



**SILVERCO MINING LTD.**

**(formerly Quetzal Copper Corp.)**

**Condensed Interim Consolidated Financial Statements**

**For the three months ended March 31, 2026 and 2025**

(Unaudited, expressed in Canadian dollars)

**SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Unaudited, expressed in Canadian dollars)

	Note	March 31, 2026	December 31, 2025
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		56,242,950	1,124,955
Value added taxes and GST receivable		2,842,566	2,584,051
Prepaid expenses and deposits		579,474	245,223
<b>Total Current Assets</b>		<b>59,664,990</b>	<b>3,954,229</b>
Property and equipment	5	304,330	369,333
Exploration and evaluation asset	6	7,779,193	7,555,692
<b>Total assets</b>		<b>67,748,513</b>	<b>11,879,254</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		3,933,448	3,034,814
Lease liabilities - current	8	138,046	188,484
<b>Total Current liabilities</b>		<b>4,071,494</b>	<b>3,223,298</b>
Long-term lease liabilities	8	62,047	72,123
Reclamation provision	9	3,094,146	2,884,693
<b>Total liabilities</b>		<b>7,227,687</b>	<b>6,180,114</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	84,296,929	24,778,983
Reserves		4,426,006	3,807,192
Accumulated other comprehensive income (loss)		66,742	(22,978)
Deficit		(28,268,851)	(22,864,057)
<b>Total shareholders' equity</b>		<b>60,520,826</b>	<b>5,699,140</b>
<b>Total liabilities and shareholders' equity</b>		<b>67,748,513</b>	<b>11,879,254</b>

Nature of operations (Note 1)  
Subsequent events (Note 17)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Mark Ayranto"  
Director

/s/ "Gary Brown"  
Director

**SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
(Unaudited, expressed in Canadian dollars)

	Note	Three months ended March 31, 2026	Three months ended March 31, 2025
		\$	\$
<b>Operating expenses</b>			
Exploration and evaluation expenditures	7	2,999,987	682,919
Salaries, benefits and directors' fees		441,944	13,950
Professional fees		238,711	9,697
Marketing and investor relations		233,241	-
Office and administrative		149,410	20,771
Regulatory and filing fees		74,820	-
Depreciation expense	5	72,696	47,697
Accretion on reclamation provision	9	66,115	-
Accretion and interest expense	8	6,134	7,705
Share-based compensation	10	834,627	-
<b>Total expenses</b>		<b>5,117,685</b>	<b>782,739</b>
<b>Other (income) expenses</b>			
Foreign exchange loss		7,595	5,427
Nuevo transaction expenses	11	434,776	-
Interest income		(155,262)	(13,767)
<b>Net loss for the period</b>		<b>5,404,794</b>	<b>774,399</b>
<b>Other comprehensive (income) loss</b>			
Currency translation adjustment		(89,720)	330,146
<b>Net loss and comprehensive loss</b>		<b>5,315,074</b>	<b>1,104,545</b>
<b>Net loss per share:</b>			
Basic and diluted		0.15	0.03
<b>Weighted average shares outstanding:</b>			
Basic and diluted		34,973,469	23,102,000

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

**SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)****Condensed Interim Consolidated Statements of Cash Flows**

(Unaudited, expressed in Canadian dollars)

	Note	Three months ended March 31, 2026	Three months ended March 31, 2025
		\$	\$
<b>Operating activities:</b>			
Net loss for the period		(5,404,794)	(774,399)
<i>Adjustments for non-cash items:</i>			
Accretion on reclamation provision		66,115	-
Accretion of lease liabilities		6,134	7,705
Unrealized foreign exchange		(14,493)	-
Depreciation		72,696	47,697
Share-based compensation		834,627	-
<i>Changes in non-cash working capital related to operating activities:</i>			
Value added taxes and GST receivable		(232,105)	(428,671)
Prepaid expenses and deposits		(335,366)	1,711
Accounts payable and accrued liabilities		730,175	(647,276)
<b>Cash used in operating activities</b>		<b>(4,277,011)</b>	<b>(1,793,233)</b>
<b>Investing activities:</b>			
Cash received for loan receivable		-	500,000
<b>Cash provided by investing activities</b>		<b>-</b>	<b>500,000</b>
<b>Financing activities:</b>			
Proceeds received from exercise of stock options	10	286,041	-
Proceeds received from private placement	10	62,500,000	-
Private placement share issuance costs	10	(3,333,908)	-
Payment of equipment lease liabilities		(71,584)	(52,824)
<b>Cash provided by (used in) financing activities</b>		<b>59,380,549</b>	<b>(52,824)</b>
Net change in cash		55,103,538	(1,346,057)
Effect of exchange rate fluctuations on cash held		14,456	1,975
Cash, beginning of the period		1,124,956	2,002,050
<b>Cash, end of the period</b>		<b>56,242,950</b>	<b>657,968</b>
<b>Supplemental cash flow information:</b>			
Share issuance costs included in accounts payable		150,000	-

