to remain serviceable; however, pattern bolting and welded wire mesh are recommended to control loose material for all development with personnel access. Recommended bolt lengths were selected based on the 1/3 of span rule of thumb for good rock quality.

Minimum ground support recommendations for permanent and temporary development are as follows:

- Permanent Development (4 m W x 4.5 H):
  - 1.8 m long #6 resin bolts on 1 to 1.2 m ring spacing and 1 to 1.2 m within the ring with 6-gauge welded wire mesh in back to within 1.5 m of floor; and
  - Assume 5 % of all permanent development intersections will require 5 cm of shotcrete in addition to bolting.
- Temporary Development (3 to 4 m W x 3.5 H):
  - 1.2 m long, 39 mm split sets on 1 to 1.2 m ring spacing and 1 to 1.2 m within the ring with 6-gauge welded wire mesh in back to within 1.5 m of floor; and
  - No shotcrete required in temporary development.

16.2.6 Historic Workings and Subsidence

Portions of the deposits have been mined historically by previous operators. Promontorio has been mined extensively from surface down to approximately elevation 1655 m. Significant portions of the upper Eduwiges system have also been mined down to approximate elevation 1820 m, with some minor stopes developed down to approximately 1765 m. The only known historic development at San Miguel includes two declines driven to depths of less than 50 m below ground surface.

Significant pillar failures and surface subsidence occurred during historic mining at Promontorio between 2018 and 2023. Reviews of available reports from past operators and consultants at that time indicate the instabilities were caused primarily by poor mining practices rather than unusual or unexpected ground conditions.

Large LH stopes were developed without backfilling and rib pillars mined at levels between approximately 1704 m and 2000 m elevation. This condition exacerbated by unidentified historic workings, unfilled and/or partially filled stopes and thin sill pillars being left. JDS understands the subsidence void was selectively filled with concrete and that no significant movements have occurred since the previous operations. JDS recommends that a minimum 17.5 m (one level) sill should be below all existing workings.

16.3 Hydrogeology Analysis and Recommendations

The initial levels of San Miguel will likely be dewatered using gravity since they are above the portal which has no water present. Promontorio will need continual dewatering at depth as the mine progresses downward. Eduwiges is naturally dewatered, likely from the dewatering at Promontorio to a depth below the bottom of Eduwiges.

There are no hydrogeological models for any of the Cusi UG mining areas, making this an inherent risk. To mitigate the uncertainty, dewatering sumps and pump systems have been planned with costs allocated to the capital and operating costs.

Sumps and pump systems for Promontorio were designed utilizing a flow assumption of 40 L/s which was determined based on historical dewatering records from work completed to date. Additional pumping systems for the levels of San Miguel below the portal were also budgeted using this flow rate.

No water treatment is currently used for UG dewatering discharge. Promontorio UG water is pumped directly into the environment into a creek that flows through Cusihuiriachi. Water quality tests support direct discharge.

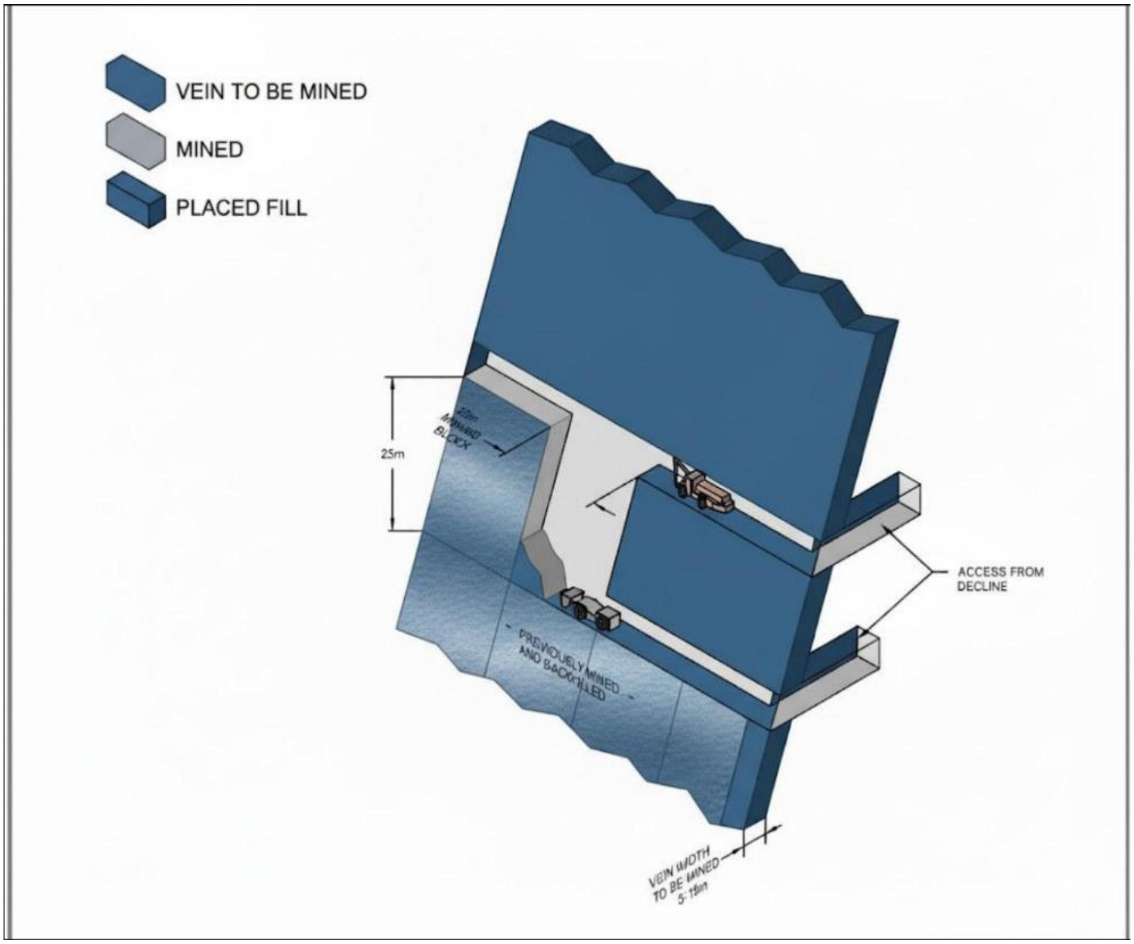
16.4 Mining Methods

Based on the geological and geotechnical parameters of the deposit, longitudinal longhole open stoping (LHOS) with limited cemented rock backfill was selected as the mining method. For Promontorio and Eduwiges, existing historic workings will be leveraged to access and support near-surface mineralized zones, and lateral development will be used to access deeper and satellite mineralized zones as necessary. San Miguel is a greenfield development project and will also use lateral development to support LHOS.

16.4.1 Longitudinal Longhole Stoping

Longitudinal longhole open stoping (Figure 16-3) is typically utilized in steeply dipping narrow deposits as it can limit dilution considerably while maintaining cost effectiveness. A top and bottom drift will be developed above and below the active stope and blastholes are planned to be drilled between the two levels using a longhole production drill. The stope will be blasted, and material extracted from the bottom drift using conventional load-haul-dump machinery (LHDs). Stopes are planned to be mined in a retreat sequence with the furthest stopes on one level mined first and retreated back until the stope is exhausted or the drift intersects with the access on that level. Lower level stopes will then be backfilled with cemented rockfill where the expected grade exceeds 150 g/t AgEq to enable additional mining recovery of high-grade material.

Figure 16-3: Longitudinal Longhole Stoping Conceptual Schematic



16.5 Mine Design Parameters

To determine the mineable shapes, the following design process was utilized:

- Analyze the geologic resource model for geometric properties including mineralized zone width, depth, length, and continuity;
- Select the mining methods best suited for the deposit based on geometry, economics, and geotechnical parameters;
- Determine the economic cut-off grade (COG) based on estimated operating cost, mine recovery, dilution, and commodity price assumptions;
- Identify the blocks within the geologic model that are above the COG (including mine dilution and recovery) and produce optimized stope shapes;
- Complete orphan analysis on isolated stopes and determine feasibility to access them, and disqualify inaccessible stopes or stopes with excessive development requirements;
- Tighten the final stope envelopes to favor the highest-grade material and exclude lower-grade fringe material and marginal extensions; and
- Develop a mine plan around the economically viable production stope and complete economic analysis.

Stope design parameters for initial optimization, including dilution and recovery factors, are presented below in Table 16-1.

Table 16-1: Initial Stope Optimization Parameters

Parameter		Unit	Value
Stope Design Parameters	Strike Length	m	15
	Minimum Mining Width	m	1.5
	Level Spacing	m	17.5
	Sublevel Drift Height	m	3.5
	Minimum diluted mining width	m	2.2
	Minimum Dip	°	55
	Stope Height	m	14
	Pillar width between parallel structures	m	10
Dilution	HW ELOS*	m	0.35
	FW ELOS*	m	0.35
	Mining	%	5

Parameter		Unit	Value
Recovery	Mining Recovery	%	95

Notes:

*ELOS refers to Equivalent Linear Overbreak Slough, which is a technique to convert unplanned dilution from wall overbreak or sloughing into an average linear thickness of extra waste taken from a stope surface.

16.5.1 Cut-off Grade

Mineable stope material was identified from the 2D block model utilizing Maptek Vulcan^{TM} Stope Optimizer software. Silver-equivalent (AgEq) cut-off was determined based on parameters shown below in Table 16-2.

Table 16-2: Cut-off Grade Calculation Parameters

Parameter	Unit	Value
Revenue, Smelting and Refining		
Silver Price	US$/oz	35.0
Gold Price	US$/oz	3000
Lead Price	US$/lb	0.92
Payable Ag	%	95
Payable Au	%	95
Payable Pb	%	95
TC/RC/Transport Ag	US$/oz	0.75
Refining Cost Ag	US$/oz	0.65
Refining Cost Au	US$/oz	15.00
Royalty	%	2.5
Net silver value per oz	US$/oz	32
Estimated Operating Cost		
Underground Mining Cost	US$/t mined	45.00
Mill Feed Transport	US$/t processed	3.50
Mill Process Cost	US$/t processed	25.00
Sustaining CAPEX	US$/t processed	3.00
G&A	US$/t processed	7.00
Total OPEX Cost (including mining)	**US$/t processed**	**83.50**
Total OPEX Cost (excluding mining)	**US$/t processed**	**38.50**

Parameter	Unit	Value
Mine Losses and Dilution		
Mining Recovery	%	95
External Mining Dilution	%	5
Process Plant Recovery		
Silver Recovery	%	85
Gold Recovery	%	48
Lead Recovery	%	80
Cut-off Grade Calculations		
Break Even Cut-off grade	g/t AgEq	96
Stockpile optimization Cut-off grade	g/t AgEq	130
High grade optimization Cut-off grade	g/t AgEq	150

16.6 Underground Mine Design and Access

Mining and development activities at the Cusi complex will progress simultaneously for all three deposits, with deposits coming online as access is established to the production areas and offline as the stopes are exhausted and backfilled with cemented rockfill. Figure 16-4 and Figure 16-5 below show the Cusi complex in plan view and long section.

Figure 16-4: All Deposits Plan View

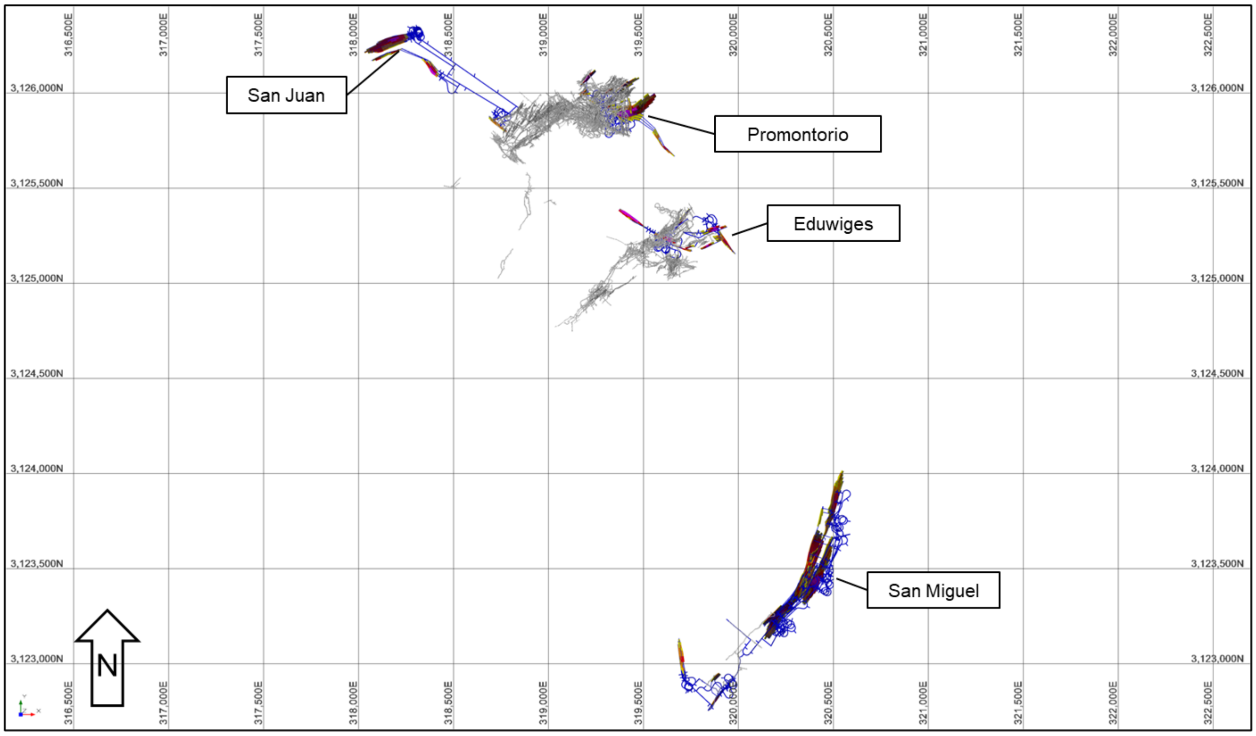
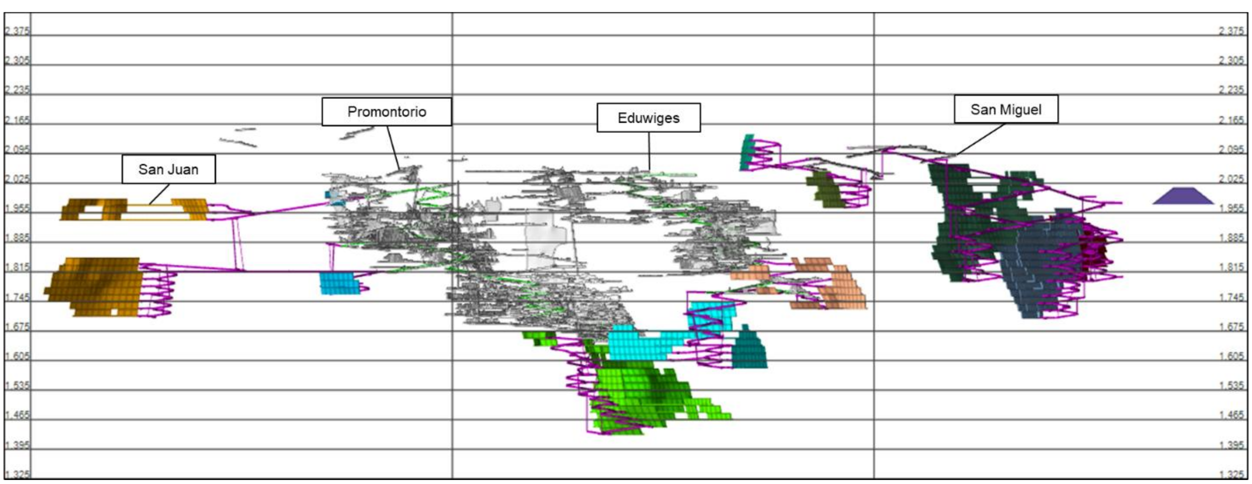


Figure 16-5: Long Section View of All Deposits, Looking North (No scale specified)

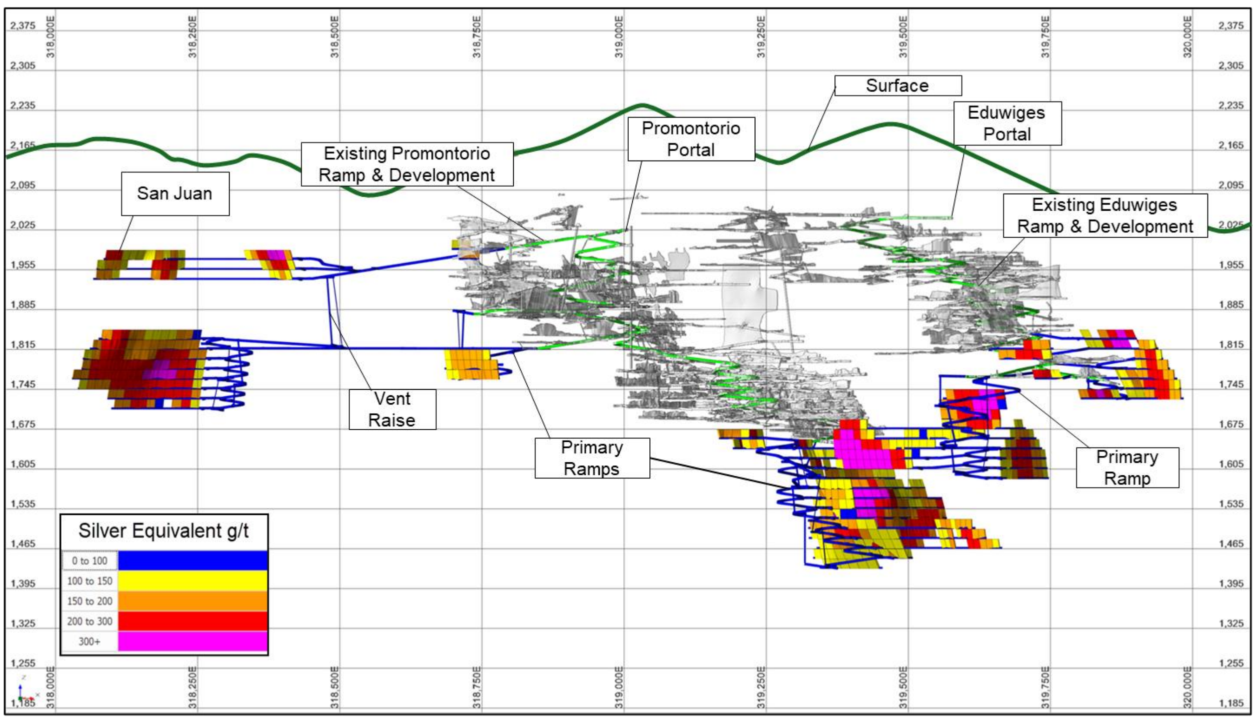


Mining is planned to begin at Promontorio during pre-production in Q3 of Y-1 in Zone A on level 1657.5 during the ongoing development of the main access ramp and rehabilitation of historic workings where necessary. Promontorio contains approximately ~20% of the total mineable inventory, the majority of which is in Zone A. This inventory will be mined top-down using longitudinal LHOS with some CRF backfill in the lower third of stopes exceeding 150 g/t AgEq in grade to increase mining recovery.

While Zone A is in production, development of access to Zones B and C will begin from the footwall drive. This access will be complete and stopes beginning production by Y4. Zone B is between levels 1937.5 and 1972.5 and Zone C is between levels 1710 and 1832.5. Waste rock will be backfilled as needed in exhausted stopes or historic workings as they become available.

Figure 16-6 shows the LOM design for Promontorio in long section with production zones identified.

Figure 16-6: Promontorio LOM Long Section Looking North

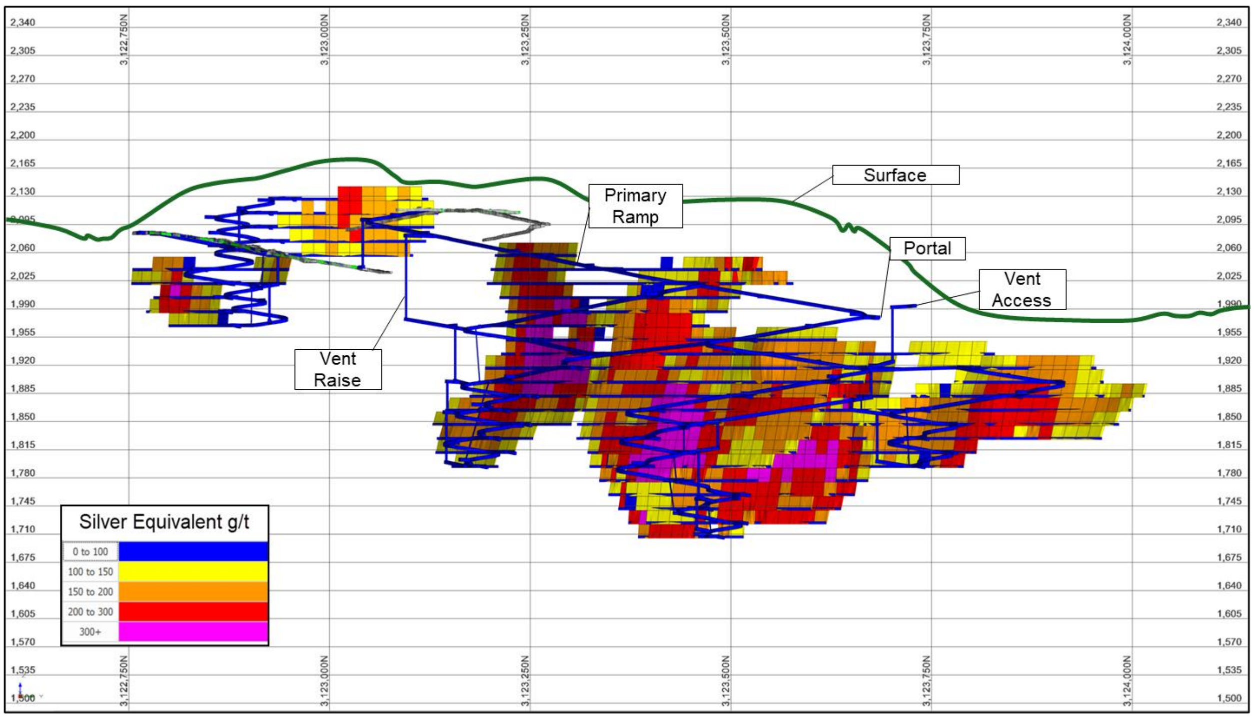


San Miguel contains the majority of the mineable inventory in the Cusi complex, constituting just above ~65% of the total mineable inventory. San Miguel is a semi-greenfield development, with minimal historic workings utilized for access. Development at San Miguel begins in Y-1, and production begins in Q1 of Y1 in Zone A on level 2055. Stopes at San Miguel will be mined top-down using longitudinal LHOS, which will progress through Zones A, B, and C throughout the LOM and conclude in Y8. Access to Zone D begins development in Y3 and concludes in Y6, and

Zone D is mined from Y6-Y8. Lateral development is used to support LOM mining and access. Stopes above 150 g/t AgEq will be backfilled in their lower levels with CRF, facilitating greater mining recovery. Exhausted stopes and void space will be backfilled with waste rock as required.

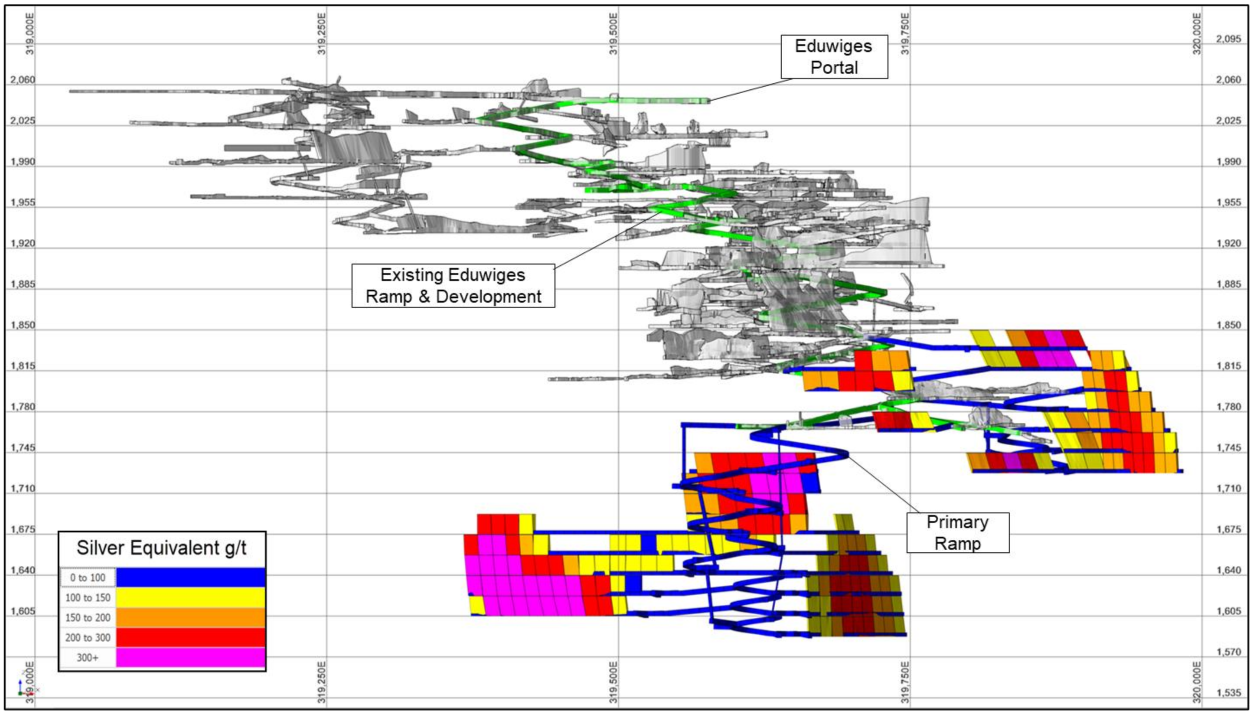
Figure 16-7 shows the LOM design for San Miguel and identifies production zones.

Figure 16-7: San Miguel LOM Long Section Looking West



Eduwiges accounts for the smallest portion of the mineable inventory for the Cusi complex, at 10% of the total. Development of the access begins in Y2, and first production follows in Y3 in both Zones A and B, between levels 1675 and 1832.5. Eduwiges' stopes are mined with top-down longitudinal LHOS. Production concludes in Y6 on level 1587.5. Figure 16-8 shows the LOM design for Eduwiges and identifies production zones.

Figure 16-8: Eduwiges LOM Long Section Looking North



16.6.1 Development

The decline ramps in Promontorio and Eduwiges will be driven at 12.5% gradient beginning at their tie-ins to existing workings. In Promontorio following Y2 secondary declines will be driven at 12.5% gradient and 0% grade from surface and historical workings on level 1815, respectively, to access Zones C and D. An auxiliary ventilation shaft between these access declines will be bored prior to the start of production. 12.5% gradient is used instead of a standard 15% to accommodate the types of contractor trucks often used at UG mines in Mexico.

At San Miguel, main ramps will be driven from the portal at approximately 1985 masl upwards at 12.5% to tie into historic workings at approximately 2100 masl. Secondary decline ramps will be driven off of this incline at regular levels also at 12.5% to establish access to primary production stopes.

In all three deposits, mining levels are planned to be spaced at 17.5 m, with 14 m tall stopes separated by 3.5 m drifts. Each level will contain a truck loadout bay, and footwall drives are planned to be located at a minimum of 40 m from production stopes.

A summary of lateral development by type for all deposits is included in Table 16-3.

Table 16-3: Summary of Lateral Development by Deposit

Deposit	Lateral Development Type	Min. Dimensions mW x mH	Planned Metres
Promontorio	Level Access	3.0 x 3.5	1,316
	Egress Access	3.0 x 3.5	166
	Return Air Drift	3.0 x 3.5	700
	Remuck	3.0 x 3.5	855
	Ramp	4.0 x 4.5	4,618
	Stope Sill Development	3.0 x 3.5	7,117
	Sump	3.0 x 3.5	290
	Stope Connector Drift	3.0 x 3.5	1,355
	Substation	3.0 x 3.5	290
	Total		**16,708**
Eduwiges	Level Access	3.0 x 3.5	985
	Egress Access	3.0 x 3.5	72
	Return Air Drift	3.0 x 3.5	251
	Remuck	3.0 x 3.5	420
	Ramp	4.0 x 4.5	1,924
	Stope Sill Development	3.0 x 3.5	3,437
	Sump	3.0 x 3.5	170
	Stope Connector Drift	3.0 x 3.5	433
	Substation	3.0 x 3.5	170
	Total		**7,862**
San Miguel	Level Access	3.0 x 3.5	1,880
	Egress Access	3.0 x 3.5	149
	Return Air Drift	3.0 x 3.5	1,340
	Rehab	3.0 x 3.5	613
	Remuck	3.0 x 3.5	1,455
	Ramp	4.0 x 4.5	6,912
	Stope Sill Development	3.0 x 3.5	18,845
	Sump	3.0 x 3.5	520
	Stope Connector Drift	3.0 x 3.5	925
	Substation	3.0 x 3.5	520
	Total		**33,159**

Relatively little vertical development is necessary for Promontorio and Eduwiges given the presence of extensive historical workings available including primary ventilation shafts. Additional egress and return air infrastructure will be developed as needed between production levels. At San Miguel, ventilation and egress shafts will be developed between production levels immediately adjacent to the access declines.

All development activities, vertical and lateral, are planned to be undertaken by a contractor. A summary of development is included in Table 16-4.

Table 16-4: Summary of Vertical Development Types

Deposit	Vertical Development Type	mW x mH / ø(m)	Planned Metres
Promontorio	Egress Raise	1.5	577
	Return Air Raise	3.0	537
	Total		**1,114**
Eduwiges	Egress Raise	1.5	200
	Return Air Raise	3.0	203
	Total		**403**
San Miguel	Egress Raise	1.5	510
	Return Air Raise	3.0	709
	Total		**1,220**

16.7 Mine Services

For all deposits on the complex, once a production level comes online, services and infrastructure are installed at the start of that production period. Infrastructure and services are not removed until the year following that level's exhaustion. To minimize capital purchases, once key infrastructure needs onsite reach the life of mine (LOM) peak number of required units, units are relocated as necessary to support new levels coming online. Relocations are estimated to cost approximately 10% of the purchase price for a new unit.

There are no air heating or cooling requirements at Cusi so the only mechanical ventilation needs are the main and auxiliary fans. Major infrastructure requirements for each deposit onsite by year, including LOM peak and LOM required relocations, as well as their corresponding map symbols, are available in Table 16-5. Final locations of major infrastructure and services in each deposit are shown in Figure 16-9 through Figure 16-11.

