



SILVER HAMMER
MINING CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2025

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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SILVER HAMMER MINING CORP.

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at	December 31,	September 30,
	Note(s)	2025	2025
		\$	\$
ASSETS			
Current assets			
Cash		793,724	1,248,302
Amounts receivable		8,109	4,376
Prepaid expenses		16,245	13,578
		818,078	1,266,256
Non-current assets			
Reclamation deposits	3	30,978	31,452
Exploration and evaluation assets	3	8,576,221	8,297,457
		8,607,199	8,328,909
TOTAL ASSETS		9,425,277	9,595,165
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5, 6	264,479	430,207
TOTAL LIABILITIES		264,479	430,207
SHAREHOLDERS' EQUITY			
Share capital	4	14,929,894	14,712,647
Reserves	4	2,725,606	2,688,357
Accumulated deficit		(8,494,702)	(8,236,046)
TOTAL SHAREHOLDERS' EQUITY		9,160,798	9,164,958
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,425,277	9,595,165
Corporate information and continuance of operations	1		
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These unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Michael Willett Director

/s/ Donald J. Birak Director

SILVER HAMMER MINING CORP.Condensed Consolidated Interim Statements of Loss and Comprehensive Income (Loss) (unaudited)
(Expressed in Canadian Dollars)

	Note(s)	For the three months ended	
		December 31, 2025	December 31, 2024
		\$	\$
Expenses			
Consulting fees	5	56,250	50,000
Depreciation		-	600
Foreign exchange loss		93,853	23,822
General and administrative		6,287	6,026
Investor relations and promotion		9,115	12,860
Professional fees	5	54,992	50,618
Project evaluation costs		3,326	-
Regulatory and transfer agents		3,933	5,584
Travel		16,395	4,489
Total expenses		(244,151)	(153,999)
Other expenses			
Loss on debt settlement	4	(14,505)	-
Total other expenses		(14,505)	-
Net loss		(258,656)	(153,999)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		37,249	196,531
Total comprehensive income (loss)		(221,407)	42,532
Basic and diluted loss per share for the period attributable to common shareholders (\$ per common share)		(0.00)	(0.00)
Weighted average number of common shares outstanding - basic and diluted		100,186,796	58,114,887

See accompanying notes to these unaudited condensed consolidated interim financial statements

SILVER HAMMER MINING CORP.

Condensed Consolidated Interim Statements of Changes in Equity (unaudited)
(Expressed in Canadian Dollars)

	Note(s)	Share capital		Share subscription received	Reserves			Accumulated deficit	TOTAL
		Number of common shares	\$		Stock options reserve	Warrants reserve	Accumulated other comprehensive income (loss)		
Balance as of September 30, 2025		98,686,796	14,712,647	-	1,590,495	852,355	245,507	(8,236,046)	9,164,958
Share issue costs	4	-	(253)	-	-	-	-	-	(253)
Shares issued for debt settlement	4, 6	1,500,000	217,500	-	-	-	-	-	217,500
Loss and comprehensive income (loss) for the period		-	-	-	-	-	37,249	(258,656)	(221,407)
Balance as of December 31, 2025		100,186,796	14,929,894	-	1,590,495	852,355	282,756	(8,494,702)	9,160,798
Balance as of September 30, 2024		54,191,412	12,405,539	31,500	1,372,210	726,621	153,803	(7,342,150)	7,347,523
Shares issued for cash - private placement	4	3,072,700	122,908	-	-	46,091	-	-	168,999
Share issue costs	4	-	(9,823)	-	-	-	-	-	(9,823)
Fair value of finders' warrants	4	-	(1,767)	-	-	1,767	-	-	-
Shares issued for debt settlement	4, 5	3,389,092	186,400	-	-	-	-	-	186,400
Loss and comprehensive income (loss) for the period		-	-	-	-	-	196,531	(153,999)	42,532
Balance as of December 31, 2024		60,653,204	12,703,257	31,500	1,372,210	774,479	350,334	(7,496,149)	7,735,631

See accompanying notes to these unaudited condensed consolidated interim financial statements

SILVER HAMMER MINING CORP.