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

**SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**  
(Unaudited, expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Reserves	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$
<b>Balance, December 31, 2024</b>	23,102,000	11,052,833	1,809,881	(349,093)	(5,066,082)	<b>7,447,539</b>
Currency translation adjustment	-	-	-	(330,146)	-	<b>(330,146)</b>
Net loss for the period	-	-	-	-	(774,399)	<b>(774,399)</b>
<b>Balance, March 31, 2025</b>	<b>23,102,000</b>	<b>11,052,833</b>	<b>1,809,881</b>	<b>(679,239)</b>	<b>(5,840,481)</b>	<b>6,342,994</b>
Proceeds received from private placements	8,625,855	13,659,660	-	-	-	<b>13,659,660</b>
Share issuance costs	-	(1,354,966)	509,773	-	-	<b>(845,193)</b>
Shares issued pursuant to RTO	888,410	1,421,456	6,589	-	-	<b>1,428,045</b>
Share based compensation	-	-	1,480,949	-	-	<b>1,480,949</b>
Currency translation adjustment	-	-	-	656,261	-	<b>656,261</b>
Net loss for the period	-	-	-	-	(17,023,576)	<b>(17,023,576)</b>
<b>Balance, December 31, 2025</b>	<b>32,616,265</b>	<b>24,778,983</b>	<b>3,807,192</b>	<b>(22,978)</b>	<b>(22,864,057)</b>	<b>5,699,140</b>
Proceeds received from private placements	5,000,000	62,500,000	-	-	-	<b>62,500,000</b>
Share issuance costs	-	(3,483,908)	-	-	-	<b>(3,483,908)</b>
Options exercised	357,800	501,854	(215,813)	-	-	<b>286,041</b>
Share based compensation	-	-	834,627	-	-	<b>834,627</b>
Currency translation adjustment	-	-	-	89,720	-	<b>89,720</b>
Net loss for the period	-	-	-	-	(5,404,794)	<b>(5,404,794)</b>
<b>Balance, March 31, 2026</b>	<b>37,974,065</b>	<b>84,296,929</b>	<b>4,426,006</b>	<b>66,742</b>	<b>(28,268,851)</b>	<b>60,520,826</b>

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

# **SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**For the three months ended March 31, 2026 and 2025**

(Unaudited, expressed in Canadian dollars, except where noted)

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### **1. NATURE OF OPERATIONS**

Silverco Mining Ltd. (formerly, Quetzal Copper Corp.) ("Silverco Ltd" or the "Company") was incorporated on November 30, 2020 pursuant to the *Business Corporations Act* (British Columbia). The Company's name was changed from Quetzal Copper Corp. to Silverco Mining Ltd. effective on October 31, 2025. The Company is a Canadian-based mining company listed on the TSX Venture Exchange ("TSXV"), having the symbol "SICO" and on the OTCQB under the symbol "SICOF". The Company's corporate office is located at 770 – 505 Burrard Street, Vancouver, BC V7X 1M4.

The principal business of the Company is to acquire, explore and develop mineral properties. The business of mining and exploration involves a high degree of risk and there can be no assurance of profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The Company holds mineral properties in Mexico through its ownership of the Cusi Mining Complex. In addition on May 19, 2026, the Company acquired Nuevo Silver Inc ("Nuevo"), which owns, through its wholly-owned subsidiary, the La Negra Mine, a producing silver mine located in Querétaro, Mexico, full details of which disclosed in Note 17.

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

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

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

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

# SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025

(Unaudited, expressed in Canadian dollars, except where noted)

### 2. BASIS OF PREPARATION AND GOING CONCERN

#### a) Statement of compliance

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on May 28, 2026.

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Certain disclosures required by IFRS Accounting Standard have been condensed or omitted in the following note disclosures as they are disclosed or have been disclosed on an annual basis only. Accordingly, these condensed interim financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2025, which have been prepared in accordance with IFRS Accounting Standards.