Table 16-5: Required Onsite infrastructure

Infrastructure Type	Deposit	LOM Total	Y0 Q3	Y0 Q4	Y1 Q1	Y1 Q234	Y2	Y3	Y4	Y5	Y6	Y7	Y8
Portal	Promontorio	0	0	0	0	0	0	0	0	0	0	0	
	Eduwiges	0				0	0	0	0				
	San Miguel	1			1			0	0	0	0	0	0
Main Pump Station	Promontorio	2	1	1	1	2	2			1	1	1	
	Eduwiges	2				1	2	2	2				
	San Miguel	1				1	1	1	1	1	1	1	1
	Total Complex	**5**	**1**	**1**	**1**	**4**	**5**	**3**	**3**	**2**	**2**	**2**	**1**
	Relocations	**1**							**1**				
Secondary Pump Station	Promontorio	1	0	0	1	0	1	1	1	1	1	1	
	Eduwiges	1				1	0	0	0				
	San Miguel	3				1	2	2	2	2	3	3	3
	Total Complex	**4**	**0**	**0**	**1**	**2**	**3**	**3**	**3**	**3**	**4**	**4**	**3**
	Relocations	**2**							**1**	**1**			
Refuge station	Promontorio	4	2	2	2	3	4	3	3	4	4	4	
	Eduwiges	2				1	2	2	2				
	San Miguel	5		1	3	3	3	3	4	5	5	5	5
	Total Complex	**9**	**2**	**3**	**5**	**7**	**9**	**8**	**9**	**9**	**9**	**9**	**5**
	Relocations	**8**				**1**		**3**	**2**	**2**			
Main Power Center	Promontorio	4	1	1	1	2	3	2	3	4	4	4	
	Eduwiges	2				1	2	2	2				
	San Miguel	7	2	2	3	4	6	7	7	7	7	7	7
	Total Complex	**12**	**3**	**3**	**4**	**7**	**11**	**11**	**12**	**11**	**11**	**11**	**7**
	Relocations	**2**		**1**				**1**					
Main Fan	Promontorio	2.5	1	1	2	2	2.5	2.5	2.5	2.5	2.5	2.5	
	Eduwiges	1				1	1	1	1				
	San Miguel	2	1	1	2	2	2	2	2	2	2	2	2
	Total Complex	**5.5**	**2**	**2**	**4**	**5**	**5.5**	**5.5**	**5.5**	**4.5**	**4.5**	**4.5**	**2**
	Relocations	**0**											

Figure 16-9: Promontorio LOM Major Infrastructure Map

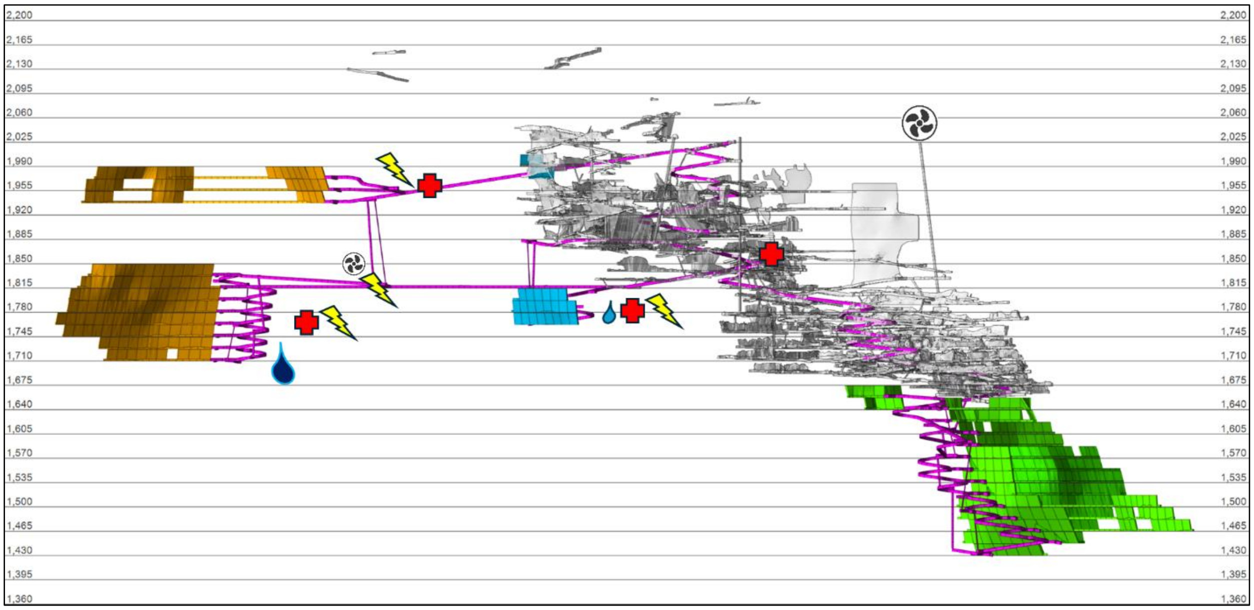


Figure 16-10: Eduwiges LOM Major Infrastructure Map

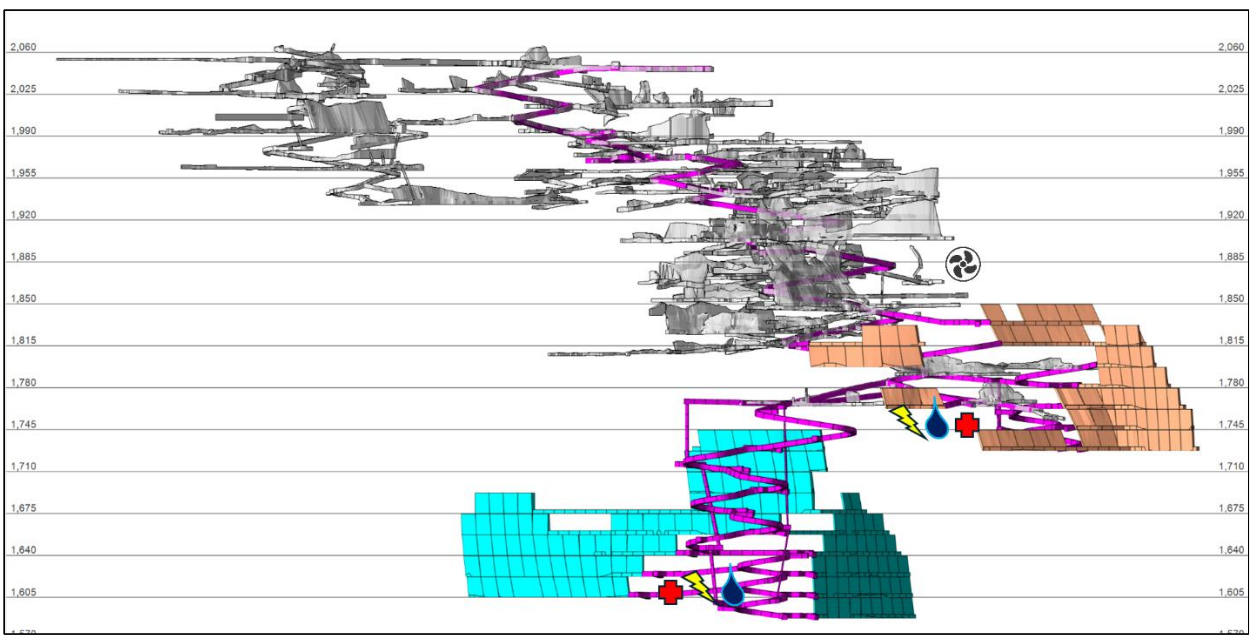
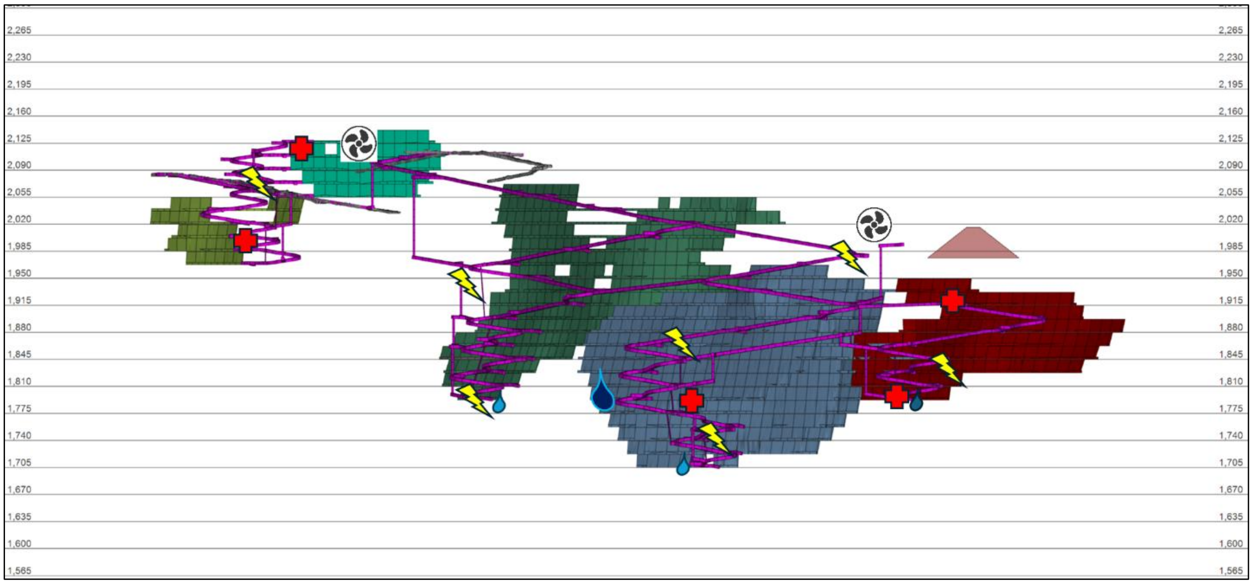


Figure 16-11: San Miguel LOM Infrastructure Map



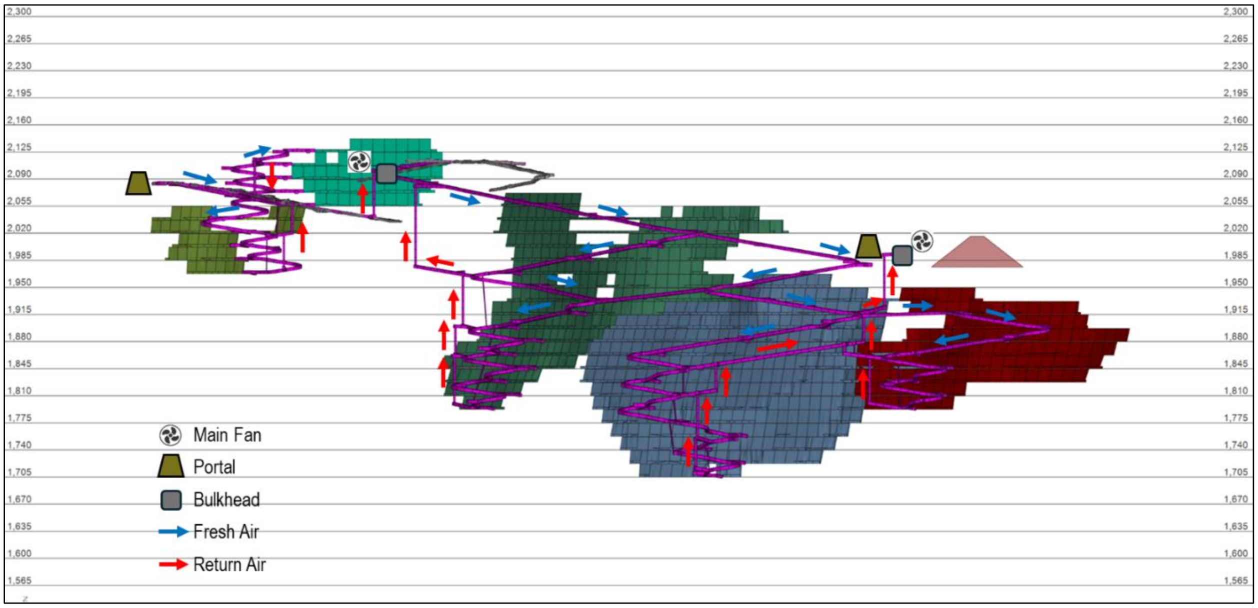
16.7.1 Ventilation Considerations

Preliminary ventilation design for all three mines assumed 200 kcfm per tonne moved. Main fan requirements were determined on a per mine basis assuming that portals and ramps will be in fresh air, with circulation and return air will be controlled by 150 kcfm-class main fans coupled with fan bulkheads. 75kW auxiliary fans capable of pushing 25-40 kcfm will drive airflow on levels as necessary to support the main fans.

Promontorio and Eduwiges, which will require 2.5 and 1 main fans respectively, will make extensive use of historical workings to facilitate ventilation. However, due to the complexity of the historical workings, additional surveying and design must be conducted to confirm this assumption, designating this a slight risk to total CAPEX.

San Miguel will require 2 main fans and bulkheads to control air circulation as the mine develops. Figure 16-12 below shows the locations of fresh air portals, main fans, and bulkheads, as well as the general direction of airflow in circulation.

Figure 16-12: Main Vent - San Miguel



16.8 Material Handling

16.8.1 Mineralized Material

A combination of 4-t Load-Haul-Dump (LHD) units and 12-t haul trucks will be used for mineralized material loading and haulage to surface in each deposit, supported on an as-needed basis by 7-t LHD and a surface 3.4 m^3 Front End Loader (FEL) which are planned to be shared across the complex. Blasted material will be mucked by LHDs to remuck bays or directly into trucks. The goal is to develop each deposit to maintain an individual max production rate of 800 t/d for Promontorio, 400 t/d for Eduwiges, and 1200 t/d for San Miguel. The Promontorio and Eduwiges production rates are based on historical mining. The San Miguel mine maximum production rate was aligned with mill capacity of 1,200 t/d but may be able to produce more depending on further assessment and optimization.

The total complex mining production is greater than the planned mill capacity of 1,200 t/d, therefore mine production above what the mill can take will be stockpiled. The maximum stockpile size occurs in Year 3 at 133,000 tonnes. Mineralized material from stopes for which the average grade exceeds 150 g/t AgEq will be shipped directly to the mill. The lowest level of these stopes will then be backfilled with cemented rockfill (CRF) to facilitate greater recovery of the high-grade material (see section below on backfill for further information). Material from stopes for which the average grade falls between 130 g/t AgEq and 150 g/t AgEq will be stockpiled for rehandling and processing at the end of the project life.

16.8.2 Waste

Waste rock will be mucked using the LHD's and hauled to designated backfill areas underground using the 12-t trucks. Wherever possible, waste rock will be backfilled into voids in exhausted stopes, obsolete access tunnels, or historic workings. For the purpose of this study, waste hauls lengths were estimated to be 50% of mineralized material hauls (either directly to the mill or the stockpile).

16.8.3 Backfill

In stopes for which the average grade exceeds 150 g/t AgEq, cemented rockfill (CRF) will be placed on the lowest level of the stope following exaction to allow for the removal of the sill pillar and increase mining recovery in the stope block to 82%. The 5 m wide rib pillars maintain the stability of the hanging wall and footwall following excavation. CRF rockfill begins in applicable direct millfeed stopes in Y2. The remaining void space in these stopes after they are exhausted will be filled with waste rock as needed. The CRF sequence is shown below in Figure 16-13.

For stopes which meet the stockpile COG of 130 g/t AgEq but do not meet the direct millfeed COG of 150 g/t AgEq, the stope will not be backfilled. The lack of backfill requires that the sill pillar be left in place, lowering the stope block mining recovery to 62%. The remaining void space in these stopes after they are exhausted will be filled with waste rock as needed. The excavation sequence for stopes that are not backfilled is shown below in Figure 16-14.

Figure 16-13: CRF Rockfill Sequence

Figure 16-14: No Backfill Sequence

16.9 Mine Equipment

All development and mining work is anticipated to be undertaken by contractors utilizing a contractor fleet. Equipment costs are captured in the periodic contractor fee. An estimate of the contractor's required primary equipment per deposit and of the complex wide auxiliary equipment requirements are shown below in Table 16-6 and Table 16-7. Note all partial requirements have been rounded up to whole numbers.

Table 16-6: Mobile Equipment Fleet (average number of units)

Deposit	Underground Equipment	Pre-Production	Peak
Promontorio	LHD (4.0 t)	2	2
	Truck (12 t)	3	4
	Jumbo - 1 Boom	1	1
	Jumbo - 2 Boom	1	1
	Bolter	1	2
	Longhole Drill - Top Hammer	0	1
	Jackleg/Stoper	1	2
Eduwiges	LHD (4.0 t)	0	1
	Truck (12 t)	0	3
	Jumbo - 1 Boom	0	1
	Jumbo - 2 Boom	0	1
	Bolter	0	2
	Longhole Drill - Top Hammer	0	1
	Jackleg/Stoper	0	1
San Miguel	LHD (4.0 t)	1	2
	Truck (12 t)	1	3
	Jumbo - 1 Boom	0	2
	Jumbo - 2 Boom	1	2
	Bolter	1	4
	Longhole Drill - Top Hammer	0	2
	Jackleg/Stoper	1	2

Table 16-7: Total Site Auxiliary Equipment Requirements

Auxiliary Equipment	Pre-Production	Peak
LHD (7t)	1	1
FEL 7t/3.4 m^3	1	1
Infill Drill	1	1
Small Explosives Truck	1	1
Large Explosives Truck	1	1
Shotcrete Sprayer - Manual	1	1
Grout Pump	1	1
Scissor Lift	1	1
Boom Truck	1	1
Backhoe	1	1
Tractor	1	1
Telehandler	1	1
Utility Vehicle	1	1
Mechanics Truck	1	1
Fuel/Lube Truck	1	1
Electrician Truck	1	1
Supervisor Truck	1	3
Crew Van / Ambulance	1	1
20t Surface Haul Trucks	1	2
Track Dozer (D6)	0	1

16.10 Mine Personnel

Mining personnel for the Cusi project are primarily contractor positions. Employees will follow a 3 week in- 3 week out schedule working 12 hours per day, day and night, with two crews on site and two crews off at any given point in time. Employee costs are encompassed in the periodic contractor fee.

Mine technical and management personnel will be Silverco employees and will act to manage the contractor and provide planning, geology, geotechnical and other management services.

16.11 Mine Production Schedule

The objective of the mine schedule is to develop each deposit on the complex to maintain a daily production rate of 800 t/d for Promontorio, 400 t/d for Eduwiges, and 1200 t/d for San Miguel. Total site production, i.e., the sum of production for all active deposits, is capped at 1200 t/d based on mill capacity. High grade zones are targeted first, especially those with close proximity to surface or historic workings to minimize initial development requirements and capital costs. This is further supported by the top-down mining sequence.

The max production rate per deposit in the complex is shown below in Table 16-8.

Table 16-8: Maximum Production Rates by Deposit, by Year

Schedule Year		Unit	Y-1	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Promontorio	Max Production	t/d	800	800	800	800	800	800	800	800	800	
	Max Lateral Development	m/mo	300	300	300	300	300	300	300	300	300	
San Miguel	Max Production	t/d	1200	1200	1200	1200	1200	1200	1200	1200	1200	
	Max Lateral Development	m/mo	700	700	700	700	500	500	500	500	500	
Eduwiges	Max Production	t/d			0	400	400	400	400	400	400	
	Max Lateral Development	m/mo			200	200	200	200	200	200	200	
Total Cusi Complex	Max Production	t/d	625	1140	1200	1200	1200	1200	1200	1200	1200	1200
	Max Lateral Development	m/mo			1000	750	750	500	500	500	500	

The pre-production period, consisting of Q2, Q3, and Q4 of Y-1 and Q1 of Y1, encompasses the refurbishment of the mill, initial development and production ramp up, and commissioning of the stockpile. Commercial production begins in Q2 of Y1 and continues until Y7. Both Promontorio and San Miguel begin mining during the pre-production period and continue mining through Y7. Eduwiges comes online in Y2 and is exhausted after Y6. Complex ramp down begins in Y7, and the complex is completely depleted by the beginning of Y8. During Y8 and Y9 the stockpile serves as the primary millfeed until it is exhausted.

The project execution plan including ramp up, production, and ramp down is shown below in Table 16-9.

Table 16-9: Project Execution Plan

Year					2026									2027			2027									2028	2029	2030	2031	2032	2033	2034	2035	2036
Schedule Year					Y-1									Y1			Y1									Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Schedule Month		M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Mine Production								Production Ramp Up									Full Production														Ramp Down			
Commercial Production 900tpd																	X																	
Stockpile Operation								Commissioning																								Depletion		
TSF Cell 2 Construction																																		
CRF																																		
					Mill Refurbishment						Mill Commissioning						Mill Production																	
Mill Construction					20%	5%	10%	15%	25%	20%	5%																							
Mill Throughput/day	tpd										275	500	550	600	700	825	900	1000	1100	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200
Mill Operating Time	%										40%	65%	70%	75%	80%	85%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
Mill Throughput/year	kt										8.25	15.00	16.50	18.00	21.00	24.75	27.0	30.0	33.0	36.0	36.0	36.0	36.0	36.0	36.0	432.0	432.0	432.0	432.0	432.0	432.0	432.0	432.0	432.0
					----------											**Pre-Production**	**Production** ----------																	

The schedule assumes the underground will operate 24 h/d for 360 days per year. The total complex mineralized material, waste, and backfill schedule is shown below in Table 16-10.

Table 16-10: Total Complex Annual Mineralized Material, Waste and Backfill Schedule

Year	Unit	LOM Total	Y-1	Y1Q1	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Period			Q3-4	Q1	Q234	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Days			180	90	270	360	360	360	360	360	360	360	360
Mined Material	kt	**3,556**	41.5	64.8	361.7	489.2	565.2	488.1	500.4	471.5	532.7	40.4	0.0
Stockpiled	kt	**547**	24.2	2.8	58.5	57.2	133.3	56.1	68.4	39.5	100.7	5.9	0.0
Total Waste	kt	**1,548**	166	76.4	211.8	346.0	283.2	214.2	124.8	119.3	6.2	0.0	0.0
Total Mined	kt	**5,103**	207.1	141.2	573.5	835.2	848.5	702.3	625.2	590.8	538.9	40.4	0.0
CRF Backfill Volume	km^3	**293**	-	-	-	51.6	43.8	23.9	51.1	53.4	64.1	5.4	0.0
Direct Millfeed	kt	**2,972**	12.7	49.5	283.7	432.0	432.0	432.0	432.0	432.0	432.0	34.4	0.0
Stockpile Millfeed	kt	**583**	27.0	14.3	22.3	0.0	0.0	0.0	0.0	0.0	0.0	397.6	122.1
Tonnes Milled	kt	**3,556**	39.8	63.8	306.0	432.0	432.0	432.0	432.0	432.0	432.0	432.0	122.1

Material exceeding the direct millfeed COG of 150 g/t AgEq is shipped directly to the mill. Material exceeding the stockpile COG of 130 g/t AgEq but not meeting the direct millfeed COG is stockpiled and processed at the end of the mine life. Annual mineralized tonnes moved and millfeed are shown in Figure 16-15 and Figure 16-16.

Figure 16-15: Total Complex Annual Millfeed

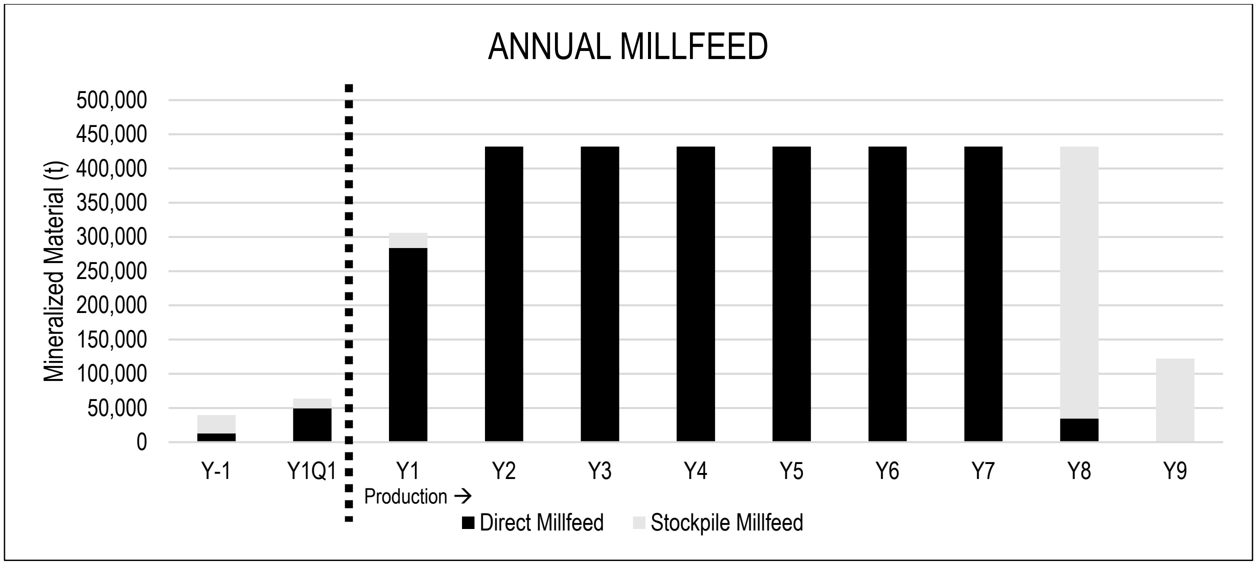
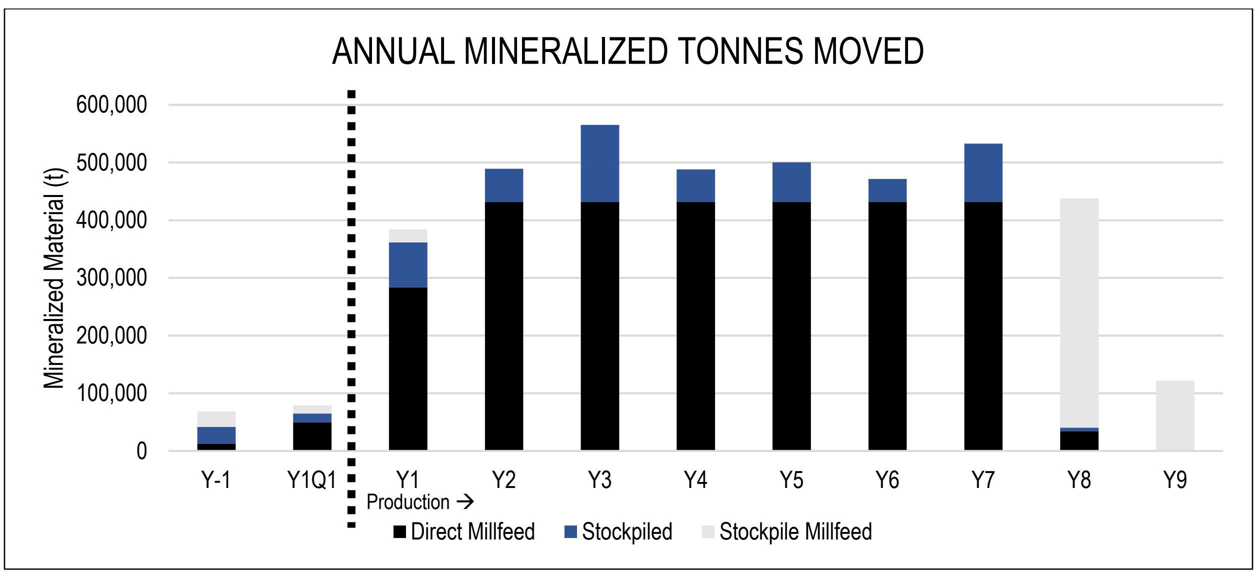
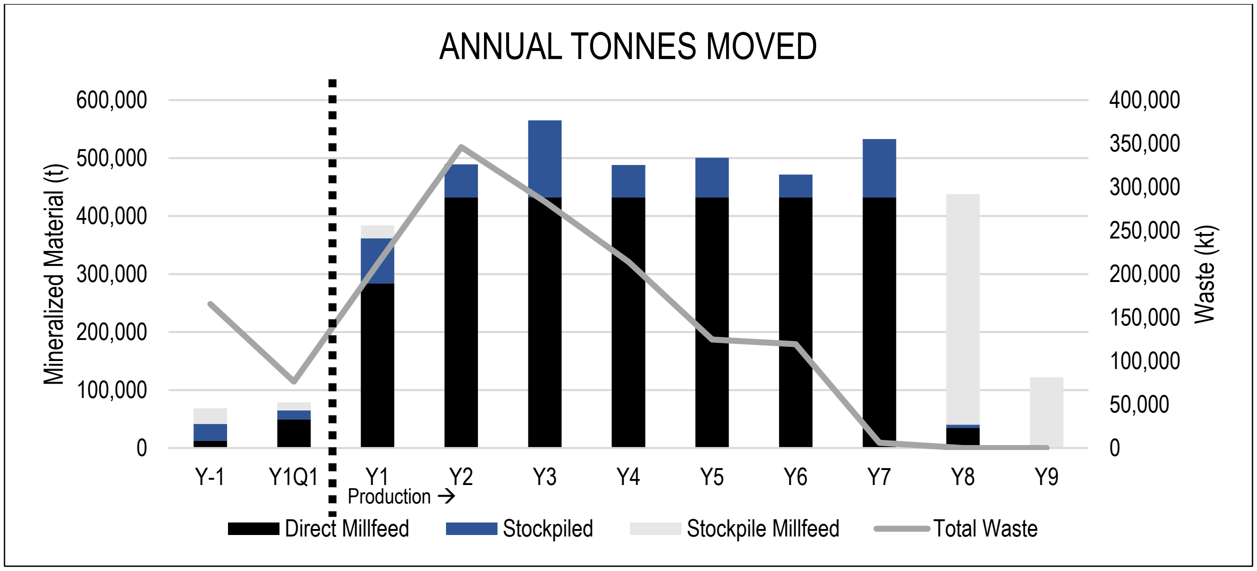


Figure 16-16: Total Complex Annual Mineralized Tonnes Moved



Waste mining reaches its peak in Y2 with the development of access for Eduwiges Zone A, Promontorio Zone B, and San Miguel Zone B. It then steadily decreases as the deposits continue steady state production. A chart showing total complex annual waste tonnage juxtaposed against annual mineralized tonnes is shown in Figure 16-17.

Figure 16-17: Total Complex Annual Waste and Mineralized Tonnage

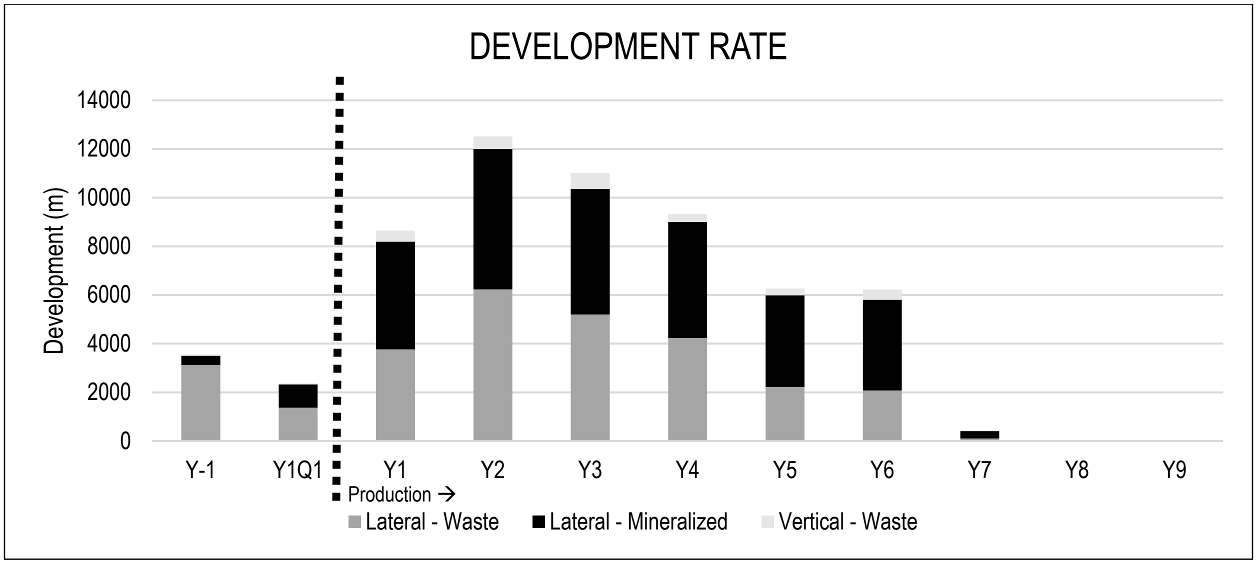


The total complex development schedule is shown below in Table 16-11 and Figure 16-18.

Table 16-11: Annual Development Schedule

Year	Unit	LOM Total	Y-1	Y1Q1	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Period			Q2-3	Q1	Q234	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Days			180	90	270	360	360	360	360	360	360	360	360
Lateral - Waste	m	**28,330**	3,120	1,366	3,768	6,232	5,201	4,236	2,223	2,076	108	0	0
Lateral - Mineralized	m	**29,253**	387	961	4,422	5,768	5,161	4,761	3,767	3,726	301	0	0
Vertical - Waste	m	**2,727**	48	32	454	518	647	324	278	426	0	0	0

Figure 16-18: Complex Total Annual Development (forward metres)



Each deposit is developed and mined independently of the others and their schedules have been optimized to process the highest grade, lowest development requirement material first. Table 16-12 through Table 16-12 show selected schedule years for each deposit, showing the progression of development and mining from pre-production through LOM and coloured using the legend in Table 16-12.

