



**SILVER VALLEY METALS CORP.**

(An Exploration Stage Enterprise)

**Condensed Consolidated Interim Financial Statements  
For the Six Months Ended December 31, 2025 and 2024**

(Expressed in Canadian Dollars)

### **Responsibility for Financial Statements**

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

**SILVER VALLEY METALS CORP.**

(An Exploration Stage Enterprise)

**Condensed Consolidated Interim Statements of Financial Position**

As at December 31, 2025 and June 30, 2025

(Expressed in Canadian Dollars)

As at	December 31, 2025	June 30, 2025
	\$	\$
<b>ASSETS</b>		
Current		
Cash and cash equivalents	28,469	104,820
Amounts receivable	33,119	15,791
Shares receivable (Note 6)	1,129,684	480,247
Investments (Note 5)	1,144,000	264,000
Prepaid expenses	31,190	16,874
	2,366,462	881,732
Equipment (Note 4)	1,908	2,244
Shares receivable (Note 6)	-	240,123
Exploration and evaluation assets (Note 6)	3,380,332	3,245,359
	5,748,702	4,369,458
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (Note 9)	1,628,380	1,350,127
	1,628,380	1,350,127
Loan payable (Note 7)	49,109	51,767
	1,677,489	1,401,894
<b>Shareholders' equity</b>		
Share capital (Note 8)	8,923,724	8,923,724
Reserves	9,127,821	9,127,821
Deficit	(13,980,332)	(15,083,981)
	4,071,213	2,967,564
	5,748,702	4,369,458

These consolidated financial statements were authorized for issue by the Board of Directors on February 27, 2026. They are signed on behalf of the Board of Directors by:

*"Timothy Mosey"*\_\_\_\_\_  
Director*"Brandon Rook"*\_\_\_\_\_  
Director

**SILVER VALLEY METALS CORP.**

(An Exploration Stage Enterprise)

**Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)**

For the six months ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

	Three months ended December 31,		Six months ended December 31,	
	2025	2024	2025	2024
	\$	\$	\$	\$
<b>EXPENSES</b>				
Advertising and promotion	10,523	5,105	27,736	16,292
Consulting fees (Note 9)	45,600	91,200	91,200	91,200
Depreciation (Note 4)	137	198	276	396
General administrative (Note 9)	18,439	20,614	33,749	32,486
Interest (Note 7)	610	710	1,530	1,459
Professional fees (Note 9)	38,855	35,670	65,855	57,755
Share-based payments (Notes 8 and 9)	-	-	-	1,068
<b>LOSS BEFORE OTHER ITEMS</b>	(114,164)	(153,497)	(220,346)	(200,656)
<b>OTHER ITEMS</b>				
Foreign exchange gain (loss)	(4,991)	(5,340)	(54,796)	53,662
Realized gain on investments (Note 5)	14,477	-	14,477	-
Fair value changes on investments and shares receivable (Notes 5 and 6)	404,260	(50,000)	1,364,314	(30,000)
Loss on disposition of Ranger-Page project (Note 6)	-	-	-	(125,104)
<b>NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)</b>	299,582	(208,837)	1,103,649	(302,098)
Earnings (loss) per share - basic and dilutive	0.02	(0.01)	0.06	(0.02)
Weighted average number of shares outstanding - basic and dilutive	19,290,772	19,290,772	19,290,772	19,108,100

**SILVER VALLEY METALS CORP.**

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**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity**