#### b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value. The accounting policies applied are consistent with those used in the preparation of the Company's audited annual consolidated financial statements for the year ended December 31, 2025.

Certain reclassifications have been made to the prior period consolidated financial statements to conform to the current period presentation. These reclassifications had no effect on previously reported assets, liabilities, net cash flows or net (loss) income.

#### c) Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes the Company will be able to meet its obligations and continue its operations for the foreseeable future.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### a) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are consolidated from the date on which the Company obtains control over the subsidiary. Control exists when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. All intercompany balances and transactions have been eliminated in consolidation.

A summary of the Company's subsidiaries included in these condensed interim consolidated financial statements as at March 31, 2026 are as follows:

Name of subsidiary	Country of incorporation	Holding	Functional currency	Principal activity
Quetzal Copper Subsidiary Corp.	Canada	100%	CAD	Mineral exploration
Silverco Mining (Subsidiary) Ltd.	Canada	100%	CAD	Mineral exploration
Minera San Bernabé De C.V. ("Minera San Bernabé")	Mexico	100%	MXN	Mineral exploration

#### b) Material Accounting Policies

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 3 of the Company's audited annual consolidated financial statements for the year ended December 31, 2025, except as set out below.

#### Restricted share units

The Company grants restricted share units ("RSUs") to eligible officers, employees and consultants. Each RSU entitles the holder to receive, at the Company's discretion, one common share of the Company or a cash payment equal to the fair market value of one common share upon vesting. RSUs are measured at the closing market price of the Company's common shares on the grant date. The fair value is recognized as share-based compensation expense over the vesting period using the graded vesting method, with a corresponding credit to reserves. Upon settlement, the cumulative amount in reserves is reclassified to share capital.

## **SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)**

### **Notes to the Condensed Interim Consolidated Financial Statements**

#### **For the three months ended March 31, 2026 and 2025**

(Unaudited, expressed in Canadian dollars, except where noted)

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#### **Application of New and Revised Accounting Standards**

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

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

#### **Accounting Standards Issued but Not Yet Applied**

*Presentation and Disclosure in Financial Statements (IFRS 18)*

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

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

#### **4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

In preparing the Company's condensed interim financial statements for the three months ended March 31, 2026, critical judgements made in applying the Company's accounting policies and key sources of estimation uncertainty are consistent with those disclosed in Note 4 of its 2025 Annual Financial Statements.

**SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2026 and 2025**  
(Unaudited, expressed in Canadian dollars, except where noted)

**5. PROPERTY AND EQUIPMENT**

A summary of the Company's property and equipment, including right-of-use ("ROU") assets (Note 8) is as follows:

	Right of use assets	Property and equipment	Total
	\$	\$	\$
<b>Cost</b>			
Balance, December 31, 2024	416,571	-	<b>416,571</b>
Additions	123,015	135,653	<b>258,668</b>
Foreign exchange	(2,807)	-	<b>(2,807)</b>
Balance, December 31, 2025	536,779	135,653	<b>672,432</b>
Foreign exchange	9,156	3,162	<b>12,318</b>
<b>Balance, March 31, 2026</b>	<b>545,935</b>	<b>138,815</b>	<b>684,750</b>
<b>Accumulated depreciation</b>			
Balance, December 31, 2024	91,510	-	<b>91,510</b>
Depreciation	208,387	15,360	<b>223,747</b>
Foreign exchange	(12,871)	713	<b>(12,158)</b>
Balance, December 31, 2025	287,026	16,073	<b>303,099</b>
Depreciation	64,460	8,236	<b>72,696</b>
Foreign exchange	4,412	213	<b>4,625</b>
<b>Balance, March 31, 2026</b>	<b>355,898</b>	<b>24,522</b>	<b>380,420</b>
Net book value at December 31, 2025	249,753	119,580	369,333
<b>Net book value at March 31, 2026</b>	<b>190,037</b>	<b>114,293</b>	<b>304,330</b>

**6. EXPLORATION AND EVALUATION ASSETS**

The Company holds a 100% interest in the Cusi Mining Complex, located in Chihuahua State, Mexico, through its wholly-owned subsidiary Minera San Bernabé De C.V. The Cusi Mining Complex comprises 95 mineral concessions.