Table 16-12: Legend by Mine and Zone

Mine	Zone	Colour
Active Mining Area	N/A	
Capital Development	N/A	
Eduwiges	A	
	B	
Promontorio	A	
	B	
	C	
	San Juan	
San Miguel	A	
	B	
	C	

Mine	Zone	Colour
	D	
	E	

Figure 16-19: Promontorio End of Y1, Long Section Looking North

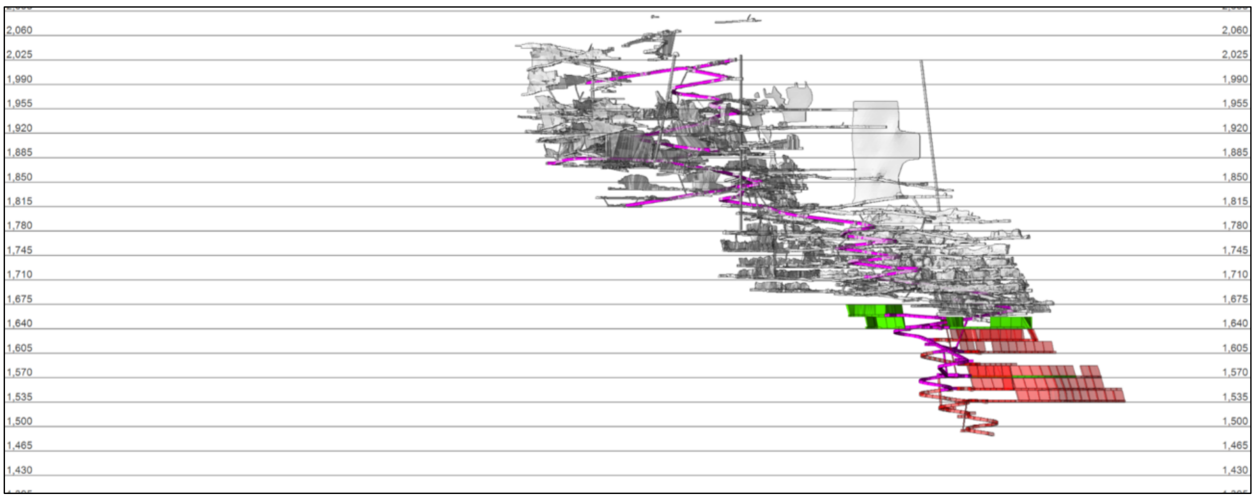


Figure 16-20: Promontorio End of Y3, Long Section Looking North

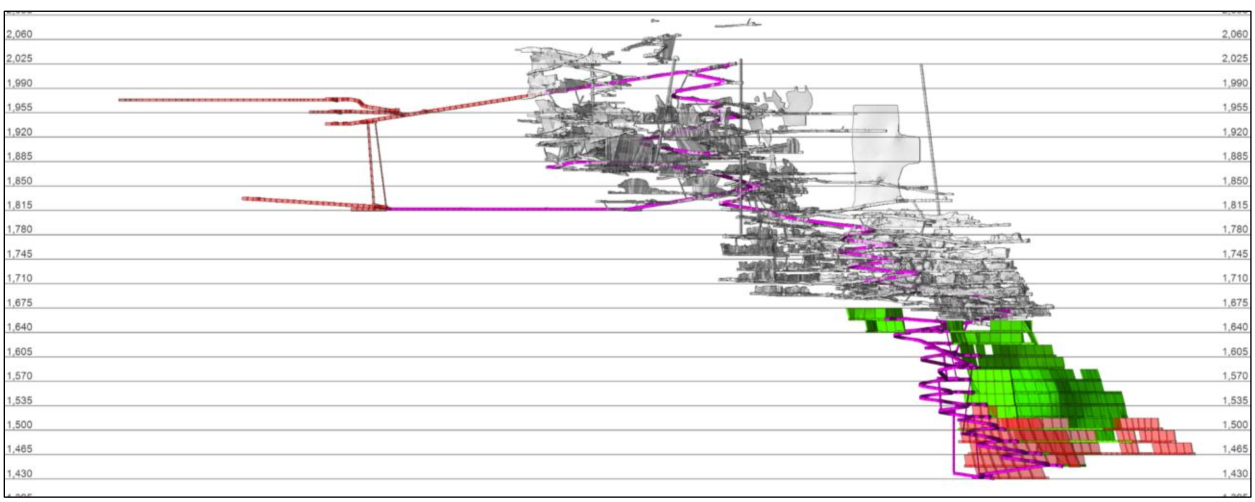


Figure 16-21: Promontorio LOM, Long Section Looking North

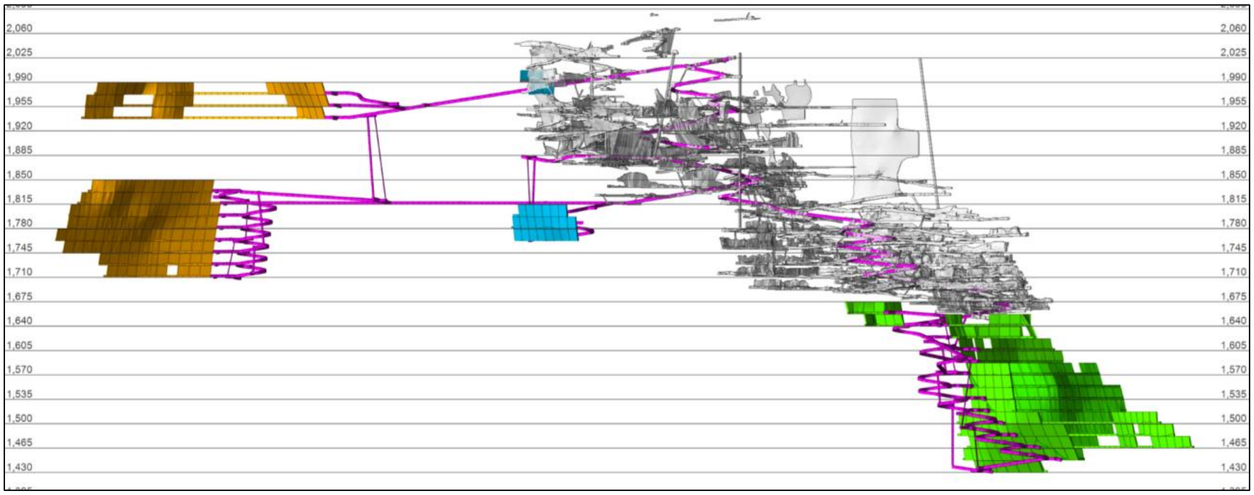


Figure 16-22: Eduwiges End of Y2, Long Section Looking North

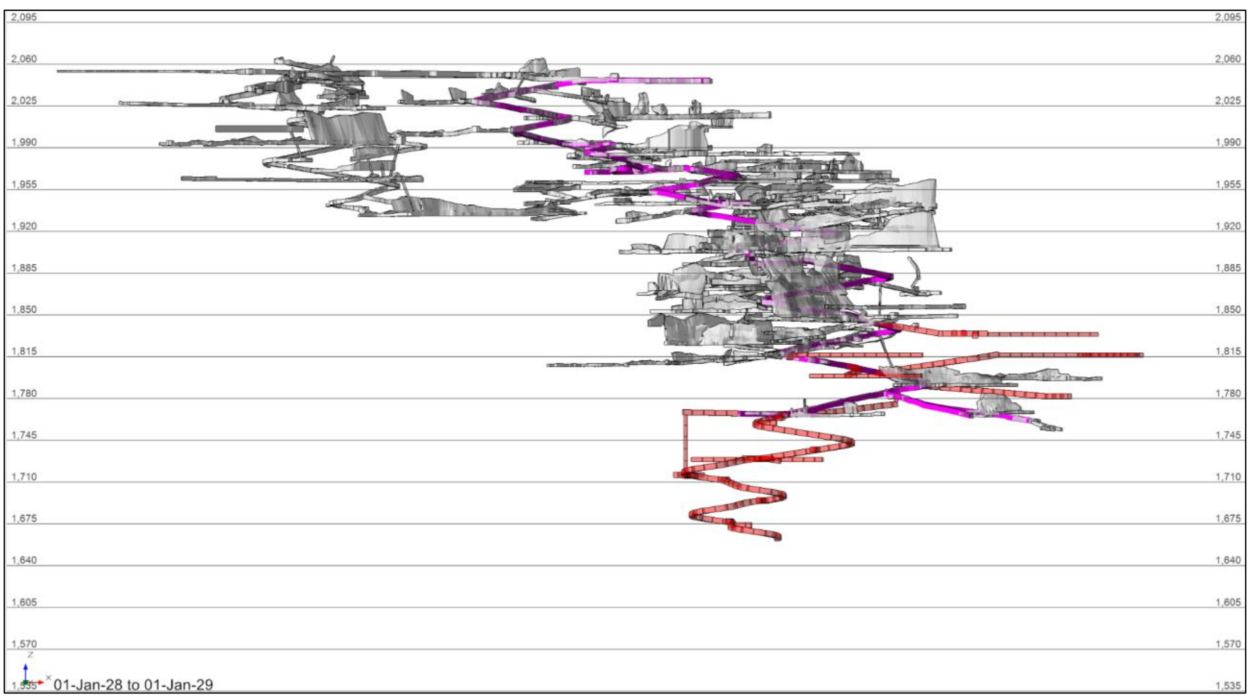


Figure 16-23: Eduwiges End of Y3, Long Section Looking North

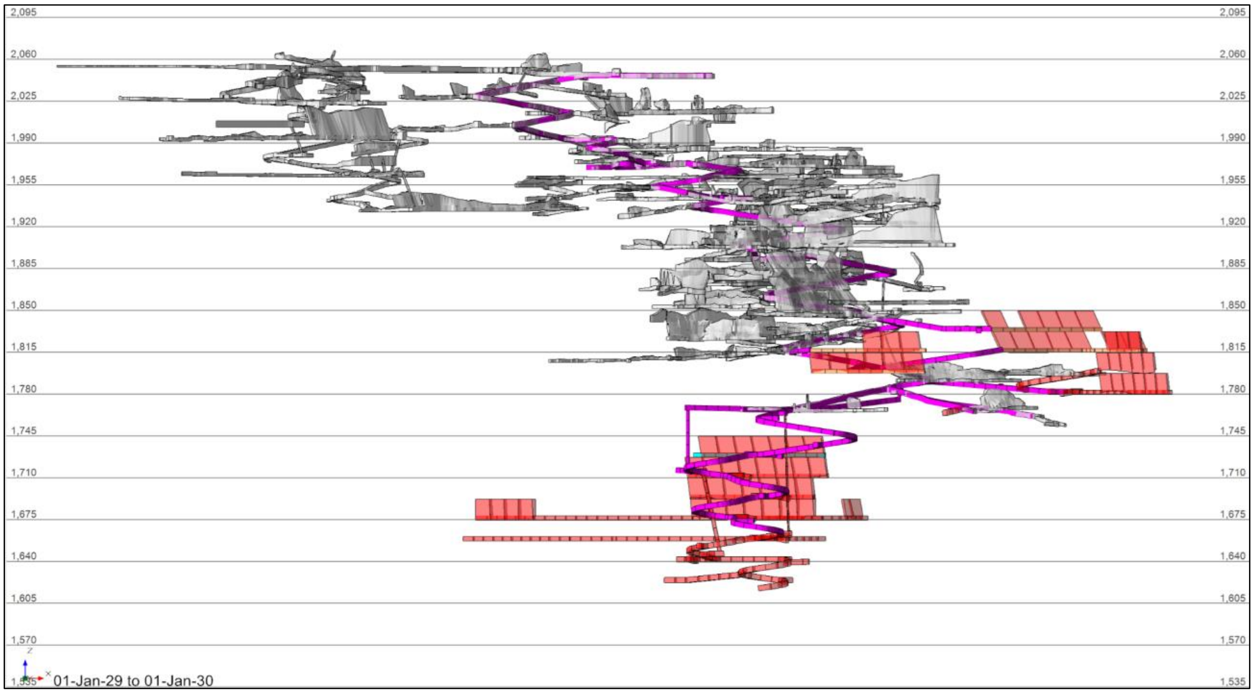


Figure 16-24: Eduwiges LOM Long Section Looking North

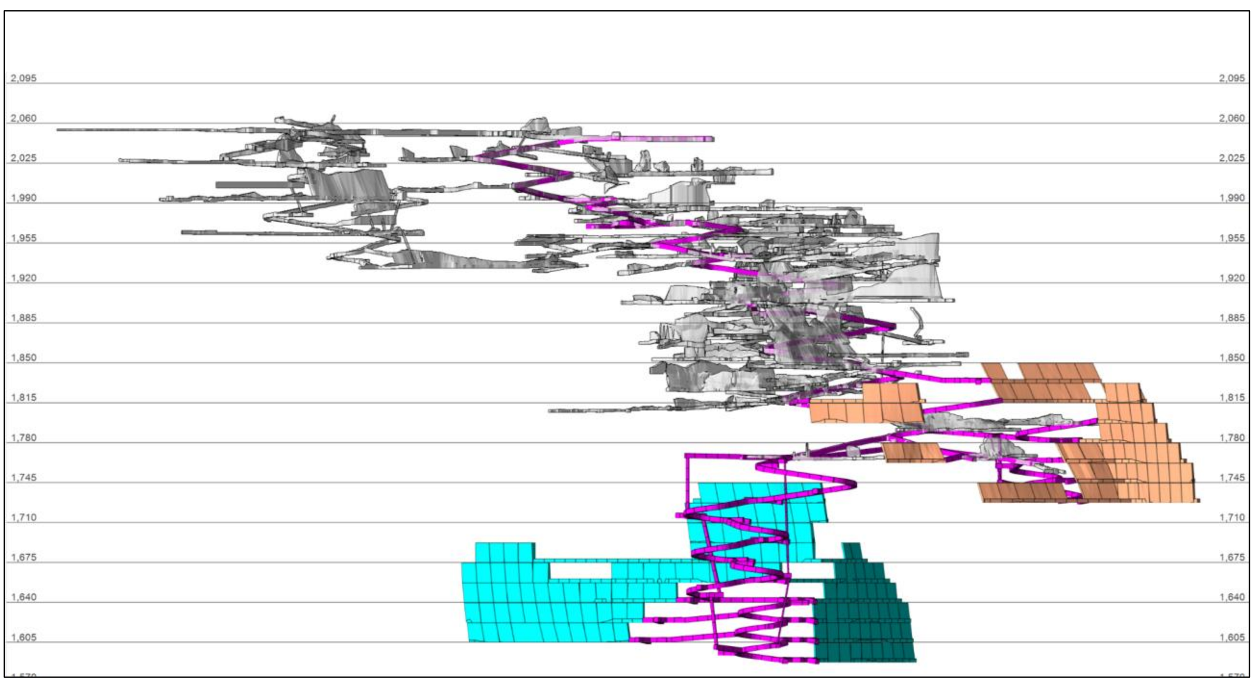


Figure 16-25: San Miguel End of Y1, Long Section Looking West

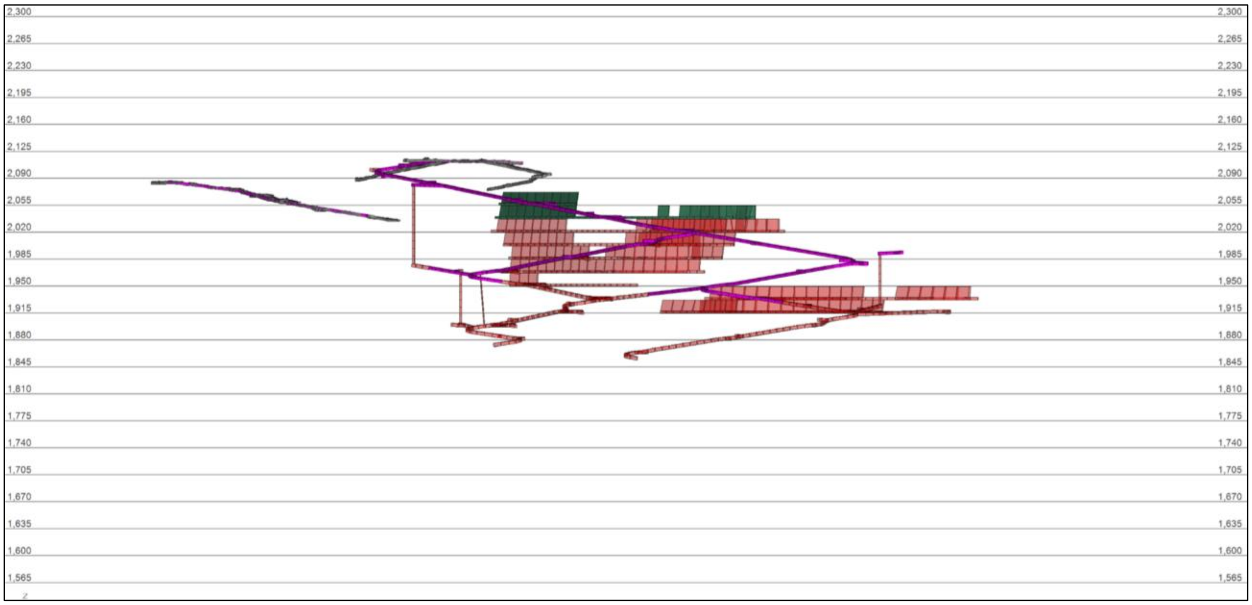


Figure 16-26: San Miguel End of Y4, Long Section Looking West

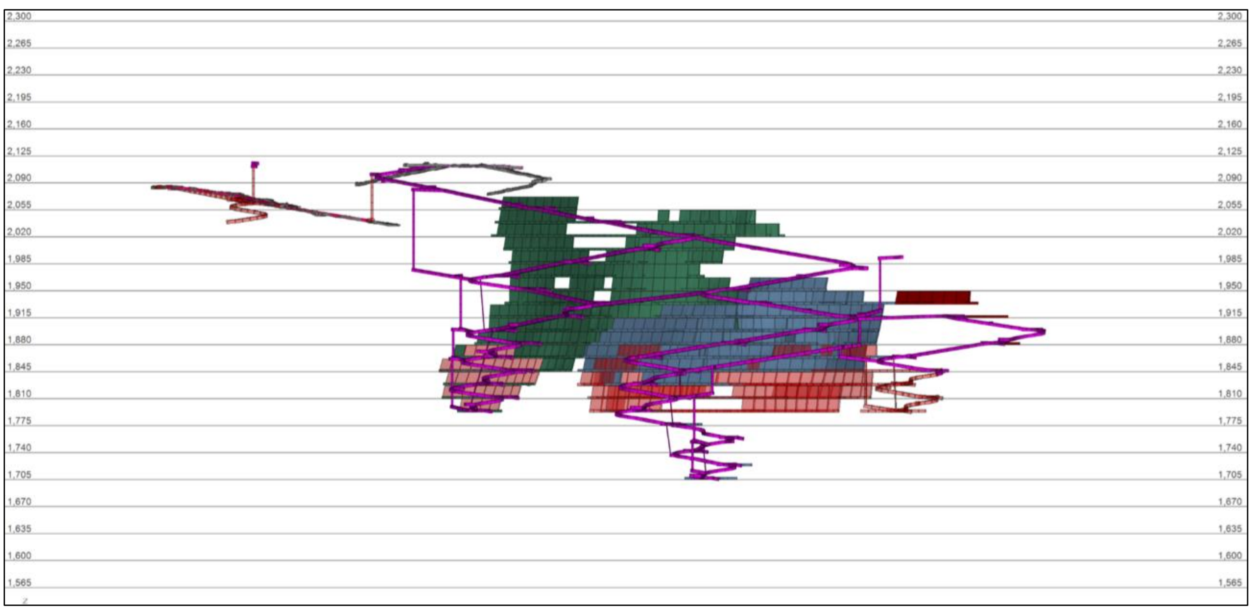


Figure 16-27: San Miguel End of Y7, Long Section Looking West

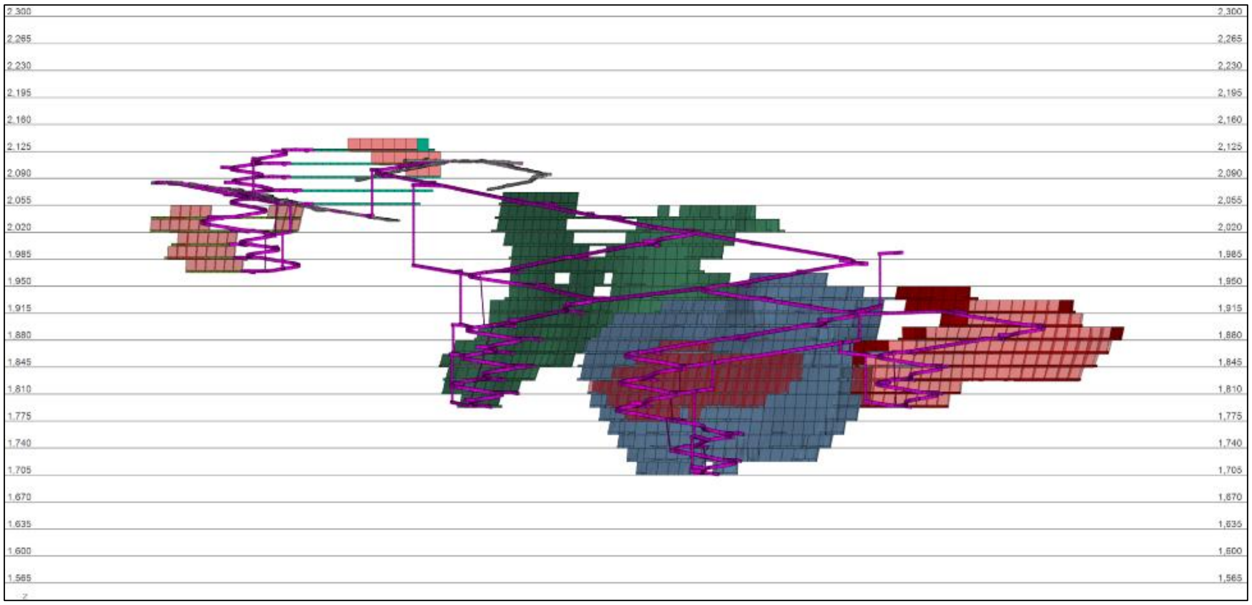
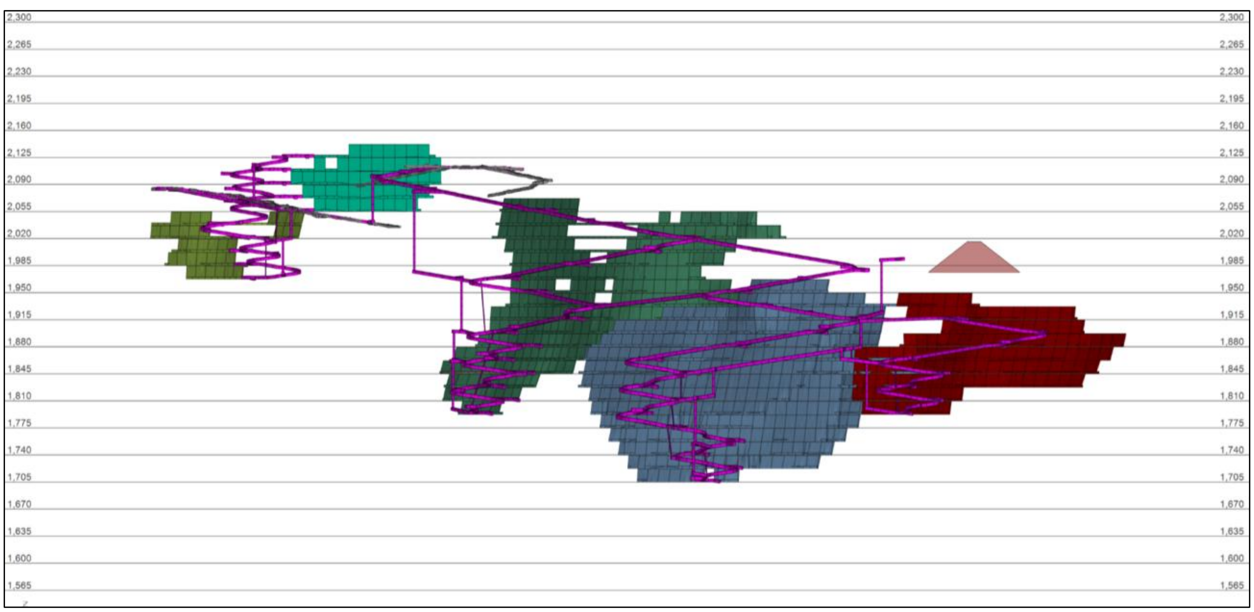


Figure 16-28: San Miguel LOM, Long Section Looking West



17 PROCESS DESCRIPTION / RECOVERY METHODS

The Cusi concentrator, also known as the Malpaso Mill, is located on the highway west of Cuauhtemoc City, approximately 50 km by road from Cusi operations. Dump trucks, each hauling approximately 20 t of mineralized material, delivered 285,236 t in 2019 and 117,320 t in the first 8 months of 2020. It should be noted however that production in 2020 was disrupted by Covid-19 and no run of mine mineralized material was processed in April, May or June.

The process facility consists of a conventional froth flotation concentrator plant which has historically produced two products, a lead concentrate and a zinc concentrate.

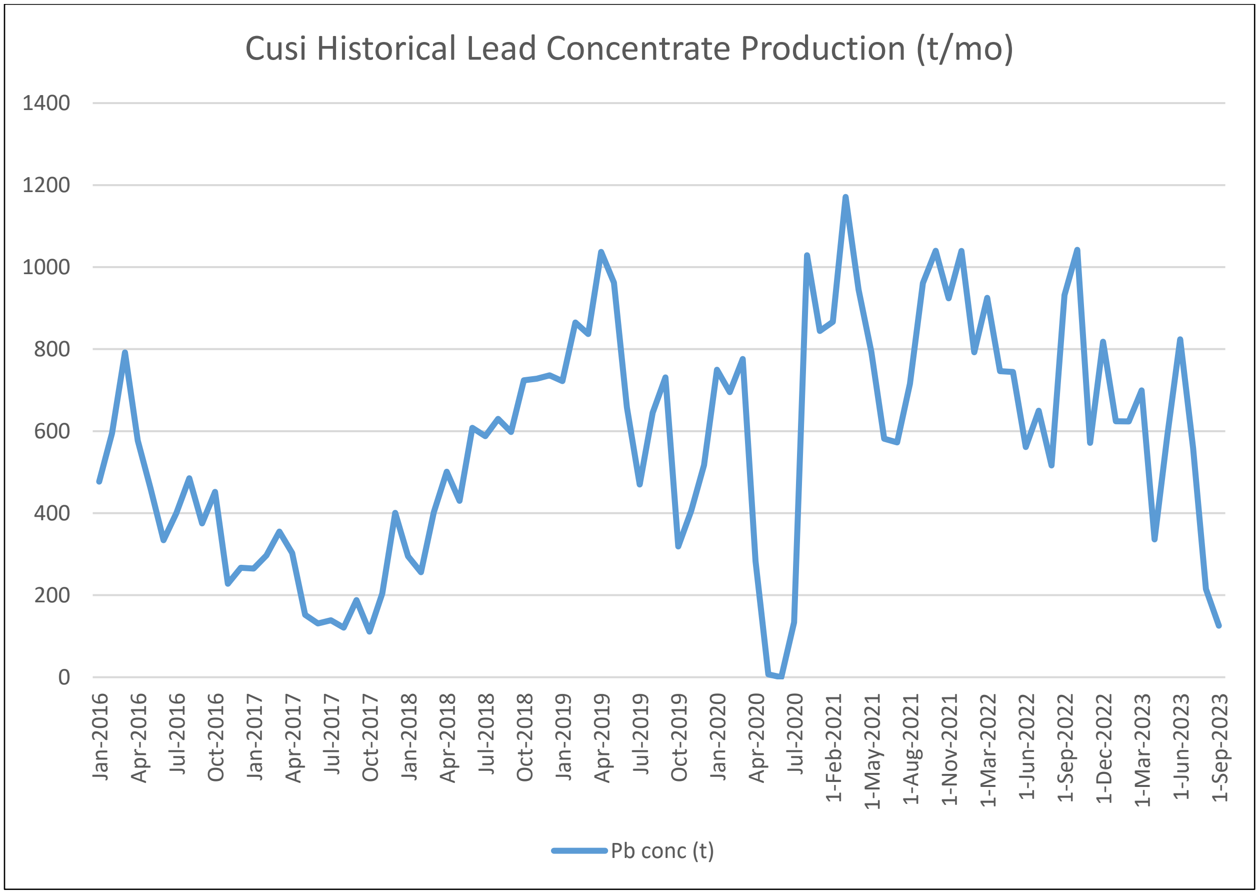
The zinc grade is variable and is locally insufficient to produce an economically viable zinc concentrate. Where zinc grades are low, the plant will be operated to produce a bulk sulphide concentrate, and when the zinc grades are sufficient to produce a salable concentrate, the plant has the flexibility to produce two products.

17.1 Historical Production

A summary of the concentrate production performance of the Cusi concentrator facility is shown in Table 17-1 and Table 17-2 shows the Metallurgical Balance (grades, recoveries and metal production) for previous years and for the period of January to August 2020. Significant improvements have been made to the Malpaso Mill since 2018, and bulk sulphide concentrate was implemented in March of 2018. Though the feed grade of silver was significantly lower than earlier, the silver recovery after the modifications was significantly higher.

Monthly lead concentrate production from 2016 to 2023 is shown in Figure 17-1.

Figure 17-1: Concentrate Production 2016-2023



Source: Sierra Metals (2020)

The mill feed grade for gold and silver remained relatively steady during 2019-2020, averaging 0.16g/t Au and 131.7g/t Ag. Lead and zinc head grade averaged 0.22% and 0.24% respectively over the same period. Metallurgical balances for this period are shown in Table 17-1.

Table 17-1: Cusi Metallurgical Balance (2014 to 2023)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Tonnage	155,268	202,033	186,898	88,011	186,889	285,236	230,429	292,894	260,539	133,087
Head Grades										
Ag (g/t)	166.69	175.88	171.78	170.16	140.17	129.06	149.62	157.43	164.43	138.77
Pb (%)	0.78	0.78	1.21	1.10	0.39	0.19	0.29	0.32	0.21	0.32
Zn (%)	0.80	0.71	1.16	1.11	0.43	0.21	0.33	0.37	0.24	0.36
Au (g/t)	0.42	0.22	0.26	0.25	0.16	0.15	0.18	0.18	0.17	0.11
Metallurgical Recoveries										
Pb Concentrate										
Ag recovery (%)	76	76	70	70	83	79	80.3	82.6	84.3	84.0
Pb recovery (%)	79	79	82	81	80	75	92.8	80.6	77.9	78.8
Au recovery (%)	62	57	62	58	39	36	45.5	45.7	43.8	64.7
Metal Production in Concentrates										
Ag (oz)	629,967	873,495	726,605	338,681	699,007	936,071	890,000	1,224,287	1,161,353	498,951
Zn (t)	N/A	N/A	818	417	32	N/A	N/A	N/A	N/A	N/A
Pb (t)	962	1,246	1,864	784	582	411	620	750.5	430.8	332.6
Au (oz)	1,289	831	954	419	372	493	619	763.12	631.77	307.80

Notes:
* Zn concentrate details not reported as most years are bulk sulfide conc.

Source: Silverco (2026)

The mill's feed grade for gold and silver remained relatively steady during the period averaging 0.16 g/t Au and 0.13 g/t Ag respectively. Lead and silver head grade averaged 0.22% and 0.24% respectively over the same period, see Table 17-2.