For the six months ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

	Common Shares				Total Shareholders' Equity
	Number of Shares	Amount	Reserves	Deficit	
	(Note 8)	\$	\$	\$	\$
Balance, June 30, 2024	18,526,883	8,832,057	9,126,753	(14,236,728)	3,722,082
Shares issued for finder's fees	763,889	91,667	-	-	91,667
Share-based payments	-	-	1,068	-	1,068
Loss and comprehensive loss	-	-	-	(302,098)	(302,098)
<b>Balance, December 31, 2024</b>	<b>19,290,772</b>	<b>8,923,724</b>	<b>9,127,821</b>	<b>(14,538,826)</b>	<b>3,512,719</b>
Balance, June 30, 2025	19,290,772	8,923,724	9,127,821	(15,083,981)	2,967,564
Income and comprehensive income	-	-	-	1,103,649	1,103,649
<b>Balance, December 31, 2025</b>	<b>19,290,772</b>	<b>8,923,724</b>	<b>9,127,821</b>	<b>(13,980,332)</b>	<b>4,071,213</b>

**SILVER VALLEY METALS CORP.**

(An Exploration Stage Enterprise)

**Condensed Consolidated Interim Statements of Cash Flows**

For the six months ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

	2025	2024
	\$	\$
<b>CASH USED IN:</b>		
<b>OPERATING ACTIVITIES</b>		
Net income (loss) and comprehensive income (loss)	1,103,649	(302,098)
Items not involving cash:		
Depreciation	276	396
Interest expense	479	228
Share-based payments	-	1,068
Loss on disposition of Ranger-Page project	-	125,104
Realized gain on investments	(14,477)	-
Fair value changes on investments and share receivable	(1,364,314)	30,000
Changes in non-cash working capital items:		
Amounts receivable	(17,328)	(11,451)
Prepaid expenses	(14,316)	(28,259)
Accounts payable and accrued liabilities	142,861	9,047
Deposit received in advance	-	(25,000)
	(163,170)	(200,965)
<b>FINANCING ACTIVITIES</b>		
Payments on loan payable	(2,658)	(4,761)
	(2,658)	(4,761)
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation assets expenditures	-	(80,488)
Proceeds from disposition of investment in Silver Dollar	89,477	-
Proceeds from disposition of Ranger-Page project	-	300,000
	89,477	219,512
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(76,351)	13,786
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>	104,820	14,647
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	28,469	28,433
Cash and cash equivalents consist of the following:		
Cash	18,469	18,433
Guaranteed Investment Certificates	10,000	10,000
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	28,469	28,433
Supplemental cash flow information:		
Income tax paid	-	-
Interest paid	1,051	1,231
Non-cash financing and investing activities:		
E&E expenditures included within accounts payable and accrued liabilities	134,913	20,809
Depreciation included within E&E assets	60	85

# **SILVER VALLEY METALS CORP.**

(An Exploration Stage Enterprise)

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**For the Six Months Ended December 31, 2025 and 2024**

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Silver Valley Metals Corp. (the "Company") was incorporated on July 10, 2003, under the laws of British Columbia. The Company is an exploration stage company which engages in the business of acquisition, exploration, and development of mineral properties in North America. The Company's head office is located at Suite 2110-650 West Georgia Street, Vancouver, B.C., V6B 4S8. On February 2, 2022, the Company commenced trading on the OTCQB Venture Market in the United States under the ticker symbol "SVMFF".

The Company had a net income of \$1,103,649 (2024 - net loss of \$302,098) during the six months ended December 31, 2025, and a deficit of \$13,980,332 (June 30, 2025 - \$15,083,981) as at December 31, 2025, which has been funded mainly by the issuance of equity. The accompanying consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and/or generate continued financial support in the form of equity financings. These material uncertainties may cast significant doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and the financial position classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

On July 7, 2025, the Company consolidated its issued and outstanding common shares based on one post-consolidated common share for every three pre-consolidated common shares. Share consolidation has been applied retrospectively and, as a result, shares, restricted share units, options, warrants, and per share amounts are stated on an adjusted basis (Note 8).

### **2. BASIS OF PREPARATION**

#### **Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of the condensed consolidated interim financial statements ("IFRS Accounting Standards"). The accounting policies followed in these consolidated financial statements are the same as those applied in the audited annual consolidated financial statements for the Company for the year ended June 30, 2025.