A summary of the Company's Cusi Mining Complex exploration and evaluation assets is as follows:

	Cusi Mining Complex
	\$
Balance, December 31, 2024	4,393,563
Addition – Reclamation provision cost	2,416,639
Foreign exchange	745,490
Balance, December 31, 2025	7,555,692
Change in reclamation provision estimate (Note 9)	94,632
Foreign exchange	128,869
<b>Balance, March 31, 2026</b>	<b>7,779,193</b>

The concessions within the Cusi Mining Complex are subject to Net Smelter Return ("NSR") aggregate royalties totaling either 1%, 2%, 3% or 4%. The concessions with aggregate NSR royalties totaling 4% can be reduced to 2% with a payment of \$US 1,000,000. The concessions with aggregate NSR royalties totaling 3% and 2% can be reduced to 2% and 1% respectively with a payment of \$US 5,000,000. The concessions with a NSR royalty of 1% do not have a repurchase option.

**SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2026 and 2025**  
(Unaudited, expressed in Canadian dollars, except where noted)

**7. EXPLORATION AND EVALUATION EXPENDITURES**

A summary of the Company's exploration and evaluation expenses is as follows:

	For Three Months Ended	
	March 31, 2026	March 31, 2025
	\$	\$
Drilling	133,715	-
Rental equipment	252,653	189,964
Utilities and fuel	363,345	18,478
Technical services	399,843	26,953
Salary and wages	467,621	141,405
Professional services	151,126	85,471
Environmental studies	7,811	28,881
Permits and concession fees	267,355	-
Assays and analysis	28,512	917
Field consumables	340,832	67,322
Site and office services	379,153	123,528
Other	8,021	-
<b>Cusi Mining Complex</b>	<b>2,799,987</b>	<b>682,919</b>
<b>Big Kidd</b>	<b>200,000</b>	<b>-</b>
<b>Total</b>	<b>2,999,987</b>	<b>682,919</b>

**Big Kidd**

On the closing of the RTO, the Company assumed all rights and obligations of the option agreement dated November 4, 2022 between the Company and South Atlantic Gold Inc., as subsequently amended (the "Option Agreement"), granting the Company the right to acquire a 100% interest in certain mineral claims located in British Columbia (the "Big Kidd"). The Option Agreement requires the following acquisition payments.

- \$10,000 on November 14, 2022 (paid);
- \$10,000 on January 4, 2023 (paid);
- \$20,000 on March 9, 2023 (paid);
- \$130,000 on May 29, 2023 and upon completion of a qualifying equity financing for gross proceeds of minimum \$500,000 on or before January 3, 2023 (paid);
- \$200,000 on January 4, 2024 (paid);
- \$200,000 on January 4, 2025; (outstanding and included in accrued liabilities)
- \$200,000 on January 4, 2026; (outstanding and included in accrued liabilities)
- \$200,000 on January 4, 2027, and
- \$350,000 or issue common shares with an aggregate value of \$350,000 on January 4, 2028.

Additionally, the Company is required to fulfil the milestone commitments in the form of cash payments or issuances of the Company's publicly traded common shares, as follows:

- \$300,000 or issue common shares with an aggregate value of \$300,000 following the completion of 40,000 meters of drilling on the property;
- \$1,200,000 or issue common shares with an aggregate value of \$1,200,000 following the filing of a pre-feasibility study on the property; and
- \$2,000,000 or issue common shares with an aggregate value of \$2,000,000 following the filing of a feasibility study on the property.

As at March 31, 2026, none of the above milestones have been achieved and accordingly no milestone commitment payments have been triggered.

## SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025

(Unaudited, expressed in Canadian dollars, except where noted)

#### 8. LEASE LIABILITIES

The Company has lease contracts for equipment and office space with terms ranging from two to three years. The lease liabilities have been measured at the present value of future lease payments using the Company's incremental borrowing rate of 10%. The corresponding ROU assets are disclosed in Note 5.