Table 17-2: Plant Feed Tonnes and Grade 2019-2020

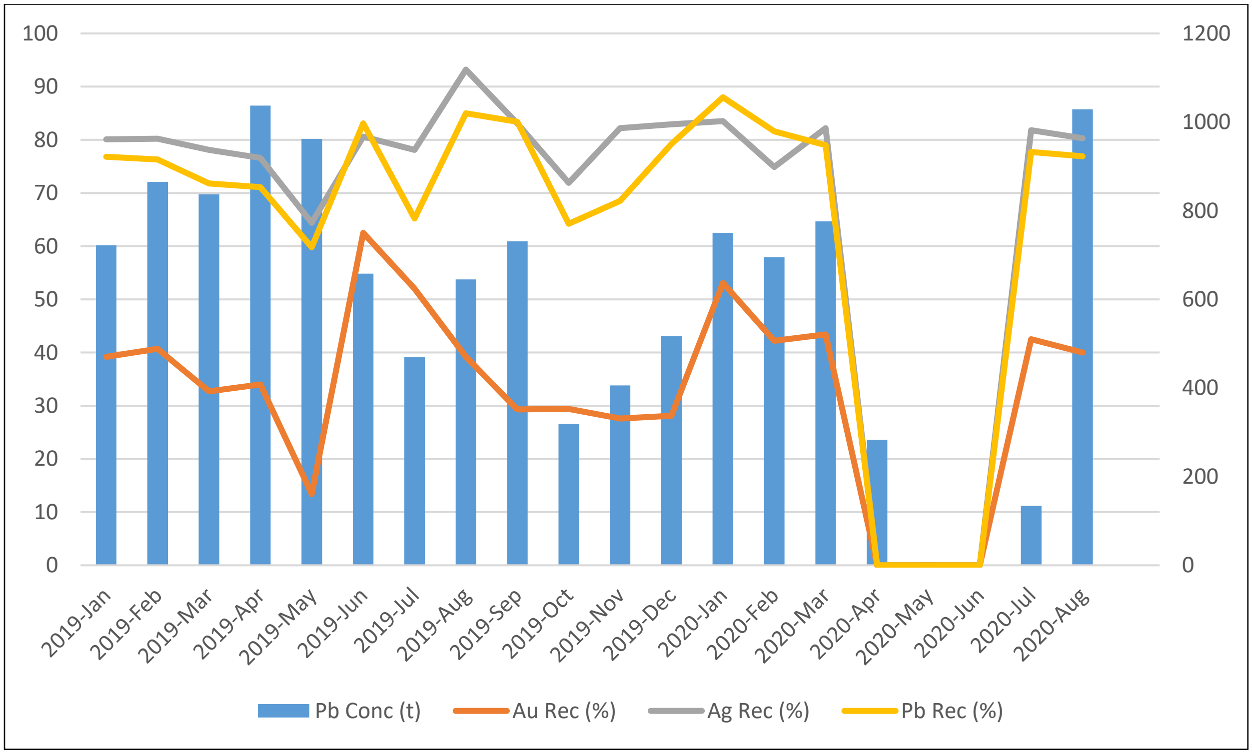
	Mineralized Material (t)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
2019-Jan	22,306	0.16	119.61	0.32	0.34
2019-Feb	23,026	0.16	112.38	0.35	0.38
2019-Mar	26,017	0.14	86.68	0.23	0.24
2019-Apr	25,108	0.15	131.62	0.12	0.12
2019-May	29,467	0.14	144.18	0.11	0.13
2019-Jun	27,542	0.16	159.39	0.13	0.16
2019-Jul	21,288	0.16	153.58	0.14	0.14
2019-Aug	20,247	0.15	153.78	0.15	0.18
2019-Sep	28,871	0.14	123.98	0.13	0.15
2019-Oct	22,453	0.12	81.81	0.11	0.14
2019-Nov	21,668	0.14	163.69	0.16	0.19
2019-Dec	17,244	0.16	116.66	0.48	0.4
2020-Jan	25,294	0.2	125.99	0.5	0.49
2020-Feb	25,406	0.17	122.52	0.25	0.33
2020-Mar	27,211	0.17	114.6	0.23	0.28
2020-Apr*	0	0	0	0	
2020-May*	0	0	0	0	
2020-Jun*	0	0	0	0	
2020-Jul	5,310	0.17	208.15	0.24	0.22
2020-Aug	34,099	0.16	166.88	0.23	0.27
Totals	**402,556**	**0.16**	**131.72**	**0.22**	**0.24**

Source: Sierra Metals (2020)

Metallurgical recovery of metals to lead concentrate is shown in Table 17-1 and Figure 17-2. The recovery of silver and lead seems to follow comparable trends. Over the period of 2019 to August 2020, lead recovery reached 74% and silver 77.3%. Gold recovery shows a high degree of variability with an average of 36.8% while ranging from 13.5% to 62.5%.

The plant recovery for gold and silver was projected based on Forte testwork to be ±50% (variable) and 86.4% respectively. Based on extensive operating experience of the plant, and on daily mill reports reviewed by the QP, one may expect higher silver recovery as noted when the mill was running under steady state conditions.

Figure 17-2: Lead Concentrate and Metal Recovery



Source: Sierra Metals (2020)

In the period of 2019 to August 2020, lead concentrate production reached 11,843 t, equivalent approximately 2.9% of the fresh feed tonnage (mass-pull). The corresponding metal recovery of metals to lead concentrate was 74.0% Pb, 36.8% Au, and 77.3% Ag.

Lead concentrate quality produced at Malpaso is below typical market values for lead concentrates; nevertheless, its high silver content for the same period ranged from approximately 2 kg/tonne to 7 kg/tonnes thus making it attractive to smelter operators. It is in Cusi's best interests to investigate processing options that can improve the lead grade of the lead concentrate, remove zinc from the lead concentrate, and increase deportment of precious metals to the lead concentrate. It is highly probable that the lead concentrate quality is limiting Cusi's flexibility to maximize its revenue potential.

17.2 Plant Design and Equipment Characteristics

The concentrator's processing facilities include a crushing circuit consisting of a 50 t bulk hopper, a Metso TK9-32-22V vibratory feeder, a C96 Metso jaw crusher, a Voest 24"x36" jaw crusher. an HP300 secondary cone crusher, a tertiary cone crusher HP300, a 6' x 20' Trio double-bed primary vibrating screen, a 6' x 20' Trio double-bed secondary vibrating screen and a 5' x 14' double-bed secondary vibrating screen. The material is crushed to 90% passing -5/16" and is then deposited into three fine hoppers with an aggregate storage capacity of 1000 t.

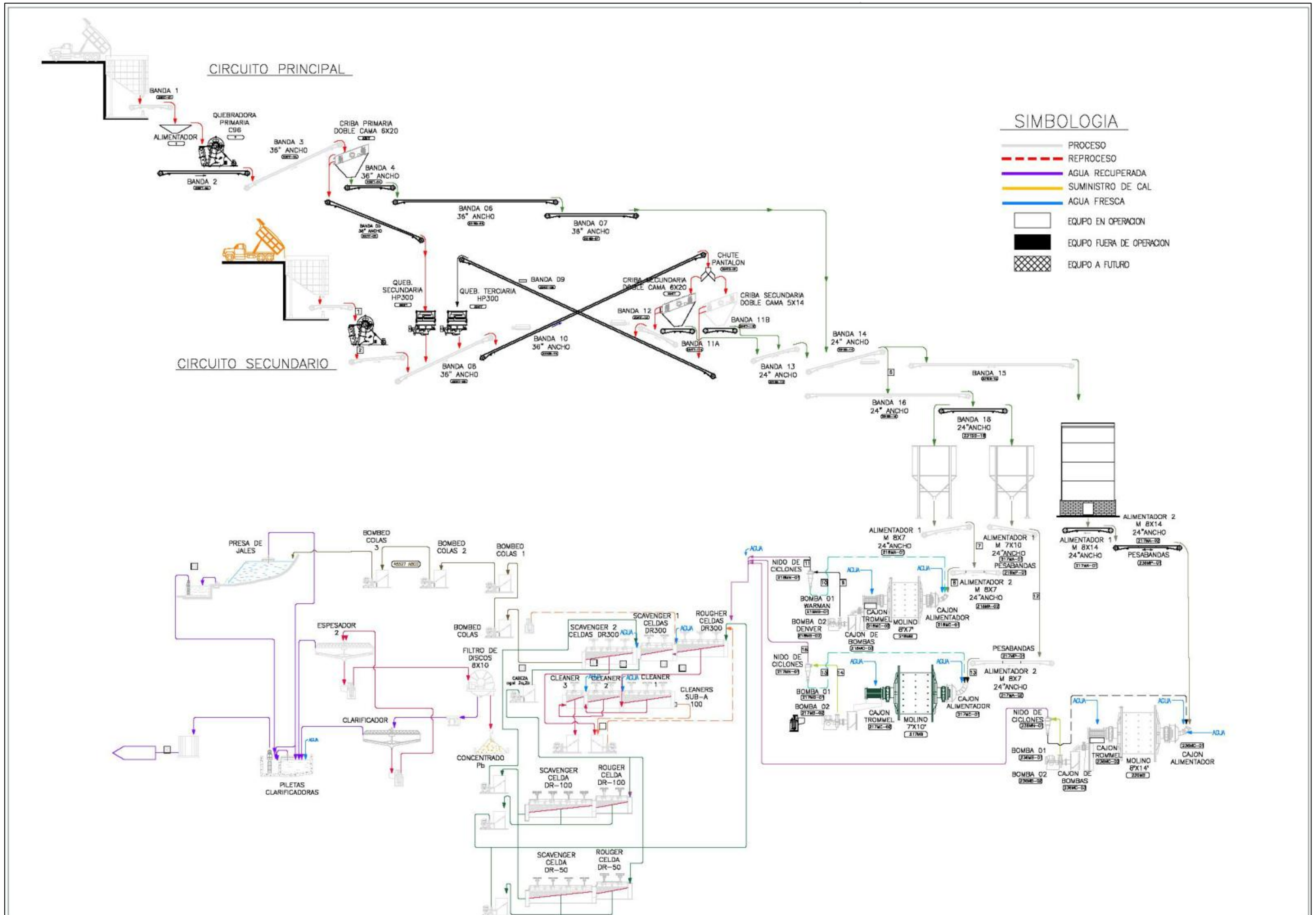
The grinding circuit consists of a 7’ x 10’ ball mill with a 250 HP motor, an 8’ x 7’ ball mill with a 250 HP motor and an 8’ x 14’ ball mill with a 600 HP motor, and the classification system consists of D20 hydrocyclones. The flotation circuit consists of a DR300 3-cell primary float circuit, a DR300 2-cell primary drain circuit, a DR100 six-cell drain circuit 2a, a DR50 six-cell drain 2b, a DR300 3-cell third drain system, and a clean six-cell SubA100. The thickening and filtering system consist of a 15' thickener tank and an 8' x 10' disc filter.

The Malpaso Mill’s flowsheet is shown in Figure 17-3.

The plant will require some modifications to produce a bulk sulphide concentrate in an efficient operation. These include:

- Redirecting the ground products from all three mills to a conditioning tank ahead of bulk sulphide flotation;
- Installation of the filter press stored at site for concentrate filtrating; and
- Installation of tailings thickeners at mill site for efficient recirculation of process water rather than pumping return water from the tailings impoundment (optional).

Figure 17-3: Malpaso Mill's Flowsheet



Source: SRK (2020)

18 PROJECT INFRASTRUCTURE AND SERVICES

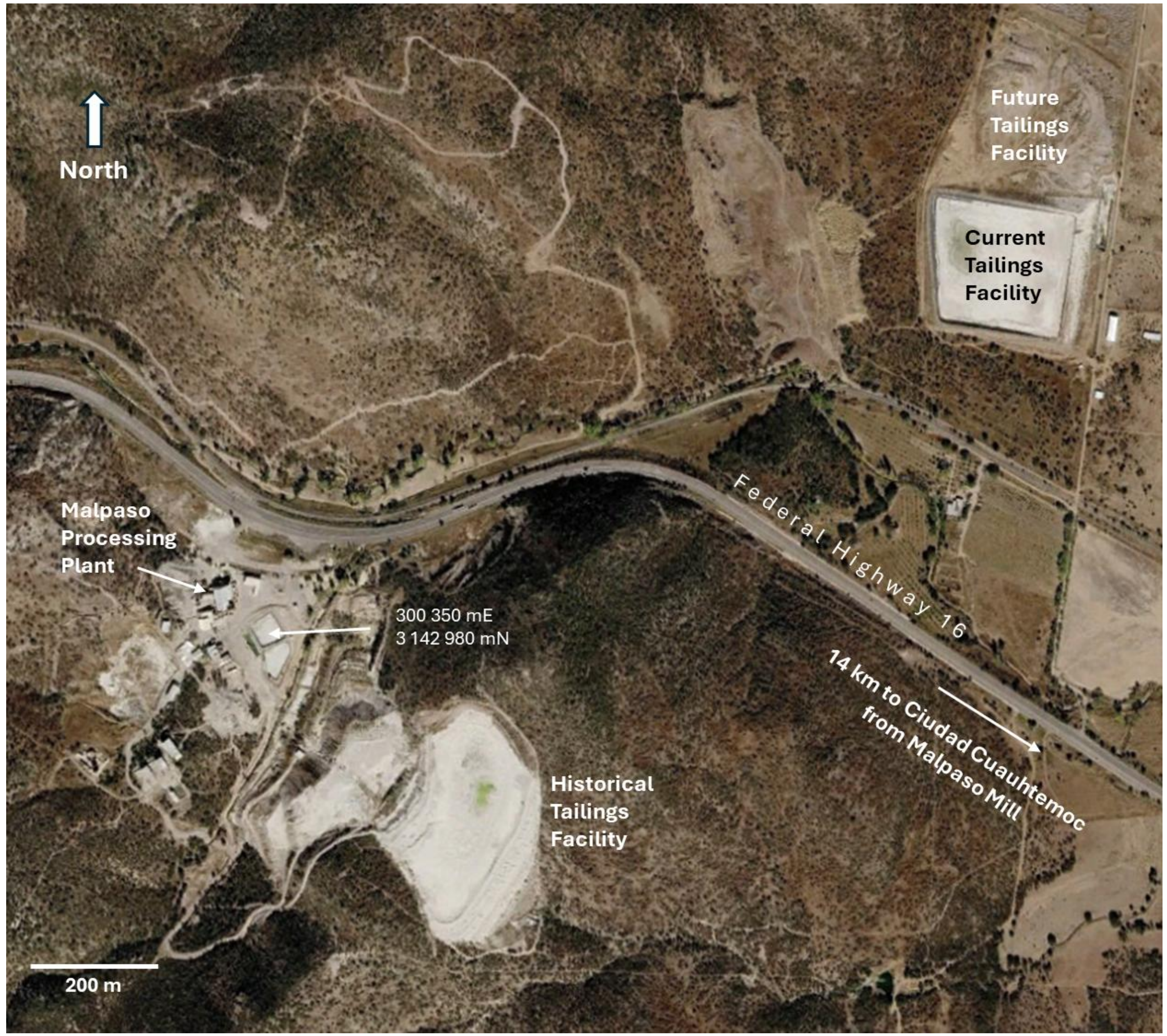
18.1 General Site Arrangement

The general site layouts for the Project are shown in Figure 18-1 through Figure 18-4.

Figure 18-1: Site Layout of Cusihuiriachi Municipality

Figure 18-2: Site Layout of Promontorio Portal Area

Figure 18-3: Site Layout of Malpaso Processing Plant



18.2 Roads / Airports / Rail

Road access to the Cusihuiriachi Municipality mining deposits and Malpaso processing plant are via Federal highways and paved, well maintained secondary roads. Within the Project area access is by minor unpaved roads, drivable tracks, and footpaths.

The property is approximately 135 kilometers west of Chihuahua City, a city of more than 1 million people and a major modern regional hub, and 19 km south of the City of Cuauhtémoc (population greater than 180,000). The project can be accessed by air using the Aeropuerto Internacional de Chihuahua General Roberto Fierro Villalobos which has regular scheduled flights to Mexico City and the United States.

A railway runs through Cuauhtémoc and immediately adjacent to the Malpaso processing facility site and connects interior and port destinations.

18.3 Buildings and Structures

As the Promontorio, Eduwiges mines and the Malpaso processing facility were recently (2023) operational, it is envisioned that relatively minor upgrades are needed for re-start. Specifically, the following is noted:

- Explosives and cap magazines are established on site near Promontorio and only need permitting. The magazines will service the three mining areas;
- Basic surface maintenance facilities are available at Promontorio and Eduwiges for UG equipment. Small UG shops will be established at each mine for routine servicing and general repairs;
- The change room facility at Promontorio will be upgraded;
- Security is established at Promontorio and Eduwiges and San Miguel will be added as it develops. The magazines are contained in concrete buildings within secure, fenced areas;
- There is an assay lab at the Malpaso facility, but it is planned to be refurbished as part of the pre-production work;
- There are adequate offices near the mine locations as well as an office building at Malpaso that will require minor upgrading;
- A worker's camp is not needed due to the proximity to Ciudad Cuauhtemoc;
- The Malpaso Mill has an exceptional warehouse but will require re-stocking and interior shelving and organization. It is anticipated that the UG mining contractor will bring their own containers for parts and supplies; and
- There are adequate laydown areas at the mines and Malpaso facility.

Figure 18-4: Promontorio Portal Area

18.4 Power

Medium voltage 33 KV grid power is established with substations at the Malpaso processing facility and the Promontorio and Eduwiges mines. It is assumed that the power supply and substations from previous operations are adequate with only minor upgrades except for San Miguel which requires grid connection and a substation.

18.5 Water

18.5.1 Water Supply

Water supply for the mines comes from groundwater generated from the Promontorio deposit. The ground water level at Eduwiges and San Miguel is below the current mine development, but it is probable that both deposits will encounter water as they go deeper. There is adequate water for the mining needs at all planned deposits.

The Malpaso processing facility does not have an assured source of water. It is planned that water will be trucked from Promontorio 42 km to the processing plant using a local contractor with 10 m^3 of capacity trucks. Approximately 300 – 500 m^3/d of make-up water will need to be trucked to Malpaso on an ongoing basis once the tailings thickener is installed at 1,200 t/d processing capacity. If the thickener is not installed before start-up, then 800 – 1,000 m^3/d will need to be trucked from Promontorio to Malpaso. As the plant is ramping up to 1,200 t/d and the tailings impoundment is becoming re-saturated, more or less water may be needed and a more detailed water balance by period is required to finalize trucking needs and costs.

18.5.2 Water Treatment

No water treatment facilities are envisioned for the mines. The Promontorio has a series of UG sumps used as part of the dewatering system. The sumps capture solids that settle out of the UG water. Future sumps will be set up in such a way as to allow the cleaning out of settled solids on one sump while an alternate one is being used.

There are four additional settling cells on surface near the Promontorio headframe and shaft. The shaft is de-commissioned except for an access for dewatering pipes. No water treatment is provided in the surface settling cells. Silverco advised that the water quality currently coming from the mine is suitable for discharge, although this was not confirmed. It is unknown if the start-up of the mine will require treatment of discharge water. This is one of the investigations that should be undertaken immediately.

Water discharge from Promontorio goes into a stream that runs through the village. The mine discharge is the primary source of water for the stream.

No water is discharged from the Malpaso processing and tailings facility as all water is envisioned to be recycled within the plant and from the tailings facility.

18.6 Waste Rock Management

Waste rock from the mine development will be stored in temporary surface facilities adjacent to each portal if not immediately used for backfill underground. Eventually the waste on surface will be returned to stopes underground on back-hauls.

18.7 Tailings Management Facility

The Malpaso processing plant has an adjacent tailings management facility approximately 2 km away and roughly 5 ha in size. The tailings facility has enough capacity for approximately one year of operation and is permitted for use as it is a roughly equal-sized adjacent area for the construction of a new cell. The new cell is planned to be built in Year 1 (2027). Future cells beyond Cell 2 require design and permitting but are not needed until Year 5.

19 MARKET STUDIES AND CONTRACTS

19.1 Market Studies

The end-product of the Cusi Project is a silver-rich lead concentrate containing gold and zinc components. A concentrate marketing advisor provided recommended smelter terms to be used for economic modelling. The terms are shown in Table 19-1.

Smelter terms may vary significantly over time based on the supply and demand of particular concentrates. The terms used were more conservative than the current market for the type of concentrate planned to be produced from Cusi as supported by recent significant concentrate purchase interest.

Producing a zinc concentrate, in addition to a lead concentrate, may be economic in the later years of the mine life as a higher zinc head grade is planned to be mined. For this study, however, the production of a zinc concentrate is left as an opportunity and is not included in the economic model.

Table 19-1: Lead Concentrate Smelter Terms

Lead Concentrate	Unit	Assumption
Silver Recovery	%	80.5
Gold Recovery	%	79.0
Lead Recovery	%	91.5
Zinc Recovery	%	73.0
Lead Concentrate Grade		**Est. LOM Average**
Silver	g/t	2,316
Gold	g/t	2.2
Lead	%	14.8
Zinc	%	15.3
Mass Pull	%	5.25
Moisture Content	%	8.0
Smelter Payables		**Assumption**
Silver payable	%	95
Min. silver deduction	Ag g/dmt conc	50.0
Gold Payable	%	95
Min. Gold deduction	Au g/dmt conc	1.0
Lead payable	%	95

Lead Concentrate	Unit	Assumption
Min. lead deduction	%	3.0
Zinc grade in lead concentrate threshold	%	10
Zinc Payable if threshold is met	%	8
Treatment & Refining Costs		
Pb concentrate TC*	US$/dmt conc	-50 (credit)
Ag RC	US$/payable oz	0.00
Au RC	US$/payable oz	10.00
Calculated Penalties	US$/dmt	0
Transport Costs*	US$/dmt	0 (smelter pays)

Notes:
*The assumptions in this table are based on a concentrate treatment credit of $100 /dmt and a transport cost of $50 /dmt for a new impact of $50 /dmt treatment charge including transport.

19.2 Contracts

There are no smelting, transport, mining or other significant contracts in place as of the date of this report.

19.3 Royalties

Royalties from the Cusi property are payable to three companies when commercial extraction takes place. Seventy-five (75) mining concessions are subject to a 2% NSR payable to Dia Bras Mexicana, S.A. de C.V. Silverco has the right to purchase one-half of the Dia Bras royalty at any time in exchange for a cash payment to Sierra Metals of US$5.0M. Two (2) mining concessions are subject to a 2% NSR payable to Minera Homero, S.A. de C.V., and twenty-three (23) mining concessions are subject to a 1% NSR royalty payable to Minera Silverstrike, S.A. de C.V.

19.4 Metal Prices

The metal prices selected for this study were based on a combination of consensus projections, current prices, three-year training averages and timing of production.

For the Cusi Project, the key factors in metal price selection were:

- 2026 re-start of the operations including processing facility refurbishment and commissioning, mine development and early metal concentrate production driven by:
  - Dewatered mines at Promontorio and Eduwiges;

- – Existing operating permits;
- – An established and permitted tailings facility with adequate start-up storage capacity;
- – A processing plant that was operated within the past two years and not cannibalized; and
- – Intact infrastructure at the mine and processing plant locations.

- Silver has 88% of the overall net smelter return value so emphasis was placed on estimating silver prices; and
- The assumed metal prices by year are shown in Table 19-2.

Table 19-2: Assumed Metal Prices and Exchange Rates

Assumption	Unit	2026	2027	2028	2029	2030	2031+
Silver Price	US$/oz	65	60	55	45	40	38
Gold Price	US$/oz	3,000	3,000	3,000	3,000	3,000	3,000
Lead Price	US$/lb	0.91	0.91	0.91	0.91	0.91	0.91
Zinc Price	US$/lb	1.29	1.29	1.29	1.29	1.29	1.29

For reference, historical Ag, Au, Pb and Zn prices are shown in Figure 19-1 through Figure 19-4.

Figure 19-1: Historical Silver Price

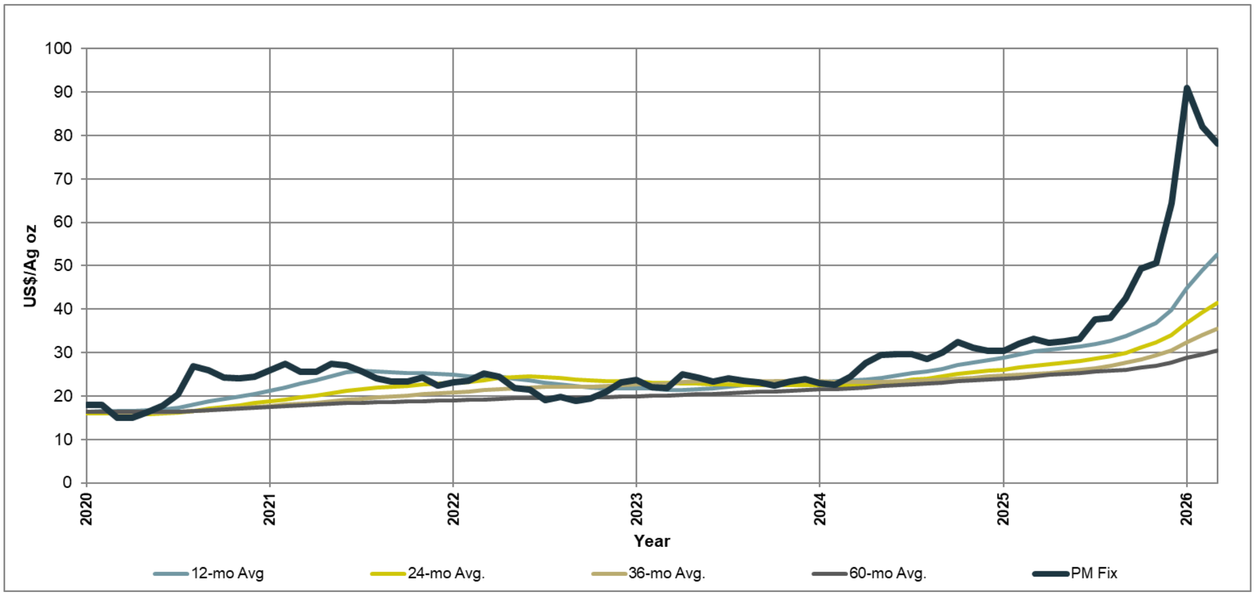


Figure 19-2: Historical Gold Price

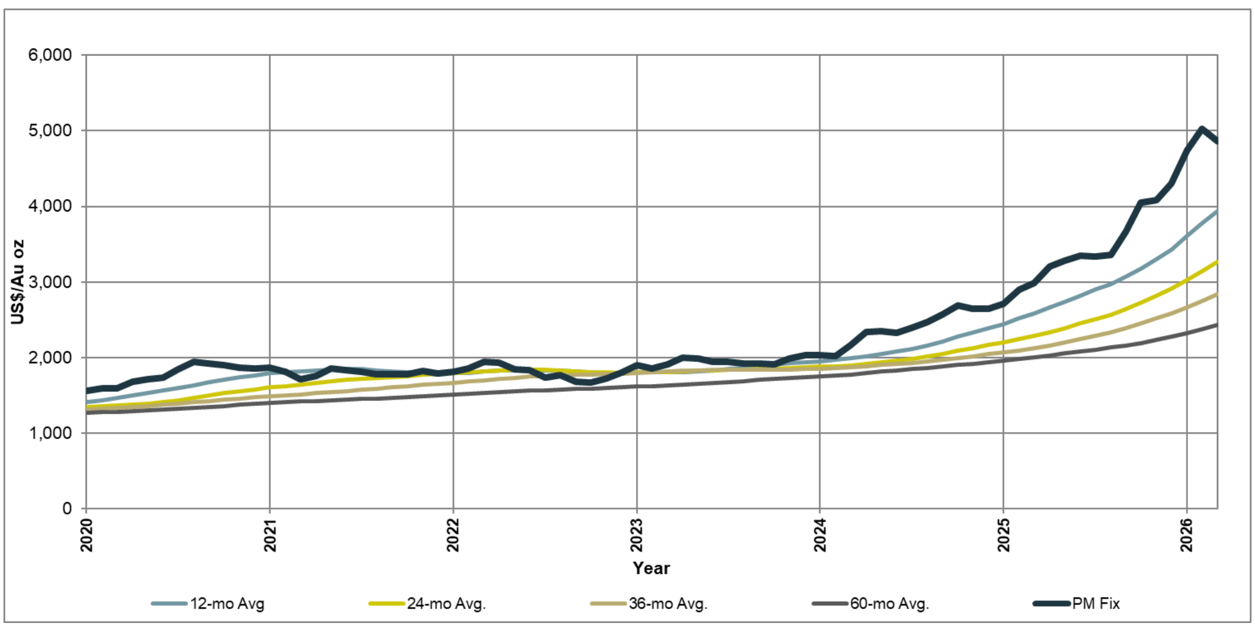


Figure 19-3: Historical Lead Price

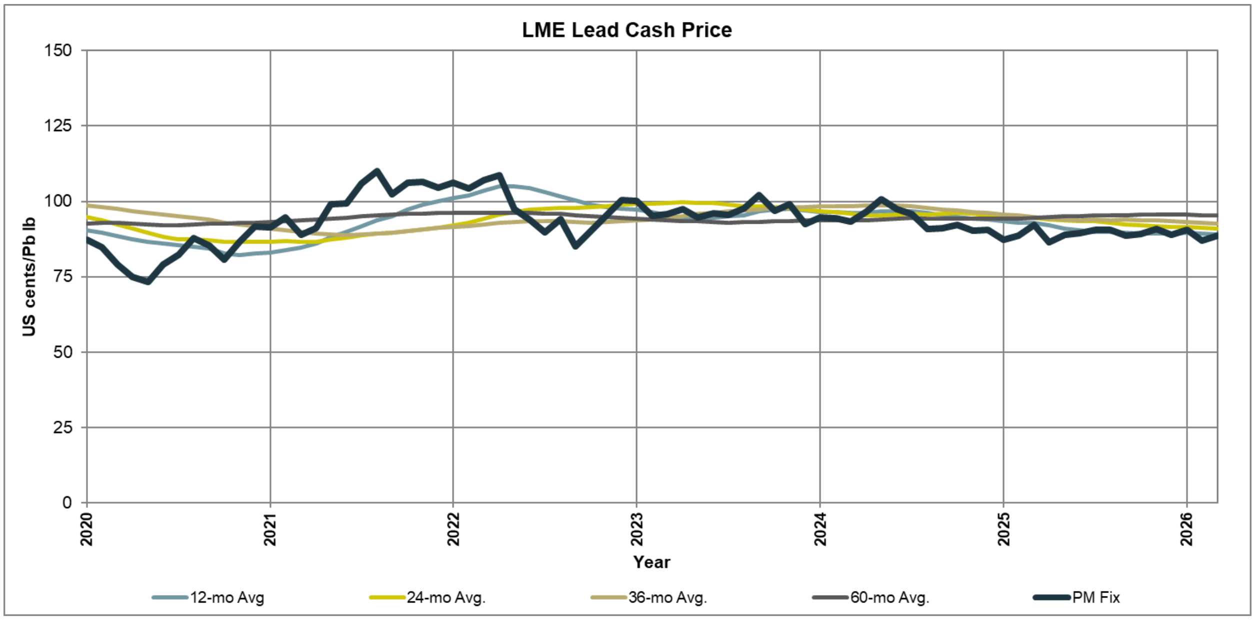
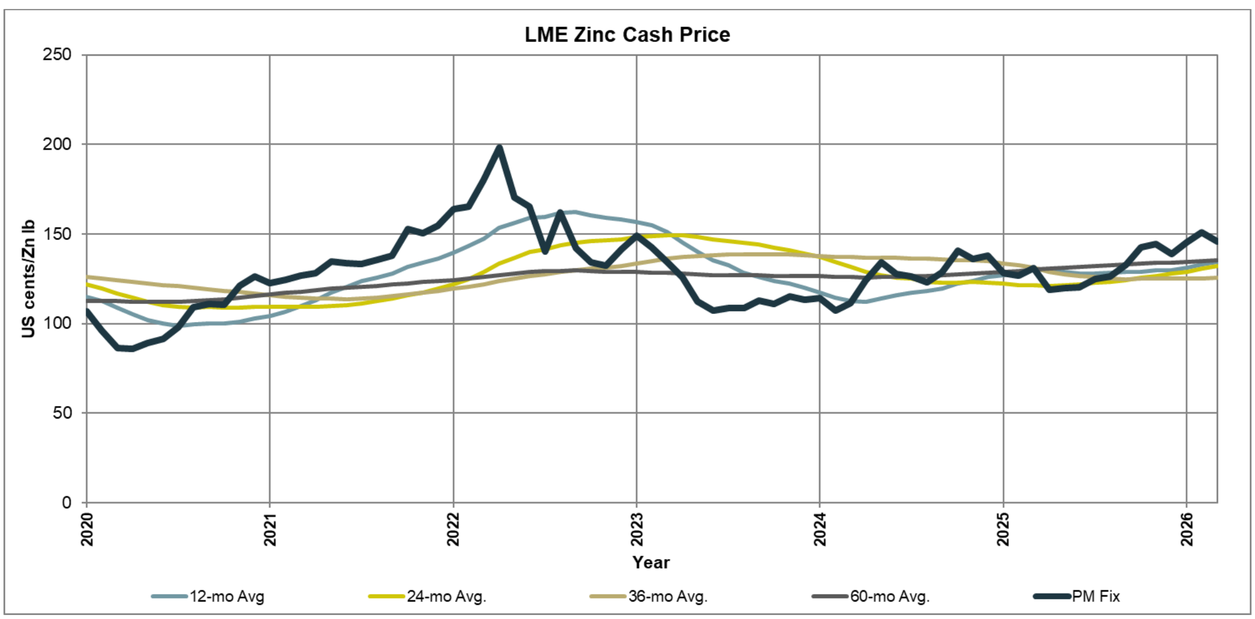


Figure 19-4: Historical Zinc Price



The average consensus metal pricing from a March 11, 2026 confidential report of 40 banks and financial institutions was acquired as guidance for silver pricing. A comparison of the median consensus pricing vs. the PEA assumptions is shown in Table 19-3. The PEA silver price assumptions are roughly 15% below consensus estimates.

Table 19-3: Consensus vs. PEA Silver Price Estimates

Source	Unit	2026	2027	2028	2029	2030	2031+
Consensus	US$/ Ag oz	75	70	63	52	50	50
PEA	US$/ Ag oz	65	60	55	45	40	38

Although the QP has attempted to estimate a fair scenario for metal prices based on the potential 2026 re-start for the Cusi Project, it must be noted that there are no accurate ways of predicting future metals prices. Whether the actual prices are higher or lower than the ones assumed in this study, and the degree of any variance, is unknown. Section 22 – Economic Analysis shows sensitivities of the project to various silver prices.