These condensed consolidated interim financial statements of the Company for the six months ended December 31, 2025, were reviewed, approved and authorized for issue by the Board of Directors on February 27, 2026.

#### **Basis of Measurement**

These consolidated financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs except for certain financial instruments, which are measured at fair value. The consolidated financial statements are presented in Canadian dollars which is also the functional currency of the Company and its subsidiaries.

# SILVER VALLEY METALS CORP.

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Six Months Ended December 31, 2025 and 2024

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### Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Grupo Minero Alset, S.A. de C.V. ("Grupo") in Mexico and North Idaho Metals Corporation ("North Idaho") in Delaware, United States. Grupo and North Idaho were incorporated on June 7, 2016, and May 11, 2021, respectively. All inter-company balances and transactions have been eliminated on consolidation.

### Use of Accounting Judgments, Estimates and Assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited, to:

- a) Exploration and evaluation expenditures  
The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. Cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.
- b) Going concern  
The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.
- c) Valuation of share-based payments  
The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

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### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

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- d) **Determination of functional currency**  
The determination of the functional currency for the Company and its subsidiaries was based on management's judgment of the underlying transactions, events, and conditions relevant to each entity.
- e) **Valuation of shares receivable**  
The Company uses the Finnerty model to estimate the fair value of shares receivable as of closing date and as at December 31, 2025. Certain inputs into the model, including expected price volatility and interest rate, involve judgment. Changes in input assumptions can materially affect the fair value estimate and the Company's earnings.

### 3. MATERIAL ACCOUNTING POLICIES

#### Adoption of New Pronouncements

There were no new accounting standards, amendments, and updates that would either be applicable or have a material effect upon adoption.

#### Amendments to IAS 1, Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025 and must be applied retrospectively. The amendments to IAS 1 do not have a significant impact on the Company's consolidated financial statements.

#### Accounting Standards Issued But Not Yet Applied

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB or IFRS Interpretations Committee that are mandatory for fiscal periods beginning on or after January 1, 2026.

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements. The new standard will establish a revised structure for the statements of comprehensive loss and improve comparability across entities and reporting periods. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The standard is to be applied retroactively, with certain transition provisions. The Company is currently evaluating the impact of adopting IFRS 18 on its financial statements.

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#### 4. EQUIPMENT

	Computer Hardware and Software	Drilling and Exploration Equipment	Total
	\$	\$	\$
<b>COST</b>			
Balance on June 30, 2024 and 2025 and December 31, 2025	19,780	5,187	24,967
<b>DEPRECIATION</b>			
Balance at June 30, 2024	17,143	4,618	21,761
Depreciation	791	171	962
Balance at June 30, 2025	17,934	4,789	22,723
Depreciation	276	60	336
Balance at December 31, 2025	18,210	4,849	23,059
<b>NET CARRYING AMOUNT AS AT</b>			
June 30, 2025	1,846	398	2,244
December 31, 2025	1,570	338	1,908

#### 5. INVESTMENTS

During the year ended June 30, 2025, and the six months ended December 31, 2025, the Company received 3,500,000 common shares of Silver Dollar Resources Incorporated ("Silver Dollar") in relation to the disposition of Ranger-Page Project (Note 6).

During the year ended June 30, 2025, the Company sold 1,050,000 common shares of Silver Dollar for total proceeds of \$220,410 and recorded \$120,116 in fair value decrease in investment.

During the six months ended December 31, 2025, the Company sold 250,000 common shares of Silver Dollar for total proceeds of \$89,477 and recorded a gain on disposal of \$14,477.

As of December 31, 2025, the fair value of 2,200,000 (June 30, 2025 - 1,200,000) common shares of Silver Dollar was \$1,144,000 (June 30, 2025 - \$264,000), resulting in a fair value increase of \$580,000 for the six months ended December 31, 2025.