A summary of the Company's lease liability is as follows:

	\$
Balance, December 31, 2025	260,607
Payments	(71,584)
Accretion expense	6,134
Foreign exchange	4,936
<b>Balance, March 31, 2026</b>	<b>200,093</b>
Less current portion	138,046
<b>Non-current portion</b>	<b>62,047</b>

	\$
Balance, December 31, 2024	318,538
Additions	123,015
Payments	(230,967)
Accretion expense	27,607
Foreign exchange	22,414
<b>Balance, December 31, 2025</b>	<b>260,607</b>
Less current portion	188,484
<b>Non-current portion</b>	<b>72,123</b>

The schedule of the Company's future lease payments is as follows:

	\$
Within 1 year	149,025
1 to 2 years	52,969
2 to 3 years	13,308
Total undiscounted future lease payments	215,302
Imputed interest	(15,209)
<b>Balance, March 31, 2026</b>	<b>200,093</b>

#### 9. RECLAMATION PROVISION

As at March 31, 2026, the total undiscounted value of the reclamation provision was \$4,450,691. The timing of the estimated cash outflows is based on the projected mine life, with reclamation and closure activities expected to commence in 2035 and be fully completed by 2036. The provision is measured at the present value of the estimated future cash flows required to settle the obligation, using a risk-free discount rate, with cost estimates inflated by an estimated inflation rate.

During the three months ended March 31, 2026, the Company updated the key assumptions in the reclamation provision model. The discount rate was revised from 9.25% to 8.90% and the inflation rate was revised from 4.62% to 4.60%, resulting in an increase of the provision of \$94,632. The change has been accounted for prospectively as a change in accounting estimate, with a corresponding increase to the carrying amount of the exploration and evaluation assets (Note 6).

**SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)**  
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**For the three months ended March 31, 2026 and 2025**  
(Unaudited, expressed in Canadian dollars, except where noted)

A summary of the Company's Cusi Mining Complex reclamation provision is as follows:

	<b>Cusi Mining Complex</b>
	\$
Balance, December 31, 2024	-
Additions	2,416,639
Accretion	205,414
Foreign exchange	262,640
<b>Balance, December 31, 2025</b>	<b>2,884,693</b>
Change in estimate	94,632
Accretion	66,115
Foreign exchange	48,706
<b>Balance, March 31, 2026</b>	<b>3,094,146</b>

**10. SHARE CAPITAL**

- a) The Company is authorized to issue an unlimited number of common shares without par value. As at March 31, 2026, the number of total issued and outstanding common shares was 37,974,065 (December 31, 2025 – 32,616,265)

***Issued share capital during the three months ended March 31, 2026***

- On February 19, 2026, the Company closed a bought deal private placement for aggregate gross proceeds of \$62,500,000 consisting of (i) 4,000,000 common shares of the Company at a price of \$12.50 per share, for aggregate gross proceeds of \$50,000,000, and (ii) 1,000,000 units at \$12.50 per unit, for aggregate gross proceeds of \$12,500,000. Each unit consists of one common share of the Company and one-quarter of one warrant, with each whole warrant being exercisable for one common share of the Company at an exercise price of \$18.00 per share for a period of 18 months from the closing. During the three months ended March 31, 2026, the Company recorded \$3,483,908 in share issuance costs related to this financing, which includes \$3,114,875 commission to the underwriters.
- During the three months ended March 31, 2026, a total of 357,800 stock options were exercised at an exercise price of \$0.80 per share for aggregate gross proceeds of \$286,041 resulting in the issuance of 357,800 common shares. The associated fair value of \$215,813 previously recognized in reserves was reclassified to share capital upon exercise.

***Issued share capital during the year ended December 31, 2025***

- On May 7, 2025, the Company closed a private placement and issued 131,600 common shares at a price of \$0.80 per common share for gross proceeds of \$105,000.
- On May 16, May 29, and June 10, 2025, the Company closed a series of private placements, issuing a total of 8,494,255 common shares at a price of \$1.60 per share for aggregate gross proceeds of \$13,554,660.
- On October 17, 2025, pursuant to the completion of the RTO, 888,410 common shares are deemed to have been issued by the accounting acquirer to the existing shareholders of Silverco Ltd as consideration for obtaining a listing on the TSXV.
- During the year ended December 31, 2025, the Company recorded \$1,354,966 in share issuance costs.

**b) Share-based compensation**

As at March 31, 2026, the Company's equity incentive compensation plan authorizes the issuance of a maximum of 6,523,252 common shares for stock options, PSUs, RSUs, and DSUs granted to eligible employees, officers, directors and consultants of the Company.

# SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025

(Unaudited, expressed in Canadian dollars, except where noted)

### Stock options

The following table summarizes changes in stock options for the three months ended March 31, 2026 and the year ended December 31, 2025:

	March 31, 2026		December 31, 2025	
	Stock options	Weighted average exercise price	Stock options	Weighted average exercise price
	#	\$	#	\$
Balance, beginning of period	3,852,386	1.22	2,180,800	0.80
Granted	55,000	9.02	1,635,600	1.60
RTO Additions	-	-	35,986	8.53
Expired	(9,778)	15.50	-	-
Exercised	(357,800)	0.80	-	-
<b>Balance, end of period</b>	<b>3,539,808</b>	<b>1.33</b>	<b>3,852,386</b>	<b>1.22</b>

The following table summarizes information relating to stock options outstanding and exercisable as at March 31, 2026:

Grant date	Options outstanding	Expiry date	Exercise price	Remaining life	Options vested
	#		\$	Years	#
April 30, 2022	23,058	April 30, 2027	4.55	1.08	23,058
October 22, 2024	1,823,000	October 22, 2029	0.80	3.56	1,823,000
January 15, 2025	3,150	January 15, 2030	16.00	3.80	3,150
August 01, 2025	1,635,600	August 01, 2030	1.60	4.34	545,200
March 19, 2026	55,000	March 19, 2031	9.02	4.95	-
	<b>3,539,808</b>		<b>1.33</b>	<b>3.93</b>	<b>2,394,408</b>

During the three months ended March 31, 2026, the Company granted a total of 55,000 stock options to a consultant at an exercise price of \$9.02 and a weighted-average fair value \$6.07 per stock option. The stock options vest in four equal installments of one-quarter each on March 19, 2027, June 19, 2027, September 19, 2027, and December 19, 2027

The following assumptions were used in the Black-Scholes valuation:

	March 31, 2026	December 31, 2025
Share price at grant date	\$9.02	\$1.60
Risk-free rate	3.02%	2.95%
Dividend yield	nil	nil
Stock price volatility	83%	75%
Life of option (years)	5	5

### Performance share units

The following table summarizes changes in PSUs for the three months ended March 31, 2026 and the year ended December 31, 2025:

	March 31, 2026		December 31, 2025	
	PSUs	Weighted average grant date fair value	PSUs	Weighted average grant date fair value
	#	\$	#	\$
Balance, beginning of period	1,410,000	1.60	-	-
Granted	-	-	1,410,000	1.60
<b>Balance, end of period</b>	<b>1,410,000</b>	<b>1.60</b>	<b>1,410,000</b>	<b>1.60</b>

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### Restricted share units

The following table summarizes changes in RSUs for the three months ended March 31, 2026 and the year ended December 31, 2025:

	March 31, 2026		December 31, 2025	
	RSUs	Weighted average grant date fair value	RSUs	Weighted average grant date fair value
	#	\$	#	\$
Balance, beginning of period	-	-	-	-
Granted	285,000	9.07	-	-
<b>Balance, end of period</b>	<b>285,000</b>	<b>9.07</b>	<b>-</b>	<b>-</b>

During the three months ended March 31, 2026, the Company granted an aggregate of 285,000 RSUs to certain officers and consultants of the Company. Each RSU entitles the holder to receive one common share or cash equivalent, at the Company's discretion, upon settlement. The RSUs are accounted for as equity-settled share-based payment transactions under IFRS 2, as the Company intends to settle all RSUs in common shares and has no past practice or present obligation of cash settlement. The RSUs vest in three equal tranches: one-third on March 23, 2027, one-third on March 23, 2028, and one-third on March 23, 2029.

Share-based compensation is summarized as follows:

	March 31, 2026	March 31, 2025
	\$	\$
Stock options	212,990	-
PSUs	587,032	-
RSUs	34,605	-
<b>Total</b>	<b>834,627</b>	<b>-</b>

### c) Share purchase warrants

The following table summarizes changes in warrants for the three months ended March 31, 2026 and the year ended December 31, 2025:

	March 31, 2026		December 31, 2025	
	Share purchase warrants	Weighted average exercise price	Share purchase warrants	Weighted average exercise price
	#	\$	#	\$
Balance, beginning of period	1,479,660	2.69	872,880	0.80
Granted	250,000	18.00	509,657	1.60
RTO Additions	-	-	120,615	27.53
Expired	(13,696)	29.78	(23,492)	36.25
<b>Balance, end of period</b>	<b>1,715,964</b>	<b>4.70</b>	<b>1,479,660</b>	<b>2.69</b>

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As at March 31, 2026, exercisable share purchase warrants are as follows:

Expiry date	Weighted average exercise price	Number of warrants	Weighted average remaining term
	\$	#	Years
October 15, 2026	20.00	5,000	0.54
December 23, 2026	25.00	7,500	0.73
December 24, 2026	25.00	54,677	0.73
February 18, 2027	25.00	16,250	0.89
August 19, 2027	18.00	250,000	1.39
June 20, 2029	0.72	28,200	3.22
June 26, 2029	0.80	454,118	3.24
September 26, 2029	0.80	390,562	3.49
June 10, 2030	1.60	509,657	4.20
	<b>4.70</b>	<b>1,715,964</b>	<b>3.19</b>

During the three months ended March 31, 2026 the Company issued the following share purchase warrants:

On February 19, 2026, in connection with the bought deal private placement, the Company issued 1,000,000 units at a price of \$12.50 per unit. Each unit consisted of one common share of the Company and one-quarter of one warrant. As a result, the Company issued 250,000 common share purchase warrants, with each whole warrant exercisable for one common share of the Company at an exercise price of \$18.00 per share for a period of 18 months from closing. The Company applied the residual value method to allocate the proceeds of the unit offering, whereby the proceeds were first allocated to the common shares based on their fair market value at the time the units were priced, with any residual value allocated to the warrants. As the fair value of the common shares equaled the unit price, no residual value was attributed to the warrants.

#### 11. NUEVO TRANSACTION EXPENSES

During the three months ended March 31, 2026, the Company incurred \$434,776 in transaction expenses related to the acquisition of Nuevo (Note 17). These expenses comprise professional and advisory fees directly attributable to the transaction.

#### 12. RELATED PARTY TRANSACTIONS

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

	March 31, 2026	March 31, 2025
	\$	\$
Salaries, benefits and directors' fees	334,948	13,950
Share-based compensation	782,931	-
	<b>1,117,879</b>	<b>13,950</b>

There were no significant transactions with related parties outside of the ordinary course of business during the three months ended March 31, 2026 and 2025.

#### 13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2026 financial instruments comprising cash, accounts payable and accrued liabilities are classified and measured at amortized cost. The carrying value of these financial instruments approximate the fair value due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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## Notes to the Condensed Interim Consolidated Financial Statements

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### a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash. The Company minimizes its credit risk related to cash by placing cash with major financial institutions.

### b) Liquidity risk

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

As at March 31, 2026, the Company had working capital of \$55,593,496 (December 31, 2025 – \$730,931), an accumulated deficit of \$28,268,851 (December 31, 2025 – \$22,864,057), a net comprehensive loss of \$5,315,074 (December 31, 2025 – \$17,471,860), and cash used in operating activities of \$4,277,011 (December 31, 2025 – \$14,595,812). The Company has not yet generated revenue from mining operations and its ability to continue as a going concern is dependent upon its ability to generate positive cash flow from production and/or raise adequate funding through equity or debt financing to discharge its liabilities as they become due and to fund its planned exploration and development activities.

A summary of the Company's undiscounted financial liabilities as at March 31, 2026 is as follows:

	Within 1 year	1-3 years	3+ years	Total
Accounts payable and accrued liabilities	3,933,448	-	-	3,933,448
Lease liabilities	149,025	66,277	-	215,302
Reclamation provision	-	-	4,450,691	4,450,691

### c) Market risk

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

*I. Interest rate risk:*

The Company is not exposed to significant interest rate risk on the basis that its financial liabilities bear no interest or interest at fixed rates.

*II. Price risk:*

The Company is not exposed to significant other price risk as it does not hold any equity investments, commodity contracts, or other financial instruments whose value is subject to market price fluctuations.

*III. Currency risk:*

Certain of the Company's operational activities are conducted in the MXN; therefore, the Company is exposed to foreign exchange risk due to fluctuations in the MXN relative to the Canadian dollar. Foreign exchange risk arises from financial assets and liabilities that are denominated in MXN. The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time.

### d) Foreign currency risk

Certain of the Company's operational activities are conducted in the MXN and is exposed to foreign exchange risk due to fluctuations in the MXN relative to the Canadian dollar. Foreign exchange risk arises from financial assets and liabilities that are denominated in MXN. The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time.