20 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACTS

20.1 Introduction

This section provides a technical summary of environmental, permitting, and social conditions relevant to the Cusi Project in the Abasolo Mineral District, Chihuahua, Mexico. The assessment has been prepared in accordance with NI 43-101 requirements for a Preliminary Economic Assessment (PEA) and is based on a review of available environmental studies, permitting documentation, historical operational records, and recent engineering evaluations, including tailings and processing infrastructure assessments.

Environmental baseline conditions, permitting requirements, and the regulatory framework for the Project are primarily based on the technical documentation prepared by CIMA Consultores (2026), supplemented by publicly available regulatory sources and applicable Mexican environmental legislation.

The Project is classified as a brownfield operation, with documented mining activity spanning historical periods and modern operations from 2014 to 2023. The site is currently in care and maintenance. As a result, environmental conditions reflect a combination of legacy disturbances, partially rehabilitated infrastructure, and existing permitted facilities that may support future reactivation.

This section focuses on identifying material environmental, permitting, and social factors that could affect project development, regulatory approvals, and overall feasibility at the PEA level. The assessment is not a full baseline environmental study but provides sufficient information to identify key risks and data gaps that require further investigation.

20.1.1 Areas of Influence

The environmental and permitting assessment in this section is organized around three main Areas of Influence (AoI), representing the Project's primary physical and operational components: the Mine Area, the Malpaso plant and legacy tailings storage facilities, and the Colorada TSF.

The Mine Area encompasses both historic and planned underground workings, along with related surface infrastructure. Environmental conditions here are primarily shaped by past mining activities, including waste rock disposal, underground development, and ongoing exploration. Considerations such as mine water management, groundwater interaction, and surface access are also important. Overall, this area is a brownfield mining site with existing disturbances and a well-established regulatory framework.

The Malpaso Area includes the processing plant and associated legacy tailings storage facilities. These facilities were built using upstream methods and are now inactive. Available information indicates that the area contains legacy features such as historical tailings deposits, localized seepage and erosion, and limited instrumentation, along with incomplete records of previous design and monitoring. As a result, the area primarily reflects past environmental conditions and is expected to be managed through closure, and reclamation plans rather than ongoing operational use. The Colorada TSF serves as the designated facility for future tailings management and is a key part of the Project's potential restart plan. The facility employs a multi-cell configuration as outlined in engineering documentation, including three cells considered during design and hydrological studies. Cell 1 has been constructed and previously operated, with partial lining applied to the embankment slopes and remaining capacity available. Cell 2 is planned as an adjacent expansion, with partial site preparation already completed, while Cell 3 has been conceptually identified but not yet fully developed at the engineering level.

The Colorada TSF is a hybrid facility, combining existing infrastructure with phased expansion. The facility is believed to be supported by prior permits and exemptions for certain components, although future development may require updated environmental assessments and compliance with current standards. Environmental concerns in this area include tailings geochemistry, potential interactions with groundwater due to the partial liner design, and the need for additional baseline data and engineering validation to support future growth.

20.1.2 Scope and Objectives

The goal of this section is to identify environmental and social factors that could significantly influence Project development within the designated Areas of Influence. This includes reviewing permitting pathways, regulatory requirements, environmental management responsibilities, including closure, and risks associated with historical conditions and future infrastructure plans.

The analysis focuses on material risks and constraints appropriate for the PEA level and aims to identify key factors that could influence Project planning, permitting, and development sequencing.

20.2 Environmental Baseline Conditions

20.2.1 Regional and Environmental Setting

The Cusi Project is located in Chihuahua State, Mexico, within a semi-arid region that has experienced extensive, long-term human disturbance. Land use in the broader area is primarily characterized by agriculture, livestock grazing, and both historic and ongoing mining activities. These activities have gradually transformed the natural landscape, resulting in a setting where baseline environmental conditions are best described as a disturbed rural-industrial environment rather than a pristine ecosystem.

This assessment examines environmental conditions across the designated Areas of Influence (AoI), including the Mine Area, the Malpaso plant, legacy tailings storage facilities, and the Colorada tailings storage facility (TSF). The Mine Area and Malpaso TSF are previously disturbed zones with existing infrastructure and accumulated impacts from earlier operations. By contrast, the Colorada TSF area, while not entirely undisturbed, is a transitional environment where previous construction activities—particularly Cell 1—have modified local conditions, though further development is anticipated.

The project is not located within federally designated protected areas (Áreas Naturales Protegidas - ANP) and is not considered a region of tourism or scenic value. Accordingly, environmental sensitivity at the regional level is assessed as moderate to low, with environmental factors primarily driven by site-specific conditions within each Area of Interest (AoI) rather than broader regional constraints.

20.2.2 Hydrology and Water Resources

The Project is located within the RH34 hydrological region, a closed basin with limited recharge capacity. Groundwater supply is predominantly associated with the Cuauhtémoc aquifer, which accounts for approximately 95.5% of the regional hydrogeological framework.

According to CONAGUA records, the Cuauhtémoc aquifer is classified as overexploited, with an estimated annual deficit of 7.75 Mm^3. This classification is a material constraint on project development, significantly limiting the availability of new groundwater concessions and introducing uncertainty in securing water rights for future operations.

From a permitting perspective, water availability is a critical-path risk because project development may depend on:

- Securing alternative water sources;
- Implementing high-efficiency water recycling systems; and
- Reassigning existing concessions where applicable.

In addition, historical mining activity introduces potential interactions between groundwater and legacy infrastructure, such as tailings seepage and underground workings, which require further hydrogeological characterization.

20.2.3 Flora

Baseline biological surveys within the Project area have identified 59 plant species, with herbaceous vegetation communities predominant, accounting for approximately 71% of the recorded flora. This pattern aligns with the region's semi-arid climate and reflects a landscape that has been subject to ongoing disturbance from agricultural and mining activities.

No plant species found during the surveys are listed in NOM-059-SEMARNAT-2010, which defines protected species under Mexican environmental law. However, two species are listed in Appendix II of the Convention on International Trade in Endangered Species (CITES), indicating international conservation interest, though they may not be subject to local restrictions.

Vegetation conditions vary across the Areas of Influence. In the Mine Area and Malpaso TSF, vegetation has been heavily altered or removed due to historic mining activities and associated infrastructure. In the Colorada TSF area, vegetation has been partially disturbed by the construction and operation of Cell 1, as well as preparatory work for the planned expansion to additional cells. The remaining vegetation in this area is generally sparse and typical of disturbed semi-arid environments.

Overall, the baseline conditions indicate relatively low ecological sensitivity of flora, with expected impacts from future activities likely to be local and manageable through standard mitigation and reclamation practices.

20.2.4 Fauna

Faunal baseline studies within the Project area have identified 41 species. None of the recorded species are listed under NOM-059, indicating the absence of legally protected fauna in the surveyed area. Four species are listed in CITES Appendix II, reflecting international conservation considerations but not necessarily imposing direct restrictions on Project development at the local level.

The distribution and abundance of fauna in the project area are influenced by the current level of disturbance. In the mine area and Malpaso TSF, habitat conditions have been heavily modified by historical operations, resulting in fragmented and reduced habitat availability. The Colorada TSF area, although less extensively developed in the past, has already experienced partial habitat alteration due to the construction and operation of Cell 1 and related works.

Given the current land use and disturbance regime, the Project area does not support critical habitats or sensitive ecological zones. Faunal presence is typical of rural, semi-arid environments with ongoing human activity, and species are generally expected to be adaptable to disturbance. Future Project activities are likely to cause incremental, localized impacts, which can be managed through standard environmental mitigation measures.

20.2.5 Landscape and Land Use

The landscape within the Project area comprises agricultural land, grazing areas, rural settlements, and mining infrastructure. The combined effects of these activities have resulted in a visual and physical environment that is moderately to highly altered.

Within the Mine Area and Malpaso TSF, the landscape has been significantly altered by historical mining activities, including the construction of underground workings, surface facilities, waste rock piles, and tailings storage sites. These features are well established and form part of the current visual baseline.

The Colorada TSF area shows a partially altered landscape, with the construction of Cell 1 and related infrastructure introducing engineered landforms into the natural environment. Future development of additional TSF cells will further modify the area; however, these changes are consistent with current land use and are unlikely to cause significant new visual impacts relative to baseline conditions.

The Project area does not connect to tourism or protected scenic values, and there are no notable landscape features of high aesthetic or cultural importance within the immediate Areas of Influence. Therefore, landscape and land use considerations are unlikely to significantly constrain Project development.

20.2.6 Social Environment

The Project's social environment comprises a network of rural communities within a broader area of influence. Approximately nine localities fall within the Project's social catchment area, with the nearest urban center, Cuauhtémoc, about 12.5 km away.

The local population primarily relies on agriculture and livestock, and, historically, on mining. As a result, they are familiar with mining operations and their economic and environmental impacts. This generally leads to social acceptance of mining, though it also creates expectations for employment, environmental stewardship, and community involvement.

From an Areas of Influence perspective, social interactions have traditionally centered on the Mine Area and Malpaso facilities, where previous operations took place. Future engagement is expected to expand to include areas related to the development and operation of the Colorada TSF, particularly as this facility becomes central to the Project's operational plan.

Based on available information, there are no signs of dense Indigenous populations or legally protected social or cultural zones within the Project's immediate area. However, as with all mining projects in rural areas, ongoing stakeholder engagement and transparent communication will be essential to maintaining social license as the Project advances.

20.3 Environmental Issues, Risks, and Management Considerations

The environmental baseline conditions outlined in Section 20.2 indicate that the Cusi Project is located in a predominantly disturbed rural area, where historical mining, farming, and livestock grazing have shaped current environmental conditions. In this context, environmental considerations focus primarily on water resource availability, legacy mining remnants, and the development of future infrastructure, particularly within the designated Areas of Influence.

20.3.1 Key Environmental Considerations

Environmental considerations for the Project vary across the Areas of Influence and reflect both current conditions and anticipated future activities.

Water availability is a critical environmental and operational factor. The Project is located within an overused aquifer system with no capacity for new groundwater permits, limiting water sourcing and requiring careful planning to comply with regulatory standards and ensure operational sustainability. This situation is likely to influence Project design, permitting timelines, and the selection of water management approaches.

Biodiversity-related considerations are limited. Baseline studies have not identified any species protected under NOM-059, and the flora and fauna are typical of semi-arid environments that experience ongoing human disturbance. As such, biological impacts are expected to be localized and manageable through standard mitigation measures.

Land disturbance and landscape considerations are influenced by the Project's brownfield status. The Mine Area and Malpaso TSF have been significantly modified by historical operations, and the Colorada TSF area has already been partially altered by the construction and use of Cell 1. Future activities, including expanding the Colorada TSF, are expected to cause additional disturbance within an area that remains consistent with existing land use.

From a social perspective, the Project is located in a rural area with a long history of mining activities. Although no specific social constraints have been identified, ongoing engagement with local stakeholders will remain a key aspect of the Project's development, particularly as activities expand or resume.

20.3.2 Water Resource Considerations

Water resource availability is a vital factor shaping the Project's environmental and permitting framework. The deficiency in the Cuauhtémoc aquifer requires the development of a clear, technically sound water management plan that aligns with regulatory standards and meets operational requirements.

At this stage of assessment, available information indicates that additional work is needed to fully understand hydrological conditions and to develop a comprehensive water management plan. This includes gaining a thorough understanding of surface water and groundwater interactions and identifying viable water supply options, which may involve recycling, improving water efficiency, and assessing alternative sources where appropriate. In addition, it is important to determine whether the surface runoff at the project site or in the surrounding areas is considered a national watercourse, as this entails additional responsibilities, ranging from construction to water use, and may require further permitting.

Furthermore, water quality considerations, including baseline assessments and potential interactions with historic mining features and tailings storage facilities, will require additional evaluation to support future permitting and design decisions.

20.3.3 Environmental Data and Assessment Considerations

The environmental assessment completed to date aligns with the level of detail expected in a Preliminary Economic Assessment; however, additional technical work will be required to advance to the next stages of the study.

Areas identified for further development include characterizing surface water systems, such as drainage patterns, watershed boundaries, and flood considerations. Additionally, an integrated, site-wide water balance covering the Mine Area, processing facilities, and tailings management systems need to be prepared. Further hydrogeological assessment will also be necessary to better understand groundwater conditions, including potential links between surface and subsurface systems.

Additional baseline water-quality data for both surface water and groundwater will support a broader assessment of potential environmental interactions and regulatory requirements. These studies will lay the foundation for refining the Project design and facilitating environmental permitting.

20.3.4 Environmental Management and Monitoring Considerations

At the time of this assessment, no formal Environmental Management Plan (EMP) or comprehensive environmental monitoring programs were identified in the reviewed documentation. However, standard environmental management practices are expected to be implemented during the Project's development and operation, consistent with regulatory requirements and industry standards.

These practices are expected to include measures for dust control, waste and tailings management, regulation of vegetation clearing, and wildlife protection. Additionally, water management will be an essential part of environmental oversight, covering process water, contact water, and potential seepage from tailings facilities.

Further development of environmental management systems will be necessary as the Project progresses. This will likely involve establishing a formal Environmental Management Plan, implementing monitoring programs for key environmental factors, including air and water quality and biological indicators, and developing plans to address specific technical challenges, such as tailings geochemistry, acid rock drainage, and metal leaching potential.

Emergency response planning and environmental risk management frameworks will also be vital to ensure safe, compliant operations, particularly for tailings storage facilities and water management systems.

20.3.5 Overall Considerations

The environmental issues identified for the Project are typical of brownfield mining operations and the development of tailings management infrastructure. No environmental conditions have been identified that would prevent the Project from proceeding; however, water resource availability and the ongoing refinement of environmental data and management systems will be crucial to advancing the Project beyond the PEA stage.

The systematic assessment of environmental conditions within the designated Areas of Influence provides a framework for integrating legacy conditions, current site status, and future development requirements into project planning and permitting processes.

20.4 Permitting, Regulatory Framework, and Current Status

The Cusi Project operates within a clearly defined Mexican federal regulatory framework governing mining, environmental protection, and water use. The permit process involves multiple agencies, with ultimate oversight by federal authorities and additional roles for provincial and sector-specific bodies.

20.4.1 Regulatory Framework

Mining and related activities in Mexico are primarily regulated by the Mexican Constitution, the Mining Law (Ley Minera), and a series of environmental and natural resource laws that establish permit requirements and operational conditions.

At the federal level, environmental authorizations are primarily overseen by the *“Secretaría de Medio Ambiente y Recursos Naturales”* (SEMARNAT), which evaluates environmental impacts, issues permit for land-use changes, grants environmental licences, and manages waste registration. The regulatory framework is based on the *“Ley General del Equilibrio Ecológico y la Protección al Ambiente”* (LGEEPA) and its related regulations, which set the requirements for Environmental Impact Assessment (EIA), including “*Manifestación de Impacto Ambiental*” (MIA) and “*Informe Preventivo*” (IP).

Water resources are managed under the “Ley de Aguas Nacionales”, which is overseen by the “Comisión Nacional del Agua” (CONAGUA). CONAGUA issues concessions for water extraction and discharge permits and establishes conditions for the sustainable use and protection of water resources.

Additional relevant legislation includes:

- The “*Ley General de Vida Silvestre y su reglamento*” oversees the protection of biodiversity and the conservation of habitats;
- “*Ley Minera y su reglamento*”, detailing compliance requirements for mining concessions and operations; and
- Federal regulations on hazardous materials and explosives.

This regulatory framework requires that mining projects obtain various authorizations for environmental matters, forestry, the use and exploitation of water, air, and soil, explosives, mining concessions, hazardous materials, mining waste, special handling waste, and urban waste, among others, prior to the start of activities, process modifications, or expansions, as well as during operations.

The complete permitting framework required to develop and operate a mining project in Mexico is structured as follows:

- Federal permits (main regulatory obligation);
- State and municipal permits (local compliance layer); and
- Applicable environmental standards (NOMs).

<u>Federal Permits = Core Approval Layer</u>

- Primarily governed by SEMARNAT, CONAGUA, SEDENA, and others;

- Include:
  - Environmental approvals (MIA, "IP" or exemption);
  - Change of land use (ETJ);
  - Permits for the use, extraction, and discharge of water. Construction of works and infrastructure on federal waterways. Waste management registration and plans; and
  - Explosives, energy, and infrastructure authorizations.
- **These are the essential permits for the Project's critical path**.

State and Municipal Permits = Facilitating Operations

- Focused on:
  - Land use and zoning policies;
  - Construction and operation permits; and
  - Civil protection and safety.
- **These are site-specific approvals required before construction and operation**.

NOM Standards = The Foundation of Technical Compliance

- Mexican Official Standards (NOMs) define:
  - Environmental thresholds;
  - Operational requirements; and
  - Monitoring and Reporting Responsibilities.
- **Non-compliance could invalidate permits or delay approvals**.

Table 20-1: Federal Permits Required for Project Approval

Procedure	Government Authority	Current Status
Use of Federal Watercourses (concession title)	CONAGUA	The procedure related to the use and exploitation of surface or groundwater is not available. If the project requires its use, the corresponding authorization must be obtained.
Wastewater Discharge Permit	CONAGUA	There is no record of any permit for wastewater discharge. If the project requires discharging wastewater into a receiving body from operations, services, or other sources, the corresponding permit must be obtained before beginning the discharge. This also applies to wastewater from restrooms, offices, cafeterias, etc.
Construction Permit for Hydraulic Works or Projects on Federal Waterways	CONAGUA	There is no record of any permit for the construction of hydraulic works or infrastructure on federal waterways. If it is necessary to divert any waterway, construct crossing bridges, wells, dredge rivers, build sumps, etc., the corresponding permit must be obtained. If the construction of any mining works, such as a quarry, tailings dam, open pit, or any other structure, is required on a federal waterway, the corresponding permits must be obtained.
Explosives Use Permit	SEDENA	The purchase, storage, and/or use of explosives is not authorized. If you plan to carry out any activity related to explosives, you must apply for and obtain the corresponding permit.
Registration for Hazardous Waste Management (Registration and Management Plan)	SEMARNAT	Currently, the company is registered as a small generator of hazardous waste; however, this registration has a generation limit. Therefore, it is recommended that these limits be adjusted to those of a large generator if the total annual generation of hazardous waste exceeds 10 tons. In this case, a Hazardous Waste Management Plan must be prepared for evaluation by SEMARNAT (Mexico's Ministry of Environment and Natural Resources).
Environmental Risk Study	SEMARNAT	The company does not have an environmental risk assessment. This document is only required if the company uses chemical substances included in the first or second list of "highly toxic" substances published by SEMARNAT. If the company exceeds the threshold for even one of these substances, the company is required to conduct this assessment.
Technical Justification Study for Land-Use Change (ETJ)	SEMARNAT	The company has not yet initiated any change of land use process (CUS or ETJ). This document is required when clearing or felling vegetation classified as forest land is necessary.
Preventive Environmental Impact Report (IP)	SEMARNAT	The company has obtained two Environmental Impact Assessments (IPIA) for its mining exploration activities. One has expired, while the other remains valid. This assessment can replace an Environmental Impact Statement (MIA), provided it complies with the provisions of the General Law of Ecological Equilibrium and Environmental Protection (LGEEPA) and its regulations. IPIA are typically required when specific regulations exist, such as those governing mining exploration and tailings dam construction, among others.
Single Environmental License or Operating License	SEMARNAT	There is no record of obtaining these licenses. This procedure is applicable if the project involves Stationary Sources under Federal Jurisdiction (emission of pollutants into the atmosphere).

Procedure	Government Authority	Current Status
Special Waste Management Plan	SEMARNAT	A mining waste management plan is not currently in place. If the project generates waste such as waste rock, tailings dam waste, and metal waste, this program is applicable.
Mining Waste Management Plan	SEMARNAT	A mining waste management plan is not currently in place. If the project generates waste such as waste rock, tailings dam, and metal waste, this program is applicable.
Accident Prevention Program	SEMARNAT	This program is not currently in place. This document is only required if the company uses chemical substances included in the first or second list of "highly toxic" substances published by SEMARNAT. If the company exceeds the threshold for even one of these substances, the company is required to conduct this assessment.
Annual Operating Report (COA)	SEMARNAT	There is no record of the COA being submitted. This certificate must be submitted annually when the company generates 10 tons or more of hazardous waste each year (large generator of hazardous waste), generates 25,000 tons of CO_2 equivalent of greenhouse gases, or is classified as a stationary source under federal jurisdiction for atmospheric pollution.
Environmental Impact Assessment (MIA)	SEMARNAT	The project proponent has obtained a favorable environmental impact assessment through an exemption, which covers the work on 55,419 hectares. Should additional land be required, modifications to the processes, or changes in internal uses, a new environmental impact assessment must be requested.

Table 20-2: State and Municipal Permits

Procedure	Government Authority	Current Status
Municipal Authorization for the Use of Explosives	Municipality	No documented evidence of this authorization was identified. This permit is a prerequisite for obtaining an explosives permit from the Ministry of National Defense (SEDENA).
Zoning License	Municipality	No documented evidence of compliance was identified. This authorization is mandatory for any company operating within the municipality and is required prior to obtaining subsequent permits.
Construction License	Municipality	No documented evidence of compliance was identified. If construction activities are planned, the corresponding authorization must be obtained from the municipality prior to the commencement of works.
Land-Use License	Municipality	No documented evidence of compliance was identified. The applicant must obtain municipal authorization for land use; however, this process requires prior approval of the zoning license.

Procedure	Government Authority	Current Status
Registration and Plan as a Generator of Special Waste	State	No documented evidence of registration or authorization was identified. If the Project generates special handling waste (e.g., cardboard, wood, metal, plastics), registration with the State Ecology Department is required. For large-scale generators, preparation and approval of a waste management plan is mandatory.
Internal Civil Protection Program	State / Municipality Civil Protection	No documented evidence of authorization was identified. Prior to commencing operations, it is mandatory to obtain civil protection approval, which may be issued by either the municipality or the state depending on the nature of the activities.

Table 20-3: Applicable Environmental Regulations (NOMs)

Category	Standard	Description	Current Status
Exploration (Environmental Impact)	NOM-120-SEMARNAT-2020	Environmental protection requirements for direct mineral exploration activities	The Project holds an environmental authorization (*Informe Preventivo – IP*) for drilling activities. If additional exploration areas or personnel are required, a new authorization must be obtained.
Mining and Processing	NOM-141-SEMARNAT-2003	Requirements for mining waste management plans	The requirements stipulated for the tailings dam are not fully met, with areas of opportunity arising from the issues of safety, relationship control, and monitoring.
Mining Waste	NOM-157-SEMARNAT-2009	Requirements for mining waste management plans	No documented evidence of compliance was identified. The Project will require completion of waste characterization studies, including acid rock drainage (ARD) and metal leaching assessments, and formal approval under the Mining Waste Management Program.
Water	NOM-001-SEMARNAT-2021 & NOM-127-SSA1-2021	Maximum permissible limits for wastewater discharge and water quality standards	Water quality monitoring has been conducted; however, it was limited in scope. Additional monitoring, including upstream and downstream sampling, is required to demonstrate compliance with applicable standards and should be conducted on a periodic basis.
Air	NOM-035-SEMARNAT-1993 & NOM-025-SSA1-2021	Measurement of total suspended particulate matter	No documented evidence of compliance monitoring was identified. Air quality monitoring programs should be implemented and conducted at least annually in accordance with regulatory requirements.

Category	Standard	Description	Current Status
Fixed Sources	NOM-043-SEMARNAT-1993	Emission limits for particulate matter from fixed sources	No documented evidence of emissions testing was identified. If stationary emission sources are present, emissions monitoring must be conducted to demonstrate compliance with applicable standards.
Closure and Remediation	NOM-133-SEMARNAT-2015	Environmental management of polychlorinated biphenyls (PCB)	No documented evidence of PCB-related assessments was identified. If legacy electrical equipment containing PCB-based insulating fluids is present, appropriate studies and management measures must be implemented in accordance with regulatory requirements.

20.4.2 Interpretation of Current Permit Status

The available permitting information indicates that the Project benefits from environmental approvals for earlier operations, including preventive filings ("*Informe Preventivo*") and exemptions for specific infrastructure components, such as the Casa Colorada TSF.

Using "*Informe Preventivo*" instead of a full "*Manifestación de Impacto Ambiental*" (MIA) in specific cases indicates that certain activities are considered to have limited environmental impact or involve modifications to existing infrastructure, consistent with the Project's brownfield nature.

At the same time, the status of various permits, particularly those related to land-use change, environmental risks, and waste management—suggests that updates or additional approvals may be required to support future development plans. This aligns with the current phase of the Project and the transition from past operations towards potential redevelopment.

20.4.3 Overall Permitting Considerations

The Project operates within a well-established regulatory framework commonly used for mining activities in Mexico. Existing permits and authorizations provide a foundation for future growth; however, moving forward will require updating, consolidating, and, if necessary, expanding the permitting portfolio to align with the planned operational scenarios.

Particular attention should be given to:

- Environmental Impact Assessment Strategy (IP versus MIA applicability);
- Water permits and concessions (CONAGUA);
- Authorization of tailings facilities and adherence to environmental regulations; and

- Waste management and environmental risk research.

These elements will play a key role in the Project's advancement plan and in its integration into future engineering and environmental assessments.

The permitting strategy for the Project is expected to adopt a brownfield modification approach, utilizing existing authorizations and incorporating updated environmental assessments as necessary for future development.

From a project execution perspective, water permitting (CONAGUA), environmental impact authorizations (SEMARNAT), and tailings facility approvals are the principal regulatory elements that could affect the Project's critical path.

20.4.4 Permitting Critical Path Analysis

Based on a review of available permitting information, the following elements are identified as potential critical path items for project advancement:

Table 20-4: Permitting Critical Path Analysis

Permit Category	Key Authority	Status	Risk to Schedule	Comments
Environmental Impact (MIA/IP)	SEMARNAT	Partial / legacy		Future expansion may require full *MIA,* but the current planned project is approved
Water Concessions	CONAGUA	Constrained	Moderate	Aquifer overexploited but water for processing is planned to be trucked from the Cusi mines.
Land Use Change (ETJ)	SEMARNAT	Unclear	Moderate	Required for new disturbance
Hazardous waste	SEMARNAT	Constrained	Moderate	A maximum of 10 tons can be generated per year.
Requirements for mining waste management plans	SEMARNAT	Missing	High	It is important to obtain their authorization.
Municipal Permits	Local	Missing	Moderate	Required before construction

The permitting strategy is expected to rely on a brownfield modification approach, leveraging existing authorizations where applicable and incorporating updated environmental assessments to reflect the current project scope.

20.5 Environmental and Permitting Risks

This section summarizes the principal environmental and permitting risks identified for the Cusi Project, based on a review of available environmental data, permitting status, and site conditions. The risks presented reflect the current level of assessment consistent with a Preliminary Economic Assessment (PEA) and are intended to highlight factors that may influence project development, permitting timelines, and overall feasibility.

The assessment integrates baseline conditions, regulatory considerations, and identified data gaps to define key risk categories, their potential impact on the Project, and the corresponding mitigation approaches required to advance to subsequent study phases.

Table 20-5: Environmental and Permitting Risk Summary

Risk Category	Description	Impact	Project Stage	Mitigation Strategy
Water Availability	Overexploited aquifer with limited availability of new groundwater concessions	Low	PEA to Feasibility	A tailings thickener installation is planned to increase re-cycled water in the mill and water is planned to be trucked from Promontorio mine for make-up water.
Tailings Facility	Partial liner configuration and legacy design uncertainties	High	Design and Permitting	Geotechnical validation and engineering refinement of TSF design in accordance with current regulatory standards
Environmental Data Gaps	Limited hydrogeological characterization and baseline water quality data	Moderate to High	PFS	Implementation of baseline environmental studies and establishment of long-term monitoring programs
Permitting Status	Incomplete permitting documentation and regulatory approvals	High	Pre-construction	Comprehensive permitting audit and consolidation of regulatory approvals
Legacy Liabilities	Presence of historical tailings and legacy disturbances	Medium	Closure / ESG	Closure plan, liability assessment
Social Management	Absence of formalized stakeholder engagement framework	Medium	All phases	Development of social baseline studies and formal stakeholder engagement plan

These risks are typical of brownfield mining developments at the PEA stage and are considered manageable through standard engineering, environmental, and permitting processes, provided the identified baseline studies are completed and regulatory approvals are obtained.

20.6 Social and Community Considerations

This section summarizes the social and community context relevant to the Cusi Project, including local socioeconomic conditions, historical interactions with mining, and considerations for future development. The assessment draws on available documentation and reflects the Project's status as a brownfield operation in an established mining district. At the PEA level, the objective is to identify potential social risks, data gaps, and engagement requirements rather than to provide a comprehensive Social Impact Assessment.

20.6.1 Local Setting and Socioeconomic Context

The Cusi Project, comprising the Mine Area, the Malpaso plant, legacy tailings facilities, and the Colorada TSF, is located in the Municipality of Cusihuiriachi in Chihuahua State. The region comprises small, scattered rural communities with a socioeconomic profile primarily based on agriculture, livestock, and local services. Historically, mining has played a vital role in the regional economy, providing employment and stimulating local economic activity.

The Project area is part of a broader regional framework that promotes sustainable resource use and local growth. Past mining activities in the area have helped build local infrastructure and familiarize nearby communities with mining operations. This context provides a foundation for ongoing interaction between the Project and the local population.

20.6.2 Community Interaction and Historical Context

Mining activities in the Cusi district have a long history, managed by multiple operators. The Malpaso facilities, in particular, are linked to past production and employment. As a result, local communities are accustomed to the presence of mining operations and to their economic and social effects.

This historical context demonstrates that the Project benefits from a strong relationship with the local community, including workforce participation and community services. At the same time, the shift from previous operations to potential future development offers an opportunity to formalize and improve engagement practices in line with current regulatory and industry standards.

20.6.3 Social Considerations for Project Development

The social environment of the Project reflects typical characteristics of rural mining regions in northern Mexico, where population density remains low and economic prospects are limited. The presence of nearby communities raises considerations related to employment, land use, and communication, especially as the Project advances through different stages of development or reactivation.

The Project has the potential to positively influence the local economy by creating both direct and indirect jobs and by boosting demand for goods and services. At the same time, clear communication and collaboration with local stakeholders will be crucial to ensure expectations are properly managed and that Project activities reflect community priorities.

Given the current level of disturbance and historical mining within the Areas of Influence, social interactions are expected to focus on practical aspects of project development, including workforce participation, access, and environmental management.

20.6.4 Current Status of Social Management

Based on the reviewed documentation, social considerations for the Project have been addressed primarily through the lens of historical operations and general regulatory compliance, rather than through formal social assessment frameworks. While this aligns with the Project's status as a historically operating mining district, the available information lacks detailed documentation of structured social management systems.

Notably, there is limited evidence of formal studies or programs that define the Project's social baseline, stakeholder structure, or engagement processes. Likewise, documentation on land access arrangements and surface rights was not found in the reviewed materials, although access procedures do not appear to have restricted previous operations.

As the project advances, developing more structured social management tools will enhance transparency, stakeholder communication, and alignment with current industry practices.

20.6.5 Considerations for Future Development

To support the Project's ongoing progress, further work on social baseline characterization and stakeholder engagement would be beneficial. This could include preparing a Social Impact Assessment to better define the area of influence and the characteristics of local communities and identifying key stakeholders and establishing communication channels.

Developing a structured engagement approach, including procedures for receiving and addressing community feedback, would help maintain positive relationships with local stakeholders. Additionally, consolidating documentation related to land tenure and access arrangements would enhance clarity for future development planning.

These activities align with typical practices for mining projects advancing beyond the PEA stage and would support the current environmental and permitting framework.

20.6.6 Overall Assessment

The Project is located in a rural area where mining has long been an important economic activity and where communities are generally aware of the presence and implications of mining operations. This environment provides a solid foundation for ongoing development, especially when supported by transparent communication and organized engagement.

Although formal social management documentation is limited in the current dataset, the overall social environment does not pose significant obstacles to the Project's progress. Incorporating additional social studies and management tools in future phases would better ensure the Project's compliance with regulatory requirements and industry standards.

20.7 Closure and Reclamation

Closure and reclamation considerations for the Cusi Project are at a conceptual stage, consistent with the current level of assessment. The project encompasses historic infrastructure and potential future developments across the Mine Area, the Malpaso plant, legacy tailings facilities, and the Colorada TSF, all of which will be addressed as part of closure activities.