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### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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#### 6. EXPLORATION AND EVALUATION ASSETS

Mineral property acquisition, exploration, and development expenditures are deferred until the properties are placed into production, sold, impaired, or abandoned. The deferred costs associated with each property as of December 31, 2025, and June 30, 2025, are summarized in the tables below:

	Lithium Salars
	\$
<b>Acquisition costs</b>	
Balance, June 30, 2025 and December 31, 2025	1,656,217
<b>Exploration and evaluation costs</b>	
Balance, June 30, 2025	1,589,142
Depreciation (Note 4)	60
Geological consultants	108,937
Taxes and duties	25,976
Balance, December 31, 2025	1,724,115
Balance, December 31, 2025	3,380,332
	Lithium Salars
	\$
<b>Acquisition costs</b>	
Balance, June 30, 2024 and 2025	1,656,217
<b>Exploration and evaluation costs</b>	
Balance, June 30, 2024	1,208,586
Depreciation (Note 4)	171
Legal and administration	1,809
Permitting and prospecting	78,649
Taxes and duties	299,897
Travel and accommodation	30
Balance, June 30, 2025	1,589,142
Balance, June 30, 2025	3,245,359

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### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**For the Six Months Ended December 31, 2025 and 2024**

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#### **(a) Lithium - Potassium Salars, Mexico**

Pursuant to an agreement dated July 28, 2016, and amended on April 7, 2017, with MKG Mining Mexico, S.A. de C. V. ("MKG"), the Company acquired a 100% interest in lithium, potassium, boron soils, and brine salar assets located in Zacatecas and San Luis Potosi, Mexico.

The property is subject to a 2% net smelter royalty ("NSR") of which 1% can be purchased by the Company for US\$250,000. The property is also subject to a 0.25% NSR in favour of the finder mentioned above.

Pursuant to an agreement dated June 15, 2017, the Company entered into an assignment of mining rights and obligations agreement with Hot Spring Mining, S.A. de C.V. ("Hot Spring Mining") to acquire two concessions located in Zacatecas and San Luis Potosi, Mexico. The properties are subject to a 2.5% NSR of which the Company has the right to purchase up to 1.5% for \$1,500,000.

In November 2017, the Company completed the staking and filing of additional mineral claims for this property.

Included in exploration and evaluation costs is VAT receivable of \$38,445 (June 30, 2025 - \$35,788) on December 31, 2025.

#### **(b) Ranger-Page, USA**

On July 20, 2021, and subsequently amended on July 20, 2022, the Company entered into a definitive agreement with Blackhawk Exploration LLC ("Blackhawk") providing the Company with the option to acquire a 100% interest in the past producing Government Gulch Silver project in the Silver Valley, Coeur d'Alene Mining District, Idaho, USA (the "Option"). The Company may exercise the Option by paying US\$650,000 and incurring US\$3,000,000 of exploration expenditures on the property to earn a 75% interest in the property.

Upon the Company acquiring a 75% interest in the property, the Company shall have the right to either cause the parties to form a joint venture with terms consistent with the usual industry practice including a provision for a participant's interest to be converted to a 2% NSR if its interest is diluted to less than a 10% interest, or purchase Blackhawk's 25% interest at a price to be negotiated between Blackhawk and the Company with both parties acting diligently and in good faith to arrive at a mutually acceptable purchase price. If the parties do not come to agreement on the purchase price, the Company, at its option, can either pay US\$2,250,000, pay US\$1,000,000 and issue US\$1,250,000 worth of shares of the Company to Blackhawk priced at the 20 day volume weighted average price following the date that the Company elects to purchase Blackhawk's 25% interest or by Blackhawk's request, issue US\$2,250,000 worth of shares of the Company to Blackhawk priced at the 20 day volume weighted average price following the date that the Company elects to purchase Blackhawk's 25% interest.

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On November 17, 2021, the Company signed an option agreement with Deadwood Land LLC to acquire the Page Mine and a surrounding exploration land package which comprise 49 patented mining claims. For consideration of the rental and option to acquire 100% of the mineral rights of Page Mine and surrounding project area, the Company will make a payment of US\$60,000 in Year 1 and US\$30,000 per annum in Year 2 to Year 10. The Company can purchase 100% of the patented mineral rights for a payment of US\$1,500,000 and all rental payments will be credited towards the option purchase price.