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A summary of the Company's financial assets and liabilities held in MXN, expressed in Canadian dollars, is as follows:

	<b>March 31, 2026</b>	December 31, 2025
	\$	\$
Cash	<b>200,612</b>	59,772
Value added taxes and GST receivable	<b>2,496,529</b>	2,208,412
Accounts payable and accrued liabilities	<b>(1,097,823)</b>	(957,142)
Lease liabilities	<b>(200,093)</b>	(260,607)
Reclamation provision	<b>(3,094,146)</b>	(2,884,693)
<b>Net financial liability</b>	<b>(1,694,921)</b>	(1,834,258)

The effect on net loss and comprehensive loss for the three months ended March 31, 2026, of a 5% change in Canadian dollar against the Mexican Pesos on the above-mentioned net financial liabilities of the Company is estimated to have an increase or decrease in foreign exchange gain or loss of \$84,746 (December 31, 2025 - \$91,712).

#### 14. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the acquisition, exploration and development of silver properties.

The Company's assets, liabilities and net loss by geographic location are as follows:

<b>As at March 31, 2026</b>	<b>Canada</b>	<b>Mexico</b>	<b>Total</b>
	\$	\$	\$
<b>ASSETS</b>			
Cash	56,042,338	200,612	<b>56,242,950</b>
Value added taxes and GST receivable	346,037	2,496,529	<b>2,842,566</b>
Prepaid expenses and deposits	320,978	258,496	<b>579,474</b>
Exploration and evaluation asset	-	7,779,193	<b>7,779,193</b>
Property and equipment	-	304,330	<b>304,330</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	2,835,625	1,097,823	<b>3,933,448</b>
Lease liabilities	-	200,093	<b>200,093</b>
Reclamation provision	-	3,094,146	<b>3,094,146</b>

<b>As at December 31, 2025</b>	<b>Canada</b>	<b>Mexico</b>	<b>Total</b>
	\$	\$	\$
<b>ASSETS</b>			
Cash	1,065,183	59,772	<b>1,124,955</b>
Value added taxes and GST receivable	375,639	2,208,412	<b>2,584,051</b>
Prepaid expenses and deposits	211,362	33,861	<b>245,223</b>
Exploration and evaluation asset	-	7,555,692	<b>7,555,692</b>
Property and equipment	-	369,333	<b>369,333</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	2,077,672	957,142	<b>3,034,814</b>
Lease liabilities	-	260,607	<b>260,607</b>
Reclamation provision	-	2,884,693	<b>2,884,693</b>

	<b>Canada</b>	<b>Mexico</b>	<b>Total</b>
	\$	\$	\$
Three months ended March 31, 2026, <b>Net loss</b>	2,471,524	2,933,270	<b>5,404,794</b>
Three months ended March 31, 2025, <b>Net loss</b>	30,651	743,748	<b>774,399</b>

## **SILVERCO MINING LTD. (formerly Quetzal Copper Corp.)**

### **Notes to the Condensed Interim Consolidated Financial Statements**

#### **For the three months ended March 31, 2026 and 2025**

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#### **15. CAPITAL MANAGEMENT**

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations comprising the acquisition, exploration and development of its mineral properties. The Company obtains funding primarily through issuing share capital. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the three months ended March 31, 2026. The Company is not subject to externally imposed capital requirements.

#### **16. INCOME TAXES**

No current or deferred income tax expense or recovery was recognized for the three months ended March 31, 2026 and 2025. The Company continues to maintain a full valuation allowance against its deferred tax assets due to uncertainty as to the realization of these assets. There have been no material changes to the Company's tax position since December 31, 2025.

#### **17. SUBSEQUENT EVENTS**

On May 19, 2026, the Company completed the previously announced acquisition (the "Transaction") of Nuevo. Pursuant to the Transaction, the Company acquired all of the issued and outstanding common shares of Nuevo in exchange for the issuance of 16,802,283 common shares of the Company to former Nuevo shareholders on a pro rata basis. Nuevo, through its wholly-owned subsidiary, holds a 100% interest in the La Negra Mine in Querétaro, Mexico.

As the Transaction closed subsequent to March 31, 2026, the financial impact of the acquisition is not reflected in the condensed interim consolidated financial statements for the three months ended March 31, 2026. The acquisition is expected to be accounted for as a business combination using the acquisition method. The acquisition will be accounted for and disclosed in the Company's condensed interim consolidated financial statements for the reporting period ending June 30, 2026.

The initial recognition of the acquisition includes all assets acquired, including identifiable intangible assets, and liabilities assumed at their respective fair values. The determination of the fair value of the identifiable assets acquired and liabilities assumed will be determined with the assistance of independent valuation specialists. The Company expects to disclose the preliminary purchase price allocation in the interim condensed consolidated financial statements for the period ended June 30, 2026.