Conceptual closure measures are expected to include decommissioning surface infrastructure, stabilizing disturbed landforms, implementing revegetation programs adapted to local conditions, and managing surface water and potential seepage to ensure long-term site stability.

A formal closure plan, detailed cost estimate, financial assurance framework, and post-closure monitoring program have not yet been developed and are expected to be defined in later stages of the study.

Closure planning will need to address both historical liabilities and future operational components, requiring an integrated approach to site reclamation and long-term environmental stability.

20.8 Environmental, Permitting, and Social Risk Summary and Conclusions

The environmental, permitting, and social review of the Cusi Project indicates that the Project is located in a historically disturbed, non-sensitive regional area where mining, agriculture, and rural land use have shaped current conditions. Biodiversity constraints are minimal, and existing infrastructure can support future growth.

The primary factors influencing project progress include water availability, the extent of environmental and engineering definition, permitting clarity, and closure planning. Water availability is especially critical given the regional aquifer deficit and will require a technically supported water management strategy that complies with regulatory standards. To mitigate water risks, Silverco's strategy, at the current time, is to use the excess water from dewatering the Promontorio Mine to supply the Malpaso's mill make-up water.

The current permitting framework comprises a mix of historical authorizations and existing regulatory pathways, providing a foundation for Project development in a brownfield setting. Greater clarity and consolidation of permitting requirements will be necessary to support future development phases.

Overall, the available environmental information is sufficient to describe general site conditions at the PEA level. Further technical studies, engineering refinement, and regulatory engagement will be required to advance the Project.

21 CAPITAL AND OPERATING COST ESTIMATES

21.1 Capital Cost Summary

The capital cost estimate was prepared at PEA level using a combination of benchmark unit rates, first-principles calculations where applicable, supported by site visit investigations. The estimate was further supported by budgetary quotations received from contractors and suppliers with demonstrated experience executing similar scopes at comparable operations. Given the level of engineering definition typical of this stage of study, assumptions were required and actual construction costs may differ from the estimate; therefore, the estimate accuracy cannot be guaranteed.

The estimate basis reflects a staged approach to capital deployment, prioritizing assets required for initial restart and early production, followed by capital to enable sustained operations over the life of mine. A contingency allowance was applied to reflect the level of definition typical of a PEA study.

Pre-production capital costs, net of $28.3M in concentrate sale revenues generated during commissioning amount to $19.2M. Total Life of Mine capital costs are estimated to be $188M, of which closure costs are estimated to be $25M. These costs are summarized in Table 21-1.

Table 21-1: Capital Cost Summary

Capital Costs	Pre-Production (M$)	Sustaining / Closure (M$)	Total (M$)
UG Mining	19.7	73.8	93.5
Process Plant	5.1	-	5.1
Tailings Storage Facility	0.2	11.3	11.5
On-Site Infrastructure	2.0	-	2.0
Infill Drill Programs	-	4.7	4.7
Project Indirects	1.9	-	1.9
Engineering & EPCM	2.4	-	2.4
Owner's Costs	6.9	-	6.9
Closure	-	25.0	25.0
Subtotal	**38.1**	**114.8**	**152.9**
Contingency	9.4	25.8	35.2
Total Capital Costs	**47.5**	**140.6**	**188.1**
Commissioning Revenues	-28.3	-	-28.3
Net Capital Costs	**19.2**	**140.6**	**159.8**

21.1.1 Basis of Estimate

The capital estimate covers the expenditures required to restart the Cusi Mine, complete the planned mine development, and establish the infrastructure necessary for steady-state operations. The Project includes underground mining, the Malpaso process plant, site infrastructure and a tailings management facility.

The cost estimate consists of Direct, Indirect, Owner's, and Contingency costs:

- Direct costs: including permanent facilities and installed assets, including capital development. Ongoing contractor mining rates for production are excluded from capital and treated as operating costs;
- Indirect costs: Costs of construction support labour, support equipment, field procurement, field indirects, camp & catering, temporary construction facilities and services, freight and logistics, commissioning and start-up, first fills, spares, and EPCM support;
- Owner's costs: Costs associated with pre-production operating costs, owner's facilities and services during construction, and owner's team project management; and
- Contingency: A construction contingency to cover necessary work within the defined scope of the Property which cannot be identified or itemized at this stage of the Property development but is expected to be incurred.

The following key assumptions were made during development of the capital estimate:

- Underground development will be performed by a contractor;
- All construction (civil, structural, architectural, mechanical, piping, electrical, and instrumentation) will be performed by contractors; and
- The capital estimate is based on the development schedule described within the Mine Plan included in Section 16 of this Report.

The following key parameters apply to the capital estimate:

- Estimate Class: The capital cost estimate is considered a Class 5 cost estimate with a target accuracy of ± 30%;
- Estimate Base Date: The base date of the capital estimate is Q1 2026. No escalation has been applied to the capital estimate for costs occurring in the future; and
- Currency: Costs are expressed in US$ and do not include allowances for exchange rate fluctuations. A foreign exchange rate of US$1.00:MXN$0.056 is used where applicable.

21.1.2 Mine Capital Cost Estimate

Mining at Cusi Mine is planned to be executed by mining contractors, with an Owner's team providing technical services, oversight, and site management. The mining contractor will be responsible for supplying mine personnel, production and support equipment to carry out the mining activities as well as explosives, diesel and ground support materials as defined in the contracting strategy. The Owner will provide the surface and fixed infrastructure required to support the contractor, including maintenance and service facilities, major mine services equipment (e.g., dewatering pumps, ventilation fans, and related electrical distribution), and other supporting facilities as required.

Mining capital costs were developed using budgetary quotations, site investigations, and benchmark data from comparable underground operations. The mining capital scope includes dewatering and rehabilitation of the existing underground workings, re-establishment of mine services where required, and new mine development necessary to establish access to production areas. Pre-production mining operating costs incurred prior to processing plant start-up are capitalized and include contracted mining activities.

The mining capital costs are provided in Table 21-2.

Table 21-2: Mine Capital Cost Estimate

UG Mining Capital Costs	Pre-Production (M$)	Sustaining / Closure (M$)	Total (M$)
Underground Development	10.3	56.5	66.8
Capitalized Mining OPEX	4.4	-	4.4
Mining Support Equipment	0.4	0.5	0.9
Mining Infrastructure	4.5	16.9	21.4
Total	**19.7**	**73.8**	**93.5**

21.1.3 Processing Cost Estimate

Process plant capital for Cusi was developed from site visit investigations and condition assessments of the existing Malpaso facility, supplemented by the current equipment inventory. The restart scope was defined by equipment area (crushing, conveying, grinding, flotation, thickening/filtration, pumping and utilities), and costs were developed using a combination of first-principles allowances and benchmark unit rates, supported by budgetary quotations received for key items and services. The estimate includes refurbishment and repair of existing equipment, electrical testing and corrective works, controls and instrumentation servicing, initial spares, commissioning support, and installation of an additional thickener to support planned operations.

Process plant costs are summarized in Table 21-3 below.

Table 21-3: Processing Cost Estimate

Processing Capital Costs	Pre-Production (M$)	Sustaining / Closure (M$)	Total (M$)
Crushing	0.4	-	0.4
Grinding	0.4	-	0.4
Flotation	0.3	-	0.3
Concentrate Dewatering	0.1	-	0.1
Tailings & Concentrate Thickener	1.3	-	1.3
Electrical	0.3	-	0.3
Process Plant Building & Utilities	0.8	-	0.8
Readiness	0.7	-	0.7
Capitalized OPEX	0.8	-	0.8
Total	**5.1**	**-**	**5.1**

21.1.4 Tailings Management Capital Cost Estimate

Tailings facility capital was estimated based on continued use of the existing TSF where feasible, supplemented by an expansion concept to provide sufficient capacity for the Project. The tailings estimate includes allowances for expansion earthworks and containment features, water management components, and associated pumping and pipeline infrastructure required to convey tailings and return reclaim water. The estimate also includes provisions for TSF monitoring and operational readiness items appropriate for restart, with the understanding that final design details will be confirmed through geotechnical investigations, hydrologic/hydraulic assessment, and detailed engineering.

The expansion scope was developed at a conceptual level and is therefore subject to refinement as design criteria are confirmed and permitting and regulatory requirements are advanced. Key uncertainties include foundation conditions, material availability and haul distances, seepage control requirements, and the extent of upgrades required to existing TSF components.

Tailings management costs are summarized in Table 21-4 below.

Table 21-4: Tailings Management Cost Estimate

TSF Capital Costs	Pre-Production (M$)	Sustaining / Closure (M$)	Total (M$)
Earthworks	-	5.7	5.7
Embankments	-	2.9	2.9
Liner	-	1.5	1.5

TSF Capital Costs	Pre-Production (M$)	Sustaining / Closure (M$)	Total (M$)
Concrete / Hydraulics	-	0.8	0.8
Pipelines	-	0.2	0.2
Instrumentation	-	0.1	0.1
Existing TSF - Readiness	0.2	-	0.2
Total	**0.2**	**11.3**	**11.5**

21.1.5 Infrastructure Cost Estimate

Infrastructure scope includes, as applicable, site power distribution, surface water management, roads and site access, communications, maintenance and warehouse facilities, fuel and reagent storage/handling, and other support systems required for operations. Where existing infrastructure was available, the estimate assumes rehabilitation and selective upgrades rather than full replacement.

The site development and infrastructure cost estimate are summarized in Table 21-5 below.

Table 21-5: Site Development and Infrastructure Cost Estimate

Site Development Capital Costs	Pre-Production (M$)	Sustaining / Closure (M$)	Total (M$)
Power Distribution	0.1	-	0.1
Roads & Access	0.3	-	0.3
Buildings	0.6	-	0.6
Support Mobile Fleet	0.8	-	0.8
Bulk Fuel Storage & Distribution	0.0	-	0.0
IT & Communications	0.2	-	0.2
Pad Earthworks	0.1	-	0.1
Total	**2.0**	**-**	**2.0**

21.1.6 Indirect Cost Estimate

Indirect costs are estimated as 10% of total capital costs (excluding mine development) and are calculated to be US$1.9 M. The percentage is based on comparable project experience for projects of similar scope and complexity and is intended to capture typical indirect requirements not itemized in the direct cost build-up.

21.1.7 Owners Cost Estimate

Owner's costs are included within the operating costs during production, but during the restart ramp up period these items are included in the initial capital costs and are capitalized. The primary cost elements included are pre-production General & Administration and process plant ramp up costs and are calculated to be US$6.9 M.

21.1.8 Closure Cost Estimate

Closure costs have been estimated at $25.0 M. At the PEA stage, closure was developed as a benchmark-based allowance derived primarily from comparisons to similar projects with comparable mining infrastructure and annual throughput. The estimate is intended as an order-of-magnitude provision for reclamation, closure activities, and post-closure monitoring, and will be refined as closure concepts and detailed designs are advanced.

21.1.9 Contingency

Contingency is included to account for uncertainty in quantities, unit rates, and scope definition at the PEA level, and to provide an allowance for costs that are expected to occur within the defined project scope but cannot be specifically identified or itemized at this stage. The contingency provision was developed to reflect the level of engineering definition and the risk profile of the estimate. The resulting contingency amounts to US$9.4 M for pre-production capital and US$25.8 M for sustaining capital.

21.2 Operating Cost Summary

The operating cost estimate was prepared using first principles, applying project experience and avoiding the use of general industry factors. Inputs are derived from engineers, contractors and suppliers who have provided similar services to other projects.

Operating costs in this section of the report include mining, processing, tailings, and administration up to the production of concentrate from the site. Mine operating costs incurred during the construction phase (pre-production Year -1 and Year 1 Q1) are capitalized and form part of the capital cost estimate. Concentrate transportation, treatment and refining charges, and royalties are discussed in Section 19.

Operating costs are presented in 2026 US dollars on a calendar year basis. No escalation or inflation is included. Average annual operating costs over the life of mine are $33M and are summarized in Table 21-6.

Table 21-6: Breakdown of Estimated Operating Costs

Operating Costs	LOM Cost (M$)	Avg Annual Cost (M$)	Unit Cost ($/t)
Mining	139	17.4	40.27
Processing	80	10.1	23.23
G&A	31	3.9	9.03
Contingency	13	1.6	3.63
Total	**263**	**33.0**	**76.15**

21.2.1 Personnel

The expected Personnel requirements for the project are summarized in Table 21-7.

Table 21-7: Summary of Personnel Requirements

Area	#
Mine General	15
Mine Operations	131
Mine Maintenance	53
Mine Technical	19
MINE TOTAL	**218**
Mill Operations	47
Mill Maintenance	31
Mill Technical	16
MILL TOTAL	**94**
G&A TOTAL	**89**
SITE TOTAL	**401**

21.2.2 Mine Operating Cost Estimate

The underground mining cost estimates in the PEA include items such as Production, stockpiling, rehandling, and ongoing development during production years. The total LOM OPEX is estimated to be $146.0 M. The average unit operating cost is estimated to be $42.28/t. Table 21-8 shows a breakdown of the Mine operating costs.

Table 21-8: Mine Operating Cost Summary

Mine Area	LOM (M$)	Unit Cost ($/t)
Production	61.0	17.66
Development to Stockpile	5.6	1.63
Stoping to Stockpile	7.8	2.26
Stockpile to Mill	4.6	1.33
Development - Mineralized	38.7	11.20
Development - Waste	4.7	1.35
OPEX Labour	4.6	1.33
Mine General - Equipment & Materials	3.5	1.00
Power	8.6	2.50
Subtotal	**39.0**	**40.27**
Contingency (5%)	7.0	2.01
Total Mine OPEX	146.0	**42.28**

21.2.3 Processing Operating Cost Estimate

The total LOM OPEX is estimated to be $84.2 M. The average unit operating cost is estimated to be $24.39/t. Table 21-9 shows a breakdown in the Process operating costs.

Table 21-9: Processing Plant Operation Cost Estimate by Area

Process Area	Annual Cost (M$)	Unit Cost ($/t)
Labor	1.2	2.75
Power & Fuel	2.5	5.79
Maintenance	2.1	4.83
Operations	3.7	8.42
Assay Lab	0.6	1.26
Subtotal	**10.1**	**23.04**

Process Area	Annual Cost (M$)	Unit Cost ($/t)
Contingency (5%)	0.5	1.16
Total Process OPEX	**10.60**	**24.39**

21.2.4 General and Administration Operating Cost Estimate

General and Administrative (G&A) cost estimates in the PEA include items such as management, accounting, human resources, environmental and safety compliance, laboratory, community relations, communications, insurance, legal, training, and other costs not associated with mining or processing. The LOM G&A cost has been estimated at $9.46 /t, with an average annual cost of $4.1 M.

Table 21-10: G&A Costs

G&A Area	Annual Cost (M$)	Unit Cost ($/t)
Management & Admin	0.3	0.61
Accounting	0.1	0.29
Human Resources	0.2	0.48
Community Relations	0.0	0.11
Health & Safety	0.4	1.02
Environment	0.3	0.74
IT & Communications	0.2	0.36
Procurement & Logistics	0.1	0.35
Security	1.0	2.22
Warehouse	0.1	0.31
Site Services	0.9	1.98
Water Treatment	0.1	0.20
Insurance	0.2	0.35
Subtotal	**3.9**	**9.01**
Contingency (5%)	0.2	0.45
Total G&A OPEX	**4.1**	**9.46**

22 ECONOMIC ANALYSIS

An engineering economic model was developed to estimate annual cash flows and sensitivities of the Property. Pre-tax estimates of Property values were prepared for comparative purposes, while after-tax estimates were developed and are likely to approximate the true investment value. It must be noted, however, that tax estimates involve many complex variables that can only be accurately calculated during operations and, as such, the after-tax results are only approximations.

Univariate sensitivity analyses were performed for variations in metal prices, operating costs, capital costs, and discount rates to determine their relative importance as Property value drivers.

This Technical Report contains forward-looking information regarding projected mine production rates, construction schedules and forecasts of resulting cash flows as part of this study. The mill head grades are based on sufficient sampling that is reasonably expected to be representative of the realized grades from actual mining operations. Factors such as the ability to obtain permits to construct and operate a mine, or to obtain major equipment or skilled labour on a timely basis, to achieve the assumed mine production rates at the assumed grades, may cause actual results to differ materially from those presented in this economic analysis.

The estimates of capital and operating costs have been developed specifically for this Project and are summarized in Section 21 and Section 22 of this Report (presented in 2026 United States dollars). The economic analysis has been run with no inflation (constant dollar basis).

22.1 Summary of Results

The summary of the mine plan and payable metals produced is outlined in Table 22-1.

Table 22-1: Life of Mine (LOM) Summary

Parameter	Unit	Value
Mine Life	Years	8.3
Resource Mined	Mt	3.6
Silver (Ag) Grade	g/t	151
Gold (Au) Grade	g/t	0.15
Lead (Pb) Grade	%	0.85
Zinc (Zn) Grade	%	1.10
Silver (Ag) Recovered	koz	14,502
Gold (Au) Recovered	koz	13.4
Lead (Pb) Recovered	Mlbs	60.9
Zinc (Zn) Recovered	Mlbs	63.1

Parameter	Unit	Value
AgEq Recovered*	koz	18,768
Processing Rate	t/d	1,200
Silver (Ag) Payable	koz	13,777
	koz/a	1,656
Gold (Au) Payable	koz	7.4
	koz/a	0.9
Lead (Pb) Payable	Mlbs	48.6
	Mlbs/a	5.8
Zinc (Zn) Payable	Mlbs	4.4
	Mlbs/a	0.5
AqEq Payable**	koz	15,711
	koz/a	1,888

Notes:

* AgEq Recovered = Ag(rec oz) + Au(rec oz) * Au price / Ag price + Pb(rec lbs) * Pb price / Ag price + Zn(rec lbs) * Zn price / Ag price.

** AgEq Payable = [Ag NSR($) + Au NSR($) + Pb NSR($) + Zn NSR($)] / Ag price.

It must be noted that this PEA is preliminary in nature and includes the use of inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results of the preliminary economic assessment will be realized.

22.2 Basis of Analysis

The economic analysis was based on the following factors:

- Discount rate of 5%;
- Nominal 2026 United States dollars;
- Revenues, costs, and taxes are calculated for each period in which they occur rather than actual outgoing / incoming payment;
- Working capital calculated as three months of operating costs (mining, processing and G&A) occurring in Y1Q1;
- Results are based on 100% ownership;
- No management fees or financing costs (equity fund-raising was assumed); and

- The model excludes all pre-development and sunk costs up to the start of detailed engineering (i.e., exploration and resource definition costs, engineering fieldwork and studies costs, environmental baseline studies costs, financing costs, etc.).

Table 22-2 outlines the metal prices and exchange rate assumptions used in the economic analysis. The metal prices selected for this study were based on a combination of consensus projections, current prices, three-year trailing averages and estimated timing to production. This is discussed further in Section 19.4.

The reader is cautioned that the metal prices and exchange rates used in this study are only estimates based on recent historical performance and there is absolutely no guarantee that they will be realized if the Property is taken into production. The metal prices are based on many complex factors and there are no reliable long-term predictive tools.

Table 22-2: Metal Prices and Exchange Rates

Parameter	Unit	Y-1	Y1	Y2	Y3	Y4	Y5+
Silver (Ag) Price	US$/oz	65	60	55	45	40	38
Gold (Au) Price	US$/oz	3,000	3,000	3,000	3,000	3,000	3,000
Lead (Pb) Price	US$/lb	0.91	0.91	0.91	0.91	0.91	0.91
Zinc (Zn) Price	US$/lb	1.29	1.29	1.29	1.29	1.29	1.29

22.3 Assumptions

Mine revenue is derived from the sale of a lead concentrate into the international marketplace. No contractual arrangements for refining currently exist. Table 22-3 indicates the NSR parameters that were used in the economic analysis.

Table 22-3: NSR Parameters

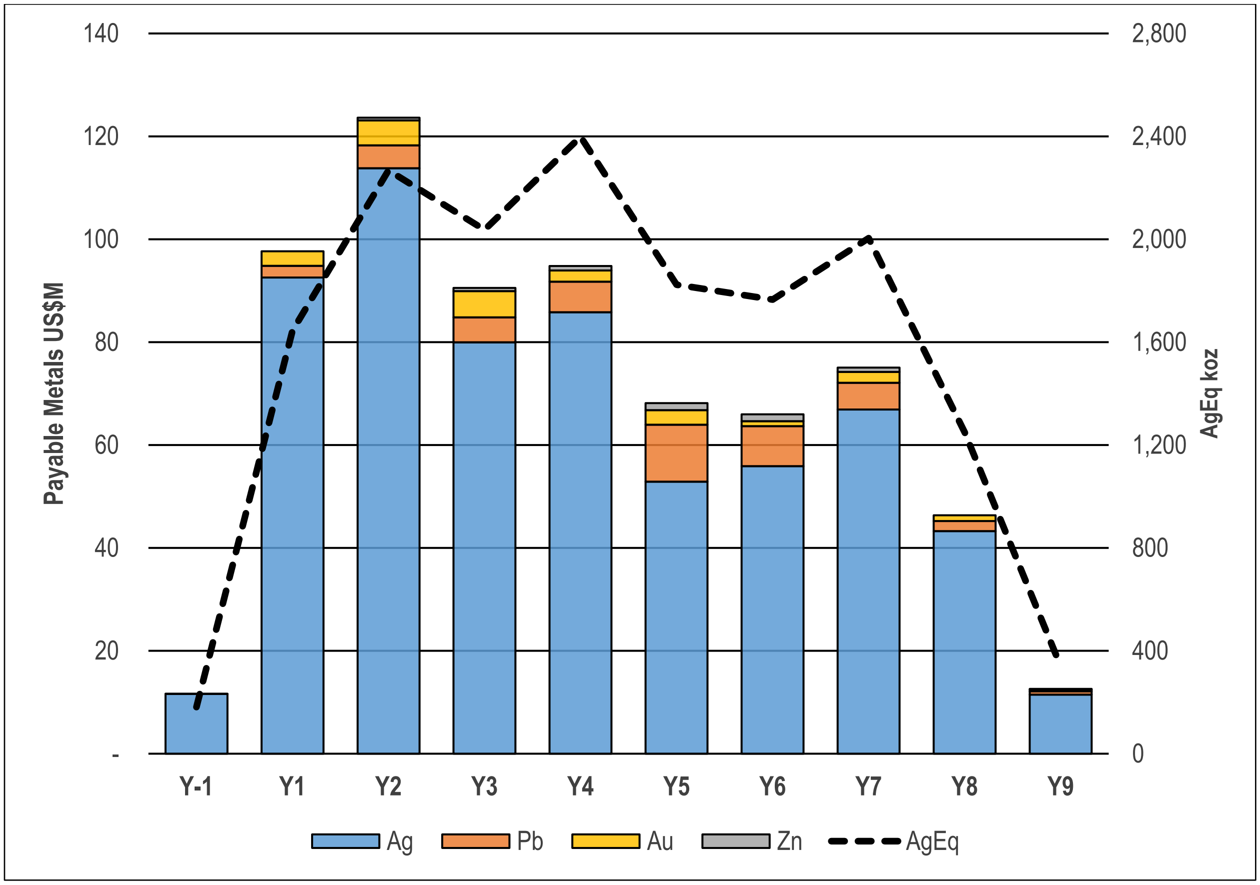
Parameter	Unit	Value
Silver (Ag) Recovery	%	84.0
Gold (Au) Recovery	%	79.0
Lead (Pb) Recovery	%	91.5
Zinc (Zn) Recovery	%	73.0

Parameter	Unit	Value
Pull Factor	%	5.25
Concentrate Minimum Silver deduction	g/t	50
Silver Maximum payable	%	95
Concentrate Minimum Gold deduction	g/t	1
Gold Maximum payable	%	95
Concentrate Minimum Lead deduction	%	3
Lead Maximum payable	%	95
Concentrate Zinc threshold for payment	%	10
Zinc payable (if above threshold)	%	8
Concentrate Treatment Charge*	$/dmt	-50 (credit)
Silver Refining Charge	$/oz	0
Gold Refining Charge	$/oz	10
Concentrate Transportation Cost**	$/wmt	0
Royalties	%	2.0
LOM TC/RC & Royalty Costs	M US$	4.7
LOM Net Smelter Return	M US$	681.8

Note:
*Smelter pays for the concentrate.
**Smelter pays for Transportation costs.

Figure 22-1 shows the value of the payable metals on an annual basis over the Life of Mine. The project receives 88% of its revenue from Silver.

Figure 22-1: LOM Payable Metal



22.4 Taxes

The Property has been evaluated on an after-tax basis to provide a more indicative, but still approximate, value of the potential Property economics. The tax model contains the following assumptions:

- Federal Income Tax: 30.0%;
- Mining Right Tax Rate: 8.5%;
- Precious Metal Tax Rate: 1.0%; and
- Capital cost depreciation allowances applied on a straight-line basis using various rates ranging from 5% to 30% for different types of expenses.

For this report, the taxes for the Project are estimated to total $102M.

22.5 Results

The results for the Cusi PEA show a post-tax IRR of 94.8% and a net present value using a 5% discount rate ($NPV_{5\%}$) of $104 M using the metal prices described in Section 19.4. Figure 22-2 shows the projected cash flows, and Table 22-4 summarizes the economic results of the Property.

The life of mine all-in sustaining cost (AISC) is US$26.75/AgEq oz. The AISC cost is calculated by adding the refining, royalty, operating, sustaining and closure costs together, and then dividing that number by the total payable AgEq ounces.

This preliminary economic assessment is preliminary in nature and includes the use of inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

Figure 22-2: Annual After-Tax Cash Flows

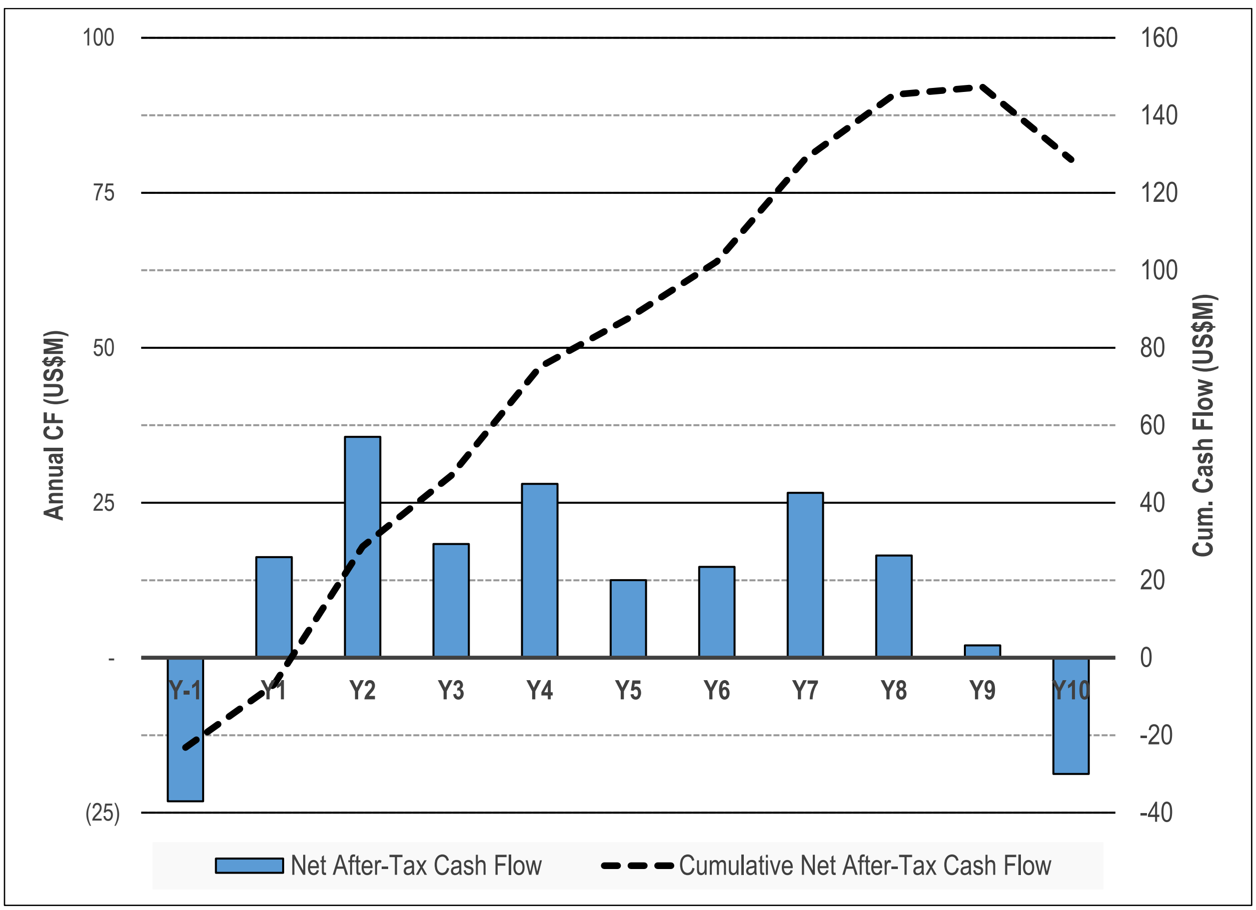


Table 22-4: Summary of Results

Summary of Results	Unit	Value
AISC *	US$/AgEq oz	26.75
Capital Costs		
Pre-Production Capital	M$	47.5
Pre-Production Revenues**	M$	(28.3)
Total Pre-Production Capital	M$	19.2
Sustaining and Closure Capital	M$	140.6
Total Capital Costs Incl. Contingency	M$	159.8
Working Capital	M$	8.8
Pre-Tax Cash Flow	LOM M$	230.8
	M$/a	28.8
Taxes	LOM M$	102.2
After-Tax Cash Flow	LOM M$	128.6
	M$/a	16.1
Economic Results		
Pre-Tax $NPV_{5\%}$	M$	188.2
Pre-Tax IRR	%	155.7
Pre-Tax Payback	Years	0.6
After-Tax $NPV_{5\%}$	M$	104.1
After-Tax IRR	%	94.8
After-Tax Payback	Years	0.9

Notes:
*All-in Sustaining Cost is calculated as: (TC/RC + Royalties + operating costs + sustaining and closure capital) / payable AgEq oz.
**Revenues expected from material processed during Mill Commissioning.

22.6 Sensitivities

A univariate sensitivity analysis was performed to examine which factors most affect the Property economics when acting independently of all other cost and revenue factors. Each variable evaluated was tested using the same percentage range of variation, from -15% to +15%, although some variables may actually experience significantly larger or smaller percentage fluctuations over the LOM. For instance, the metal prices were evaluated at a ± 15% range to the base case, while the CAPEX and all other variables remained constant. This may not be truly representative of market scenarios, as metal prices may not fluctuate in a similar trend. The variables examined in this analysis are those commonly considered in similar studies – their selection for examination does not reflect any particular uncertainty.

Notwithstanding the above noted limitations to the sensitivity analysis, which are common to studies of this sort, the analysis revealed that the Property is most sensitive to silver prices. The

Property showed the least sensitivity to capital costs. Table 22-5 shows the NPV at various discount rates and Table 22-6 shows additional sensitivities to various Silver prices.

Table 22-5: Property NPV at Various Discount Rates

Discount Rate (%)	Pre-Tax NPV (M$)	Post-Tax NPV (M$)
0	231	129
5	188	104
6	181	100
7	174	96
8	168	92
10	156	85
12	145	78

Table 22-6: Silver Price Sensitivity

Silver Price ($/oz)	After-Tax NPV (M$)	After-Tax IRR (%)
15	(149)	n/a
30	(5)	2
45	101	57
Base Case (Variable)	104	95
60	207	116
75	312	187
100	487	348
120	626	541

The economic cash flow model for the Property is illustrated in Table 22-7.