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended	
		December 31, 2025	December 31, 2024
		\$	\$
Cash flow from (used in)			
OPERATING ACTIVITIES			
Net loss		(258,656)	(153,999)
Depreciation		-	600
Loss on debt settlement	4	14,505	-
Effects of currency exchange rate changes		91,669	186,398
Net changes in non-cash working capital items:			
Amounts receivable		(3,733)	10,055
Prepaid expenses		(2,672)	3,896
Accounts payable and accrued liabilities		(80,057)	(179,481)
Cash flow used in operating activities		(238,944)	(132,531)
INVESTING ACTIVITIES			
Exploration and evaluation assets additions	3	(215,381)	(1,027)
Cash flow used in investing activities		(215,381)	(1,027)
FINANCING ACTIVITIES			
Proceeds on issuance of common shares, net of cash share issue costs	4	-	159,176
Share issue costs	4	(253)	-
Cash flow (used in) provided by financing activities		(253)	159,176
(Decrease) increase in cash		(454,578)	25,618
Cash, beginning of period		1,248,302	35,767
Cash, end of period		793,724	61,385
Supplemental cash flow information			
Change in accounts payable and accrued liabilities related to exploration and evaluation assets		117,324	4,033
Fair value of finders' warrants	4	-	1,767
Shares issued for debt settlement	4, 6	217,500	186,400
Cash paid for income taxes		-	-
Cash paid for interest		-	-

See accompanying notes to these unaudited condensed consolidated interim financial statements

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the Three Months Ended December 31, 2025
(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Silver Hammer Mining Corp. (the “Company”) was incorporated on May 2, 2017 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is Suite 300-1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9, Canada.

The Company’s common shares are listed on the Canadian Securities Exchange under the symbol “HAMR”.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As of December 31, 2025, the Company holds an interest in early-stage mineral exploration properties located in the United States and the Company had not yet determined whether the Company’s mineral property asset contains a deposit of minerals that is economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had a deficit of \$8,494,702 as of December 31, 2025 (September 30, 2025 – \$8,236,046), which has been funded primarily by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements. While the Company has been successful in obtaining financing in the past, there is no assurance that such financing will continue to be available or be available on favorable terms in the future. An inability to raise additional financing may impact the future assessment of the Company as a going concern. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company’s assets may be adversely affected. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

Listed Issuer Financing Exemption (LIFE)

On February 20, 2026, the Company closed its previously announced non-brokered private placement pursuant to the Listed Issuer Exemption under Part 5A of NI 45-106, issuing 39,136,170 units at \$0.10 per unit for gross proceeds of \$3,913,617. Each unit consisted of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at \$0.15 for a period of 36 months from closing. In connection with the offering, the Company paid \$147,490 in cash finder’s fees and issued 1,474,900 finder’s warrants, exercisable at \$0.15 for 36 months, subject to a statutory hold period of four months plus one day.

Proceeds from the offering are intended to be used for exploration activities at the Company’s Silver Strand, Fahey, Eliza, and Silverton projects, and for general working capital purposes.

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the Three Months Ended December 31, 2025
(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

Statement of compliance with International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

Basis of presentation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended September 30, 2025.

These unaudited condensed consolidated interim financial statements of the Company for the three months ended December 31, 2025 were approved by the Board of Directors on February 27, 2026.

New accounting standards and pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB that are mandatory for accounting periods beginning on or after October 1, 2025. The Company does not expect that any new or amended standards or interpretations that are effective for annual periods beginning on or after October 1, 2025 will have a significant impact on the Company’s results of operations or financial position.

- *IFRS 18 Presentation and Disclosure in the Financial Statements*

In April 2024, the IASB issued a new IFRS accounting standard to improve the reporting of financial performance. IFRS 18 Presentation and Disclosure in the Financial Statements replaces IAS 1 Presentation of Financial Statements. The standards will become effective January 1, 2027, with early adoption permitted.

The Company is in the process of assessing the impact of these new standards on the Company’s consolidated financial statements.