On July 14, 2024, the Company signed an asset purchase agreement with Silver Dollar whereby Silver Dollar acquired the right, title, and interest in the Ranger-Page Project. The transaction closed on August 6, 2024, and as a result, the Company presented the carrying value of the Ranger-Page Project of \$1,826,786 as assets held for sale as of June 30, 2024. Pursuant to the asset purchase agreement, the Company received cash consideration of \$300,000 and will receive 6,000,000 Silver Dollar common shares ("Payment Shares") in accordance with the following release schedule.

- 1,000,000 Payment Shares on closing date (received);
- 1,250,000 Payment Shares on 6-month anniversary of closing date (received);
- 1,250,000 Payment Shares on 12-month anniversary of closing date (received);
- 1,250,000 Payment Shares on 18-month anniversary of closing date; and
- 1,250,000 Payment Shares on 24-month anniversary of closing date.

The fair value of the Payment Shares was initially measured using the Finnerty valuation model due to lack of marketability of the Payments Shares being held in escrow over a period of 24 months. The following assumptions were used: stock price - \$0.30; expected life - 6 to 24 months; volatility - 89.67% to 96.7%; dividend yield - \$Nil; and risk-free rate - 3.39% to 4.13%.

The Payment Shares will be subject to a statutory four-month hold period and contractual escrow over a period of 24 months from the closing date.

In connection with the closing of this transaction, the Company issued 763,889 common shares valued at \$91,667 for finder's fees and recognized \$125,104 of loss on disposition.

	\$
<b>Consideration:</b>	
Cash	300,000
Shares	1,493,347
Finder's fees	(91,667)
Total	1,701,680
<b>Carrying value of Ranger-Page Project</b>	1,826,786
<b>Loss on disposition</b>	(125,104)

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As of December 31, 2025, the Company has a shares receivable balance of \$1,129,684 (June 30, 2025 - \$720,370), resulting in a fair value increase of \$784,314 (2024 - \$20,000) for the six months ended December 31, 2025, of which \$1,129,684 (June 30, 2025 - \$480,247) is due within one year.

#### 7. LOAN PAYABLE

On April 28, 2020, and August 9, 2021, the Company received a total of \$60,000 under the Canada Emergency Business Account ("CEBA"). The loan is non-interest bearing and no principal repayments are required up to December 31, 2023. If the principal balance of \$40,000 is repaid by December 31, 2023, then the remaining \$20,000 of the principal balance will be forgiven. Any remaining balance after January 1, 2024, will be converted into a three-year term loan with a fixed interest of 5% per annum; monthly interest-only payments and the outstanding balance must be repaid in full by December 31, 2025. On September 14, 2023, the repayment deadline for CEBA loan to qualify for partial loan forgiveness was extended to January 18, 2024, and the repayment date of the CEBA loan was extended to December 31, 2026.

During the six months ended December 31, 2025, interest accrued on the CEBA loan was \$1,251 (2024 - \$1,459), and the Company made a principal payment of \$2,858 (2024 - \$4,761) and an interest payment of \$1,051 (2024 - \$1,231) for the CEBA loan payable.

#### 8. SHARE CAPITAL

On July 7, 2025, the Company consolidated its issued and outstanding common shares based on one post-consolidated common share for every three pre-consolidated common shares. The share consolidation has been applied retrospectively and, as a result, shares, restricted share units, options, warrants, and per share amounts are stated on an adjusted basis (Note 1).

Authorized:

Class A common - unlimited  
Class B common - unlimited  
Common shares - unlimited

Issued:

Class A common - Nil  
Class B common - Nil  
Common shares - 19,290,772 shares

##### (a) Shares issued

During the year ended June 30, 2025, the Company issued 763,889 common shares fair valued at \$91,667 for finder's fees in relation to the disposition of the Ranger-Page project (Note 6).