Table 22-7: Economic Cash Flow Model

	Unit	LOM Total	Y-1	Y1	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
				Q1	Q234									
METAL PRICES & F/X RATE			*PP*	*PP*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*
Ag	US$/oz	**44.58**	65.00	60.00	60.00	55.00	45.00	40.00	38.00	38.00	38.00	38.00	38.00	38.00
Au	US$/oz	**3,000**	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Pb	US$/lb	**0.91**	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91
Zn	US$/lb	**1.29**	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29
F/X	USD:CAD	**0.75**	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Mineralized Material Mined	**ktonnes**	**3,556**	**42**	**65**	**362**	**489**	**565**	**488**	**500**	**471**	**533**	**40**	**-**	**-**
Ag	g/t	**151.0**	172.6	169.1	152.9	174.0	143.7	181.9	122.7	130.3	147.9	167.9	-	-
Au	g/t	**0.15**	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	-	-
Pb	%	**0.849**	0.255	0.180	0.551	0.712	0.712	0.881	1.408	1.082	0.752	0.051	0.000	0.000
Zn	%	**1.103**	0.283	0.187	0.487	0.799	0.858	1.160	1.737	1.742	1.103	0.021	0.000	0.000
Operating Days	days	**2,790**	180	90	270	360	360	360	360	360	360	90	0	0
Mining Rate	*kt/d*	***1.4***	*0.2*	*0.7*	*1.3*	*1.4*	*1.6*	*1.4*	*1.4*	*1.3*	*1.5*	*0.4*	*0.0*	*0.0*
Contained Metal														
Ag	kg	**536,974**	7,168	10,952	55,306	85,135	81,248	88,774	61,378	61,430	78,807	6,778	0	0
Au	kg	**529**	3	8	60	97	114	64	72	44	64	3	0	0
Pb	ktonnes	**30**	0.11	0.12	1.99	3.48	4.03	4.30	7.05	5.10	4.00	0.02	0.00	0.00
Zn	ktonnes	**39**	0.12	0.12	1.76	3.91	4.85	5.66	8.69	8.21	5.87	0.01	0.00	0.00
MILL PRODUCTION			*PP*	*PP*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*
Material Milled	**ktonnes**	**3,556**	**40**	**64**	**306**	**432**	**432**	**432**	**432**	**432**	**432**	**432**	**122**	**-**
Ag	g/t	**151.0**	175.3	169.5	161.2	186.7	160.3	193.5	125.6	132.7	158.8	102.7	96.5	-
Au	g/t	**0.15**	0.06	0.12	0.18	0.21	0.22	0.13	0.15	0.10	0.13	0.10	0.10	-
Pb	%	**0.85**	0.25	0.19	0.57	0.73	0.78	0.92	1.57	1.15	0.83	0.42	0.45	0.00
Zn	%	**1.10**	0.28	0.19	0.51	0.75	0.88	1.21	1.92	1.85	1.18	0.67	0.73	0.00
Operating Days	days	**3,090**	90	90	270	360	360	360	360	360	360	360	120	0
Mill Throughput	*kt/d*	***1.2***	*0.4*	*0.7*	*1.1*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.0*	*0.0*
Contained Metal														
Ag	kg	**536,974**	6,970	10,806	49,326	80,642	69,269	83,612	54,249	57,327	68,622	44,364	11,787	0
Au	kg	**529**	2.6	7.6	54.4	92.1	95.6	57.5	66.1	41.3	56.4	43.1	12.4	0.0
Pb	ktonnes	**30.2**	0.1	0.1	1.7	3.2	3.4	4.0	6.8	5.0	3.6	1.8	0.6	0.0
Zn	ktonnes	**39.2**	0.1	0.1	1.6	3.2	3.8	5.2	8.3	8.0	5.1	2.9	0.9	0.0
Recovery to Pb Concentrate	% Ag	**84.0**	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0
	% Au	**79.0**	79.0	79.0	79.0	79.0	79.0	79.0	79.0	79.0	79.0	79.0	79.0	79.0
	% Pb	**91.5**	91.5	91.5	91.5	91.5	91.5	91.5	91.5	91.5	91.5	91.5	91.5	91.5
	% Zn	**73.0**	73.0	73.0	73.0	73.0	73.0	73.0	73.0	73.0	73.0	73.0	73.0	73.0

	Unit	LOM Total	Y-1	Y1	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
				Q1	Q234									
Metal in Pb Concentrate	Ag kg	**451,058**	5,854	9,077	41,434	67,739	58,186	70,234	45,569	48,154	57,643	37,266	9,901	0
	Ag koz	**14,501.8**	188.2	291.8	1,332.1	2,177.9	1,870.7	2,258.1	1,465.1	1,548.2	1,853.3	1,198.1	318.3	0.0
	Au kg	**418**	2	6	43	73	75	45	52	33	45	34	10	0
	Au koz	**13.4**	0.1	0.2	1.4	2.3	2.4	1.5	1.7	1.0	1.4	1.1	0.3	0.0
	Pb ktonnes	**27.6**	0.1	0.1	1.6	2.9	3.1	3.6	6.2	4.6	3.3	1.7	0.5	0.0
	Pb Mlbs	**60.9**	0.2	0.2	3.5	6.4	6.8	8.0	13.6	10.1	7.2	3.7	1.1	0.0
	Zn ktonnes	**28.6**	0.1	0.1	1.1	2.4	2.8	3.8	6.0	5.8	3.7	2.1	0.6	0.0
	Zn Mlbs	**63.1**	0.2	0.2	2.5	5.2	6.1	8.4	13.3	12.8	8.2	4.7	1.4	0.0
	AgEq	**18,767.7**	197.6	309.4	1,508.7	2,533.7	2,346.0	2,821.4	2,376.8	2,308.0	2,416.1	1,531.4	418.7	0.0
Pull Factor	%	**5.25**	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Pb Concentrate Grade	g/t Ag	**2,416.4**	2,805.4	2,712.2	2,579.1	2,986.7	2,565.6	3,096.7	2,009.2	2,123.2	2,541.6	1,643.1	1,544.5	0.0
	g/t Au	**2.24**	0.97	1.80	2.67	3.21	3.33	2.00	2.30	1.44	1.96	1.50	1.53	0.0
	% Pb	**14.8**	4.4	3.2	10.0	12.8	13.6	16.1	27.3	20.1	14.4	7.4	7.9	0.0
	%Zn	**15.3**	3.9	2.7	7.1	10.4	12.3	16.8	26.7	25.7	16.3	9.4	10.1	0.0
Pb Concentrate Produced	dmt	**186,669**	2,087	3,347	16,065	22,680	22,680	22,680	22,680	22,680	22,680	22,680	6,410	0
	wmt	**202,901**	2,268	3,638	17,462	24,652	24,652	24,652	24,652	24,652	24,652	24,652	6,968	0
Moisture Content	%	**8.0**	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Pb Payables														
Minimum Deduction	%Pb/tonne	**3.0**	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Pb Payable based on Min. deduction	% Payable		32.1	7.0	69.9	76.6	78.0	81.3	89.0	85.1	79.2	59.3	62.1	0.0
Pb Max Payable	% Payable	**95.0**	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0
Payable Pb in Pb Concentrate	ktonnes	**22.0**	0.0	0.0	1.1	2.2	2.4	3.0	5.5	3.9	2.6	1.0	0.3	0.0
	Mlbs	**48.6**	0.1	0.0	2.5	4.9	5.3	6.5	12.1	8.6	5.7	2.2	0.7	0.0
Revenues Pb in Pb Concentrate	**US$M**	**44.2**	**0.1**	**0.0**	**2.2**	**4.5**	**4.8**	**5.9**	**11.0**	**7.8**	**5.2**	**2.0**	**0.6**	**0.0**
Ag Payables														
Min. Deduction Ag in Pb Conc	g/t Ag	**50.0**	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Ag Payable based on Min. deduction	% Payable		98.2	98.2	98.1	98.3	98.1	98.4	97.5	97.6	98.0	97.0	96.8	95.0
Ag Max Payable	% Payable	**95.0**	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0
Payable Ag in Pb Concentrate	Ag koz	**13,777**	179	277	1,266	2,069	1,777	2,145	1,392	1,471	1,761	1,138	302	0
Revenues Ag in Pb Concentrate	**US$M**	**614.2**	**11.6**	**16.6**	**75.9**	**113.8**	**80.0**	**85.8**	**52.9**	**55.9**	**66.9**	**43.3**	**11.5**	**0.0**
Au Payables														
Min. Deduction Au in Pb Conc	g/t Au	**1.0**	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Au Payable based on Min. deduction	% Payable		0.0	44.4	62.6	68.8	70.0	50.1	56.5	30.5	49.1	33.3	34.6	95.0
Au Payable	% Payable	**95.0**	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0
Payable Au in Pb Concentrate	Au koz	**7.4**	0.00	0.09	0.86	1.61	1.70	0.73	0.95	0.32	0.70	0.36	0.11	0.00
Revenues Au in Pb Concentrate	**US$M**	**22.3**	**0.0**	**0.3**	**2.6**	**4.8**	**5.1**	**2.2**	**2.8**	**1.0**	**2.1**	**1.1**	**0.3**	**0.0**

	Unit	LOM Total	Y-1	Y1	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
				Q1	Q234									
Zn Payables														
Payables Threshold	%Zn/tonne	**10.0**	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Zn Max Payable	% Payable	**8.0**	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Payable Zn in Pb Concentrate	ktonnes	**2.0**	0.0	0.0	0.0	0.2	0.2	0.3	0.5	0.5	0.3	0.0	0.1	0.0
	Mlbs	**4.4**	0.0	0.0	0.0	0.4	0.5	0.7	1.1	1.0	0.7	0.0	0.1	0.0
Revenues Zn in Pb Concentrate	**US$M**	**5.7**	**0.0**	**0.0**	**0.0**	**0.5**	**0.6**	**0.9**	**1.4**	**1.3**	**0.8**	**0.0**	**0.1**	**0.0**
Pb Treatment Charge	US$/dmt conc	**-50.00**	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00
	US$M	**-9.3**	-0.1	-0.2	-0.8	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-0.3	0.0
Ag Refining Charge	US$/Ag oz	**0.00**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	US$M	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Au Refining Charge	US$/Au oz	**10.00**	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
	US$M	**0.1**	0.000	0.001	0.009	0.016	0.017	0.007	0.009	0.003	0.007	0.004	0.001	0.000
Total Treatment + Refining Charges	**US$M**	**-9.3**	**-0.1**	**-0.2**	**-0.8**	**-1.1**	**-1.1**	**-1.1**	**-1.1**	**-1.1**	**-1.1**	**-1.1**	**-0.3**	**0.0**
Pb Concentrate Transport Cost	US$/wmt conc	**0.00**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	US$M	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pb NSR	US$M	**53.5**	0.2	0.2	3.0	5.6	6.0	7.1	12.2	8.9	6.3	3.1	1.0	0.0
Ag NSR	US$M	**614.2**	11.6	16.6	75.9	113.8	80.0	85.8	52.9	55.9	66.9	43.3	11.5	0.0
Au NSR	US$M	**22.2**	0.0	0.3	2.6	4.8	5.1	2.2	2.8	1.0	2.1	1.1	0.3	0.0
Zn NSR	US$M	**5.7**	0.0	0.0	0.0	0.5	0.6	0.9	1.4	1.3	0.8	0.0	0.1	0.0
Total Concentrate NSR	**US$M**	**695.7**	**11.8**	**17.1**	**81.6**	**124.7**	**91.7**	**95.9**	**69.3**	**67.1**	**76.2**	**47.5**	**12.9**	**0.0**
AgEq Payable	**koz**	**15,710.8**	**181.3**	**284.6**	**1,359.3**	**2,268.1**	**2,036.8**	**2,398.4**	**1,823.3**	**1,765.6**	**2,004.4**	**1,249.0**	**340.0**	**0.0**
NSR Royalty	**US$M**	**13.9**	0.2	0.3	1.6	2.5	1.8	1.9	1.4	1.3	1.5	0.9	0.3	0.0
Total NSR	**US$M**	**681.8**	**11.6**	**16.7**	**79.9**	**122.2**	**89.8**	**94.0**	**67.9**	**65.8**	**74.6**	**46.5**	**12.7**	**0.0**
	US$/tonne	**191.75**	**290.59**	**262.48**	**261.21**	**282.98**	**207.92**	**217.63**	**157.17**	**152.20**	**172.78**	**107.67**	**103.69**	**0.00**
OPEX			*PP*	*PP*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*
Mining	US$M	**139.0**			14.5	21.6	21.9	20.3	19.0	18.0	15.7	6.4	1.6	0.0
	US$/tonne mined	**40.27**			40.04	44.20	38.68	41.62	37.99	38.25	29.44	157.44	0.00	0.00
Processing	US$M	**80.2**			7.7	10.0	10.0	10.0	10.0	10.0	10.0	10.0	2.8	0.0
	US$/tonne milled	**23.23**			25.19	23.04	23.04	23.04	23.04	23.04	23.04	23.04	23.04	0.00
G&A	US$M	**31.2**			2.9	3.9	3.9	3.9	3.9	3.9	3.9	3.3	1.6	0.0
	US$/tonne milled	**9.03**			9.54	9.01	9.01	9.01	9.01	9.01	9.07	7.65	12.70	0.00
Total OPEX without Contingency	**US$M**	**250.4**			**25.11**	**35.47**	**35.71**	**34.16**	**32.86**	**31.88**	**29.55**	**19.61**	**6.00**	**0.00**
	US$/tonne milled	**72.53**			**82.07**	**82.11**	**82.66**	**79.08**	**76.06**	**73.80**	**68.41**	**45.40**	**49.18**	**0.00**
Total OPEX Contingency	**US$M**	**12.5**			**1.26**	**1.77**	**1.79**	**1.71**	**1.64**	**1.59**	**1.48**	**0.98**	**0.30**	**0.00**
	US$/tonne milled	**3.63**			**4.10**	**4.11**	**4.13**	**3.95**	**3.80**	**3.69**	**3.42**	**2.27**	**2.46**	**0.00**
Total OPEX with Contingency	**US$M**	**262.9**			**26.4**	**37.2**	**37.5**	**35.9**	**34.5**	**33.5**	**31.0**	**20.6**	**6.3**	**0.0**
	US$/tonne milled	**76.15**			**86.17**	**86.22**	**86.79**	**83.03**	**79.86**	**77.49**	**71.83**	**47.67**	**51.64**	**0.00**

	Unit	LOM Total	Y-1	Y1 Q1	Y1 Q234	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Net Operating Income	**US$M**	**418.9**	**11.6**	**16.7**	**53.6**	**85.0**	**52.3**	**58.1**	**33.4**	**32.3**	**43.6**	**25.9**	**6.4**	**0.0**
	US$/tonne	**117.81**	**290.59**	**262.48**	**175.03**	**196.76**	**121.13**	**134.60**	**77.31**	**74.72**	**100.95**	**60.00**	**52.06**	**0.00**
CAPEX			*PP*	*PP*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*	*OPS*
Underground Development	US$M	**66.8**	7.1	3.2	9.2	14.6	11.9	9.2	5.7	5.5	0.3	0.0	0.0	0.0
Capitalized Mining OPEX	US$M	**4.4**	1.9	2.5										
Mining Ancillary/Infrastructure	US$M	**21.4**	3.6	0.9	4.5	5.9	4.7	0.4	0.8	0.5	0.2	0.0	0.0	0.0
Mining Equipment	US$M	**0.9**	0.4	0.0	0.1	0.0	0.0	0.0	0.2	0.1	0.1	0.0	0.0	0.0
Infill Drilling	US$M	**4.7**			0.7	0.7	0.7	0.7	0.7	0.7	0.7			
Process Plant	US$M	**5.1**	5.1											
Tailings Storage Facility	US$M	**11.5**	0.2		2.8	0.9	0.9	0.9	2.8	0.9	0.9	0.9		
Ancillary Facilities	US$M	**2.0**	2.0											
Owners Costs	US$M	**6.9**	3.9	3.0										
Indirects	US$M	**1.9**	1.5	0.4										
EPCM	US$M	**2.4**	1.7	0.7										
Closure	US$M	**25.0**											10.0	15.0
Subtotal	US$M	**152.9**	27.5	10.6	17.3	22.1	18.2	11.2	10.2	7.8	2.1	0.9	10.0	15.0
Contingency	US$M	**35.2**	6.8	2.6	3.8	4.8	3.9	2.3	2.2	1.6	0.5	0.2	2.5	3.8
Total CAPEX	**US$M**	**188.1**	**34.2**	**13.3**	**21.1**	**26.9**	**22.1**	**13.6**	**12.4**	**9.4**	**2.6**	**1.2**	**12.5**	**18.8**
	US$/tonne	**52.90**												
Pre-Production	US$M	**47.5**	34.2	13.3										
Sustaining	US$M	**140.6**			21.1	26.9	22.1	13.6	12.4	9.4	2.6	1.2	12.5	18.8
Working Capital	US$M	**0.0**		8.8									-8.8	
Net capital including revenue generated	US$M	**-28.0**	-22.7	-5.3										
Net Pre-Tax Cash Flow	**US$M**	**230.8**	**-22.7**		**27.1**	**58.1**	**30.2**	**44.6**	**21.0**	**22.9**	**41.0**	**24.7**	**2.6**	**-18.8**
Cumulative Net Pre-Tax Cash Flow	**US$M**		**-22.7**		**4.4**	**62.5**	**92.7**	**137.3**	**158.3**	**181.2**	**222.2**	**246.9**	**249.5**	**230.8**
Taxes	US$M	**102.2**	0.5	1.0	9.9	22.4	11.9	16.5	8.5	8.2	14.4	8.3	0.7	0.0
Net After-Tax Cash Flow	**US$M**	**128.6**	**-23.2**		**16.2**	**35.6**	**18.3**	**28.0**	**12.5**	**14.7**	**26.6**	**16.5**	**2.0**	**-18.8**
Cumulative Net After-Tax Cash Flow	**US$M**		**-23.2**		**-6.9**	**28.7**	**47.0**	**75.1**	**87.6**	**102.2**	**128.8**	**145.3**	**147.3**	**128.6**

23 ADJACENT PROPERTIES

There is no information on properties adjacent to the Property necessary to make the technical report understandable and not misleading.

24 OTHER RELEVANT DATA AND INFORMATION

There is no other relevant data or information available that is necessary to make the technical report understandable and not misleading.

25 INTERPRETATIONS AND CONCLUSIONS

25.1 Introduction

It is the conclusion of the QPs that the PEA summarized in this technical report contains adequate preliminary detail and information to support a PEA-level report. Standard industry practices, equipment and design methods were used in the PEA.

Based on the assumptions used and the information gathered for this preliminary evaluation, the project shows positive economics based on a short restart timeline, current high silver prices, relatively low capital commitment due to significant existing infrastructure and facilities and a favourable permitting position.

The most significant potential risk associated with the project is the ability to transform Inferred Resources to Indicated or Measured Resources. The PEA mine plan has 59% Inferred Resource material). Further definition drilling is necessary to better define resources and improve classification and confidence. The company has initiated an infill drilling program at Promontorio.

Other risks to the project include, but are not limited to, water supply to the processing plant, uncontrolled dilution when mining narrow veins, operating and capital cost escalation, permitting and environmental compliance (including water treatment), unforeseen schedule delays, geotechnical characteristics, ground water inflows and impact, changes in regulatory requirements, and silver price.

Previous technical reports (SGS 2025) noted that the tailings pile at Malpaso Mill may not be lined and may constitute a potential environmental liability.

To date, the Qualified Persons (QP) are not aware of any fatal flaws for the Cusi Project.

25.2 Exploration

Since acquiring the Property in July 2024, Silverco has conducted geological mapping, geochemical rock sampling and diamond drilling on the Cusi project. Surface exploration to date has included geological mapping at La Matulera in the northern part of the property and reconnaissance-style rock geochemical sampling at the Monaco-Milagro, San Rafael and San Miguel South zones, as well as the Las Huertas and Gatos zones, located east of the San Miguel zone, in the central and eastern areas of the Property respectively. A total of 486 rock geochemical samples have been collected and assayed by Silverco. Mapping and sampling have confirmed anomalous silver, gold, lead, and zinc in multiple veins at surface mapped over strike lengths in excess of 1 km located outside of the areas previously developed as part of the Cusi mine complex.

25.3 Diamond Drilling

Silverco initiated drilling on the Property in 2024 and continues to systematically explore the Cusi vein system. Drilling by Silverco builds on substantial exploration and resource definition drilling completed on the Project since 2006. As of December 31, 2025, Silverco had completed 63 surface drillholes totalling 20,855 m and collected 3,748 samples. Since 2006, surface and underground drilling completed on the Project amounts to 2,078 drillholes totalling 369,263 m and comprises 107,286 samples totalling.

Pattern drilling on target vein structures within the Cusi vein system has been completed in almost equal parts from surface and from underground development. Drilling of the Cusi vein systems by Silverco and previous explorers has delineated mineralization in multiple stacked, moderate to steeply dipping structures (63 veins are included in the 2025 MRE). Mineralized strike lengths of the major structures have been tested for up to 300 m along strike and up to 400 m down dip in the Promontorio and Eduwiges areas, up to 1,300 m along strike and up to 350 m down dip in the San Miguel area, up to 800 m along strike and up to 250 m down dip in the San Juan area, and up to 2,000 m along strike and up to 400 m down dip on the San Nicolas and Santa Rosa de Lima structures. Mineralized portions of veins that comprise the resource models vary in true thickness and are typically in the range of 0.5 to 2 m, with localized shoots up to 5 m true thickness. The local pinch and swell morphology exhibited within the Cusi vein systems is common in narrow-vein epithermal systems. Many of the mineralized veins and resource models remain open along strike and/or down dip.

25.4 Mineral Processing and Metallurgical Testing

The Cusi project's Malpaso processing facility consists of a conventional concentration plant including crushing, grinding, flotation, dewatering of final concentrate, and a tailings disposal facility. The Malpaso Mill was originally commissioned at 600 t/d and expanded to 1,200 t/d in 2019. Mineralized material produced from the Cusi mine was hauled to Malpaso Mill using dump trucks.

In 2014, Sierra Metals established commercial production at the Cusi mine, with activity at Promontorio and Santa Eduwiges. Available metallurgical balance figures (grades, recoveries and metal production) for the Cusi mine from 2014 to 2023 have been compiled from Sierra Metals annual reports. The mine went into care and maintenance in Q3 of 2023.

For the period of 2014 to Q3 2023, Malpaso processed a total of 2,062,364 t of mineralized material which is an average of 206,236 tonnes per year. The Malpaso Mill principally produced a lead concentrate, and a zinc concentrate was produced beginning in 2016 through Q1 2018.

The mill head grade over this ten-year period averaged 156 g/t Ag, 0.20 g/t Au, 0.49% Pb, and 0.85% Zn. Note that Zn grades were only reported during the period of zinc concentrate circuit operation. Lead concentrate recoveries averaged 79.8% Ag, 48.7% Au, and 81.0% Pb.

The scoping level metallurgical study by Forte and the historical plant data indicates that the plant is capable of producing a bulk sulphide concentrate assaying 2,000 – 4,000 g/t Ag. The estimated plant recovery for silver is 84.6% and for lead over 90%.

The recommended grind for the Cusi feed is 150 micrometers, rather than 100 micrometers as earlier work suggested. This should improve the throughput without significant impacts to metal recovery.

Minor changes in the configuration of the plant equipment are recommended for a smooth operation.

25.5 Mineral Resource Estimate

Completion of the MRE involved the assessment of a validated drillhole and channel database, which included all data for surface and underground drilling completed between 2006 and October 20, 2025 and underground channel sampling completed between 2013 and 2023. Completion of the MRE included the construction of three-dimensional (3D) mineral resource models (resource domains) and the incorporation of a 3D topographic surface model, 3D models of existing underground development, and available written reports.

The Inverse Distance Squared (ID2) calculation method restricted to mineralized domains was used to interpolate grades for Ag (g/t), Au (g/t), Pb (%), and Zn (%) into block models for all deposit zones.

The MRE presented below takes into consideration that all deposits on the Property may be mined by underground mining methods.

The reporting of the MRE complies with all disclosure requirements for Mineral Resources set out in the NI 43-101 Standards of Disclosure for Mineral Projects. The classification of the MRE is consistent with the 2014 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards (2014 CIM Definitions). In completing the MRE, the Author uses general procedures and methodologies that are consistent with industry standard practices, including those documented in the 2019 CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines (2019 CIM Guidelines).

The MRE for the Project is presented in Table 25-1 and Table 25-2.

Highlights of the Cusi Project underground Mineral Resource Estimate are as follows:

- Combined Measured and Indicated Mineral Resources are estimated at 4.89 Mt grading 206 g/t silver, 0.15 g/t gold, 0.73% lead, and 0.86% zinc (262 g/t AgEq). The Mineral Resource Estimate includes Measured Mineral Resources of 6.1 Moz of silver, 1.8 koz of gold, 5.6 Mlbs of lead, and 6.3 Mlbs of zinc (6.7 Moz of AgEq) and Indicated Mineral Resources of 26.3 Moz of silver, 22.2 koz of gold, 72.7 Mlbs of lead, and 86.5 Mlbs of zinc (34.4 Moz of AgEq);

- Inferred Mineral Resources are estimated at 4.07 Mt grading 172 g/t silver, 0.17 g/t gold, 0.89% lead, and 1.20% zinc (243 g/t AgEq). The Mineral Resource Estimate includes Inferred Mineral Resources of 22.5 Moz of silver, 22.2 koz of gold, 79.5 Mlbs of lead, and 107.5 Mlbs of zinc (31.8 Moz of AgEq); and

- A total of 63 epithermal veins that comprise the Cusi vein systems from seven deposit areas were included in the Mineral Resource Estimate. The Mineral Resource Estimate is exclusive of mined out material.

Table 25-1: Cusi Project Underground Mineral Resource Estimate, October 20, 2025

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

Cusi Project Mineral Resource Estimate Notes:

1) The mineral resource was estimated by Ben Eggers, MAIG, P.Geo. of SGS Geological Services, an independent Qualified Person as defined by NI 43-101. Eggers conducted a site visit to the Cusi Property on September 22-23, 2025. The mineral resource was peer reviewed by Allan Armitage, Ph.D., P.Geo. of SGS Geological Services, an independent Qualified Person as defined by NI 43-101.
2) The classification of the Mineral Resource Estimate into Indicated and Inferred mineral resources is consistent with current 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves. The effective date of the Cusi Project Mineral Resource Estimate (MRE) is October 20, 2025. This is the close out date for the final mineral resource drilling database.
3) All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.
4) All mineral resources are presented undiluted and in situ, constrained by continuous 3D wireframe models (considered mineable shapes), and are considered to have reasonable prospects for eventual economic extraction. The mineral resource is exclusive of mined out material.
5) Mineral resources are not mineral reserves. Mineral Resources, which are not mineral reserves, do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated or Measured Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated or Measured Mineral Resources with continued exploration.
6) The Cusi Project MRE is based on a validated database which includes data from 2,052 surface and underground drillholes totalling 360,237 m completed between 2006 and October 2025 and 21,522 channels totalling 48,786 m completed between 2013 and 2023. The resource database totals 105,585 assay intervals representing 119,756 m of drillhole data and 71,605 assay intervals representing 48,783 m of channel data.
7) The mineral resource estimate is based on 63 three-dimensional (3D) resource models representing epithermal veins which comprise the Cusi vein systems. 3D models of mined out areas were used to exclude mined out material from the current MRE.
8) Grades for Ag, Au, Pb, and Zn are estimated for each mineralization domain using 1.5 m capped composites assigned to that domain. To generate grade within the blocks, the inverse distance squared (ID2) interpolation method was used for all domains.
9) An average density value of 2.75 g/cm^3 was assigned to all domains based on a database of 244 samples.
10) It is envisioned that the Cusi Project deposits may be mined using underground mining methods. Mineral resources are reported at a base case cut-off grade of 120 g/t AgEq. The mineral resource grade blocks were quantified above the base case cut-off grade, below surface, within the constraining mineralized wireframes, and exclusive of mined out material.
11) The underground base case cut-off grade of 120 g/t AgEq considers metal prices of US$30/oz Ag, US$2400/oz Au, US$1.00/lb Pb, and US$1.35/lb Zn and metal recoveries of 90% for Ag, 50% for Au, 90% for Pb, and 60% for Zn.
12) The underground base case cut-off grade of 120 g/t AgEq considers a mining cost of US$60.00/t rock and a processing, treatment and refining, transportation and G&A cost of US$35.00/t mineralized material.
13) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

Source: SGS (2025)

Table 25-2: Cusi Project Underground Mineral Resource Estimate by Area, October 20, 2025

Area	Resource Class	Mass	Average Grade					Material Content				
			Ag	Au	Pb	Zn	AgEq	Ag	Au	Pb	Zn	AgEq
		Mt	g/t	g/t	%	%	g/t	koz	koz	Mlb	Mlb	koz
San Juan	Indicated	0.16	232	0.21	0.17	0.20	259	1,199	1.1	0.6	0.7	1,338
	Inferred	0.12	295	0.07	0.29	0.51	324	1,156	0.3	0.8	1.4	1,267
Promontorio West	Indicated	1.03	208	0.10	0.43	0.58	244	6,893	3.4	9.8	13.1	8,078
	Inferred	0.41	199	0.19	0.78	0.79	257	2,592	2.5	7.0	7.1	3,342
Promontorio East	Measured	0.53	285	0.08	0.30	0.36	309	4,824	1.3	3.4	4.1	5,229
	Indicated	0.24	211	0.19	0.81	0.60	264	1,609	1.5	4.2	3.1	2,006
	M + I	**0.76**	**262**	**0.11**	**0.46**	**0.43**	**295**	**6,432**	**2.8**	**7.7**	**7.2**	**7,235**
	Inferred	0.21	231	0.32	0.86	0.83	301	1,520	2.1	3.9	3.8	1,987
Eduwiges	Indicated	0.53	159	0.25	1.93	2.06	287	2,694	4.2	22.3	23.9	4,853
	Inferred	0.24	92	0.18	1.94	2.39	224	694	1.4	10.0	12.4	1,697
San Miguel	Indicated	1.30	193	0.15	0.83	1.11	258	8,065	6.2	23.9	31.7	10,786
	Inferred	2.03	170	0.14	1.02	1.42	249	11,117	9.3	45.5	63.5	16,237
San Nicolas	Indicated	0.76	196	0.17	0.41	0.43	233	4,798	4.2	6.9	7.2	5,684
	Inferred	0.62	175	0.14	0.28	0.45	207	3,472	2.9	3.8	6.2	4,105
Santa Rosa de Lima	Measured	0.16	251	0.09	0.60	0.62	291	1,290	0.5	2.1	2.2	1,496
	Indicated	0.19	176	0.29	1.20	1.63	276	1,072	1.8	5.0	6.8	1,688
	M + I	**0.35**	**210**	**0.20**	**0.93**	**1.17**	**283**	**2,362**	**2.2**	**7.2**	**9.0**	**3,183**
	Inferred	0.45	133	0.27	0.86	1.34	216	1,928	3.8	8.5	13.3	3,118
Total	Measured	0.69	277	0.08	0.37	0.42	305	6,114	1.8	5.6	6.3	6,725
	Indicated	4.21	195	0.16	0.78	0.93	255	26,330	22.2	72.7	86.5	34,433
	M + I	**4.89**	**206**	**0.15**	**0.73**	**0.86**	**262**	**32,443**	**24.0**	**78.3**	**92.8**	**41,157**
	Inferred	**4.07**	**172**	**0.17**	**0.89**	**1.20**	**243**	**22,479**	**22.2**	**79.5**	**107.5**	**31,753**

Source: SGS (2025)

25.6 Mining

The underground mine design developed for the PEA demonstrates that the Cusi Complex has the potential to be technically and economically viable, subject to the assumptions and inputs applied. While the design is preliminary and based on limited data, no fatal flaws have been identified that would preclude advancing the Cusi Project to the next stage of evaluation.

- Technical Viability:
  - The mineralization can be mined using longitudinal long hole open stoping in a top-down configuration and that this method is appropriate for the deposit geometry, depth, grade distribution, and geotechnical conditions; and
  - The proposed mine design and layout are achievable with conventional underground mining practices.
- Minability of the mineral resource:
  - A portion of the mineral resource onsite can be converted to a mineable inventory through the understanding and application of reasonable mining constraints;
  - The resulting mine designs demonstrated that the deposits each have sufficient continuity and geometry to support underground mining; and
  - The designs confirm that the mineral resources are amenable to longhole stoping with selective cemented rockfill backfill.
- Production rate and mine life:
  - The underground design and schedule support a steady state production rate with consistent access development, ventilation, and material handling assumptions;
  - The mine plan demonstrated that the complex mine life is long enough to justify the required capital investment; and
  - Development and production rates are achievable using industry standard rates, benchmarks, and first principles build-ups.

25.7 Environment and Permitting

The environmental, permitting, and social review of the Cusi Project indicates that the Project is located in a historically disturbed, non-sensitive regional area where mining, agriculture, and rural land use have shaped current conditions. Biodiversity constraints are minimal, and existing infrastructure can support future growth.

The primary factors influencing project progress include water availability, the extent of environmental and engineering definition, permitting clarity, and closure planning. Water availability is especially critical given the regional aquifer deficit and will require a technically supported water management strategy that complies with regulatory standards. to truck make-up water from the Promontorio Mine to the Malpaso processing facility.

The current permitting framework comprises a mix of historical authorizations and existing regulatory pathways, providing a foundation for Project development in a brownfield setting. The available permitting information indicates that the Project benefits from key historical environmental approvals, notably reinforced by recently secured regulatory exemptions from the federal environmental authority, SEMARNAT (Oficina de Representación en el Estado de Chihuahua).