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2025

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

The Company's evaluation and exploration assets are broken down as follows:

	Silver Strand Project \$	Eliza Silver Project \$	Silverton Silver Project \$	Fahey Property \$	TOTAL \$
Balance as of September 30, 2025	4,967,064	1,815,923	1,514,470	-	8,297,457
Acquisition costs					
- cash	-	-	-	34,982	34,982
	-	-	-	34,982	34,982
Deferred exploration costs					
- Consulting	-	16,986	-	-	16,986
- Drilling	-	-	146,015	-	146,015
- Field	-	-	27,993	-	27,993
- Field office administration	50	77	4,107	-	4,234
- Geological	5,393	2,633	68,870	-	76,896
- Sample analysis	-	-	3,097	-	3,097
- Travel	-	-	22,502	-	22,502
	5,443	19,696	272,584	-	297,723
Effect of movements in exchange rates	(36,086)	(8,763)	(8,869)	(223)	(53,941)
Balance as of December 31, 2025	4,936,421	1,826,856	1,778,185	34,759	8,576,221
Balance as of September 30, 2024	4,869,087	1,770,086	1,488,662	-	8,127,835
Deferred exploration costs					
- Geological	5,060	-	-	-	5,060
	5,060	-	-	-	5,060
Effect of movements in exchange rates	145,447	32,602	16,548	-	194,597
Balance as of December 31, 2024	5,019,594	1,802,688	1,505,210	-	8,327,492

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the Three Months Ended December 31, 2025
(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Silver Strand Project

Asset Purchase Agreement with Silver Strand Development LLC

On January 21, 2021, the Company through its' wholly owned subsidiary, 123456 US Inc., entered into an asset purchase agreement with a third party, Silver Strand Development LLC. ("SSD") (the "SSD Agreement") to acquire a 100% interest in certain mineral claims (the "SSD Claims") located in the State of Idaho, USA.

To acquire 100% interest of the SSD Claims, the Company will have to:

- Pay US\$10,000 to SSD for the transfer of the title to 123456 US Inc. of the SSD Claims (the "Transfer of Title") (paid);
- Pay US\$25,000 to SSD within 5 business days of the SS Acquisition (paid – \$31,171);
- Issue 200,000 common shares of the Company to SSD at the date of the SS Acquisition (issued with fair value of \$50,000);
- Pay US\$25,000 to SSD on the first anniversary following the completion of the SS Acquisition (paid – \$32,371); and
- Issue 200,000 common shares of the Company to SSD on the first anniversary following the completion of the SS Acquisition (issued with fair value of \$73,000).

Eliza Silver Project and Silverton Silver Project

The Company through its' wholly owned subsidiary, 1304562 B.C. Ltd., owns a 100% interest in the Eliza Silver Project and the Silverton Silver Mine.

During the year ended September 30, 2022, the Company entered into an asset purchase agreement with Treasure Hill Resources LLC ("TH Resources") to acquire certain patented mining claims and associated property rights in White Pine County, Nevada (the "California Patent") with an amount of \$31,263 (US\$25,000). TH Resources will retain a 1% Net Smelter Returns ("NSR") from the production of minerals from the California Patent.

During the year ended September 30, 2022, the Company made a reclamation deposit of US\$22,600 as collateral for the Silverton Silver project in the event of future operations. As of December 31, 2025, the balance of the reclamation deposit was \$30,978 (US\$22,600) (September 30, 2025 – \$31,452 (US\$22,600)).

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the Three Months Ended December 31, 2025
(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Fahey Property

On October 20, 2025 (the "FP Effective Date"), the Company entered into a Mining Option Agreement with Fahey Group Mines, Inc. ("Fahey Group") granting the Company the exclusive right to acquire a 100% interest in eighteen unpatented lode mining claims located in Shoshone County, Idaho (the "Fahey Property"). The Property is subject to U.S. federal mining law and is currently in good standing.

To earn a 100% interest, the Company is required to make total consideration of US\$50,000 in cash and common shares of the Company with a value of \$450,000 to Fahey Group, and incur a minimum of \$1,500,000 in eligible exploration expenditures, as follows:

- Cash payments
 - US\$25,000 due within 3 business days of the FP Effective Date (paid); and
 - US\$25,000 due by June 30, 2026.

- Share payments
 - \$50,000 by December 31, 2026;
 - \$75,000 by December 31, 2027;
 - \$75,000 by December 31, 2028;
 - \$125,000 by December 31, 2029; and
 - \$125,000 by December 31, 2030[^].

[^]The Company may extend the deadlines for one year by issuing additional shares valued at \$50,000.

Share issuances are valued at the 20-day volume-weighted average trading price ("VWAP") of the Company's shares prior to issuance, subject to a minimum price of C\$0.05 under CSE policies. The Company may elect to settle share-based payments in cash.

- Exploration expenditures:
 - \$200,000 by December 31, 2027 and
 - \$1,300,000 by December 31, 2030.