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#### (b) Stock options

The Company has adopted an incentive stock option plan for granting options to directors, employees, and consultants. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. Options granted may not exceed a term of five years. All options vest upon grant unless otherwise specified by the Board of Directors.

Details of stock option transactions for the six months ended December 31, 2025 and the year ended June 30, 2025, are detailed below.

	Number of Options	Weighted Average Exercise Price
		\$
Balance, June 30, 2024	1,446,667	0.54
Cancelled	(400,000)	0.45
Balance, June 30, 2025 and December 31, 2025	1,046,667	0.58

During the year ended June 30, 2023, the Company granted 633,333 stock options. These options vest 25% on grant date, then 25% every six months after grant date. The total stock option expense for these options granted is \$183,350, of which \$124,000 is recognized as share-based payments during the year ended June 30, 2023, \$63,157 is recognized as share-based payments during the year ended June 30, 2024, and \$1,068 is recognized as share-based payments during the year ended June 30, 2025.

As of December 31, 2025, the following stock options were outstanding:

Expiry Date	Exercise Price	Number of Options	Number of Options Exercisable
	\$		
February 10, 2026	0.60	506,667	506,667
April 6, 2026	0.75	100,000	100,000
July 20, 2026	0.60	40,000	40,000
June 21, 2027	0.60	166,667	166,667
January 13, 2028	0.45	233,333	233,333
		1,046,667	1,046,667

The weighted average life of the options outstanding and exercisable on December 31, 2025 is 0.79 years (June 30, 2025 - 1.29 years) with the weighted average exercise price of \$0.58 (June 30, 2025 - \$0.58).

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Six Months Ended December 31, 2025 and 2024

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture, and employee termination within the valuation model. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option and warrant grants.

#### (c) Warrants

The changes in warrants during the six months ended December 31, 2025, and the year ended June 30, 2025, were as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, June 30, 2024	5,492,420	0.525
Expired	(5,492,420)	0.525
Balance, June 30, 2025 and December 31, 2025	-	-

During the year ended June 30, 2025, all warrants expired unexercised.

## 9. RELATED PARTY TRANSACTIONS

Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described as follows.

#### (a) Compensation of Key Management Personnel

The compensation paid or payable to directors and key management personnel, including fees for administrative, management, accounting, and legal services provided by these related parties, during the six months ended December 31, 2025 and 2024, are as follows:

	2025	2024
	\$	\$
Professional fees	24,000	24,000
Rent expense in general and administrative	6,000	6,000
Consulting fees	91,200	91,200
Share-based payments	-	478
	121,200	121,678

All related party transactions were in the ordinary course of business and were measured at their exchange amount as agreed between the related parties.

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#### **(b) Related Party Balances**

As of December 31, 2025, accounts payable and accrued liabilities include \$256,706 (June 30, 2025 - \$180,806) payable to officers and directors of the Company and companies controlled by them. These amounts are unsecured, non-interest bearing, and have no fixed terms of repayment.

#### **10. CAPITAL DISCLOSURES**

The Company's objectives when managing capital are as follows:

- To safeguard the Company's ability to continue as a going concern;
- To raise sufficient capital to finance its exploration activities on its mineral exploration properties; and
- To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and adjusts it based on the general economic conditions, its short-term working capital requirements, and its planned exploration and development program expenditure requirement. The capital structure of the Company is composed of working capital (deficiency) and shareholders' equity. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing.

The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the current year. To maintain or adjust the capital structure, the Company considers the following:

- i) Incremental investment and acquisition opportunities;
- ii) Equity and debt capital available from capital markets;
- iii) Sale of assets; and
- iv) New share issuances if available on favorable terms.

The Company is not subject to any external financial covenants on December 31, 2025 and June 30, 2025.