Specifically, the project holds an official Environmental Impact Assessment exemption (Exención de la Manifestación de Impacto Ambiental) under Article 6 of the applicable environmental regulations. This includes Oficio No. UGA.IR.08-2026/062, which exempts a total mining infrastructure footprint of 55.419 hectares spanning critical operational areas including the San Miguel, Santa Eduwiges, San Juan, Promontorio, and La India mine complexes, alongside associated patios, offices, and waste dumps. Furthermore, processing infrastructure is covered under Oficio No. UGA.IR.08-2026/056, which grants an identical impact exemption for the 20.243-hectare footprint of the Planta de Beneficio Mal Paso, encompassing the processing plant, freshwater recovery systems, and Tailings Storage Facilities (Presas de Jales 1 and 2).

Overall, the available environmental information is sufficient to describe general site conditions at the PEA level. Further technical studies, engineering refinement, and regulatory engagement are recommended to advance the Project.

25.8 Risks

25.8.1 Introduction

The following risks and opportunities were identified that could affect the future economic outcome of the project. The following does not include external risks that apply to all exploration and development projects (e.g., changes in metal prices, exchange rates, availability of investment capital, change in government regulations, etc.).

There is no other relevant data or information available that is necessary to make the technical report understandable and not misleading. To the Authors knowledge, there are no additional risks or uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information, MRE or this report.

Table 25-3: Main Project Risks

Risk	Explanation/Potential Impact	Possible Risk Mitigation
Dilution	Higher than expected dilution could have a severe impact on project economics particularly for narrow-vein deposits. The mine must ensure accurate drilling and blasting practices are maintained to minimize dilution from wall rock backfill and other mineralized zones, minimize secondary breaking and optimize extraction.	A well planned and executed drilling / blasting (D&B) and grade control plan is necessary immediately upon commencement of stoping. Contract miners should be incentivized to follow D&B plans. Should dilution be coming from CRF backfilled stopes, assess backfill practices in addition to drilling and blasting practices. Ensure accurate surveying of vein mapping in sublevels and drill hole layouts.
Mineral Resource Estimate and Resource Modelling	The mineralized structures (mineralized domains) in all zones are relatively well understood. However, due to the limited drilling in some areas, some mineralization zones might be of slightly variable shapes from what have been modelled. A different interpretation from the current mineralization models may adversely affect the current MRE. Continued drilling may help define with more precision the shapes of the zones and confirm the geological and grade continuities of the mineralized zones. All mineral resource estimates carry some risk and are one of the most common issues with project success. 59% of the resources in the mine plan are Inferred, so there is some inherent risk with these converting to Indicated or Measured.	The contained metal of the deposit, at the reported cut-off grades for the MRE, is in the Measured, Indicated, and Inferred Mineral Resource classifications. It is reasonably expected that the majority of Inferred Mineral resources could be upgraded to Indicated Minerals Resources with continued exploration. Infill drilling will provide a greater level of confidence in the resource.
Metallurgical Recoveries and Plant Operations	Processing recommendations are based on a single composite from each deposit, Promontorio and San Miguel. Promontorio has an operating history, but the recommendations for San Miguel are based on limited testwork. Due to the inherent variability in mineralization styles and compositions observed on the Property, continued metallurgical testwork should be performed to evaluate potential impacts to any future proposed metallurgical process response resulting from variability in mineralization styles and compositions between zones. The metallurgical performance of differing mineralization compositions under subsequent	Mineralized material from the Cusi project was mined and processed for a period of ten years from 2014 to 2023 and the metallurgical response of the material processed is relatively well understood. Additional sampling and testwork should be undertaken considering the amount of mining from San Miguel, which has the least metallurgical information. A cleaner flotation stage will be required for some of the Cusi feed to produce a saleable concentrate (Ag>2.0 kg/t). Continual improvement focusses on the plant will be necessary for optimization.

Risk	Explanation/Potential Impact	Possible Risk Mitigation
	designed process conditions may vary from the estimated response. It may be a challenge to achieve 1200 t/d throughput if it cannot maintain 93% availability, however, the QP believes that the plant can deliver 1200 t/d if it is well run.	
CAPEX and OPEX	The ability to achieve the estimated CAPEX and OPEX costs are important elements of project success. If OPEX increases then the cut-off grade will increase and, all else being equal, the size of the mineable resource would reduce yielding fewer mineable tonnes.	Further cost estimation accuracy with the next level of work (detailed engineering), as well as the active investigation of potential cost-reduction measures would assist in the support of reasonable cost estimates.
Permit Acquisition for beyond the current planned TSF cells	The ability to secure all of the permits to expand the TSF will be important in Year 5. Failure to secure the necessary permits could stop or delay the project.	The development of close relationships with the government and thorough permit applications is required. Maintain direct control with a clear solution.
Project Schedule	The project could be delayed for a number of reasons and could impact project economics including permitting, finance, ability to hire experienced people, contractor availability, etc. This could result in a reduction in production rate and an increase in operating costs.	Early recruitment of people and contractors has begun and needs to continue. Silverco appears to have raised sufficient capital to execute the project.
UG Contractor Performance	The UG development and production could be delayed or below target for a number of reasons and could impact project economics including permitting, contractor availability, contractor experience, equipment availability, etc. Sub-par UG contractor performance could significantly impact the production rate and increase operating costs.	Prioritize early on-boarding of contractors and ensure they have sufficient and suitable equipment and workforce.
UG Geotechnical Characteristics	Weaker than estimated mineralized or wall rock quality can lead to greater ground control needs, increased dilution and reduced extraction.	Care should be taken to adequately support mine development and adhere to stoping sequencing and standards. The ground control plan must remain adaptive to deal with variable ground conditions.

Risk	Explanation/Potential Impact	Possible Risk Mitigation
Process Water Supply	Water supply from the area around the Malpaso processing plant is not guaranteed and may be difficult to obtain due to governmental restrictions on water use. For the re-start of the Malpaso facility, it is assumed that water from Promontorio Mine is sufficient to supply the Malpaso Mill using trucks transporting water +40 km distance between the two. A constraint on water feeding the mill could reduce production and increase operating costs.	Alternate water supplies for the mill should continue to be investigated and options considered in light of Mexican water regulations restricting water previously used for agriculture to use for mining projects. The installation of a tailings thickener is planned prior to mill re-start to help retain water in the processing plant and reduce loss in the TSF from evaporation and saturation.
Water Treatment	This PEA assumes that water from the mine will not have to be treated prior to discharge into the environment. If treatment is necessary CAPEX and OPEX will increase.	Adequate water testing is required as the mine ramps up so any water treatment impacts can be addressed before they impact production.
UG Groundwater Inflow	A ground water (hydrogeological) model was not built nor was any hydrogeological investigation undertaken as part of the PEA. Increased groundwater inflow beyond what has been assumed could result in higher pumping capital and operating costs.	Promontorio mine has been dewatered and the pump stations to do the dewatering are operational. It is envisioned that they should be capable of keeping up with inflows as the mine gets deeper.
Overall Mine Stability	Significant volumes of old stopes have been left without backfill and the impact of that may still present itself in the future. Mining with backfill requires discipline and attention. The lack of backfill or ineffective backfill would likely reduce overall mining extraction.	Overall geotechnical stability of the mine needs to be continuously monitored. Backfill should be made and placed in accordance with the mine plan.
Inaccurate UG as-built plans	Areas in the mine plan that were previously mined but not accounted for may be present. They could impact the amount of mineralized material for mining and/or create safety issues if the voids are near new stope or development.	Any areas that are deemed to have the potential to be adjacent to old mining voids should be probed to ensure pillar size/impact ahead of mining. The mine plan in the PEA assumed there were no available stoping areas in the first 50 m below ground surface. Additionally, stopes were not planned immediately adjacent to any known stopes.

Risk	Explanation/Potential Impact	Possible Risk Mitigation
Ability to Attract Experienced Professionals	The ability to attract and retain competent, experienced professionals is a key success factor for the project. High turnover or the lack of appropriate technical and management staff on the project could result in difficulties meeting project goals.	The early search for professionals as well as competitive salaries and benefits identify, attract and retain critical people.
Generic Risks	Almost all mining projects have largely uncontrollable risks from changing commodity prices, government approval delays, regulatory changes, impact of criminal organizations, exchange rates, inflation, supply shortages, etc.	These risks are difficult to mitigate, and the company must be diligent in monitoring changes in operating conditions.

25.9 Opportunities

Table 25-4: Identified Project Opportunities

Opportunity	Explanation	Potential Benefit
Expansion of the Mineral Resources	The mineral resources have not been fully delineated and there is an opportunity to expand the mineral resource, particularly at San Miguel. Additional opportunities include: Southeast claim block has not had modern exploration. It has vein outcroppings and old historical workings. Eduwiges and Promontorio may be able to be connected if the San Nicolas and SRL veins are continuous between the two mines. If that is the case the two mines could be connected at depth, improving general operability and optionality (ventilation, one way hauling, egress, etc.). Current resource gaps at Promontorio that seem geologically anomalous and need review that have potential to add tonnes through infill and UG mapping.	Increased mine life, ease of mining, production rate, mining cost reduction and NPV.
Ability to Mine Near Old Stopes	The PEA mine plan did not consider the extraction of resources near old workings or within 50 m of surface due to uncertainty with ground conditions and as-built drawing accuracy.	There may be the opportunity to expand the mine plan tonnage from the opportunistic extraction of resources near old workings. This may add to mine life and reduce overall development metres per stoping tonne.
Increased Plant Throughput	The mine has the potential to increase production if resources continue to expand. Multiple areas may be able to be mined concurrently. Increases to the processing facility capacity could potentially reduce operating unit costs and lower cut-off grade, albeit with increased capital expenditures.	Reduce unit operating costs and increased annual metal production.
Concentrate Smelting	Lead concentrate is currently assumed to be shipped overseas. There may be potential to source Mexican smelter capacity to improve overall concentrate shipping and treatment costs. It may be possible to obtain better treatment and/or refining terms from smelters through formal negotiations in the future.	Improved combined concentrate shipping costs, improved smelter terms and an increase in NPV.

Opportunity	Explanation	Potential Benefit
Relocation of the Processing Facility	The current planned use of the Malpaso mill means that both mill feed material and process water need to be trucked 40 km from the Cusi mine area. Significant capital costs and permitting would be needed to build the processing facility at Cusi but the costs could potentially come from operating revenue, especially if silver prices remains high.	Building a new processing facility or moving the Malpaso mill could significantly cut operating costs and have adequate feed water available directly from the underground mines. It would also allow the construction of a different sized processing plant if greater mining rates could be achieved. A facility at Cusi would also allow the use of tailings for backfill. Surface tailings storage could be reduced or even eliminated if enough storage capacity is found in both old and new stopes underground.
Use of Sorting Technology	The sorting of mineralized vein material from waste rock is an attractive opportunity for narrow vein deposits and should be investigated.	If sorting of mineralized material and waste is successful, the benefits could be • Higher grade material to the processing plant; • Lower processing plant costs; • Less impact of dilution in the mine; • More metal recovery for the same tonnes fed to the processing facility; and • Smaller processing plant throughput for the same metal production.
Selective Flotation	Current processing plan is to float a single bulk concentrate as Zn feed grade in initial years is lower (<1.0%). Starting year 4, Zn grade picks up (>1.0%) and floating separate Pb and Zn cons might be economically beneficial. Zn circuit requires rehabilitation in addition to another filter press/disc.	Could increase increased revenue through the sale of a Zn concentrate and producing a cleaner Pb-Ag concentrate.

26 RECOMMENDATIONS

Based on Silverco's statements that work at the mine and mill to support the restart, with concentrate production scheduled to begin in late 2026 and full ramp-up by mid-2027, it is recommended that definition drilling and Inferred Resource conversion at Promontorio and San Miguel be prioritized on the well-defined, mineralized trends to support conversion of Inferred resources to Indicated or Measured. This focus would help mitigate the risk related to lower confidence Inferred resources in the near-term mining areas as the significant amount of Inferred Resource used in the mine plan is a significant risk.

Additionally, the local Silverco team should conduct a thorough re-start planning process including detailed mine and infrastructure planning, plant refurbishment, tailings facility expansion design and permit verifications and securing a water source for the processing plant. These costs are covered in the Owner's costs in the capital budget in this report.

Drilling and exploration costs added to Table 26-1 below, pending revision per discussion with Silverco.

Table 26-1: Recommended Work in Support of Restart

Program Component	Estimated Total Cost (US$M)
Surface Drilling (20,000 m @ US$200/m)	4.00
Underground Drilling (10,000 m @ US$200/m)	2.00
Surface Exploration and Geophysics	0.10
Conduct detailed, operations-level mine and infrastructure planning and cost estimation using the Silverco team on site	Within the capital budget in this report
Make modifications to the plant flowsheet as should described in this report	Within the capital budget in this report
Perform variability testing on samples as the mines advance to have performance data ahead of the feed arriving in the plant. Current recommendations are based on a single composite from San Miguel	Within the capital budget in this report
Initiate the optimization of the grind vs. silver recovery once the plant is operational	Within the capital budget in this report
Determine what is the minimum silver grade required in the concentrate that can be sold	Within the capital budget in this report
Total	**6.10**

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28 UNITS OF MEASURE, ABBREVIATIONS AND ACRONYMS

Symbol / Abbreviation	Description
'	minute (plane angle)
"	second (plane angle) or inches
°	degree
°C	degrees Celsius
°F	degrees Fahrenheit
$	dollar sign
µm	microns
µm	micrometre
%	percent sign
3D	three-dimensions
A	ampere
a	annum (year)
AA	atomic absorption
ac	acre
Acfm	actual cubic feet per minute
Ag	silver
AgEq	silver equivalent
ALT	active layer thickness
ALT	active layer thickness
amsl	above mean sea level
AN	ammonium nitrate
ARD	acid rock drainage
Au	gold
AWR	all-weather road
Azi	Azimuth
B	billion
BD	bulk density
Bt	billion tonnes
BTU	British thermal unit
BV/h	bed volumes per hour
bya	billion years ago
C$	dollar (Canadian)
Ca	calcium

Symbol / Abbreviation	Description
cfm	cubic feet per minute
CHP	combined heat and power plant
CIM	Canadian Institute of Mining and Metallurgy
cm	centimetre
cm^2	square centimetre
cm^3	cubic centimetre
cP	centipoise
Cr	chromium
Cu	copper
CV	coefficient of variation
CV_{AVR}%	average coefficient of variation
d	day
d/a	days per year (annum)
d/wk	days per week
dB	decibel
dBa	decibel adjusted
DDH	diamond drillhole
DGPS	differential global positioning system
DMS	dense media separation
dmt	dry metric tonne
DWT	dead weight tonnes
EA	environmental assessment
EIS	environmental impact statement
ELC	ecological land classification
ERD	explosives regulatory division
EWR	enhanced winter road
FEL	front-end loader
ft	foot
ft^2	square foot
ft^3	cubic foot
ft^3/s	cubic feet per second
g	gram
G&A	general and administrative
g/cm^3	grams per cubic metre
g/L	grams per litre
g/t	grams per tonne
Ga	billion years

Symbol / Abbreviation	Description
gal	gallon (us)
GJ	gigajoule
GPa	gigapascal
GPS	global positioning system
gpm	gallons per minute (us)
GW	gigawatt
h	hour
h/a	hours per year
h/d	hours per day
h/wk	hours per week
ha	hectare (10,000 m^2)
ha	hectare
HG	high grade
HLEM	horizontal loop electro-magnetic
hp	horsepower
HPGR	high-pressure grinding rolls
HQ	drill core diameter of 63.5 mm
Hz	hertz
ICP-MS	inductively coupled plasma mass spectrometry
ID^2	inverse distance weighting to the power of two
ID^3	inverse distance weighting to the power of three
in	inch
in^2	square inch
in^3	cubic inch
IRR	internal rate of return
JDS	JDS Energy & Mining Inc.
K	hydraulic conductivity
k	kilo (thousand)
kg	kilogram
kg/h	kilograms per hour
kg/m^2	kilograms per square metre
kg/m^3	kilograms per cubic metre
km	kilometre
km/h	kilometres per hour
km^2	square kilometre
koz	thousand troy ounces
kPa	kilopascal

Symbol / Abbreviation	Description
kt	kilotonne
kV	kilovolt
kVA	kilovolt-ampere
kW	kilowatt
kWh	kilowatt hour
kWh/a	kilowatt hours per year
kWh/t	kilowatt hours per tonne
L	litre
lb	pound
L/min	litres per minute
L/s	litres per second
LDD	large-diameter drill
Leapfrog	Leapfrog Geo version 2025.2
LG	low grade
LOM	life of mine
m	metre
M	million
m/min	metres per minute
m/s	metres per second
m^2	square metre
m^3	cubic metre
m^3/h	cubic metres per hour
m^3/s	cubic metres per second
Ma	million years
MAAT	mean annual air temperature
MAE	mean annual evaporation
MAGT	mean annual ground temperature
masl	metres above sea level
MAP	mean annual precipitation
masl	metres above mean sea level
Mb/s	megabytes per second
mbgs	metres below ground surface
Mbm^3	million bank cubic metres
Mbm^3/a	million bank cubic metres per annum
mbs	metres below surface
mbsl	metres below sea level
mg	milligram

Symbol / Abbreviation	Description
mg/L	milligrams per litre
min	minute (time)
mL	millilitre
mm	millimetre
Mm^3	million cubic metres
MMER	metal mining effluent regulations
MMSIM	metamorphosed massive sulphide indicator minerals
mo	month
MPa	megapascal
Mt	million metric tonnes
Mlb	million pounds
Moz	million troy ounces
MRE	mineral resource estimate
mTW	metres true width
MVA	megavolt-ampere
MW	megawatt
NAD	North American datum
NG	normal grade
Ni	nickel
NI 43-101	National Instrument 43-101
NQ	drill core diameter of 47.6 mm
NSR	net smelter return
OK	Ordinary kriging
OP	open pit
OSA	overall slope angles
oz	troy ounce
Pb	Lead
P.Geo.	professional geoscientist
Pa	Pascal
PAG	potentially acid generating
PEA	preliminary economic assessment
PFS	preliminary feasibility study
PMF	probable maximum flood
ppb	parts per billion
ppm	parts per million
psi	pounds per square inch
QA/QC	quality assurance/quality control

Symbol / Abbreviation	Description
QP	qualified person
RC	reverse circulation
RMR	rock mass rating
ROM	run of mine
rpm	revolutions per minute
RQD	rock quality designation
s	second (time)
SD	standard deviation
S.G.	specific gravity
Scfm	standard cubic feet per minute
SEDEX	sedimentary exhalative
SFD	size frequency distribution
SG	specific gravity
t	tonne (1,000 kg) (metric ton)
t	metric tonne
t/a	tonnes per year
t/d	tonnes per day
t/h	tonnes per hour
TCR	total core recovery
TFFE	target for further exploration
TMF	tailings management facility
tph	tonnes per hour
ts/hm^3	tonnes seconds per hour metre cubed
US	United States
US$	dollar (American)
UTM	universal transverse mercator
V	volt
VEC	valued ecosystem components
VMS	volcanic massive sulphide
VSEC	valued socio-economic components
w/w	weight/weight
WGS84	World Geodetic System 1984
wk	week
wmt	wet metric ton
WRSF	waste rock storage facility
Zn	zinc

Scientific Notation	Number Equivalent
1.0E+00	1
1.0E+01	10
1.0E+02	100
1.0E+03	1,000
1.0E+04	10,000
1.0E+05	100,000
1.0E+06	1,000,000
1.0E+07	10,000,000
1.0E+09	1,000,000,000
1.0E+10	10,000,000,000

29 CERTIFICATES

CERTIFICATE OF QUALIFIED PERSON

Gord Doerksen, P.Eng.

I, Gord Doerksen, P.Eng., do hereby certify that:

1. I am a Senior Project Sponsor with JDS Energy & Mining Inc., 900-999 West Hastings St., Vancouver, BC, Canada;
2. This certificate applies to the Technical Report titled "Preliminary Economic Assessment, Cusi Project, Chihuahua, Mexico", May 21, 2026, with an effective date of March 31, 2026 (the "Technical Report);
3. I graduated with a degree in 1990 from Montana Tech. In addition, I have a Diploma of Technology (Mining) from the British Columbia Institute of Technology (1985);
4. I am a Founding Registered Member of the Society of Mining Engineers of the AIME and a Professional Engineer with Engineers and Geoscientists British Columbia;
5. I have worked as a Mining Engineer for over 35 years since my graduation from university and 7 years in the mining industry prior to graduation. I have 22 years' experience performing various technical and operations roles in operating precious metal, base metal and industrial minerals mines. Additionally, I have been a consulting mining engineer for over 20 years having worked on a multitude of base and precious metal projects, including several in Mexico, and have authored dozens of Technical Reports. I am a Qualified Person as defined by National Instrument 43-101;
6. I visited the Cusi property on November 24-25, 2025 for two days and the Malpaso property on November 26, 2025 for one day;
7. I am responsible for the preparation of sections 1.1, 1.2, 1.8, 1.9, 1.11 to 1.16, 2, 3, 12.7, 15, 16.1, 16.3 to 16.11, 18 to 21, 23, 24, 25.125.6 to 25.6 to 25.8, 26 to 29 of the technical report titled "Preliminary Economic Assessment, Cusi Project, Chihuahua, Mexico" with an effective date of March 31, 2026 relating to the Cusi and Malpaso properties;
8. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101;
9. I have not had prior involvement with the property that is the subject of the Technical Report;
10. To the best of my knowledge, information and belief, the report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading;
11. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report and it has been prepared in compliance with that instrument and form; and
12. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Effective Date: March 31, 2026
Signed Date: May 21, 2026

(Original signed and sealed) "Gord Doerksen, P.Eng."

Gord Doerksen, P.Eng.

CERTIFICATE OF QUALIFIED PERSON

Tysen Hantelmann, P.Eng.

I, Tysen Hantelmann, P.Eng., do hereby certify that:

1. I am an Engineering Manager with JDS Energy & Mining Inc., 900-999 West Hastings St., Vancouver, BC, Canada;
2. This certificate applies to the Technical Report titled “Preliminary Economic Assessment, Cusi Project, Chihuahua, Mexico”, May 21, 2026, with an effective date of March 31, 2026 (the “Technical Report);
3. I am a graduate of the University of Alberta with both a B.Sc. in Mining Engineering, 2001 and a M.Eng. in Mining Engineering, 2003. I have practiced my profession continuously since 2001;
4. I have worked in technical and operational positions at several mines in Canada. I have been an independent consultant for over eighteen years and have performed all aspects of mine planning design and costing on over a hundred projects and studies worldwide. I am a Registered Professional Engineer and member in good standing in Alberta (#71697), Yukon (#2631), and Northwest Territories (L2810);
5. I have not visited the Cusi property;
6. I am responsible for the preparation of sections 1.14 and 22 of the technical report titled “Preliminary Economic Assessment, Cusi Project, Chihuahua, Mexico” with an effective date of March 31, 2026 relating to the Cusi and Malpaso properties;
7. I have read the definition of “qualified person” set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101;
8. I have not had prior involvement with the property that is the subject of the Technical Report;
9. To the best of my knowledge, information and belief, the report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading;
10. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report and it has been prepared in compliance with that instrument and form; and
11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Effective Date: March 31, 2026
Signed Date: May 21, 2026

(Original signed and sealed) “Tysen Hantelmann, P.Eng.”

Tysen Hantelmann, P.Eng.

CERTIFICATE OF QUALIFIED PERSON

Mike Levy, P.Eng.

I, Mike Levy, P.Eng., do hereby certify that:

1. I am a geotechnical engineer with JDS Energy & Mining Inc., 900-999 West Hastings St., Vancouver, BC, Canada;
2. This certificate applies to the Technical Report titled “Preliminary Economic Assessment, Cusi Project, Chihuahua, Mexico”, May 21, 2026, with an effective date of March 31, 2026 (the “Technical Report);
3. I hold a bachelor’s degree (B.Sc.) in Geology from the University of Iowa (1998) and a Master of Science degree (M.Sc.) in Geotechnical Engineering from the University of Colorado (2004).
4. I am a Professional Engineer with Engineers and Geoscientists British Columbia (P.Eng. #216542);
5. I have practiced my profession continuously since 1999 and have worked on a multitude of mining projects across the Americas, including several in Mexico. Project experience includes precious metal, base metal and industrial minerals mines. I have authored numerous Technical Reports as a Qualified Person;
6. I visited the Cusi property on December 16, 2025;
7. I am responsible for the preparation of section 16.2 of the technical report titled “Preliminary Economic Assessment, Cusi Project, Chihuahua, Mexico” with an effective date of March 31, 2026 relating to the Cusi and Malpaso properties;
8. I have read the definition of “qualified person” set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101;
9. I have not had prior involvement with the property that is the subject of the Technical Report;
10. To the best of my knowledge, information and belief, the report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading;
11. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report and it has been prepared in compliance with that instrument and form; and
12. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Effective Date: March 31, 2026
Signed Date: May 21, 2026

(Original signed and sealed) “Mike Levy, P.Eng.”

Mike Levy, P.Eng.

CERTIFICATE OF QUALIFIED PERSON

Allan E. Armitage, Ph. D., P. Geol.

To accompany the technical report titled “Preliminary Economic Assessment, Cusi Project, Chihuahua, Mexico” with an effective date of March 31, 2026 (the “Technical Report”) prepared for Silverco Mining Ltd. (the “Company”).

I, Allan E. Armitage, Ph. D., P. Geol. of 62 River Front Way, Fredericton, New Brunswick, hereby certify that:

1. I am a Senior Resource Geologist and Technical Manager with SGS Canada Inc., 2150 Cyrille-Duquet St., Unit 150, Quebec, QC, G1N 2G3, Canada;
2. I am a graduate of Acadia University having obtained the degree of Bachelor of Science - Honours in Geology in 1989, a graduate of Laurentian University having obtained the degree of Master of Science in Geology in 1992 and a graduate of the University of Western Ontario having obtained a Doctor of Philosophy in Geology in 1998;
3. I have been employed as a geologist for every field season (May - October) from 1987 to 1996. I have been continuously employed as a geologist since March of 1997;
4. I have been involved in mineral exploration and resource modelling at the early-stage exploration property to the advanced property, including producing mines, since 1991, including mineral resource estimation and mineral resource and mineral reserve auditing since 2006 in Canada and internationally. I have extensive experience in Archean and Proterozoic load gold deposits, volcanic and sediment hosted base metal massive sulphide deposits, porphyry copper-gold-silver deposits, low and intermediate sulphidation epithermal gold and silver deposits, magmatic Ni-Cu-PGE deposits, and unconformity- and sandstone-hosted uranium deposits. I have extensive experience in the preparation of NI 43-101 Technical Reports, including PEA, PFS and FS Technical Reports, and I have conducted numerous site visits to early-stage exploration and advanced projects, and operating mines (open pit and underground);
5. I am a member of the following: the Association of Professional Engineers, Geologists and Geophysicists of Alberta (P.Geol.) (License No. 64456; 1999), the Association of Professional Engineers and Geoscientists of British Columbia (P.Geo.) (Licence No. 38144; 2012), and the Professional Geoscientists Ontario (P.Geo.) (Licence No. 2829; 2017);
6. I have read the definition of "Qualified Person" set out in National Instrument 43-101 – Standards of Disclosure for Mineral Projects – (“NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43 101) and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43 101;
7. I am an author of the Technical Report and responsible for Sections 1.4, 1.4.1, 1.5, 6, 7, 8, 9, and 25.2. I have reviewed these sections and accept professional responsibility for these sections of the Technical Report;
8. I have not personally conducted a site visit to the Property;
9. I have had previous involvement with the Cusi Project. I was an author of the previous NI 43-101 Technical Report titled “Mineral Resource Estimate for the Cusi Ag-Au-Pb-Zn Project, Chihuahua State, Mexico” with an effective date of October 20, 2025;
10. I am independent of the Company as described in Section 1.5 of NI 43-101;
11. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading; and
12. I have read NI 43-101 and Form 43-101F1 (the “Form”), and the Technical Report has been prepared in compliance with NI 43-101 and the Form.

Effective Date: March 31, 2026
Signed Date: May 21, 2026

(Original signed and sealed) “Allan Armitage, Ph. D., P. Geo.”

Allan Armitage, Ph. D., P. Geo.

CERTIFICATE OF QUALIFIED PERSON

Ben Eggers, MAIG, P. Geo.

To accompany the technical report titled "Preliminary Economic Assessment, Cusi Project, Chihuahua, Mexico" with an effective date of March 31, 2026 (the "Technical Report") prepared for Silverco Mining Ltd. (the "Company").

I, Benjamin K. Eggers, MAIG, P.Geo. of Tofino, British Columbia, hereby certify that:

1. I am a Senior Geologist with SGS Canada Inc., 150-2150 rue Cyrille-Duquet, Québec, QC, J7C 3V5, Canada;
2. I am a graduate of the University of Otago, New Zealand having obtained the degree of Bachelor of Science (Honours) in Geology in 2004;
3. I have been continuously employed as a geologist since February of 2005;
4. I have practiced my profession continuously for 20 years and have been employed as a geologist since February of 2005. Since then, I have been involved in mineral exploration and resource modelling at the greenfield to advanced exploration stages, including at producing mines, in Canada, Australia, and internationally, and in mineral resource estimation since 2022 in Canada and internationally. I have experience in orogenic gold deposits, low, intermediate, and high sulphidation epithermal gold and silver deposits, porphyry copper-gold-silver deposits, volcanic and sediment hosted base metal massive sulphide deposits, metasomatite uranium deposits, and pegmatite lithium deposits;
5. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia and use the designation (P.Geo.) (Licence No. 40384; 2014), I am a member of the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists (NAPEG) and use the designation (P.Geo.) (Licence No. L5818, 2024), and I am a member of the Australian Institute of Geoscientists and use the designation (MAIG) (Licence No. 3824; 2013);
6. I have read the definition of "Qualified Person" set out in National Instrument 43-101 – Standards of Disclosure for Mineral Projects – ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101;
7. I am an author of the Technical Report and responsible for sections 1.3, 1.4.2, 1.7, 4, 5, 10, 11, 12.1, 12.2, 12.4, 14, 25.3, and 25.5. I have reviewed these sections and accept professional responsibility for these sections of the Technical Report;
8. I conducted a site visit to the Property on September 22-23, 2025;
9. I have had previous involvement with the Cusi Project. I was an author of the previous NI 43-101 Technical Report titled "Mineral Resource Estimate for the Cusi Ag-Au-Pb-Zn Project, Chihuahua State, Mexico" with an effective date of October 20, 2025;
10. I am independent of the Company as described in Section 1.5 of NI 43-101;
11. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading; and
12. I have read NI 43-101 and Form 43-101F1 (the "Form"), and the Technical Report has been prepared in compliance with NI 43-101 and the Form.

Effective Date: March 31, 2026
Signed Date: May 21, 2026

(Original signed and sealed) "Ben Eggers, MAIG, P. Geo."

Ben Eggers, MAIG, P. Geo.

CERTIFICATE OF QUALIFIED PERSON

Deepak Malhotra, SME-RM

I, Deepak Malhotra, SME-RM, do hereby certify that:

1. I am a Principal Metallurgist for Forte Dynamics, LLC, with a business address of 120 Commerce Drive #4, Fort Collins, CO 80524;
2. This certificate applies to the Technical Report titled "Preliminary Economic Assessment, Cusi Project, Chihuahua, Mexico", May 21, 2026, with an effective date of March 31, 2026 (the "Technical Report);
3. I graduated with a degree in Metallurgical Engineering, Master of Science in 1973 from the Colorado School of Mines in Golden, Colorado. In addition, I graduated with a degree in Mineral Economics, Ph.D. in 1978 from the Colorado School of Mines in Golden, Colorado;
4. I am a Registered Member of the Society of Mining Engineers;
5. I have worked as a metallurgist and mineral economist for 50+ years since my graduation with specific expertise in mineral processing, metallurgical testing, and recovery methods. I am a Qualified Person as defined by National Instrument 43-101;
6. I visited the Cusi and Malpaso property on September 25-26, 2025;
7. I am responsible for the preparation of sections 1.61.10, 12.3, 12.5, 13, 17, and 25.4 of the technical report titled "Preliminary Economic Assessment, Cusi Project, Chihuahua, Mexico" with an effective date of March 31, 2026 relating to the Cusi and Malpaso properties;
8. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101;
9. I have not had prior involvement with the property that is the subject of the Technical Report;
10. To the best of my knowledge, information and belief, the report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading;
11. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report and it has been prepared in compliance with that instrument and form; and
12. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Effective Date: March 31, 2026
Signed Date: May 21, 2026

(Original signed and sealed) "Deepak Malhotra, SME-RM"

Deepak Malhotra, SME-RM