Upon exercise of the option, Fahey Group will retain a 2.0% NSR on all minerals produced from the Fahey Property. The Company may repurchase 0.5% of the NSR for US\$1,000,000. A milestone payment of US\$1,500,000 is payable upon commencement of commercial production, in cash or shares at the Company's discretion.

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2025

(Expressed in Canadian Dollars)

4. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

As of December 31, 2025, the Company had 100,186,796 common shares issued and outstanding (September 30, 2025 – 98,686,796).

During the three months ended December 31, 2025

- During the year ended September 30, 2025, the Company entered into an agreement to settle debt of US\$90,684, including applicable interest, owing to a former service provider through the issuance of 1,500,000 common shares.

On October 1, 2025, the Company issued 1,500,000 common shares with a fair value of \$217,500. As a result, the Company recognized a loss on debt settlement of \$14,505, recorded in the consolidated statements of loss and comprehensive loss for the three months ended December 31, 2025. In connection with the debt settlement, the Company incurred share issuance costs of \$253.

During the three months ended December 31, 2024

- On October 1, 2024, the Company executed an agreement with the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) to settle outstanding payables amounting to \$186,400 through the issuance of 3,389,092 common shares.
- On December 16, 2024, the Company completed a brokered private placement (the “2024 Financing”) by issuing 3,072,700 units at \$0.055 per unit for total gross proceeds of \$168,999. Each unit is comprised of one common share of the Company and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.07 for a period of 36 months from the closing date of the 2024 Financing.

For accounting purposes, the Company applied the residual method to allocate the proceeds to common shares and warrants and determined that \$46,091 was allocated to the warrants.

In connection with the 2024 Financing, the Company:

- paid finders’ fees of \$5,285 in cash; and
- issued 96,089 finders’ warrants, each exercisable to acquire one common share at \$0.07 for a period of 36 months from the closing date of the 2024 Financing.

The Company estimated the fair value of finders’ warrants using the Black-Scholes options pricing model, assuming a risk-free interest rate of 2.94%, an expected life of 3 years, an expected volatility of 90% and an expected dividend yield of 0%, which totaled \$1,767, and recorded these values as share issuance costs.

- In connection with the share capital transaction discussed above, the Company incurred \$4,538 in share issuance costs.

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2025

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (CONTINUED)**Warrants**

Except for the items mentioned above, no warrants were issued, exercised, or expired during the three months ended December 31, 2025, and 2024.

The following summarizes information about warrants outstanding as of December 31, 2025:

Expiry date	Exercise price (\$)	Warrants outstanding	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
December 16, 2027	0.07	3,168,789	47,858	1.96
April 17, 2028	0.07	572,727	-	2.30
August 1, 2030	0.07	6,159,418	4,652	4.59
September 18, 2030	0.07	27,876,844	73,224	4.72
		37,777,778	125,734	4.43
Weighted average exercise price (\$)		0.07		

Options

The Company has a share option plan (the "Plan") that allows it to grant options to its employees, officers, directors and consultants. A fixed maximum of 10% of the common shares issued may be granted. The exercise price of each option shall not be less than the closing market price for the common shares on the trading day prior to the date of the grant. Options may have a maximum term of ten years. Vesting conditions of options is at the discretion of the Board of Directors at the time the options are granted.

No stock options were issued, exercised or expired, during the three months ended December 31, 2025 and 2024.

The following summarizes information about stock options outstanding and exercisable as of December 31, 2025:

Expiry date	Exercise price (\$)	Options outstanding	Options exercisable	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
June 16, 2026	0.62	400,000	400,000	146,094	0.46
February 15, 2028	0.24	1,120,000	1,120,000	218,014	2.13
March 15, 2028	0.24	185,000	185,000	22,248	2.21
July 31, 2030	0.06	4,300,000	4,300,000	178,456	4.58
September 15, 2030	0.08	750,000	750,000	39,829	4.71
		6,755,000	6,755,000	604,641	3.88
Weighted average exercise price (\$)		0.13	0.13		

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2025

(Expressed in Canadian Dollars)

5. RELATED PARTY TRANSACTIONS

Related party transactions

The Company considers the executive officers and directors as the key management of the Company.