#### **11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

IFRS Accounting Standards establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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#### Fair Value of Financial Instruments

The Company's financial assets include cash and cash equivalents, amounts receivable excluding sales taxes receivable, shares receivable, and investments. Cash and cash equivalent and investments are measured at fair value using Level 1 inputs. Shares receivable is measured at fair value using Level 3 inputs. Amounts receivable excluding sales taxes receivable is carried at amortized cost.

The Company's financial liabilities include accounts payable and accrued liabilities, deposit received in advance, and loan payable, all of which are carried at amortized cost.

Fair values of the Company's financial instruments carried at amortized cost approximate their carrying values, due to the short-term maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's consolidated statements of financial position as at December 31, 2025 and June 30, 2025, are as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	\$	\$	\$	\$
Cash and cash equivalents				
December 31, 2025	28,469	-	-	28,469
June 30, 2025	104,820	-	-	104,820
Shares receivable				
December 31, 2025	-	-	1,129,684	1,129,684
June 30, 2025	-	-	720,370	720,370
Investments				
December 31, 2025	1,144,000	-	-	1,144,000
June 30, 2025	264,000	-	-	264,000

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The following table summarizes the carrying value of the Company's financial instruments:

	December 31, 2025	June 30, 2025
	\$	\$
<b>Financial assets</b>		
Fair value through profit and loss (i)	2,302,153	1,089,190
Amortized cost (ii)	30,370	14,844
<b>Financial liabilities</b>		
Amortized cost (iii)	1,677,489	1,401,894

- (i) Cash and cash equivalents, shares receivable, and investments
- (ii) Amounts receivable, excluding sales taxes receivable
- (iii) Accounts payable and loan payable

The Company's financial instruments are exposed to certain risks, including credit risk, interest rate risk, liquidity risk, currency risk, and market risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalent and amounts receivable, excluding sales taxes receivable. The Company's cash and cash equivalent are held through a large Canadian financial institution. Collectability for amounts receivable is assessed on an ongoing basis and a provision for impairment is recorded as necessary.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In management's opinion, the Company is not exposed to significant interest rate risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash is always available to settle financial liabilities. As of December 31, 2025, the Company had cash and cash equivalent on hand of \$28,469 (June 30, 2025 - \$104,820) available to settle current liabilities of \$1,628,380 (June 30, 2025 - \$1,350,127). Accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Loan payables of \$60,000 is due in December 2026 and \$4,323 in interest payments is due in the calendar year 2025.

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#### (d) Currency risk

The Company's functional currency is the Canadian dollar. The Company is primarily exposed to currency fluctuations related to accounts payable and accrued liabilities and payment obligations for exploration and evaluation that are denominated in Mexican Pesos and US dollars. As of December 31, 2025, the Company had net current liabilities of \$1,277,292 (June 30, 2025 - \$1,089,010) denominated in Mexican Pesos and net current liabilities of \$7,481 (June 30, 2025 - \$7,447) denominated in US dollars, translated at 0.07622 pesos to \$1 (June 30, 2025 - 0.07247) and 1.3706 US to \$1 (June 30, 2025 - \$1.3643), respectively. The Company does not actively manage this risk.

#### (e) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as market prices, foreign exchange rates and interest rates. In management's opinion, the Company is not exposed to significant market risk.

## 12. SEGMENTED INFORMATION

The Company currently operates in two geographical operating segments, the exploration of mineral properties in Mexico. Management of the Company makes decisions about allocating resources based on the operating segments. A geographic summary of identifiable long-term assets by country is as follows:

<b>As of December 31, 2025</b>			
	Canada	Mexico	Total
	\$	\$	\$
Equipment	1,569	339	1,908
Exploration and evaluation assets	-	3,380,332	3,380,332

  

<b>As of June 30, 2025</b>			
	Canada	Mexico	Total
	\$	\$	\$
Equipment	1,846	398	2,244
Exploration and evaluation assets	-	3,245,359	3,245,359
Shares receivable	240,123	-	240,123