Total compensation of key company personnel for the three months ended December 31, 2025 and 2024 is as follows:

	For the three months ended	
	December 31, 2025	December 31, 2024
	\$	\$
Peter Ball, CEO, President, Director ⁽¹⁾		
Consulting fees	50,000	50,000
Alnesh Mohan, CFO, Director, Corporate Secretary ⁽²⁾		
Professional fees	31,200	31,260
Angie Ball, Corporate Administrator ⁽¹⁾		
Professional fees	9,807	-
TOTAL	91,007	81,260

(1) Fees paid to Ariston Capital Corp., a corporation controlled by the CEO, President and Director.

(2) Fees paid to Quantum Advisory Partners LLP, a partnership in which the CFO is an incorporated partner. Fees were paid for the provision of CFO, financial reporting and accounting support.

Related party balances

The balances due to the Company's directors and officer, included in accounts payable and accrued liabilities, amounted to \$2,881 as of December 31, 2025 (September 30, 2025 – \$60,711). These amounts are unsecured, non-interest bearing, and payable on demand.

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2025

(Expressed in Canadian Dollars)

6. CONTINGENCIES

The Company is from time to time involved in various claims, legal proceedings and complaints arising in the ordinary course of business. Other than disclosed herein, the Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial condition or future results of operations of the Company.

During the year ended September 30, 2024, the Company received a court order in respect of an amount owed to a law firm (the "Firm"). On May 13, 2024, a judgment was rendered against the Company for failure to make payment for services rendered under the engagement letter. As a result, in addition to the principal amount owed, the Company became responsible for attorney fees, court costs, and pre- and post-judgment interest. During the year ended September 30, 2025, the Company entered into a settlement agreement to resolve the outstanding amount through a cash payment of \$137,947 (US\$100,000), which was paid during the year, and the issuance of 1,500,000 common shares to settle the remaining balance. The shares were issued on October 1, 2025 (Note 4).

7. SEGMENTED INFORMATION

The Company operates in one reportable segment being the exploration and evaluation of mineral properties. The Company's non-current assets mainly consist of the exploration and evaluation assets located in the United States.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2025

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**Fair value**

Financial instruments are classified into one of the following categories: FVTPL, amortized cost and FVTOCI.

Set out below are the Company's financial assets and liabilities by category:

	December 31, 2025	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
FINANCIAL ASSETS				
ASSETS				
Cash	793,724	793,724	-	-
FINANCIAL LIABILITIES				
LIABILITIES				
Accounts payable and accrued liabilities	(264,479)	-	(264,479)	-

	September 30, 2025	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
FINANCIAL ASSETS				
ASSETS				
Cash	1,248,302	1,248,302	-	-
FINANCIAL LIABILITIES				
LIABILITIES				
Accounts payable and accrued liabilities	(430,207)	-	(430,207)	-

The carrying values of cash, and accounts payable approximate their fair values due to the relatively short period to maturity of those financial instruments.

As of December 31, 2025 and September 30, 2025, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 1, 2 and 3 in the fair value hierarchy above.

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1: Unadjusted quoted prices 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 that are not based on observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

SILVER HAMMER MINING CORP.

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9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk concentration with respect to these financial instruments is remote. Cash based in Canada are accessible.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As of December 31, 2025, the Company had cash of \$793,724 and accounts payable and accrued liabilities of \$264,479. All accounts payable and accrued liabilities remain current.

Market risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is held at a Canadian chartered bank. Management believes that the credit risk concentration with respect to cash is remote as the cash is easily accessible.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. The Company is not exposed to significant interest rate risk relating to its cash.

- **Foreign currency risk**

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in CA\$. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash, deposits, and accounts payable and accrued liabilities are held in CA\$ and US\$; therefore, US\$ accounts are subject to fluctuation against the CA\$.

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9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**Financial risk management (continued)****- Foreign currency risk (continued)**

The Company's financial instruments were denominated as follows as of December 31, 2025:

	CA\$	US\$
Cash	791,146	1,881
Amounts receivable	8,109	-
Reclamation deposits	-	22,600
Accounts payable and accrued liabilities	(106,298)	(115,400)
	692,957	(90,919)
Rate to convert to \$1.00 CA\$	1.00	1.37
Equivalent to CA\$	692,957	(124,624)

Based on the above net exposures as of December 31, 2025, and assuming that all other variables remain constant, a 10% change of the CA\$ against the US\$ would change profit or loss by approximately \$12,500.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant other price risk.